

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Approval of the Phase IV Energy
Efficiency and Conservation Plans of:**

Public Meeting of March 25, 2021

Duquesne Light Company

**3020818-OSA
Docket No. M-2020-3020818**

**Metropolitan Edison Company
Pennsylvania Electric Company
Pennsylvania Power Company
West Penn Power Company**

**3020820-OSA
Docket No. M-2020-3020820
M-2020-3020821
M-2020-3020822
M-2020-3020823**

PPL Electric Utilities Corporation

**3020824-OSA
Docket No. M-2020-3020824**

PECO Energy Company

**3020830-OSA
Docket No. M-2020-3020830**

**JOINT STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE
AND VICE CHAIRMAN DAVID W. SWEET**

Before us for consideration today are the Act 129 Phase IV Energy Efficiency and Conservation Plans (EE&C) of the seven large electric distribution companies (EDCs).¹ We want to thank the utilities and the stakeholders for coming to agreement on all issues in three of the proceedings and the majority of the issues in the fourth.² We recognize the time and effort involved in the creation of these programs and appreciate the stakeholders' work in developing consensus. To that point, we want to highlight a few areas of the programs that we believe will be very beneficial to customers.

Each of the programs is uniquely tailored to best fund and achieve energy efficiency and conservation measures consistent with the Commission's directives in our Final Implementation Order.³ As such, each program meets or exceeds minimum energy efficiency targets, meets or exceeds minimum peak demand reduction targets, includes comprehensive measures for every

¹ 66 Pa. C.S. § 2806.1 applies to EDCs with greater than 100,000 customers – Duquesne Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation, PECO Energy Company and West Penn Power Company.

² The EE&C Plan proceedings for Duquesne Light Company; Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company (collectively, FirstEnergy); and PECO Energy Company had full settlements. The proceeding for PPL Electric Utilities Corporation included a partial settlement.

³ Final Implementation Order issued June 18, 2020 at Docket M-2020-3015288.

customer class, provides targeted low-income program investment, and ultimately achieves a Total Resource Cost Test result in excess of 1.0. For such reasons, each of the Act 129 programs in front of us today warrants approval. We wish to take the time to highlight some of the advancements in these Phase IV plans, with a specific focus on the low-income programs being deliberated today.

In the Duquesne proceeding, stakeholders agreed that funds for low-income programs should be rearranged to focus more on appliances, space cooling and heating and building shell measures.⁴ Additionally, Duquesne will work to track data on those projects and will work with stakeholders to increase coordination with community-based organizations (CBOs).⁵ Many of our programs targeted to low-income customers have shown that HVAC issues are prevalent and may hinder customers' ability to conserve energy and reduce bills. Additionally, they can lead to safety issues, such as overuse of hazardous space heating measures. By providing a greater focus on heating and cooling, we believe Duquesne's program will help to address some of these concerns and, with the help of CBOs, can provide more targeted outreach to those in need.

Similarly, in the FirstEnergy proceeding, stakeholders have agreed to programmatic changes similar to those referenced with Duquesne – primarily, a refocusing of low-income program budgets on HVAC, building shell and water heating measures instead of behavioral and smaller savings initiatives.⁶ FirstEnergy will also provide installation of up to 75 heat pump water heaters and/or ductless mini-split heat pumps annually to the low-income sector, at no upfront cost to the customer.⁷ Again, we believe these changes will support safety and energy conservation in residences with the most dire need. Further, these changes may support a customer's application for additional benefits through other utility programs like the Low-Income Usage Reduction Program (LIURP).

In a similar vein, PECO and its stakeholders have agreed to an approximately \$500,000 health and safety pilot program to assess whether addressing health and safety barriers in income-eligible homes would allow PECO to provide increased efficiency measures.⁸ PECO has also agreed to spend up to a total of \$1.5 million on residential and non-residential pilot programs regarding the use of various incentives to pursue more comprehensive measures and projects that span multiple end-uses.⁹ By pursuing these pilot programs through the research and development-related provisions of Act 129,¹⁰ PECO will be able to work with stakeholders to develop initiatives that address multiples issues at once, creating more all-encompassing programs as the Act 129 requirements continue onward. We believe both residential and non-residential customers will be more interested in, and open to, programs that help address several concerns at one time, limiting both the outlay of money directly by those customers and potentially limiting the need for multiple visits to a residence or business to address these issues.

⁴ See Duquesne Settlement ¶ 31.

⁵ *Id.* at ¶ 32.

⁶ See FirstEnergy Settlement ¶ 29.

⁷ *Id.* at ¶ 32.

⁸ See PECO Settlement ¶ 17.

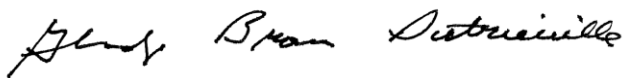
⁹ *Id.* at ¶¶ 10-14.

¹⁰ 66 Pa. C.S. § 2806(b)(iii).

Many residential customers may not be able to take off work for a series of contractor visits. Similarly, many commercial and industrial facilities cannot shut down or limit work activities to allow for measure installation. As such, the development of comprehensive programs may be much more efficient for all involved.

Lastly, we highlight some areas of consensus found by PPL and its stakeholders. PPL, like the other utilities, has refocused some of its programming to address HVAC and building shell measures. Up to \$2 million in funding is dedicated to space heating, building shell measures, water heater maintenance, repair and replacement and appliance replacement and recycling.¹¹ Like PECO, PPL will perform a low-income health and safety pilot to remediate hazards that prevent low-income customers from receiving comprehensive energy efficiency measures. The program will allocate between \$400,000 and \$750,000 over the five-year phase and will prioritize high usage customers.¹² As discussed throughout this statement, we believe these measures will help address significant issues in the residential, especially low-income, sector.

We thank the stakeholders for continuing each Act 129 EE&C Phase with a vision of developing programs that continue to expand and evolve and do not focus on simple, quick savings measures. By working together, the utilities and stakeholders have determined areas that help focus program dollars on what customers both want and need. This allows for an EE&C Program that continues to provide cost-effective benefits to electric ratepayers across a vast majority of this Commonwealth.



Gladys Brown Dutrieuille
Chairman



David W. Sweet
Vice Chairman

March 25, 2021
DATE

¹¹ See PPL Partial Settlement at ¶ 34.

¹² *Id.* at ¶ 42.