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File #: 179373

February 26, 2021

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: Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase IV Energy Efficiency and Conservation Plan - Docket No. M-2020-3020824

Dear Secretary Chiavetta:

Enclosed is the Joint Petition for Approval of Partial Settlement for filing in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Devin Ryan

DTR/jl
Enclosures

cc: Certificate of Service
Honorable Mark A. Hoyer
Honorable Emily DeVoe

CERTIFICATE OF SERVICE
(Docket No. M-2020-3020824)

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: February 26, 2021



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Act 129 : Docket No. M-2020-3020824
Phase IV Energy Efficiency and :
Conservation Plan :

**JOINT PETITION FOR APPROVAL OF
PARTIAL SETTLEMENT**

**TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE MARK A. HOYER AND
ADMINISTRATIVE LAW JUDGE EMILY I. DEVOE:**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), PP&L Industrial Customer Alliance (“PPLICA”), the Commission on Economic Opportunity (“CEO”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Sustainable Energy Fund (“SEF”), and the Natural Resources Defense Council (“NRDC”), all parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”), hereby file this Joint Petition for Approval of Partial Settlement (“Settlement”) and respectfully request that the Pennsylvania Public Utility Commission (“Commission”) approve PPL Electric’s Phase IV Energy Efficiency and Conservation Plan (“Phase IV EE&C Plan” or “EE&C Plan”), subject to the terms and conditions of the Settlement and litigation of the issue reserved for briefing and disposition.

This Settlement, with one exception, resolves all of the issues raised by all of the parties to the instant proceeding. In support of the Settlement, the Joint Petitioners state the following:

I. BACKGROUND

1. On November 30, 2020 PPL Electric filed the above-captioned Petition with the Commission. This filing was made pursuant to Act 129 of 2008 (“Act 129”), P.L. 1592, 66 Pa. C.S. §§ 2806.1 and 2806.2, and the Commission’s Implementation Order entered on June 18, 2020.¹

2. In its Petition, PPL Electric requested Commission approval of PPL Electric’s Phase IV EE&C Plan. The Phase IV EE&C Plan includes a broad portfolio of energy efficiency programs, conservation practices, and energy education initiatives. These integrated programs are designed to meet the goals established by Sections 2806.1 and 2806.2 of Act 129 and the Commission’s *Implementation Order*.

3. As part of the November 30, 2020 Petition, PPL Electric submitted its written direct testimony and exhibits.

4. On December 11, 2020, CAUSE-PA filed a Petition to Intervene.

5. On December 16, 2020, CEO filed a Petition to Intervene.

6. On December 18, 2020, SEF filed a Petition to Intervene.

7. On December 21, 2020, the OSBA filed a Notice of Intervention, Public Statement, and Verification, as well as a Notice of Appearance.

8. On December 23, 2020, the OCA filed a Notice of Intervention and Public Statement.

9. On December 29, 2020, NRDC filed a Petition to Intervene.

¹ *Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (Implementation Order Entered June 18, 2020 (“*Implementation Order*”).

10. On December 30, 2020, a Notice was issued scheduling a prehearing conference for January 7, 2021. Also, a Prehearing Conference Order was issued.

11. On January 6, 2021, PPLICA filed a Petition to Intervene. Further, a Judge Addition Notice was issued adding Administrative Law Judge (“ALJ”) Emily I. DeVoe as an additional ALJ in this proceeding.

12. On January 7, 2021, a prehearing conference was held as scheduled. PPL Electric, OCA, OSBA, CAUSE-PA, CEO, NRDC, SEF, and PPLICA were represented at the conference. No party objected to the Petitions to Intervene, and the Petitions were granted during the prehearing conference. The parties also discussed discovery rule modifications and the litigation schedule.

13. A Prehearing Order was entered on January 8, 2021, which, among other things, established a litigation schedule and modified the discovery rules. Also, the Commission issued a Notice scheduling an evidentiary hearing for January 21, 2021. Furthermore, CAUSE-PA, NRDC, OCA, OSBA, CEO, and SEF filed a Joint Expedited Motion for Extension of Procedural Schedule, seeking an extension of a procedural schedule set out in the Prehearing Order.

14. On January 11, 2021, the ALJs issued an Interim Order directing the parties to respond to the Joint Expedited Motion and the Office of Administrative Law Judge’s (“OALJ”) proposed revised schedule.

15. On January 13, 2021, OCA, CAUSE-PA, SEF, CEO, and NRDC served their written direct testimony and exhibits.

16. On January 14, 2021, Chief Administrative Law Judge Charles E. Rainey, Jr. issued an Order denying the Joint Expedited Motion for Extension of Procedural Schedule and adopting OALJ’s proposed revised schedule.

17. On January 22, 2021, PPL Electric served its written rebuttal testimony and exhibit.

18. On January 27, 2021, PPLICA and SEF served their written supplemental direct testimony and exhibits.

19. On February 3, 2021, PPL Electric filed served its written supplemental rebuttal testimony and exhibit.

20. On February 5, 2021, PPLICA filed an Errata to PPLICA Statement No. 1, the supplemental direct testimony of Jeffrey Pollock.

21. On February 8, 2021, PPL Electric filed an Errata to PPL Electric Statement No. 1-R, the rebuttal testimony of Dirk Chiles.

22. Subsequently, on February 8, 2021, the evidentiary hearing was held as scheduled, and the parties' written testimony and exhibits were moved into the record by stipulation.

23. The active parties engaged in formal and informal discovery throughout the proceeding.

24. As a result of extensive settlement discussions, the active parties were able to reach a Settlement on all issues, except for PPLICA's proposal to reduce PPL Electric's peak demand reduction compliance target, which will be fully briefed by the parties. The Joint Petitioners are in full agreement that the Settlement is reasonable and in the public interest and should be approved without modification. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

II. SETTLEMENT

A. GENERAL

25. The following terms of this Settlement reflect a carefully balanced compromise of the interests of all of the active parties in this proceeding. The Joint Petitioners unanimously agree that the Settlement is in the public interest.

26. The Joint Petitioners agree that PPL Electric’s Phase IV EE&C Plan should be approved, subject to the terms and conditions of this Settlement specified below:

B. RESIDENTIAL PROGRAM

27. After the Residential Program Conservation Service Provider’s (“CSP”) contract is approved by the Commission, PPL Electric will develop and implement a detailed marketing plan to foster increased Residential Program participation. This marketing plan will support all components of the Residential Program after the Phase IV EE&C Plan is approved, including the Energy Efficient Homes Component, and will be designed to achieve the 122,803 megawatt-hours per year (“MWh/yr”) of projected savings targeted in the Energy Efficient Homes Component. Copies of this marketing plan will be provided to the other Joint Petitioners by no later than January 1, 2022.

28. In its annual reports, PPL Electric will provide the Energy Efficient Homes Component’s actual incentive costs, electric savings, and demand reductions broken down by the following three categories: (a) new homes; (b) audit and weatherization; and (c) energy efficient equipment.

29. Under the Energy Efficient Homes Component, the Company will cap the number of: (1) “Fuel Switching – Central Heating” measures at 75 Residential customers; and (2) “Fuel Switching – DHW” measures at 75 Residential customers.

30. The Company will begin offering the Comprehensive Retrofit Bonus Incentives within the Energy Efficient Homes Component by no later than January 1, 2022.

C. MULTIFAMILY

31. The Company agrees to provide the same measures available under the Low-Income Program inside the tenant units of low-income residents in master-metered multifamily buildings at no direct cost to the building owners or those tenants, subject to: (1) the measures’

eligibility qualifications; (2) landlord approval; (3) available program funds; (4) the overall Low-Income Program acquisition cost; and (5) a limit on cumulative spending of \$2.0 million in direct costs during Phase IV. If PPL Electric determines that it will need to spend more than \$2.0 million for such measures, the Company will meet with stakeholders and revise its Phase IV EE&C Plan to update the estimated funding for these measures, subject to Commission approval.

32. Consistent with the proposed Plan, PPL Electric will continue to provide measures for multifamily buildings' common areas under the Non-Residential Program.

D. LOW-INCOME PROGRAM

33. PPL Electric will modify its Low-Income Program to add building shell measures, including but not limited to insulation and weather stripping, as potential measures offered as part of the Low-Income Assessment component.

34. PPL Electric will modify its Low-Income Program's Low-Income Assessment component so that up to \$2.0 million is dedicated to: (1) space heating; (2) building shell measures; (3) water heater maintenance, repair, or replacement; and (4) appliance replacement/recycling.

35. PPL Electric's Low-Income CSP will make reasonable efforts to meet with the natural gas distribution companies ("NGDCs") that operate within PPL Electric's service territory to identify and evaluate opportunities for coordination of low-income EE&C programs that are funded by residential customers. At its annual EE&C stakeholder meetings, PPL Electric will present information about these coordination efforts and will allow stakeholders to provide feedback and recommendations.

36. PPL Electric will continue to coordinate its Low-Income program with its Low-Income Usage Reduction Program ("LIURP") as proposed in the Plan and consistent with the Company's coordination in Phase III. If measures are jointly funded by PPL Electric's LIURP and Low-Income Program, PPL Electric will allocate the actual costs and savings for jointly

funded measures based upon the percentage of total costs paid by each funding source. In addition, to further coordinate delivery of services to low-income households and help minimize the number of LIURP and Low-Income Program contractors who visit a customer's service location, the Low-Income CSP will consider, when selecting potential subcontractors, the efficiencies that can be gained by subcontracting work under the Low-Income Assessment component to community-based organizations ("CBOs") who provide services under the Company's LIURP. The Low-Income CSP will also provide all of those CBOs with any invites to bid or requests for proposals to serve as subcontractors.

37. Under its currently-effective Universal Service and Energy Conservation Plan, PPL Electric will continue to carry-over and add any unspent LIURP funds from the previous year to the subsequent year.

38. PPL Electric will develop a list of available assistance programs for each county in its service territory that it can provide to households served through its Act 129 programs and will work with its CBOs and other members of its Universal Service Advisory Committee to help create and maintain these lists for use by PPL Electric's Low-Income Program CSP.

39. PPL Electric will continue to implement its Low-Income Program after meeting its low income carve-out subject to the Commission-approved budget for the Income-Eligible Program.

E. PJM FORWARD CAPACITY MARKET

40. PPL Electric will solicit bids from qualified CSPs to implement the nomination of a portion of its peak demand reduction as a capacity resource into PJM Interconnection LLC's ("PJM") Forward Capacity Market ("FCM"). By no later than January 1, 2022, PPL Electric will provide the other Joint Petitioners with details on the selected CSP's plan to nominate that capacity resource into the FCM, including how the CSP will ensure that the Company and its ratepayers

are not exposed to the potential risk of penalties. At the Company's Act 129 EE&C stakeholder meetings throughout Phase IV, PPL Electric will provide updates on the nomination of this capacity resource.

F. PILOT PROGRAMS

41. During Program Year 13 (i.e., June 1, 2021, to May 31, 2022), PPL Electric will work with its Residential CSP or other contractors to develop proposals for a deep energy retrofits pilot program and a net zero building pilot program. As part of the pilot programs, PPL Electric will examine program designs and incentive structures that are offered in other jurisdictions for similar programs and pilots. The Company's proposals will include a description of the pilot programs' goals, how the performance of the pilots will be measured, data to be tracked, projected cost, performance and participation, and schedule. Each of the pilot programs will have a budget of no less than \$500,000 and no more than \$1.0 million. PPL Electric will present the proposals to stakeholders in Program Year 13. The Company will submit, within a reasonable time, a description of the pilot program(s) to the Commission and stakeholders prior to implementation in accordance with Section 9.1.4 of the Phase IV EE&C Plan. If either or both of the pilots require a change to the Phase IV EE&C Plan, the Company will review the change with stakeholders and submit the change to the Commission in a petition to modify the Phase IV EE&C Plan. Assuming that no Phase IV EE&C Plan change is required to implement these pilot programs, PPL Electric will begin implementing these pilot programs no later than Program Year 14 to allow sufficient time to analyze the pilot programs' results and incorporate learnings within Phase IV. PPL Electric's Evaluation, Measurement, and Verification ("EM&V") CSP will assess the pilot programs' performance and will recommend changes to PPL Electric's full-scale energy efficiency offerings based on the EM&V CSP's assessment of the pilot programs' performance. Costs for both pilot programs will be recovered from residential customers.

42. PPL Electric will modify its Phase IV EE&C Plan to include a low-income health and safety pilot program to remediate health and safety hazards that prevent low-income customers from receiving comprehensive energy efficiency measures. The pilot program will be funded at no less than \$400,000 and no more than \$750,000 over the five-year Phase IV and will prioritize high usage customers. Through this pilot program, PPL Electric will assess the extent to which addressing health and safety barriers will allow it to increase energy and bill savings and decrease other universal service program costs. PPL Electric also will track which EE&C measures were allowed to be installed through the installation of the various health and safety measures in the participating customers' homes. Costs for this pilot program will be recovered from residential customers.

G. REPORTING

43. PPL Electric shall revise its Plan to specify how it will comply with the Commission's requirement that it report savings attained from Government, Non-profit, and Institutional ("GNI") customers ("Reporting Requirement"). This Reporting Requirement shall include reporting two separate and distinct energy savings numbers: (1) savings that are achieved from GNI customers that PPL Electric classifies as Small C&I customers under its Plan and (2) savings that are achieved from GNI customers that PPL Electric classifies as Large C&I customers under its Plan.

H. PPLICA'S ISSUES AND RECOMMENDATIONS

44. PPLICA's proposal to reduce the Commission-established peak demand reduction compliance target for PPL Electric is reserved for briefing and disposition. All other issues and recommendations raised in PPLICA Statement No. 1 are withdrawn.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

60. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order Entered Oct. 4, 2004); *Pa. PUC v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

61. This Settlement was achieved by the Joint Petitioners after an investigation of PPL Electric's Phase IV EE&C Plan filing, including informal and formal discovery and the submission of testimony by the active parties.

62. Approval of the Settlement will reduce the time and expenses that the active parties and the Commission must expend on the proceedings.

63. The Joint Petitioners will further supplement the reasons that the Settlement is in the public interest in their Statements in Support, which are attached hereto as **Appendices A through H**. In their respective Statements in Support, each Joint Petitioner explains why, in its view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding.

IV. SETTLEMENT CONDITIONS

64. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission modifies the Settlement, then any Joint Petitioner may elect to withdraw from this Settlement and may proceed with litigation and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon

all Joint Petitioners within five (5) business days after the entry of an order modifying the Settlement. The Joint Petitioners acknowledge and agree that this Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.

65. This Settlement is proposed by the Joint Petitioners to settle certain issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue, the Joint Petitioners reserve their respective rights to present additional testimony and to conduct full cross-examination, briefing, and argument. The Settlement is made without any admission against, or prejudice to, any position which any Joint Petitioner may adopt in the event of any subsequent litigation of this proceeding.

66. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

67. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner which is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of this Settlement. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities.

68. If the presiding administrative law judges adopt the Settlement without modification, the Joint Petitioners agree they: (1) will not initiate or join in any challenge to the Settlement; (2) will not assert any positions in derogation to the Settlement; and (3) waive their right to appeal or to seek reconsideration, rehearing, reargument, or clarification of the

Commission's Order approving the Settlement, except that PPLICA and PPL Electric reserve the right to appeal or to seek reconsideration, rehearing, reargument, or clarification of any Commission finding regarding PPLICA's proposal to reduce the Commission-established peak demand reduction compliance target for PPL Electric, which has been reserved for litigation and briefing, as stated in Paragraph 43 *supra*.

V. **CONCLUSION**

WHEREFORE, PPL Electric Utilities Corporation, the Office of Consumer Advocate, the Office of Small Business Advocate, PP&L Industrial Customer Alliance, the Commission for Economic Opportunity, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, the Sustainable Energy Fund, and the Natural Resources Defense Council respectfully request that the Pennsylvania Public Utility Commission approve this Joint Petition for Approval of Partial Settlement.

Respectfully submitted,



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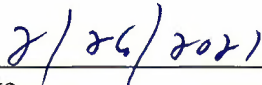
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February 26, 2021

Date

Appendix A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Act 129 : Docket No. M-2020-3020824
Phase IV Energy Efficiency and :
Conservation Plan :

STATEMENT IN SUPPORT OF PPL ELECTRIC UTILITIES CORPORATION

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits this Statement in Support of the Joint Petition for Partial Settlement (“Settlement”) entered into by PPL Electric, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the PP&L Industrial Customer Alliance (“PPLICA”), the Commission on Economic Opportunity (“CEO”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Sustainable Energy Fund (“SEF”), and the Natural Resources Defense Council (“NRDC”), all parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”). PPL Electric respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) approve, the Settlement, including the terms and conditions thereof, without modification.

The Joint Petitioners agree that PPL Electric’s Phase IV Energy Efficiency and Conservation Plan (“Phase IV EE&C Plan” or “EE&C Plan”) should be approved, subject to the terms and conditions of the Settlement.

The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners. PPL Electric submits that the Settlement should be approved without modification because it is in the public interest, reasonable, and supported by substantial evidence. For the reasons explained below, PPL Electric respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) approve the Company’s Phase IV EE&C Plan, subject to the terms and conditions of the Settlement and to the briefing and disposition of the issue reserved for litigation.

II. COMMISSION POLICY FAVORS SETTLEMENT

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See* 52 Pa. Code § 69.401. The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. PUC v. MXenergy Elec. Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Order entered Dec. 5, 2013). In order to approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Order entered Sept. 27, 2012); *Pa. PUC v. C.S. Water and Sewer Assoc.*, Docket No. R-881147, 74 Pa. PUC 767 (Order entered July 22, 1991). As explained in the next section of this Statement in Support, PPL Electric believes that the Settlement should be approved without modification because it is in the public interest, is reasonable, and supported by substantial evidence.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. GENERAL

The Settlement reflects a carefully balanced compromise of the competing interests of all of the active parties in this proceeding. The Joint Petitioners agree that the Settlement is in the public interest. The fact that the Settlement is unopposed in this proceeding, in and of itself, provides strong evidence that the Settlement is reasonable and in the public interest, particularly given the diverse interests of these parties and the active roles they have taken in this proceeding.

Moreover, the Settlement was achieved only after a comprehensive investigation of PPL Electric's Phase IV EE&C Plan. In addition to informal discovery, the parties propounded many formal discovery requests, a substantial number of which included several subparts. The active parties submitted multiple rounds of testimony, including direct testimony by PPL Electric, OCA, CAUSE-PA, SEF, CEO, and NRDC. PPL Electric also submitted rebuttal and supplemental rebuttal testimony, while PPLICA and SEF submitted supplemental direct testimony.

Finally, the parties in this proceeding, their counsel, and their expert consultants have considerable experience in EE&C Plan proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus in this proceeding on the settled issues.

For these reasons and the more specific reasons set forth below, the Settlement is just and reasonable and in the public interest. Therefore, PPL Electric's Phase IV EE&C Plan should be approved subject to the terms and conditions of the Settlement.

B. RESIDENTIAL PROGRAM

PPL Electric's Residential Program in its Phase IV EE&C Plan has four components: (1) Appliance Recycling; (2) Efficient Lighting – Specialty Bulbs; (3) Energy Efficient Home; and (4) Student Energy Efficient Education. (PPL Electric Exh. 1, p. 30.) These components are a

part of an EE&C Plan that is designed to exceed the Commission-established electric consumption reduction compliance target. (PPL Electric St. No. 1, pp. 9-10.) No party disputed that the Company's Phase IV EE&C Plan would achieve the overall electric consumption reduction compliance target. (PPL Electric St. No. 1-R, p. 2) Indeed, the OCA affirmatively stated that the Company's proposed EE&C Plan will meet or exceed the targets. (OCA St. No. 1, p. 5; OCA Exhibit SLS-1.) Nevertheless, some parties proposed modifications or requested clarifications regarding PPL Electric's EE&C Plan, including the Residential Program.

First, OCA witness Sherwood expressed a concern over the Total Resource Cost ("TRC") Test benefit-cost ratio ("BCR") of the Residential Program because she believed the Residential Program was mature and, due to the level of discounted net lifetime benefits from the program being low, there was "limited leeway for underperformance." (OCA St. No. 1, p. 9.) Ms. Sherwood also recommended that the Company continue to innovate its Residential Portfolio through Phase IV to address her concerns over the TCR BCR. (OCA St. No. 1, pp. 4, 9-10, 18.) Additionally, Ms. Sherwood questioned how the Company could achieve the projected savings for the Energy Efficient Home Component of the Residential Program "without significant programmatic changes to its marketing, which is not included in the Plan." (OCA St. No. 1, pp. 11-12.)

Second, NRDC's witnesses Napoleon and Takahashi criticized the Company's summary of projected savings and costs for the Energy Efficient Homes component "because the data for typical home retrofit measures such as insulation and appliance and equipment rebates are combined together." (NRDC St. No. 1, pp. 25-26.) They recommended that PPL Electric: (1) provide both costs and energy savings estimates separately under the Energy Efficient Homes component for (a) new homes, (b) audit and weatherization, and (c) energy efficient equipment;

and (2) provide program achievements in the Company's annual program reports separately for each of those three categories. (NRDC St. No. 1, p. 27.) Additionally, Mr. Takahashi and Ms. Napoleon raised a concern about electric-to-gas fuel switching measures being "misaligned with Pennsylvania's long-term climate goals" and resulting "in higher costs to ratepayers." (NRDC St. No. 1, pp. 27-31.) To alleviate this concern, they suggested that PPL Electric eliminate such measures from the Phase IV EE&C Plan and focus instead on incentives for high-efficiency heat pump water heaters and heat pumps. (NRDC St. No. 1, pp. 31-32.) NRDC's witnesses also recommended that PPL Electric commit to implementing the Comprehensive Retrofit Bonus Incentive under the Residential Program. (NRDC St. No. 1, p. 22.)

In rebuttal, PPL Electric witness Chiles explained that the Company does not share Ms. Sherwood's concerns over the Residential Program's TCR BCR. (PPL Electric St. No. 1-R, pp. 5-6.) Mr. Chiles pointed out that the Phase IV EE&C Plan sets attainable goals that the lead, in aggregate, to the Company achieving its overall savings targets. (PPL Electric St. No. 1-R, pp. 5-6.) Mr. Chiles also made clear that "achieving those goals depends on actual experience during Phase IV" and that PPL Electric will "continually monitor the progress of the programs and measures and will make necessary mid-phase adjustments" to achieve the required savings targets. (PPL Electric St. No. 1-R, pp. 5-6.) Indeed, Ms. Sherwood conceded that the Company is in the best position "for evaluating and providing this level of evaluation of energy efficiency conservation offerings." (PPL Electric Exhibit DC-1R [PPL to OCA-I-3].)

As for Ms. Sherwood's recommendation that the Company continue to innovate its Residential Portfolio, PPL Electric agreed with this recommendation, noting that the Company has been doing this during prior EE&C Plans and would continue to do so throughout Phase IV. (PPL Electric St. 1-R, pp. 6-7.)

Mr. Chiles also noted that the Company's marketing plan would be designed to support the expansion of the Energy Efficient Homes component. (PPL Electric St. No. 1-R, pp. 7-8.) Further, Mr. Chiles explained that the Company is "introducing the mid-stream HVAC delivery channel based on the success of the mid-stream lighting delivery channel in Phase III." (PPL Electric St. No. 1-R, p. 7.) Therefore, Ms. Sherwood's concerns about the Company achieving its projected savings for the Energy Efficient Homes component were addressed by PPL Electric.

In response to NRDC's issues and recommendations, PPL Electric witness Chiles explained that the "projected costs and savings for each of these measures are not broken out separately under the Energy Efficient Homes component because the measures are a subset of measures included in that component. However, projected incentive costs, energy savings, and demand reductions could be broken down for these sub-components." (PPL Electric St. No. 1-R, p. 10.) Regarding the NRDC's witnesses' suggestion that the electric-to-gas fuel switching measures are "misaligned with Pennsylvania's long-term climate goals," Mr. Chiles made clear that PPL Electric supports efforts to reduce greenhouse gas emissions; however, the Company had to "develop a balanced Plan to meet the targets set forth by the Commission." (PPL Electric St. No. 1-R, pp. 11-12.) Mr. Chiles went on to note that electric-to-gas fuel switching measures were included in the 2021 Technical Reference Manual ("TRM") and recommendations that such measures be eliminated from the TRM were expressly rejected in the *Phase IV Implementation Order*. (PPL Electric St. No. 1-R, p. 12.) As such, PPL Electric maintained that such measures were compliant with the *Phase IV Implementation Order* and appropriate to include in the Phase IV EE&C Plan. (PPL Electric St. No. 1-R, p. 12.) Lastly, Mr. Chiles clarified that PPL Electric will offer the Comprehensive Retrofit Bonus Incentive and would make that clearer in the Revised Phase IV EE&C Plan. (PPL Electric St. No. 1-R, p. 11.)

Under the Settlement, the Joint Petitioners agreed that the Company will, after the Residential Program Conservation Service Provider's ("CSP") contract is approved by the Commission, develop and implement a detailed marketing plan to foster increased Residential Program participation. (Settlement ¶ 27.) Furthermore, the Company confirmed that the marketing plan will support all the components of the Residential Program after the Phase IV EE&C Plan is approved, including the Energy Efficient Homes component, and will be designed to achieve the 122,803 MWh/yr of projected savings targeted in the Energy Efficient Homes component. (Settlement ¶ 27.) Additionally, the Company agreed to provide copies of the marketing plan to the Joint Petitioners by no later than January 1, 2022. (Settlement ¶ 27.)

Furthermore, in the Company's annual reports, PPL Electric will provide the Energy Efficient Homes component's actual incentive costs, electric savings, and demand reductions broken down by the following three categories: (a) new homes; (b) audit and weatherization; and (c) energy efficient equipment. (Settlement ¶ 28.) Additionally, under the Energy Efficient Homes component, the Settlement caps the number of: (1) "Fuel Switching – Central Heating" measures at 75 Residential customers; and (2) "Fuel Switching – DHW" measures at 75 Residential customers. (Settlement ¶ 29.) PPL Electric also will begin offering the Comprehensive Retrofit Bonus Incentives within the Energy Efficient Homes Component by no later than January 1, 2022. (Settlement ¶ 30.)

These Settlement provisions reflect a reasonable compromise of the parties' positions on the proposed Residential Program. The Settlement addresses the concerns raised by OCA about the projected performance of the Residential Program in Phase IV, as well as NRDC's requests for further details about the Energy Efficient Homes component. In response to NRDC's proposal that fuel switching measures be completely eliminated from the Phase IV EE&C Plan, the Joint

Petitioners have agreed to place a cap of 75 on each of those measures, as outlined above. Given that the proposed Phase IV EE&C Plan placed a cap of 200 on each of those measures,¹ the agreed-upon caps are a reasonable compromise of the parties' positions. The Settlement also incorporates PPL Electric's commitment to offer the Comprehensive Retrofit Bonus incentive under its Residential Program, as requested by NRDC. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

C. MULTIFAMILY BUILDINGS

CAUSE-PA witness Miller raises a series of issues and recommendations regarding PPL Electric's EE&C measures offered to multifamily housing. Among other things, CAUSE-PA witness Miller expressed a concern over whether PPL Electric's Low-Income Assessment Program would "provide equitable services to consumers who reside in multifamily housing." (CAUSE-PA St. No. 1, p. 24.) To address this concern, Mr. Miller recommended that PPL Electric "adjust its projected participant rates for single family and multifamily measures to match the projections in the Commission's Phase IV Implementation Order"; and (2) include a breakdown of all measures installed in various housing types, including single family, multifamily (individual and single metered), and manufactured housing in its reporting to the Commission." (CAUSE-PA St. No. 1, pp. 24-25.) Further, Mr. Miller contended that the Low-Income Program would "be disproportionately provided to homeowners, leaving tenants without equitable access to energy efficiency services." (CAUSE-PA St. No. 1, p. 25.)

In rebuttal, PPL Electric witness Chiles explained that CAUSE-PA's recommendations were unnecessary because the Company's approach to addressing multifamily housing under its EE&C Plans has been successful. (PPL Electric St. No. 1-R, p. 36.) In Phase III, 36% of Low-

¹ See PPL Electric Exh. 1, pp. 43-44.

Income savings were from multifamily assessments (formerly known as WRAP). (PPL Electric St. No. 1-R, p. 36.) When including the low-income kits program, 50% of PPL Electric’s reported Low-Income savings have been achieved in multifamily housing. (PPL Electric St. No. 1-R, p. 36.) In fact, Mr. Miller admitted that “PPL was relatively successful” in getting both master-metered and individually-metered multifamily housing customers to participate in its Phase III Plan. (PPL Electric Exhibit DC-1R [PPL to CAUSE-I-6 and 7].) PPL Electric will strive to build upon that success and make multifamily housing an equitable part of the Company’s Phase IV EE&C Plan. (PPL Electric St. No. 1-R, p. 36.)

In addition, Mr. Chiles explained that the Company designed the Low-Income Program to be delivered in compliance with the Commission’s *Phase IV Implementation Order*. (PPL Electric St. No. 1-R, p. 37.) The Commission never established a multifamily target for PPL Electric or any other Act 129 EDC. (PPL Electric St. No. 1-R, p. 37.) The Commission specifically state that it “disagree[d] with the suggestions to set specific targets, such as targets for multifamily properties or street lighting, as this will result in increased administrative burden and potentially hinder the EDCs’ flexibility to design a mix of programs to meet Phase IV overall targets.” *Phase IV Implementation Order*, p. 43. Thus, while the Company will continue working with stakeholders in finding multifamily customers to continue to run a successful program, the Company must continue to have the flexibility to meet its actual compliance targets. (PPL Electric St. No. 1-R, p. 37.) As for CAUSE-PA’s reporting recommendation, PPL Electric will “report savings achieved in multifamily housing, both for the low-income carve-out and for their portfolio of programs.” *Phase IV Implementation Order*, p. 37. However, the further subsets of information that CAUSE-PA recommends are burdensome and not necessary. (PPL Electric St. No. 1-R, p. 37.)

Furthermore, Mr. Chiles disputed Mr. Miller’s contention that the Low-Income Program will be disproportionately provided to homeowners, leaving tenants without equitable access to energy efficiency services. (PPL Electric St. No. 1-R, p. 38.) “PPL Electric does not approach customers based on whether they are homeowners or tenants; rather, the Company strictly focuses on whether they are at or below 150% of the Federal Poverty Level. (PPL Electric St. No. 1-R, p. 38.) Mr. Chiles estimated that less than 2% of the total projected savings measures would need landlord approval. (PPL Electric St. No. 1-R, p. 38.) Therefore, tenants will have equitable access to energy efficiency services under the Phase IV EE&C Plan. (PPL Electric St. No. 1-R, p. 38.)

Under the Settlement, the Joint Petitioners agree that PPL Electric will provide the same measures under the Low-Income Program inside the tenant units of low-income residents in master-metered multifamily buildings at no cost to the building owners or tenants, subject to: (1) the measures’ eligibility qualifications; (2) landlord approval; (3) available program funds; (4) the overall Low-Income Program acquisition cost; and (5) a limit on cumulative spending of \$2.0 million in direct costs during Phase IV. (Settlement ¶ 31.) If PPL Electric determines that it will need to spend more than \$2.0 million for such measures, the Company will meet with stakeholders and revise its Phase IV EE&C Plan to update the estimated funding for these measures, subject to Commission approval. (Settlement ¶ 31.) Moreover, consistent with the proposed Plan, the Settlement provides that PPL Electric will continue to provide measures for multifamily buildings’ common areas under the Non-Residential Program. (Settlement ¶ 32.)

These Settlement provisions address the concerns raised by CAUSE-PA about multifamily housing participating in the Phase IV EE&C Plan, in particular the issues surrounding the availability of measures offered to tenants and building owners. PPL Electric will strive to build on its success in targeting multifamily housing under its EE&C Plan, and these Settlement

provisions will assist in those efforts. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

D. LOW-INCOME PROGRAM

Several parties raised issues and recommendations regarding the Company's proposed Low-Income Program. First, CAUSE-PA witness Miller argued that PPL Electric did not focus on comprehensive measures in the Low-Income Program. (CAUSE-PA St. No. 1, p. 19.) To address this alleged shortcoming, Mr. Miller recommended that PPL Electric revise its Phase IV EE&C Plan to increase the availability of measures that will "produce deeper, more durable energy and bill savings for households," which "should include increased availability of water heating measures and HVAC maintenance, repair, or replacement; inefficient appliance replacement; and comprehensive building shell measures such as insulation and air sealing." (CAUSE-PA St. No. 1, p. 22.) In his testimony, Mr. Miller also expressed a concern that the Low-Income Program purportedly "relies far too heavily on low-cost and low-savings measures that will not produce meaningful, long-term bill savings for program participants." (CAUSE-PA St. No. 1, p. 11.) As alleged support, Mr. Miller asserted that PPL Electric eliminated building shell measures, reduced HVAC repair or replacement and other heating-related measures, and planned to drive a significant portion (approximately 48.26%) of the Low-Income sector's savings from lighting measures. (CAUSE-PA St. No. 1, pp. 11, 19-21.)

CAUSE-PA witness Miller also raised general concerns regarding PPL Electric's plans to coordinate its Phase IV EE&C Low-Income Program with its Low-Income Usage Reduction Program ("LIURP") and other state and federal programs and recommended that PPL Electric be "required to provide additional clarity for how it intends to coordinate services provided through its Act 129 Low Income Assessment Program with other low income programs operated by PPL or within PPL's service territory." (CAUSE-PA St. No. 1, pp. 27-34.) Mr. Miller also

recommended that if PPL Electric splits services across LIURP and Act 129 programs as proposed, the Company should “explain how it intends to track these jobs to ensure that it is not over-reporting its job rates or the per-job savings achieved through its LIURP.” (CAUSE-PA St. No. 1, p. 35.) Furthermore, Mr. Miller suggested that PPL Electric “keep a list of available assistance programs in each county that it can provide to households served through the program” and that the Company should work with its CBOs and other members of its Universal Service Advisory Committee to help create these resource lists for use by its Low Income CSP. (CAUSE-PA St. No. 1, p. 34.)

Meanwhile, OCA witness Sherwood recommended that the Company “develop a methodology to allocate and track the savings captured under the Low-Income Program when it leverages funding” from LIURP to avoid double counting. (OCA St. No. 1, pp. 4, 16, 18.) Moreover, CEO witness Brady proposed that: (1) income eligible customers be referred to the Community Based Organizations (“CBOs”) that perform the Company’s LIURP work for the installations of Act 129 measures; and (2) such work be accomplished through the use of existing non-CSP contracts. (CEO St. No. 1, pp. 5-6).

In the Company’s rebuttal testimony, PPL Electric witness Chiles responded to the parties’ issues and recommendations regarding the Low-Income Program. First, in response to CAUSE-PA witness Miller, Mr. Chiles explained that there are several comprehensive measures included in the proposed Phase IV EE&C Plan, such as Heat Pump Water Heater replacement, removal and replacement of refrigerators and freezers, installation of smart thermostats and ductless mini-split heat pumps, and heat pump maintenance to existing units. (PPL Electric St. No. 1-R, pp. 15-16.) However, Mr. Chiles also made clear that the Company “must design its Low-Income Program to meet the *Phase IV Implementation Order’s* target of achieving 5.8% of total plan savings from the

Low-Income sector while staying under total Plan budget requirements.” (PPL Electric St. No. 1-R, pp. 15-16.) This requires the Company to deliver the Low-Income Program with a low acquisition cost. (PPL Electric St. No. 1-R, p. 16.) Therefore, the Company cannot simply commit to include additional comprehensive measures without analyzing the impact of such additions on the Phase IV EE&C Plan as a whole. (PPL Electric St. No. 1-R, p. 16.) In fact, given that a majority of the comprehensive measures in the Low-Income Program are already not cost-effective, expending more resources on measures that are not cost-effective negatively impacts the Residential and Non-Residential Programs. (PPL Electric St. No. 1-R, p. 16.)

Furthermore, Mr. Chiles disagreed with Mr. Miller’s characterization of the Low-Income Program as relying heavily on low-cost and low-savings measures that will not produce meaningful, long-term billing savings for customers. (PPL Electric St. No. 1-R, p. 17.) Mr. Chiles noted that 76% of the Company’s planned EE&C measures have an “estimated useful life of 10 to 15 years.” (PPL Electric St. No. 1-R, p. 17.) Additionally, Mr. Chiles pointed out that the lighting measures that Mr. Miller criticized have an expected measure life of 15 years and will produce “meaningful, long term bill savings.”. (PPL Electric St. No.1-R p. 17.)

As for coordination of the Company’s Low-Income Program with other programs, Mr. Chiles explained that PPL Electric expects that its coordination of the Low-Income Program and LIURP in Phase IV will be similar to Phase III. (PPL Electric St. No. 1-R, pp. 19-21.) Mr. Chiles also clarified that, contrary to Mr. Miller’s belief, PPL Electric will coordinate its Low-Income Program with other programs besides the Company’s LIURP, such as OnTrack, Low-Income Home Energy Assistance Program (“LIHEAP”), Weatherization Assistance Program (“WAP”), and United Way 211. (PPL Electric St. No. 1-R, pp. 19-20.) Additionally, the Company will

coordinate multi-family common space measures with the Non-Residential Program. (PPL Electric St. No. 1-R, p. 20.)

In addition, Mr. Chiles explained that PPL Electric does not maintain a Company-developed list of available assistance programs in each county, as the Low-Income CSP relies on the United Way 211's referral system for available assistance programs and encourages customers who participate in the Low-Income Program to use the 211 system. (PPL Electric St. No. 1-R (Supp), p. 21.) However, the Company was willing to develop its own lists by county for use by the Low-Income CSP, as suggested by Mr. Miller. (PPL Electric St. No. 1-R (Supp), p. 21.)

In response to OCA witness Sherwood and CAUSE-PA witness Miller's testimony about cross-funding of measures under LIURP and the Low-Income Program, Mr. Chiles clarified that the Company does not plan on cross funding individual measures. (PPL Electric St. No. 1-R, pp. 21, 24.) Therefore, their recommendations were moot. (PPL Electric St. No. 1-R, pp. 21, 24.)

Concerning CEO witness Brady's proposal about the LIURP CBOs performing work under the Low-Income Program, Mr. Chiles explained that "[t]he Company moved toward a single Low-Income Program CSP in Phase III to reduce administrative costs and increase efficiencies." (PPL Electric St. No. 1-R, p. 24.) Therefore, CEO's recommendation would actually have the opposite effect by increasing administrative costs and reducing efficiencies under the Phase IV EE&C Plan. (PPL Electric St. No. 1-R, p. 24.) Further, unless the CBOs are working as subcontractors under the Low-Income CSP, their contracts with the Company to perform work under the Phase IV EE&C Plan would have to be Commission-approved CSP Contracts. (PPL Electric St. No. 1-R, p. 24.) Therefore, Mr. Brady's proposal to use the existing non-CSP Contracts for this type of work is not permissible. (PPL Electric St. No. 1-R, p. 24.)

The Settlement contains several provisions that address the parties' issues and recommendations regarding Low-Income Program. Specifically, in response to the parties' concerns about the comprehensive measures offered under the Low-Income Program, PPL Electric will modify its Low-Income Program to add building shell measures, including but not limited to insulation and weather stripping, as potential measures offered as part of the Low-Income Assessment component.. (Settlement ¶ 33.) Additionally, PPL Electric will modify its Low-Income Program's Low-Income assessment component so that up to \$2 million is dedicated to comprehensive measures like space heating and building shell measures. (Settlement ¶ 34.)

Regarding coordination of the Low-Income Program with other programs, the Settlement provides that PPL Electric's Low-Income CSP will make reasonable efforts to meet with Natural Gas Distribution Companies ("NGDCs") that operate within PPL Electric's service territory to identify opportunities for coordination of low-income EE&C programs that are funded by residential customers. (Settlement ¶ 35.) Information about these coordination efforts will be presented at the Company's annual EE&C stakeholder meetings. (Settlement ¶ 35.) PPL Electric also will continue to coordinate its LIURP with its Low-Income Program as proposed in the Phase IV EE&C Plan and consistent with the Company's coordination in Phase III. (Settlement ¶ 36.) If measures are jointly funded by PPL Electric's LIURP and Low-Income Program, PPL Electric will allocate the actual costs and savings for jointly funded measures based upon the percentage of total costs paid by each funding source. (Settlement ¶ 36.) To further coordinate delivery of services to low-income households and help minimize the number of LIURP and Low-Income Program contractors who visit a customer's service location, the Low-Income CSP will consider, when selecting potential subcontractors, the efficiencies that can be gained by subcontracting work under the Low-Income Assessment component to CBOs who provide services under the

Company's LIURP. (Settlement ¶ 36.) The Low-Income CSP will also provide all of those CBOs with any invites to bid or requests for proposals to serve as subcontractors. (Settlement ¶ 36.)

Furthermore, the Settlement provides that PPL Electric will, under its currently-effective Universal Service and Energy Conservation Plan, continue to carry-over and add unspent LIURP funds from the previous year into the subsequent year. (Settlement ¶ 36.) The Joint Petitioners also agreed that PPL Electric will develop a list of available programs for each county served through the Company's Act 129 programs and work with others to help create and maintain these lists. (Settlement ¶ 38.) Lastly, the Company will continue to implement its Low-Income Program even after meeting the low income carve-out. (Settlement ¶ 39.)

Collectively, these Settlement provisions reflect a reasonable compromise of the parties' issues and recommendations regarding the Low-Income Program. Additional comprehensive measures will be added to the Low-Income Program, while reflecting the Company's need to achieve the overall electric consumption and peak demand reduction targets, as well as the low-income carve-out, within budget. The Settlement also addresses the parties' issues concerning: (1) coordination of the Low-Income Program with other programs; and (2) the use of CBOs to under the Low-Income Program. Based on the foregoing, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

E. PJM FORWARD CAPACITY MARKET

Parties also submitted testimony regarding PPL Electric's proposed plan for bidding demand response into PJM Interconnection LLC's ("PJM") Forward Capacity Market ("FCM"). Specifically, OCA witness Sherwood contended that the Commission should require PPL Electric to file its plan for nominating demand response into PJM's FCM, including the following details: (1) delivery year for the first nomination; (2) measures that will provide demand reductions, by customer class; (3) methodology to determine which rate classes have delivered demand

reductions; and (4) details on how PPL Electric “will limit ratepayer exposure to penalties, including a sensitivity analysis of the impact” to the Act 129 Compliance Rider – Phase 4 (“ACR-4”). (OCA St. No. 1, pp. 4-5, 17-19.)

Relatedly, NRDC witnesses Napoleon and Takahashi recommended that PPL Electric provide more details on the Company’s plans to bid demand response into PJM’s FCM. (NRDC St. No. 1, p. 34.) The NRDC witnesses also recommended that, when there is more clarity about the changes to the capacity market, PPL Electric should consider Reliability Pricing Model requirements when it designs its programs, in order to optimize these proceeds. (NRDC St. No. 1, p. 34.)

In rebuttal, PPL Electric witness Chiles explained that the Company is unable to provide the details requested by OCA and NRDC because the CSP that will administer the PJM FCM bidding services has not been selected yet. (PPL Electric St. No. 1-R, pp. 32-33.) Once a CSP is selected, the Company and the CSP will work on developing a detailed plan to bid energy savings into the PJM FCM during 2021. (PPL Electric St. No. 1-R, p. 32.) Therefore, PPL Electric could commit to providing plan details by January 2022. (PPL Electric St. No. 1-R, p. 32.)

Mr. Chiles also explained that PPL Electric shares OCA witness Sherwood’s concerns over ratepayer’s exposure to penalties. (PPL Electric St. No. 1-R, pp. 32-33.) As part of PPL Electric’s Request for Proposal (“RFP”) process for this CSP contract, the Company will ask bidders to provide their plans on how to insulate the Company and its ratepayers from the risk of potential penalties. (PPL Electric St. No. 1-R, p. 33.) Additionally, in response to NRDC, Mr. Chiles explained that the Company does not yet have a position on the Reliability Pricing Model. (PPL Electric St. No. 1-R, p. 33.) However, once the Company engages a CSP with expertise in bidding energy savings into the PJM FCM, PPL Electric “anticipates that it will be discussing many aspects

of the program, including the Reliability Pricing Model, with its CSP.” (PPL Electric St. No. 1-R, p. 33.)

The Settlement appropriately resolves the issues raised by the parties concerning the Company’s participation in the PJM FCM. Under the Settlement, PPL Electric will solicit bids from qualified CSPs to implement a portion of its peak demand reduction as a capacity resource into PJM’s FCM. (Settlement ¶ 40.) Furthermore, by no later than January 1, 2022, PPL Electric will provide the Joint Petitioners with details on the selected CSP’s plan to nominate that capacity resource into the FCM, including how the CSP will ensure that the Company and its ratepayers are not exposed to the potential risk of penalties. (Settlement ¶ 40.) At the Company’s Act 129 EE&C stakeholder meetings throughout Phase IV, PPL Electric will provide updates on the nomination of this capacity resource. (Settlement ¶ 40.) These Settlement provisions will enable stakeholders to review the Company’s plan to nominate the capacity resource into the FCM and track PPL Electric’s progress throughout Phase IV. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

F. PILOT PROGRAMS

In this proceeding, parties recommended certain pilot programs that they believed PPL Electric should implement in Phase IV. CAUSE-PA witness Miller recommended that the Company devote \$1 million dollars annually to develop a health and safety pilot program. (CAUSE-PA St. No. 1, pp. 31, 34-35.) Further, NRDC witnesses Napoleon and Takahashi recommended that the Company implement a deep energy retrofits pilot program, as well as a zero net energy homes pilot program. (NRDC St. No. 1, pp. 19-22.)

In response to CAUSE-PA’s recommendation, PPL Electric witness Dirk Chiles explained that the proposed Phase IV EE&C Plan already has allotted funding for 55,000 safety measures, including carbon monoxide detectors, smoke alarms, and battery replacement for both in low-

income housing. (PPL Electric St. No. 1-R, p. 44.) CAUSE-PA's recommendation would more than triple the budget for such measures, even though the Company's experience in prior phases indicates that the Company's proposed level of funding is "more than sufficient." (PPL Electric St. No. 1-R, pp. 44-45.) As for NRDC's pilot program recommendations, Mr. Chiles stated that the Company would take "NRDC witnesses' suggested pilot program into consideration." (PPL Electric St. No. 1-R, p. 42.) However, PPL Electric had not defined its pilot programs yet, and the development of the Company's pilot programs will be informed by the market and the interests of the Company's customer base." (PPL Electric St. No. 1-R, p. 42.)

Under the Settlement, the Company has committed to undertaking pilot programs advocated by CAUSE-PA and NRDC with some modifications. Specifically, the Company will work with its Residential CSP or other contractors to develop proposals for a deep energy retrofits pilot program and a net zero building pilot program. (Settlement ¶ 41.) As part of the pilot programs, PPL Electric will examine program designs and incentive structures that are offered in other jurisdictions for similar programs and pilots. (Settlement ¶ 41.) The Company's proposals will include a description of the pilot programs' goals, how the performance of the pilots will be measured, data to be tracked, projected cost, performance and participation, and schedule. (Settlement ¶ 41.) Each of the pilot programs will have a budget of no less than \$500,000 and no more than \$1.0 million. (Settlement ¶ 41.) PPL Electric will present the proposals to stakeholders in Program Year 13. (Settlement ¶ 41.)

In addition, PPL Electric will modify its Phase IV EE&C Plan to include a low-income health and safety program to remediate health and safety hazards that prevent low-income customers from receiving comprehensive energy efficiency measures. (Settlement ¶ 42.) The Settlement allots funding for that pilot program at no less than \$400,000 and no more than

\$750,000 over the five-year Phase IV and will prioritize high usage customers. (Settlement ¶ 42.) This pilot program will assess the extent to which addressing health and safety barriers will allow it to increase energy and bill savings and decrease other universal service program costs. (Settlement ¶ 42.) Costs for all of these pilot programs will be recovered from residential customers. (Settlement ¶¶ 41-42.)

Based on the foregoing, these Settlement provisions are reasonable, reflect an appropriate balance of all parties' interests, and should be adopted without modification.

G. REPORTING

In his direct testimony, SEF witness Costlow claimed that there is a lack of detail to ensure that savings attained by government/nonprofit/institutional (“GNI”) customers are accurately tracked. As a result, he recommended that: (1) PPL Electric provide a detailed proposal as to how it will ensure that savings attained by GNI customers are separately tracked; and (2) the Company separately track savings attained from small GNI customers and large GNE customers. (SEF St. No. 1, pp. 9-10.)

In rebuttal, PPL Electric witness Chiles testified that the Company would continue to track GNI customer savings the same way as they were tracked in Phase III. (PPL Electric St. No. 1-R, p. 31.) Therefore, it is unnecessary for PPL Electric to write a detailed proposal on tracking GNI savings because the Company has already been doing it and will continue to do it. (PPL Electric St. No. 1-R, p. 31.)

The Settlement memorializes the Company's commitment to track and report GNI customers' savings. PPL Electric will revise its Plan to specify how it will comply with the Commission's requirement that it report savings attained from Government, Non-profit, and Institutional (“GNI”) customers (“Reporting Requirement”). (Settlement ¶ 43.) This Reporting Requirement shall include reporting two separate and distinct energy savings numbers: (1) savings

that are achieved from GNI customers that PPL Electric classifies as Small C&I customers under its Plan and (2) savings that are achieved from GNI customers that PPL Electric classifies as Large C&I customers under its Plan. (Settlement ¶ 43.) Tracking GNI savings will help stakeholders analyze the Company's progress in achieving savings from such customers, despite the fact that there is no GNI carve-out in Phase IV. Thus, this Settlement provision is reasonable and in the public interest and should be approved without modification.

H. PPLICA'S ISSUES AND RECOMMENDATIONS

In this proceeding, PPLICA raised several issues and recommendations, including its proposal to reduce PPL Electric's Commission-established peak demand reduction compliance target. (PPLICA St. No. 1, pp. 1-11.) PPL Electric presented supplemental rebuttal testimony that responded to all of PPLICA's issues and recommendations. (PPL Electric St. No. 1-R (Supp), pp. 2-19.)

Under the Settlement, PPLICA's proposal to reduce the Commission-established peak demand reduction compliance target for PPL Electric is reserved for briefing and disposition. (Settlement ¶ 44.) All other issues and recommendations raised in PPLICA Statement No. 1 have been withdrawn. (Settlement ¶ 44.) Therefore, this Settlement provision the issues remaining in dispute that need to be adjudicated by the Commission. By conserving the parties' and the Commission's time and resources, while enabling the Joint Petitioners to reach a Settlement on all of the other issues raised in this proceeding, this Settlement provision is reasonable and in the public interest and should be approved without modification.

IV. CONCLUSION

The Settlement is the result of a detailed examination of PPL Electric's Phase IV EE&C Plan, substantial discovery requests, multiple rounds of testimony, numerous settlement discussions, and compromise by all active parties. PPL Electric believes that fair and reasonable compromises have been achieved on the settled issues in this case, particularly given the fact that the active parties have such diverse and competing interests in this proceeding and have reached an agreement on all issues, with the exception of PPLICA's proposal to reduce the Commission-established peak demand reduction compliance target for PPL Electric. PPL Electric fully supports this Settlement and respectfully requests that the Pennsylvania Public Utility Commission:

- (i) Approve the Joint Petition for Partial Settlement without modification; and
- (ii) Approve PPL Electric's Phase IV EE&C Plan subject to the terms and conditions of the Joint Petition for Partial Settlement.

Respectfully submitted,



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Appendix B

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
for Approval of its Act 129 Phase IV Energy : Docket No. M-2020-3020824
Efficiency and Conservation Plan :

STATEMENT
OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF PARTIAL SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Partial Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On October 15, 2008, Act 129 of 2008 (Act 129 or the Act) was signed into law by Governor Edward G. Rendell. Act 129 made numerous amendments to Chapter 28 of the Public Utility Code and required the seven major electric distribution companies (EDCs) to file energy efficiency and conservation plans (EE&C Plans), which occurred in the summer of 2009. The Phase I Plans expired on May 31, 2013. Phase II of the EE&C Plans began on June 1, 2013 and expired on May 31, 2016. Phase III of the EE&C Plans began on June 1, 2016 and will continue until May 31, 2021. The Commission has now established the requirements and process for Phase IV of the EE&C Plans to operate from June 1, 2021 through May 31, 2026. Energy Efficiency and Conservation Program, Docket No. M-2020-3015228 (June 18, 2020) (Phase IV

Implementation Order). This proceeding concerns the Phase IV Plan filing of PPL Electric Utilities Corporation (PPL Electric or Company).

The Phase IV Implementation Order directed that each EDC meet a consumption reduction target and a demand response target. Phase IV Implementation Order at 8. The Phase IV Implementation Order also established that 5.8% of the consumption reduction target must be met through the low-income customer sector programs. Phase IV Implementation Order at 35-37. The Total Resource Cost (TRC) test will continue to be used to evaluate each EDC's EE&C Plan. Phase IV Implementation Order at 104, citing 66 Pa. C.S. § 2806.1(a)(3).

Act 129 caps annual spending on the Plan at 2% of the EDC's total revenues for the calendar year 2006. 66 Pa. C.S. § 2806.1(g). The Act provides for full and current cost recovery of the Plan costs through an automatic adjustment rider, but it prohibits the recovery of lost revenues by the EDC through the automatic adjustment rider. 66 Pa. C.S. § 2806.1(k). The costs incurred are to be allocated to the classes that directly benefit from the program measures implemented, unless a system wide benefit can be shown.

PPL Electric's filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judges Mark A. Hoyer and Emily I. DeVoe for investigation. On December 23, 2020, the OCA filed a Notice of Intervention and Public Statement. On December 30, 2020, ALJ Hoyer issued a Prehearing Conference Order. On January 2, 2021, the matter was published in the *Pennsylvania Bulletin*. On January 7, 2021, the telephonic Prehearing Conference was held at which time a procedural schedule was established.

On January 8, 2021, CAUSE-PA, NRDC, OCA, OSBA, CEO, and SEF filed a Joint Expedited Motion for Extension of Procedural Schedule, seeking an extension of the procedural schedule set out in the Prehearing Order. On January 14, 2021, Chief Administrative Law Judge

Charles Rainey (CALJ Rainey) issued an Order Denying the Joint Expedited Motion for Extension of Procedural Schedule.

On January 13, 2021, the OCA submitted the Direct Testimony of Stacy L. Sherwood (OCA Statement No. 1).¹

An evidentiary hearing was held on February 8, 2021 wherein the parties stipulated to the admission of written testimony and exhibits and waived cross-examination of all parties' witnesses.

The Joint Petitioners participated in settlement discussions which resulted in this Joint Petition for Approval of Partial Settlement. The Settlement provides for approval of PPL's Phase IV EE&C Plan with certain modifications and clarifications related to issues raised by OCA witness Sherwood. The Settlement provides for modifications to the residential programs, greater availability of information to the parties regarding the PJM peak demand response bidding process, and coordination of the low-income programs. In addition to the issues raised by OCA witness Sherwood, the Settlement also addresses issues related to multi-family housing programs, pilot programs, and the reporting requirement. For the reasons discussed below, the OCA submits that the Settlement is in the public interest and should be adopted.

II. SETTLEMENT

A. Residential Programs (Settlement at ¶ 26–29)

¹ Ms. Sherwood is an Economist with Exeter Associates, Inc. At Exeter, Ms. Sherwood provides analysis of rate filings, develops utility service assessments, provides bill and rate analysis, and assesses and evaluates the effectiveness of energy conservation and efficiency programs. Prior to joining Exeter, Ms. Sherwood served as a Regulatory Economist with the Maryland Public Service Commission (PSC). At the PSC, she performed analysis on the EmPOWER Maryland energy efficiency and demand response programs, the Exelon Customer Investment Fund, and served as lead analyst for the EmPOWER Maryland limited income programs.

PPL proposed a Residential Program as part of its Phase IV Plan. OCA St. 1 at 2. The Residential Program includes the following components: Appliance Recycling; Efficient Lighting – Specialty Bulbs Component; Energy Efficient Homes; and Student Energy Efficiency Education. OCA St. 1 at 3. The programs are designed to generate savings to residential customers (both low-income and non-low-income customers) with appliance recycling, home audits, weatherization measures, and rebates for lighting; appliances; pool pumps; and heating, ventilation and air conditioning (“HVAC”) measures. OCA St. 1 at 8.

The Phase IV Implementation Order specifically emphasized that the utilities should “develop plans to achieve the most lifetime savings per expenditure.” Phase IV Implementation Order at 91. OCA witness Sherwood expressed concern over the total resource cost for the Residential Program. OCA St. 1 at 9. Sherwood noted that the level of discounted net lifetime benefits from the program were low (\$17,699) which leaves limited leeway for underperformance of the Residential Program components, which are mature and were established in Phase III, if not earlier. OCA St. 1 at 9. Sherwood testified that because the Company’s program is mature, “the low-hanging fruit has been captured in the prior phases, which makes reaching new or repeat participants potentially more challenging and costly.” OCA St. 1 at 9. Sherwood also stated that the program “lacks new and innovative measures compared to those offered in Phase III, which may encourage repeat participation or reduce the cost to achieve energy savings.” OCA St. 1 at 9. Thus, Sherwood recommended that the Company should continue to innovate its Phase IV portfolio throughout the implementation of the Plan to consider offering measures that increase cost-effectiveness of the residential portfolio to offset the maturity of the programs. OCA St. 1 at 10.

OCA witness Sherwood also expressed her concern on whether the Company would be able to achieve the forecasted savings levels under the Energy Efficient Homes Component. OCA St. 1 at 11. Ms. Sherwood testified that the projected savings seemed unreasonable to her when compared to past performance as PPL expects the Efficient Home component's projected energy saving to increase by 23% over the highest verified savings in Phase III. OCA St. 1 at 11. One measure that is projected to increase significantly is the Ductless Mini-Split Heat Pump. OCA St. 1 at 11. Thus, Sherwood recommended that the Company provide market evidence or a marketing plan to support the level of Ductless Mini-Split Heat Pumps forecasted in the Energy Efficient Homes Component. OCA St. at 12.

The Settlement addresses these concerns by having the Company agree to “develop and implement a detailed marketing plan to foster increased Residential Program participation” after the Residential Program Conservation Service Provider's (“CSP”) contract is approved by the Commission. Settlement at ¶ 26. This plan will support all components of the program after the Phase IV EE&C Plan is approved and will be designed to achieve the 122,803 megawatt-hours per year (“MWh/yr”) of projected savings targeted in the Energy Efficient Homes Component. Settlement at ¶ 26. Further, the Company agrees to provide in its annual reports “the Energy Efficient Homes Component's actual incentive costs, electric savings, and demand reductions broken down by the following three categories: (a) new homes; (b) audit and weatherization; and (c) energy efficient equipment.” Settlement at ¶ 27. Additionally, PPL will be offering the Comprehensive Retrofit Bonus Incentives within the Energy Efficient Homes Component by January 1, 2022. Settlement at ¶ 29. The Settlement strikes an appropriate balance between transparency and tangible energy efficiency measures, and as such, the OCA submits that it serves the public interest.

B. Residential Low-Income Program. (Settlement at ¶ 32–38)

The Company indicated in its Plan that it will coordinate the assessments between its Phase IV low-income program and its Low-Income Usage Reduction Program (“LIURP”). OCA St. 1 at 15. Thus, if a home meets the requirements outlined in PPL’s Plan to receive funding from both LIURP and the Low-Income Program, some measures could be covered through both funding sources. OCA St. 1 at 15–16. OCA witness Sherwood recommended that the Company should develop a methodology to allocate and track the savings captured under the Low-Income Program when it leverages funding from its LIURP to avoid double counting of energy savings. OCA St. 1 at 16. Ms. Sherwood further recommended that when a measure is funded by both programs, “the energy savings should be allocated based on the amount paid by each funding source.” OCA St. 1 at 16.

The Settlement adopts OCA witness Sherwood’s recommendation. The Settlement provides the following:

PPL Electric will continue to coordinate its Low-Income program with its Low-Income Usage Reduction Program (“LIURP”) as proposed in the Plan and consistent with the Company’s coordination in Phase III. If measures are jointly funded by PPL Electric’s LIURP and Low-Income Program, PPL Electric will allocate the actual costs and savings for jointly funded measures based upon the percentage of total costs paid by each funding source. In addition, to further coordinate delivery of services to low-income households and help minimize the number of LIURP and Low-Income Program contractors who visit a customer’s service location, the Low-Income CSP will consider, when selecting potential subcontractors, the efficiencies that can be gained by subcontracting work under the Low-Income Assessment component to community-based organizations (“CBOs”) who provide services under the Company’s LIURP. The Low-Income CSP will also provide all of those CBOs with any invites to bid or requests for proposals to serve as subcontractors.

Settlement at ¶ 35. Thus, the OCA submits that this Settlement term will ensure that the Company avoids double counting of energy savings, and as such, the OCA submits that it serves the public interest.

C. PJM Forward Capacity Market (Settlement at ¶ 39)

Pursuant to its Plan, the Company intends to solicit bids competitively from third-party vendors that provide technical support to nominate a portion of its peak demand reduction as a capacity resource into the PJM Forward Capacity Market (FCM). OCA St. 1 at 16. The Phase IV Implementation Order provided that the utilities should “carefully consider their nomination levels and adopt a conservative bidding strategy to limit the likelihood of deficiency charge or nominated resources not clearing.” Phase IV Implementation Order at 138. OCA witness Sherwood identified concerns with “how underperformance on a peak demand nomination may impact ratepayers, as penalties would be recouped through the ACR-IV from the rate class where demand reductions were not realized.” OCA St. 1 at 17. Ms. Sherwood further added that “[u]ntil there is a penalty assessed, the extent of the impact from a penalty is unclear.” OCA St. at 1 at 17. As a result, Ms. Sherwood recommended that the Commission require the Company to file its plan for nominating demand response into the PJM Forward Capacity Market, which should include: the delivery year for the first nomination; measures that will provide demand reductions, by customer class; a methodology to determine which rate classes have delivered demand reductions; and details on how the Company would limit ratepayer exposure to penalties. OCA St. 1 at 4–5.

The Settlement provides the following:

PPL Electric will solicit bids from qualified CSPs to implement the nomination of a portion of its peak demand reduction as a capacity resource into PJM Interconnection LLC’s (“PJM”) Forward Capacity Market (“FCM”). By no later than January 1, 2022, PPL Electric will provide the

other Joint Petitioners with details on the selected CSP's plan to nominate that capacity resource into the FCM, including how the CSP will ensure that the Company and its ratepayers are not exposed to the potential risk of penalties. At the Company's Act 129 EE&C stakeholder meetings throughout Phase IV, PPL Electric will provide updates on the nomination of this capacity resource.

Settlement at ¶ 39. The OCA submits that the Settlement will require the Company to utilize a qualified CSP to implement the nomination of capacity resources, while detailing how the CSP will ensure that ratepayers are not exposed to the potential risk of penalties. The OCA submits that these provisions, combined with the information identified in the Companies' Plan, will protect ratepayers while allowing the parties to be able to evaluate whether the Companies' bids are consistent with the Phase IV Implementation Order. The OCA submits that the Settlement provision improves upon the Companies' filed Plan and should be adopted as part of this Settlement.

III. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of the PPL Electric's proceeding represent a fair and reasonable resolution of the issues and claims arising in this matter. If approved, the proposed Settlement will benefit the Commission and all Parties by foregoing the additional costs of litigation and will provide consumers with a reasonable EE&C Plan. For the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the public interest and in the interest of PPL Electric's customers, and therefore should be approved.

Respectfully Submitted,

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DATE: February 26, 2021

Appendix C

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	Docket No. M-2020-3020824
Corporation for Approval of its Act 129	:	
Phase IV Energy Efficiency and	:	
Conservation Plan	:	

**STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF PARTIAL SETTLEMENT**

Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed an Answer and Notice of Intervention to the PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) Petition for Approval of Phase IV of its Energy Efficiency and Conversation (“EE&C”) Plan which was filed with the Pennsylvania Public Utility Commission (“Commission”) on November 30, 2020.

The OSBA observes that the procedural schedule for this matter restricted the level of investigation that the OSBA could reasonably apply to the PPL Phase IV EE&C filing. Furthermore, PPL credibly argued that its filed Phase IV EE&C Plan is an integrated and balanced whole, reflecting minimum savings requirements, specific carveouts, and budget constraints. Assuming that to be true, any changes to specific features of PPL’s proposed EE&C Plan would require offsetting changes elsewhere. OSBA did not attempt to develop a comprehensive alternative EE&C plan.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Partial Settlement (“*Joint Petition*”). The OSBA submits this statement in support of the *Joint Petition*.

The Joint Petition

The *Joint Petition* sets forth a comprehensive list of issues that were resolved through the negotiation process. The following issues were the primary focus of the OSBA in this proceeding:

- Whether PPL’s EE&C programs for small businesses are cost-effective;
- Whether PPL’s overall EE&C budget is reasonably balanced between residential, commercial and industrial rate classes;
- Whether PPL’s proposed spending within the commercial class is reasonably balanced between business and non-business customers; and
- Whether PPL’s proposed incentive levels for commercial programs represent a reasonable balance between the need to encourage customer participation in the program and the equity considerations of requiring cross-subsidies from non-participating customers.

The OSBA did its best to conduct a detailed evaluation of whether the Company’s proposals reasonably complied with these criteria considering the resource and scheduling constraints.

In addition, the OSBA monitored the proposals of the intervenors in this proceeding. The OSBA was concerned that certain proposals offered by parties were (a) incomplete, in that the self-serving recommendations were not accompanied by the offsets necessary in an integrated plan, (b) inconsistent with Commission policy, in that they advocated that electric load

enhancement programs be built into the EE&C plan, and (c) that revenues from EE&C charges be used for purposes other than energy conservation, notably those related to reductions in carbon emissions. The OSBA actively opposed such proposals and is satisfied that those proposals have generally been excluded from the *Joint Petition*, or at least have been structured in a way that avoids major problems for the integrated plan.

Furthermore, the OSBA concludes that the provisions of the *Joint Petition* are unlikely to have unduly negative impacts on small business customers, relative to the original plan filed by the Company.

Conclusion

For the reasons set forth in the *Joint Petition*, as well as the factors enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the Administrative Law Judge and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Steven C. Gray

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Dated: February 26, 2021

Appendix D

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation for :
Approval of its Act 129 Phase IV Energy : Docket No. M-2020-3020824
Efficiency and Conservation Plan :

**STATEMENT IN SUPPORT OF THE JOINT PETITION FOR APPROVAL OF
PARTIAL SETTLEMENT OF THE COALITION FOR AFFORDABLE UTILITY
SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), a signatory party to the Joint Petition for Approval of Partial Settlement (Joint Petition or Settlement), respectfully requests that the Pennsylvania Public Utility Commission (Commission) approve the proposed Settlement without modification. For the reasons stated more fully below, CAUSE-PA asserts that the terms and conditions of the proposed Settlement are in the public interest, are consistent with the Commission’s Phase IV Implementation Order, and should be approved without delay.¹

I. INTRODUCTION

CAUSE-PA intervened in this proceeding to ensure that PPL Electric Utilities Corporation’s Act 129 Phase IV Energy Efficiency and Conservation Plan is appropriately designed to provide affordable and accessible energy efficiency measures for low income customers and other vulnerable consumer groups, consistent with the Commission’s Phase IV Final Implementation Order. The proposed Settlement, which was arrived at through good faith negotiation by all parties, is in the public interest in that it addresses issues of concern to CAUSE-

¹ Energy Efficiency and Conservation Program, Implementation Order, Docket No. M-2020-3015228 (order entered June 18, 2020) (hereinafter Phase IV Implementation Order).

PA, balances the interests of the parties, and fairly addresses a number of issues raised in the proceeding. If approved, the Settlement will avoid substantial litigation and associated costs and will eliminate the possibility of further Commission litigation and appeals, along with their attendant costs. As such, and notwithstanding the fact that CAUSE-PA's positions were not fully adopted, we assert that the proposed Settlement strikes an appropriate balance and should be approved without modification.

II. BACKGROUND

CAUSE-PA adopts the background as set forth in paragraphs 1-23 of the Petition. By way of further background, CAUSE-PA submitted the expert testimony of Mr. Mitchell Miller in this proceeding, along with a number of additional exhibits, analyzing the details of PPL's proposed Phase IV low income programming and its alignment with the Commission's Phase IV Implementation Order and other important policy goals and objectives. (CAUSE-PA St. 1).

In its Phase IV Implementation Order, the Commission increased the minimum low income savings requirement from 5.5% to 5.8% of total consumption reduction, which the Commission explained was still "significantly below the maximum achievable potential."² The Commission was purposeful in setting higher lower savings requirements to allow for more comprehensive programming with measures capable of achieving deeper savings for low income consumers capable of improving affordability for low income program participants.³

First, a sizeable share of low-cost savings in prior phases have been driven by residential lighting measures, which are expected to play a very limited role in Phase IV and were modeled as such. Second, though the Commission acknowledges it is possible to design programs that capture savings at a lower average acquisition cost in Phase IV than modeled by the results of the [potential study], directing the EDCs to do so would be in contravention of the Commission's

² Phase IV Implementation Order at 35.

³ Phase IV Implementation Order at 15.

stated encouragement for EDCs to pursue comprehensive portfolios with a greater focus on longer-lived, deeper-savings measures. The [potential study] included a comprehensive mix of measures to reflect this Commission position.”⁴

In addition to stressing the importance of taking a comprehensive approach to low income energy efficiency programming in Phase IV, the Commission also strongly encouraged coordination of Act 129 with other low income programming – including the Low Income Usage Reduction Program (LIURP).⁵ Finally, with regard to the availability of programming for multifamily buildings, the Commission declined to include a specific savings requirement, but required the utilities to report on multifamily savings achieved in this historically underserved building type and reiterated guidance from Phase III that savings from low income multifamily housing may be counted toward the low income carve-out – while costs should be allocated based on meter type.⁶

Through testimony, Mr. Miller explained that PPL serves a substantial number of low income customers who are unable to afford utility service, and are in dire need of comprehensive energy efficiency programs to help control their usage and, in turn, reduce their monthly electric bills. (CAUSE-PA St. 1 at 14-17). As it stood before the global COVID-19 pandemic, at least 15.4% (189,683) of PPL’s residential customers had income at or below 150% of the federal poverty level (FPL). (CAUSE-PA St. 1 at 14).⁷ PPL’s low income households have a far higher rate of payment trouble, and PPL’s low income customers were terminated at a rate of 18.8% in 2019. (CAUSE-PA St. 1 at 16). As Mr. Miller explained, low income households – especially communities of color – “have been particularly hard hit by the pandemic, and have undeniably suffered the greatest loss in jobs and wages” resulting in increased financial hardship at a time

⁴ Phase IV Implementation Order at 15.

⁵ Phase IV Implementation Order at 37.

⁶ Phase IV Implementation Order at 37.

⁷ At this level of income, a household of four must have a gross annual income of less than \$39,300. (CAUSE-PA St. 1 at 15).

when energy usage has also increased as households work and attend school from home. (CAUSE-PA St. 1 at 17). As Mr. Miller points out, low income families are more likely to live in energy inefficient homes, further compounding energy unaffordability and underscoring the dire need for comprehensive energy efficiency and conservation services to low income households. (CAUSE-PA St. 1 at 17-18).

In reviewing PPL's Phase IV low income programming, Mr. Miller concluded that PPL's Plan placed far too much emphasis on lighting and low-cost efficiency measures that do not produce meaningful bill savings for low income consumers. (CAUSE-PA St. 1 at 19-20, Table 1, and Exhibit MM-1).

In total, based on PPL's projected participation rates, 24.5% of savings will be derived from low flow water devices like faucet aerators and shower heads; 48.26% of savings will be derived from lighting; 15.37% of savings will be derived from smart strips; and 9.69% of savings will be derived from education and welcome kits. (CAUSE-PA St. 1 at 19).

As he explained, this proposed program design was inconsistent with the Commission's Phase IV Final Implementation Order, stood in "stark contrast to the Statewide Evaluator's projected savings by end use for PPL's low-income Phase IV programming", and undermined the Commission's important and explicit goal to ensure that Phase IV programming delivers meaningful savings for low income consumers. (CAUSE-PA St. 1 at 20-21).

In addition to concerns about the mix of measures and comprehensiveness of PPL's proposed low income programming, Mr. Miller also raised concerns about the accessibility of PPL's low income programming for affordable multifamily and manufactured housing types – as well as renters. As he explained, these housing types and customer groups can be difficult to reach and serve without specific program design features and targeted outreach efforts. (CAUSE-PA St. 1 at 24-27, 37-40). Mr. Miller also raised concerns about PPL's planned cross-program coordination, both across PPL's existing programs and with other energy efficiency programming

in PPL's service territory. (CAUSE-PA St. 1 at 31-35). In particular, Mr. Miller noted that PPL's program would exclude low income households with health and safety issues from participating in the program, despite the fact that low income households with health and safety issues in the home often have the highest usage and are most in need of energy efficiency and conservation services. (CAUSE-PA St. 1 at 34-35).

To address the issues identified with PPL's proposed Phase IV programming for low income consumers, Mr. Miller set out a number of recommendations for how PPL could improve its program design and delivery of services to this uniquely vulnerable population. (See CAUSE-PA St. 1 at 41-42).

III. CAUSE-PA SUPPORT FOR THE SETTLEMENT

The following terms of the Settlement address issues of concern raised by CAUSE-PA, as explained in Mr. Miller's testimony, and reflect a carefully balanced compromise of the varied interests in this proceeding. As such, CAUSE-PA urges the Commission to approve the Settlement without modification.

1. Additional Focus on Comprehensive Measures

The Settlement provides that PPL will modify its low income program to add building shell measures, including but not limited to insulation and weather stripping, and that it will allow for up to \$2 million to be dedicated to deeper measures, including space heating; building shell measures; water heater maintenance, repair, and replacement; and appliance replacement/recycling. (Joint Pet. at ¶¶ 32-33).

CAUSE-PA asserts that these provisions represent a reasonable compromise that appropriately balances the interests of the parties and interested stakeholders. As noted above, Mr. Miller explained in testimony that PPL's proposed low income program placed too little focus on

comprehensive energy savings initiatives and derived too much of their low income savings targets through lighting and other low cost, low impact measures that do not produce lasting and measurable bill savings for low income consumers. (CAUSE-PA St. 1 at 19-21, T.1, and Exhibit MM-1). The Settlement fairly addresses these concerns, in balance with other issues and interests in this proceeding, because it requires the Companies to measurably increase its inclusion of comprehensive direct install measures capable of achieving deeper energy and bill savings for low income consumers.

2. Providing Better Access to Low Income Energy Efficiency Measures

The Settlement also includes a number of provisions that will improve access to low income programming through targeted improvements to coordination, as well as expanded availability to low income multifamily housing providers. (Joint Pet. at ¶¶ 30, 34-37).

First, as noted above, Mr. Miller raised concerns that – as proposed – PPL’s program would not be accessible to affordable multifamily housing providers. The Settlement addresses some of Mr. Miller’s concerns by ensuring that low income tenant units – regardless of meter type – would be eligible for free energy efficiency and conservation measures through PPL’s low income program. (Joint Pet. at ¶ 30). To balance other parties’ concerns, spending for master-metered low income tenant units is limited to \$2 million, and common areas in multifamily buildings will continue to be served through PPL’s general non-residential program. (Id.) As Mr. Miller explained, it is critically important to ensure that low income housing providers have access to low or no cost energy efficiency services, especially in light of the current economic crisis, “to help reduce energy usage, stabilize operating costs, and preserve already-scarce affordable multifamily housing.” (CAUSE-PA St. 1 at 38-40). In balance, CAUSE-PA believes the terms of the

Settlement with regard to multifamily programming represents a reasonable compromise to help improve the accessibility of energy efficiency programming for low income housing providers.

Second, the Settlement contains a number of provisions designed to improve internal coordination across PPL's LIURP and Act 129 low income programming – as well as with external programs that provide energy efficiency or related housing remediation program services across its service territory. (Joint Pet. at ¶¶ 34-37). In relevant part, the Settlement promotes external coordination by requiring PPL's low income CSP to “make reasonable efforts” to meet with natural gas distribution companies in its service territory “to identify and evaluate opportunities for coordination.” (Joint Pet. at ¶ 34). The Settlement also requires PPL to develop a list of available assistance programs for each county in its service territory that its CSPs can provide to low income customers served through the program. (Joint Pet. at ¶ 37). These concrete steps to improve external coordination of PPL's programs with other related programming in its service territory will help to ensure that PPL's programs are leveraging available resources to provide holistic services to its low income customer base.

With regard to internal coordination with LIURP, the Settlement provides that PPL will properly track costs and savings for jointly funded measures (if any), and requires PPL to minimize the number of contractor visits by requiring its CSP to consider the efficiencies gained by subcontracting with Community Based Organizations (CBOs) which already deliver PPL's LIURP services. (Joint Pet. at ¶ 35). As Mr. Miller explained, PPL's proposal for coordination of LIURP and Act 129 has the potential to require multiple visits to the same home with different contractors, creating inefficiencies for both PPL and the low income consumer – who would need to schedule and attend multiple appointments. (CAUSE-PA St. 1 at 31-32). This provision of the Settlement helps alleviate this issue by requiring PPL's CSP to consider gained efficiencies in contracting

with LIURP providers to delivery both Act 129 and LIURP services. To help ensure that funding for LIURP will remain steady, and allow for the planned program coordination with PPL's Act 129 low income program, the Settlement requires PPL to carry-over and add unspent LIURP funds to the following year. (Joint Pet. at ¶ 36). This provision of the Settlement is critical, given PPL's plan to primarily provide baseload services through Act 129 and full cost jobs through LIURP. (CAUSE-PA St. 1 at 32). If full cost jobs cannot be provided through LIURP, the planned coordination will not work to leverage the availability of comprehensive services to low income households.

Finally, but critically, the Settlement includes a low income health and safety pilot funded at a level between \$400-750,000 over the Phase IV Plan. (Joint Pet. at ¶ 41). The pilot will prioritize high usage customers, and will remediate health and safety barriers that would otherwise prevent PPL from installing comprehensive energy efficiency measures in low income homes. (Id.) The Settlement requires PPL to track which measures it was able to install as a result of remediation, which will allow PPL to assess whether the pilot enhanced energy and bill savings and/or helped reduce universal service program costs. (Id.) This pilot will help to determine the extent to which addressing comprehensive health and safety issues in a home can help PPL to derive deep and meaningful energy and bill savings for uniquely vulnerable low income households that – despite clear need – would not qualify for energy efficiency and conservation due to the condition of their home.

3. Additional Terms

In addition to the critical terms discussed above, the Settlement also provides that PPL will continue to implement its low income programs after meeting its low income savings requirement, subject to the Commission-approved budget for the programs. (Joint Petition at ¶ 38). This

provision will help ensure that PPL's low income program will continue to serve customers even after the Companies have achieved their low income savings targets and will not prematurely "go dark" before the program budgets are expended. This will, in turn, help ensure that PPL's low income program reaches as many low income households as possible within the allotted budget.

IV. CONCLUSION

CAUSE-PA submits that the proposed Settlement, which was achieved by the Joint Petitioners after an investigation of the Companies' filing, is in the public interest, and should be approved. Acceptance of the Settlement avoids the necessity of further administrative and possibly appellate proceedings regarding the settled issues at what would have been a substantial cost to the Joint Petitioners and the Companies' customers. Accordingly, CAUSE-PA respectfully requests that the Commission approve the Settlement without modification.

Respectfully submitted,
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February 26, 2021

Appendix E

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities for : M-2020-3020824
for Approval of its Act 129 Phase IV Energy :
Efficiency and Conservation Plan :

COMMISSION ON ECONOMIC OPPORTUNITY'S
STATEMENT IN SUPPORT OF SETTLEMENT

NOW COMES the Intervenor, the Commission on Economic Opportunity (CEO) and files this Statement in Support of the Joint Petition for Approval of Partial Settlement in the above-captioned matter and agrees to its terms based upon the following:

1. CEO is a not-for-profit Pennsylvania corporation and an advocate for its clients - the low-income population of Luzerne County.

2. CEO intervened in the above-captioned matter to address how the Company's proposal impacts residential customers and particularly low-income residential customers.

3. Although CEO joins in the settlement of all issues, this Statement in Support will address only those issues that CEO addressed in its intervention and testimony.

4. CEO supports the settlement and believes that it is in compliance with the applicable laws and regulations and serves the public interest.

5. The Company has agreed to increase the number of comprehensive measures available to its low-income ratepayers. These measures will be in addition to any measures offered by the Company under its Low-Income Usage Reduction Program.

WHEREFORE, the Commission on Economic Opportunity supports the proposed settlement and requests that it be approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'JV', is written over a horizontal line.

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Appendix F

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	
Corporation for Approval of its Act 129	:	
Phase IV Energy Efficiency and	:	Docket No. P-2020-3022537
Conservation Plan	:	

**STATEMENT OF NATURAL RESOURCES DEFENSE COUNCIL
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

Natural Resources Defense Council (“NRDC”), a signatory party to the Joint Petition Settlement (“Settlement”), respectfully request that the terms and conditions of the Settlement be approved by the Honorable Deputy Chief Administrative Law Judge Mark A. Hoyer and Honorable Administrative Law Judge Emily DeVoe (collectively, “ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) without modification. For the reasons discussed more fully below, NRDC believes that the terms and conditions of the Settlement are in the public interest, are consistent with the Commission’s Phase IV Implementation Order,¹ and should be approved.

I. Introduction and Background

NRDC intervened in this proceeding to address elements of the Act 129 Phase IV Energy Efficiency and Conservation Plan (“Plan”) submitted to the Commission by PPL Electric Utilities Corporation (“PPL”). The Plan was filed pursuant to Act 129 of 2008 (“Act 129”), P.L. 1592, 66 Pa.C.S. §2806.1 and 2806.2, and the Commission’s Implementation Order entered on June 18, 2020 at Docket No. M-2020-3015228.

¹ Act 129 Energy Efficiency and Conservation Program, M-2020-3015228, Final Implementation Order (June 18, 2020) (“Implementation Order”)

NRDC submitted the expert testimony of Alice Napoleon and Kenji Takahashi of Synapse Energy Economics. (NRDC St. 1). The NRDC testimony addressed, among other things, the need for more comprehensive energy efficiency solutions and incentives for deep retrofits. On this point, NRDC notes the Commission’s findings in its Phase IV Implementation Order that “more comprehensive programs are beneficial to electric customers” and its encouragement to EDCs to “consider implementing a comprehensive mix of measures.”² Paragraph 40 of the Settlement requires PPL to develop proposals for a deep energy retrofits pilot program and a net zero building pilot program, each of which is to have a budget of no less than \$500,000 and no more than \$1.0 million. Paragraph 29 of the Settlement also obligates PPL to begin offering the Comprehensive Retrofit Bonus Incentives within the Energy Efficient Homes Component by no later than January 1, 2022.

NRDC’s testimony also expressed concerns about continued promotion of fossil fuel-based equipment. Paragraph 28 of the Settlement provides that PPL will cap the number of fuel switching measures for central heating at 75 residential customers and for water heating at 75 residential customers.

Although NRDC’s positions were not fully adopted, the Settlement strikes an appropriate balance and should be approved without modification. It addresses issues of concern to NRDC, balances the interests of the parties, and fairly addresses several issues raised in the proceeding. The Settlement was arrived at through good faith negotiation by all parties, and will avoid substantial litigation and associated costs as well as eliminate

² Implementation Order, p. 22.

the possibility of further Commission litigation and appeals, along with their associated costs.

II. Conclusion

NRDC submits that the Settlement is in the public interest, and requests that it be approved without modification.

Respectfully submitted this 26th day of February, 2021.

/s/ James M. Van Nostrand

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Appendix G

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
For Approval of its Act 129 Phase IV Energy : Docket No. M-2020-3020824
Efficiency and Conservation Plan :

**PP&L INDUSTRIAL CUSTOMER ALLIANCE
STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF PARTIAL SETTLEMENT**

The PP&L Industrial Customer Alliance ("PPLICA"), by and through its counsel, submits that the Joint Petition for Approval of Partial Settlement ("Joint Petition" or "Partial Settlement"), filed in the above-captioned proceeding, is in the public interest and represents a fair, just and reasonable resolution of PPL Electric Utilities Corporation's ("PPL Electric" or "Company") Petition for approval of its Act 129 Phase IV Energy Efficiency and Conservation ("EE&C") Plan ("Petition" or "Phase IIV EE&C Plan"). As a result of settlement discussions, PPL, PPLICA, the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Commission on Economic Opportunity ("CEO"), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), the Sustainable Energy Fund ("SEF"), and the Natural Resources Defense Council ("NRDC"), (collectively, the "Joint Petitioners"), have agreed upon the terms embodied in the foregoing Partial Settlement. PPLICA offers this Statement in Support to further demonstrate that the Partial Settlement is in the public interest and should be approved without modification and subject to Commission resolution of the issue reserved for litigation by PPLICA.

I. BACKGROUND

1. On November 30, 2020, PPL filed with the Commission the aforementioned Petition. Specifically, the Petition outlined the Company's proposal to address the requirements of Act 129 and the Commission's Phase IV Implementation Order entered on June 18, 2020, at

Docket No. M-2020-3015228 through programs designed to achieve consumption reduction and peak demand reduction requirements.

2. On January 6, 2020, PPLICA filed a Petition to Intervene. PPLICA is an *ad hoc* association of energy-intensive commercial and industrial ("C&I") customers receiving electric service in PPL's service territory, primarily under Rate Schedules LP-4, LP-5 and IS-P, as well as available riders.¹ PPLICA members collectively consume approximately 1.04 billion kWh of electricity each year in manufacturing and other operational processes, and these electric costs are a significant element of their respective costs of operation. Any modification to PPL's electric rates may impact PPLICA members' cost of operations.

3. A Prehearing Conference was held on January 7, 2020. A procedural schedule was established for discovery, written testimony, settlement discussions, and hearings.

4. As a result of extensive settlement discussions, the parties reached a Settlement on all issues except for PPLICA's proposal to moderate unreasonable cost impacts to Large C&I customers by modifying PPL's peak demand reduction target.

II. STATEMENT IN SUPPORT

5. The Commission has a strong policy favoring settlements. As set forth in the PUC's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense and uncertainty of litigation." 52 Pa. Code § 69.391; *see also* 52 Pa. Code § 5.231. Consistent with the Commission's Policy, the Joint Petitioners engaged in several negotiations to resolve the issues raised by various parties. These ongoing discussions produced the foregoing Partial Settlement.

6. The Joint Petitioners agree that approval of the proposed Partial Settlement is overwhelmingly in the best interest of the parties involved.

¹ Some PPLICA members also have accounts on Rate Schedules GS-1 and GS-3.

7. The Partial Settlement is in the public interest for the following reasons:
 - a. As a result of the Partial Settlement, expenses incurred by the Joint Petitioners and the Commission for completing this proceeding will be substantially less than they would have been if the proceeding had been fully litigated.
 - b. Uncertainties regarding further expenses associated with possible appeals from the Final Order of the Commission regarding the settled issues are avoided as a result of the Partial Settlement.
 - c. The Partial Settlement results in terms and provisions that present a just and reasonable resolution of the Company's proposed Phase IV EE&C Plan, with the notable exception of the peak demand reduction target issues raised by PPLICA and reserved for further litigation.
 - d. The Partial Settlement reflects compromises on all sides presented without prejudice to any position any Joint Petitioner may have advanced so far in this proceeding. Similarly, the Partial Settlement is presented without prejudice to any position any party may advance in future proceedings involving the Company.

8. Importantly, the Partial Settlement permits allows PPLICA to pursue a Commission resolution of the unresolved issue of the customer cost impacts of PPL's peak demand reduction target raised in PPLICA Statement No. 1.

9. PPLICA supports the Partial Settlement because it is in the public interest; however, in the event that the Partial Settlement is rejected by the ALJ or the Commission, PPLICA will resume its litigation position, which may differ from the terms of the Partial Settlement.

10. As set forth above, PPLICA submits that the Partial Settlement is in the public interest and adheres to the Commission policies promoting negotiated settlements. The Partial Settlement was achieved after settlement discussions. While the Joint Petitioners have invested time and resources in the negotiation of the Partial Settlement, this process has allowed the parties, and the Commission, to avoid expending the substantial resources that would have been required to fully litigate all issues raised in this proceeding while still reaching a just, reasonable and non-discriminatory result. The Joint Petitioners have thus reached an amicable resolution to

this dispute as embodied in the Partial Settlement. Approval of the Partial Settlement will permit the Commission and Joint Petitioners to avoid incurring the additional time, expense and uncertainty of further current litigation of issues in this proceeding. *See* 52 Pa. Code § 69.391.

III. CONCLUSION

WHEREFORE, the PP&L Industrial Customer Alliance respectfully requests that the Pennsylvania Public Utility Commission approve the Joint Petition for Approval of Partial Settlement submitted in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Counsel to the PP&L Industrial Customer Alliance

Dated: February 26, 2020

Appendix H

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	
Corporation for Approval of its Act 129	:	
Phase III Energy Efficiency and	:	Docket No.: M-2020-3020824
Conservation Plan	:	

**STATEMENT OF THE SUSTAINABLE ENERGY FUND
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

The Sustainable Energy Fund of Central Eastern Pennsylvania (“SEF”), one of the signatory parties to the Joint Petition for Approval of Partial Settlement (“Settlement”), believes the terms and condition of the Settlement are in the public interest, and through its counsel, Hawke McKeon & Sniscak LLP, submits this statement in support:

1. SEF is a Pennsylvania corporation established upon the conclusion of PPL Electric Utilities Corporation’s (“PPL”) Restructuring Proceeding and pursuant to the terms of the Joint Settlement of that proceeding approved by the Commission’s August 27, 1998 Order at Docket No. R-00973954.

2. SEF’s mission is to promote and invest in energy efficiency, renewable energy and energy education that provide opportunities and benefits for PPL ratepayers, including low-income ratepayers.

3. SEF intervened and participated as a party in PPL’s Phase I, II, and III EE&C Plan filings at Docket Nos. M-2009-2093216, M-2012-2334388, and M-2015-2515642, respectively. SEF intervened in PPL’s Phase IV EE&C Plan Filing at Docket No. M-2020-3020824 on

December 18, 2020. SEF's intervention was necessary to ensure the development of a complete record on the reasonableness of PPL's Phase IV EE&C Plan proposals.

4. SEF actively participated in the Phase IV proceedings, including filing SEF-Statement No. 1 of John M. Costlow and SEF-Statement No. 1 – Supplemental Direct Testimony of John M. Costlow, the president and Chief Executive Officer of SEF. SEF's testimony concerned PPL's EE&C Phase IV plan as it related to Small Industrial Customers. Specifically, SEF was concerned with customer awareness, the rebate range being offered to this customer class, and reporting savings targets derived from the Government, Non-profit, and Institutional customer class.

5. On February 8, 2021, an evidentiary hearing was held, at which time SEF moved its Statement No. 1 and Statement No. 1 – Supplement Direct Testimony into the record.

6. On February 11, 2021, PPL advised Deputy Chief Administrative Law Judge Hoyer and Administrative Law Judge DeVoe that the parties had reached a partial settlement.

7. As part of the Settlement, PPL and SEF were able to come to a mutually agreeable resolution regarding SEF's concerns with the Plan. The resolution provides as follows:

F. REPORTING

18. PPL Electric shall revise its Plan to specify how it will comply with the Commission's requirement that it report savings attained from Government, Non-profit, and Institutional ("GNI") customers ("Reporting Requirement"). This Reporting Requirement shall include reporting two separate and distinct energy savings numbers: (1) savings that are achieved from GNI customers that PPL Electric classifies as Small C&I customers under its Plan and (2) savings that are achieved from GNI customers that PPL Electric classifies as Large C&I customers under its Plan.

8. SEF believes that this Settlement is in the public interest.
9. Based on the above, SEF supports the Joint Petition for Approval of Partial Settlement.

Respectfully submitted,



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