

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**  
Harrisburg, PA 17105-3265

Public Meeting held May 12, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman, Statement  
John F. Coleman, Jr., Vice Chairman  
Ralph V. Yanora

Energy Efficiency and Conservation Program

M-2014-2424864

**COMPLIANCE ORDER**

**BY THE COMMISSION:**

The Commission has been charged by the Pennsylvania General Assembly (General Assembly) with establishing an energy efficiency and conservation program (EE&C Program). The EE&C Program requires each electric distribution company (EDC) with at least 100,000 customers to adopt a plan to reduce energy demand and consumption within its service territory.<sup>1</sup> 66 Pa. C.S. § 2806.1. On June 11, 2015, the Commission adopted an Implementation Order at Docket No. M-2014-2424864 establishing the standards each plan must meet and providing guidance on the procedures to be followed for submittal, review and approval of all aspects of the EDCs' Energy Efficiency and Conservation plans (EE&C plans). *See Energy Efficiency and Conservation Program*, Implementation Order at Docket No. M-2014-2424864, entered June 19, 2015 (*Phase III Implementation Order*). On August 20, 2015, the Commission

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<sup>1</sup> The EDCs subject to the EE&C Program provisions are Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company.

adopted a Clarification Order at Docket No. M-2014-2424864 to address two Petitions filed on July 6, 2015 by the Energy Association of Pennsylvania (EAP) and the Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, FirstEnergy) seeking clarification on certain aspects of the Phase III Implementation Order.

The Commission was also charged with the responsibility to evaluate the costs and benefits of the Energy Efficiency and Conservation (EE&C) Program by November 30, 2013, and every five years thereafter. 66 Pa. C.S. § 2806.1(c)(3). The Commission must adopt additional incremental reductions in consumption if the benefits of the EE&C Program exceed its costs. *Id.* With the Phase III Implementation Order, the Commission adopted additional incremental reductions in consumption that each EDC was required to meet by May 31, 2021.

Beginning five years following the effective date of Act 129, and annually thereafter, the Commission is required to submit a report to the Consumer Protection and Professional Licensure Committee of the Senate and the Consumer Affairs Committee of the House of Representatives. 66 Pa. C.S. § 2806.1(i)(2). The Commission believes the intent of this report is to provide information regarding the programs offered by the EDCs, an overview of the Commission's Statewide Evaluator's (SWE) activities,<sup>2</sup> and information regarding EDCs' compliance with the mandates. To meet this requirement, the Commission directed the SWE to provide a comprehensive Phase III Final Annual Report, to be filed in lieu of a program year 12 (PY12) annual report. In addition to outlining its audit activities and findings for PY12, the SWE was to review the EDCs' PY12 Final Annual Reports<sup>3</sup> and its own auditing information to determine whether or

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<sup>2</sup> NMR Group, Inc., *et al.*

<sup>3</sup> The EDCs' PY12 Final Annual Reports are available at [http://www.puc.pa.gov/filing\\_resources/issues\\_laws\\_regulations/act\\_129\\_information/electric\\_distribution\\_company\\_act\\_129\\_reporting\\_requirements.aspx](http://www.puc.pa.gov/filing_resources/issues_laws_regulations/act_129_information/electric_distribution_company_act_129_reporting_requirements.aspx).

not the consumption reductions reported by the EDCs were accurate. With this Order, the Commission releases the SWE’s Phase III Final Annual Report.

The Commission must also determine whether the EDCs are in compliance with the targets adopted by the Commission in the *Phase III Implementation Order* in accordance with 66 Pa. C.S. §§ 2806.1(b), (c) and (d). With this Order, the Commission assesses the EDCs’ compliance with these targets. Specifically, the Commission initially determines that Duquesne Light Company (Duquesne), Metropolitan Edison Company (Met-Ed), PECO Energy Company (PECO), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), PPL Electric Utilities (PPL), and West Penn Power Company (West Penn) are in compliance with the May 31, 2021 electric consumption reduction requirements as outlined in the table below:<sup>4</sup>

<b>EDC</b>	<b>Phase III Overall Savings Target (MWh)</b>	<b>3.5% G/E/NP Carve-Out (MWh)</b>	<b>5.5% Low Income Carve Out (MWh)</b>
Duquesne	440,916	15,432	24,250
Met-Ed	599,352	20,977	32,964
PECO	1,962,659	68,693	107,946
Penelec	566,168	19,816	31,139
Penn Power	157,371	5,508	8,655
PPL	1,443,035	50,507	79,367
West Penn Power	540,986	18,935	29,754

Furthermore, the Commission initially determines that each of the subject EDCs are in compliance with the May 31, 2021 requirement to obtain a minimum of three-and-one-half percent (3.5%) of all consumption reduction requirements from government/educational/nonprofit institutions.<sup>5</sup> In addition, the Commission initially

<sup>4</sup> See *Phase III Implementation Order* at 47-59.

<sup>5</sup> See *Phase III Implementation Order* at 70-76.

determines that each of the subject EDCs are in compliance with the May 31, 2021 requirement to obtain a minimum of five-and-one-half percent (5.5%) of their total consumption reduction requirements from the low-income sector, as well as, the requirement to include specific energy efficiency measures for households at or below 150% of the federal poverty income guidelines in proportion to those households' share of the total energy usage in the EDCs' service territories.<sup>6</sup> Finally, the Commission initially determines that each of the subject EDCs are in compliance with the May 31, 2021 primary peak demand reduction requirements as outlined in the table below:<sup>7</sup>

<b>EDC</b>	<b>Phase III Overall Demand Response Target (MW)</b>	<b>85% Per-Event Demand Response Target (MW)</b>
Duquesne	42	35.7
Met-Ed	49	41.7
PECO	161	136.9
Penelec	0	0
Penn Power	17	14.5
PPL	92	78.2
West Penn Power	64	54.4

However, the Commission also established a requirement that the EDCs achieve at least 85% of the May 31, 2021 primary peak demand reduction requirement in each demand response (DR) event.<sup>8</sup> The Commission initially determines that Duquesne, Met-Ed, Penelec, Penn Power, and PPL are in compliance with the requirement to achieve at least 85% of the May 31, 2021 primary peak demand reduction in each DR event. Regarding PECO's and West Penn's compliance with the 85% of the May 31, 2021 primary peak demand reduction requirement in each DR event, we are referring that

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<sup>6</sup> See *Phase III Implementation Order* at 61-70.

<sup>7</sup> See *Phase III Implementation Order* at 15-47.

<sup>8</sup> See *Phase III Implementation Order* at 36.

matter to the Commission's Bureau of Investigation and Enforcement for investigation and further proceedings as necessary.

### **BACKGROUND AND HISTORY OF THIS PROCEEDING**

Act 129 of 2008 (the Act or Act 129) was signed into law on October 15, 2008 and became effective on November 14, 2008. Among other things, Act 129 created an EE&C Program, codified in the Pennsylvania Public Utility Code at Sections 2806.1 and 2806.2, 66 Pa. C.S. §§ 2806.1 and 2806.2. This initial program required an EDC with at least 100,000 customers to adopt an EE&C plan, approved by the Commission, to reduce electric consumption by May 31, 2011 and May 31, 2013. *See*, 66 Pa. C.S. § 2806.1(c). Also, by May 31, 2013, peak demand was to be reduced by a minimum of 4.5% of the EDCs' annual system peak demand in the 100 hours of highest demand. *See*, 66 Pa. C.S. § 2806.1(d)(1).

Act 129 requires the Commission to evaluate the costs and benefits of the EE&C Program and of the approved EE&C plans by November 30, 2013, and at least every five years thereafter. This evaluation is to be consistent with the total resource cost (TRC) test or a cost-benefit analysis determined by the Commission. As stated in Act 129, “[i]f the Commission determines that the benefits of the Program exceed the costs, the Commission shall adopt additional required incremental reductions in consumption” to be met by the large EDCs. *See* 66 Pa. C.S. § 2806.1(c)(3). Also, the Commission interpreted subsection 2806.1(d)(2) of Act 129, 66 Pa. C.S. §2806.1(d)(2), as requiring the Commission to prescribe specific peak demand reduction targets for subsequent phases of Act 129 if the demand response program is proven to be cost-effective.

The Statewide Evaluator (SWE) conducted Pennsylvania specific residential, commercial and industrial baseline saturation studies and prepared a Market Potential Study for the Commission that recommended EDC-specific energy efficiency and peak demand reduction targets. For Phase III, the Commission established a five-year length

of program. The Commission adopted the SWE recommended EDC-specific electric consumption and peak demand reduction requirements for Phase III.

If an EDC fails to achieve these reductions in electric consumption or in peak demand, that EDC shall be subject to a civil penalty of not less than \$1,000,000 and not greater than \$20,000,000. Such penalties may not be recovered from ratepayers. *See*, 66 Pa. C.S. § 2806.1(f)(2).

Act 129 also required the EDCs to file with the Commission annual reports relating to the results of their EE&C Plans for that program year. 66 Pa. C.S. § 2806.1(i)(1). These reports were to document the effectiveness of the EDCs' EE&C plans, the measurement and verification of energy savings, the evaluation of the cost-effectiveness of expenditures and any other information required by the Commission. For Phase III, EDCs were to submit three reports per program year. The first report, due January 15, was to be a semiannual report providing each EDC's reported savings for its EE&C portfolio for the first six months of the program year. The second report, due July 15, was to be a preliminary annual report that outlines each EDC's reported savings for its EE&C portfolio for the second six months of the program year, as well as reported savings for the entirety of the program year. The third report, due November 15, was to be a final annual report providing each EDC's reported savings for the program year, a cost-effectiveness evaluation (TRC Test), a process evaluation, as well as items required by Act 129 and Commission Orders.<sup>9</sup>

Additionally, the SWE is required to provide annual reports which provide the results of its independent evaluations of the EDCs' programs. The SWE's PY12 annual report provides an overview of the entirety of Phase III. This Phase III Final Annual Report provides the SWE's analysis of whether or not it agrees with the EDCs' reported compliance electric consumption and peak demand reduction information. This report

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<sup>9</sup> *See Phase III Implementation Order* at 98-102.

will also provide the Commission with a report to submit to the Consumer Protection and Professional Licensure Committee of the Senate and the Consumer Affairs Committee of the House of Representatives in accordance with Section 2806.1(i)(2) of Act 129, 66 Pa. C.S. § 2806.1(i)(2).

## **DISCUSSION**

### **A. Compliance**

The Commission has reviewed the results provided by all the EDCs in their Final Annual Reports and the SWE's Phase III Final Annual Report. Based on this review, we have outlined below our determinations of EDC compliance with the energy consumption and peak demand reduction targets. We have also outlined the EDCs' performance regarding their government/educational/non-profit and low-income EE&C Plan requirements. The compliance determinations outlined below are initial determinations that will become final unless a Petition is filed in accordance with 52 Pa. Code § 5.41 challenging the initial determination for a particular EDC within 20 days of the entry of this Order.

#### **1. May 31, 2021 - Electric Consumption Reduction Requirement**

As outlined in the previous table, the five-year electric consumption reduction requirements varied by EDC and were based on a specific mix of program potential, acquisition costs and funding availability under the 2% of revenue annual spending cap. In addition, the Commission allowed EDCs that achieved their Phase II reduction target before the end of Phase II to continue their programs and credit all those savings above the Phase II reduction target towards the Phase III reduction targets. In other words, the Commission allowed the EDCs to "carry over" into Phase III the Phase II verified energy savings that were actually obtained in Phase II and exceeded the Phase II compliance target. The Commission's determination of compliance with the May 31, 2021, portfolio-level electric consumption reduction requirement for each EDC follows.

**a. Duquesne**

Duquesne was required to reduce, by May 31, 2021, electric consumption in its service territory by 440,916 megawatt-hours (MWh).<sup>10</sup> Duquesne reports, in its amended PY12 Final Annual Report, that when using the savings methodologies outlined in the Technical Reference Manual (TRM),<sup>11</sup> it attained a reduction of 569,520 MWh in electric consumption as of May 31, 2021, including carryover savings from Phase II.<sup>12</sup> In its Phase III Final Annual Report, the SWE validated Duquesne's reported TRM-verified savings of 569,520 MWh and notes that this amounts to 129% of Duquesne's electric consumption reduction requirement.<sup>13</sup> The Commission agrees with the TRM-verified savings reported by Duquesne and confirmed by the SWE and initially deems Duquesne to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**b. Met-Ed**

Met-Ed was required to reduce, by May 31, 2021, electric consumption in its service territory by 599,352 MWh.<sup>14</sup> Met-Ed reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 777,137 MWh in electric consumption as of May 31, 2021, including carryover savings from Phase II.<sup>15</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's reported TRM-verified savings of 777,137 MWh and notes that this amounts to 130% of Met-Ed's electric consumption reduction requirement.<sup>16</sup> The Commission agrees with the TRM-verified savings reported by Met-Ed and confirmed by the SWE and initially deems Met-Ed to be in

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<sup>10</sup> See *Phase III Implementation Order* at 57.

<sup>11</sup> Hereafter referred to as "TRM-verified savings."

<sup>12</sup> See *Final Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2515375, (Duquesne amended PY12 Final Annual Report), at 5, prepared by Guidehouse Inc. for Duquesne, filed November 12, 2021, amended March 24, 2022.

<sup>13</sup> See Table 14: Phase III EE Performance, of the SWE Phase III and PY12 Annual Report.

<sup>14</sup> See *Phase III Implementation Order* at 57.

<sup>15</sup> See *Final Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2514767, (Met-Ed amended PY12 Final Annual Report), at 28, prepared by ADM Associates and Tetra Tech for Met-Ed, filed November 15, 2021, amended April 7, 2022.

<sup>16</sup> See Table 14: Phase III EE Performance, of the SWE Phase III and PY12 Annual Report.



compliance with the May 31, 2021, electric consumption reduction requirement.

**c. PECO**

PECO was required to reduce, by May 31, 2021, electric consumption in its service territory by 1,962,659 MWh.<sup>17</sup> PECO reports, in its PY12 Final Annual Report, it attained a TRM-verified reduction of 2,067,672 MWh in electric consumption as of May 31, 2021.<sup>18</sup> In its Phase III Final Annual Report, the SWE was not able to validate PECO's reported TRM-verified electric consumption reduction of 2,067,672 MWh. The SWE notes, that verified savings were underestimated by 1,205 MWh due to mischaracterization of several upstream lighting measures, therefore PECO's actual TRM-verified electric consumption reduction of 2,067,672 MWh increases to 2,068,877 MWh, which amounts to 105% of PECO's electric consumption reduction requirement.<sup>19</sup> The Commission agrees with the SWE verified and adjusted electric consumption reduction of 2,068,877 MWh and initially deems PECO to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**d. Penelec**

Penelec was required to reduce, by May 31, 2021, electric consumption in its service territory by 566,168 MWh.<sup>20</sup> Penelec reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 745,888 MWh in electric consumption as of May 31, 2021, including carryover savings from Phase II.<sup>21</sup> In its Phase III Final Annual Report, the SWE validates Penelec's reported TRM-verified savings of

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<sup>17</sup> See *Phase III Implementation Order* at 57.

<sup>18</sup> See *Final Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2515691, (PECO PY12 Final Annual Report), at 4, prepared by Guidehouse Inc. for PECO, filed November 15, 2021.

<sup>19</sup> See Table 14: Phase III EE Performance and Appendix B.1 (PECO Key Audit Findings), of the SWE Phase III and PY12 Annual Report.

<sup>20</sup> See *Phase III Implementation Order* at 57.

<sup>21</sup> See *Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2514768, (Penelec amended PY12 Final Annual Report), at 28, prepared by ADM Associates and Tetra Tech for Penelec, filed November 15, 2021, amended April 7, 2022.

745,888 MWh and notes that this amounts to 132% of Penelec's electric consumption reduction requirement.<sup>22</sup> The Commission agrees with the TRM-verified savings reported by Penelec and confirmed by the SWE and initially deems Penelec to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**e. Penn Power**

Penn Power was required to reduce, by May 31, 2021, electric consumption in its service territory by 157,371 MWh.<sup>23</sup> Penn Power reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 237,814 MWh, in electric consumption as of May 31, 2021, including carryover savings from Phase II.<sup>24</sup> In its Phase III Final Annual Report, the SWE validates Penn Power's reported TRM-verified savings of 237,814 MWh and notes that this amounts to 151% of Penn Power's electric consumption reduction requirement.<sup>25</sup> The Commission agrees with the TRM-verified savings reported by Penn Power and confirmed by the SWE and initially deems Penn Power to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**f. PPL**

PPL was required to reduce, by May 31, 2021, electric consumption in its service territory by 1,443,035 MWh.<sup>26</sup> PPL reports, in its PY12 Final Annual Report, it attained a TRM-verified reduction of 1,749,311 MWh in electric consumption as of May 31, 2021.<sup>27</sup> In its Phase III Final Annual Report, the SWE was not able to validate

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<sup>22</sup> See Table 14: Phase III EE Performance, of the SWE Phase III and PY12 Annual Report.

<sup>23</sup> See *Phase III Implementation Order* at 57.

<sup>24</sup> See *Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2514769, (Penn Power amended PY12 Final Annual Report), at 28, prepared by ADM Associates and Tetra Tech for Penn Power, filed November 15, 2021, amended April 7, 2022.

<sup>25</sup> See Table 14: Phase III EE Performance, of the SWE Phase III and PY12 Annual Report.

<sup>26</sup> See *Phase III Implementation Order* at 57.

<sup>27</sup> See *Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2515642, (PPL PY12 Final Annual Report), at 10, prepared by Cadmus for PPL, filed November 15, 2021.

PPL's reported TRM-verified savings of 1,749,311 MWh. The SWE notes, that verified savings were overestimated due to mismatched ENERGY STAR refrigerator model information and baseline wattages, and the inclusion of an ineligible model, therefore PPL's actual TRM-verified electric consumption reduction of 1,749,311 MWh decreases to 1,749,310 MWh, which amounts to 121% of PPL's electric consumption reduction requirement.<sup>28</sup> The Commission agrees with the SWE verified and adjusted electric consumption reduction of 1,749,310 MWh and initially deems PPL to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**g. West Penn**

West Penn was required to reduce, by May 31, 2021, electric consumption in its service territory by 540,986 MWh.<sup>29</sup> West Penn reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 730,006 MWh in electric consumption as of May 31, 2021, including carryover savings from Phase II.<sup>30</sup> In its Phase III Final Annual Report, the SWE validates West Penn's reported TRM-verified savings of 730,006 MWh and notes that this amounts to 135% of West Penn's electric consumption reduction requirement.<sup>31</sup> The Commission agrees with the TRM-verified savings reported by West Penn and confirmed by the SWE and initially deems West Penn to be in compliance with the May 31, 2021, electric consumption reduction requirement.

**2. Government/Educational/Non-Profit Carve-Out**

Act 129 required that those EE&C Plans filed by July 1, 2009, obtain a minimum of 10% of the required reductions in consumption and peak demand be obtained from units of federal, state and local governments, including municipalities, school districts,

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<sup>28</sup> See Table 14: Phase III EE Performance and Appendix C.5.1.2 (PPL Residential Non-Lighting) of the SWE Phase III and PY12 Annual Report.

<sup>29</sup> See *Phase III Implementation Order* at 57.

<sup>30</sup> See *Annual Report to the Pennsylvania Public Utility Commission: For the period June 1, 2020 to May 31, 2021*, at Docket No. M-2015-2514772, (West Penn amended PY12 Final Annual Report), at 28, prepared by ADM Associates and Tetra Tech for West Penn, filed November 15, 2021, amended April 7, 2022.

<sup>31</sup> See Table 14: Phase III EE Performance, of the SWE Phase III and PY12 Annual Report.

institutions of higher education and nonprofit entities (G/E/NP).

66 Pa. C.S. § 2806.1(b)(1)(i)(B). The Commission believed that it has the discretion to make modifications and/or remove a specific sector carve-out for the G/E/NP sector based on the cost-effective savings that can be obtained from that sector. Therefore, for Phase III, the Commission directed all EDCs to obtain a minimum of 3.5% of all consumption reduction requirements from the federal, state and local governments, including municipalities, school districts, institutions of higher education and nonprofit entities.<sup>32</sup> The Commission's determination of compliance with the G/E/NP consumption reduction carve-out for each EDC follows.

**a. Duquesne**

Duquesne was required to obtain 15,432 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>33</sup> Duquesne reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 61,955 MWh from the G/E/NP sector.<sup>34</sup> In its Phase III Final Annual Report, the SWE validates Duquesne's reported TRM-verified savings of 61,955 MWh and notes that this amounts to 401% of Duquesne's G/E/NP consumption reduction requirement.<sup>35</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by Duquesne and confirmed by the SWE and initially deems Duquesne to be in compliance with the G/E/NP consumption reduction requirement.

**b. Met-Ed**

Met-Ed was required to obtain 20,977 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>36</sup> Met-Ed reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of

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<sup>32</sup> See *Phase III Implementation Order* at 70-76.

<sup>33</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>34</sup> See Duquesne amended PY12 Final Annual Report at 7.

<sup>35</sup> See Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>36</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

37,654 MWh from the G/E/NP sector.<sup>37</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's reported TRM-verified savings of 37,654 MWh and notes that this amounts to 179% of Met-Ed's G/E/NP consumption reduction requirement.<sup>38</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by Met-Ed and confirmed by the SWE and initially deems Met-Ed to be in compliance with the G/E/NP consumption reduction requirement.

**c. PECO**

PECO was required to obtain 68,693 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>39</sup> PECO reports, in its PY12 Final Annual Report, it attained a TRM-verified reduction of 235,437 MWh from the G/E/NP sector.<sup>40</sup> In its Phase III Final Annual Report, the SWE validates PECO's reported TRM-verified savings of 235,437 MWh and notes that this amounts to 343% of PECO's G/E/NP consumption reduction requirement.<sup>41</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by PECO and confirmed by the SWE and initially deems PECO to be in compliance with the G/E/NP consumption reduction requirement.

**d. Penelec**

Penelec was required to obtain 19,816 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>42</sup> Penelec reports, in its amended PY12 Final Annual Report, it attained a TRM-verified savings value of 62,200 MWh from the G/E/NP sector, including carryover savings from Phase II.<sup>43</sup> In its Phase III Final Annual Report, the SWE validates Penelec's reported TRM-verified

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<sup>37</sup> See Met-Ed amended PY12 Final Annual Report at 32.

<sup>38</sup> See Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>39</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>40</sup> See PECO PY12 Final Annual Report at 6.

<sup>41</sup> See Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>42</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>43</sup> See Penelec amended PY12 Final Annual Report at 32.

savings of 62,200 MWh and notes that this amounts to 314% of Penelec's G/E/NP consumption reduction requirement.<sup>44</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by Penelec and confirmed by the SWE and initially deems Penelec to be in compliance with the G/E/NP consumption reduction requirement.

**e. Penn Power**

Penn Power was required to obtain 5,508 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>45</sup> Penn Power reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 18,530 MWh from the G/E/NP sector, including carryover savings from Phase II.<sup>46</sup> In its Phase III Final Annual Report, the SWE validates Penn Power's reported TRM-verified savings of 18,530 MWh and notes that this amounts to 336% of Penn Power's G/E/NP consumption reduction requirement.<sup>47</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by Penn Power and confirmed by the SWE and initially deems Penn Power to be in compliance with the G/E/NP consumption reduction requirement.

**f. PPL**

PPL was required to obtain 50,507 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>48</sup> PPL reports, in its PY12 Final Annual Report, it attained a TRM-verified savings value of 225,541 MWh from the G/E/NP sector.<sup>49</sup> In its Phase III Final Annual Report, the SWE validates PPL's reported TRM-verified savings of 225,541 MWh and notes that this amounts to 447% of PPL's

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<sup>44</sup> See Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>45</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>46</sup> See Penn Power amended PY12 Final Annual Report at 32.

<sup>47</sup> See Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>48</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>49</sup> See PPL PY12 Final Annual Report at 12.

G/E/NP consumption reduction requirement.<sup>50</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by PPL and confirmed by the SWE and initially deems PPL to be in compliance with the G/E/NP consumption reduction requirement.

**g. West Penn**

West Penn was required to obtain 18,935 MWh of its total electric consumption reduction from the G/E/NP sector in its service territory.<sup>51</sup> West Penn reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 85,757 MWh from the G/E/NP sector.<sup>52</sup> In its Phase III Final Annual Report, the SWE validates West Penn's reported TRM-verified savings of 85,757 MWh and notes that this amounts to 453% of West Penn's G/E/NP consumption reduction requirement.<sup>53</sup> The Commission agrees with the TRM-verified savings from the G/E/NP sector reported by West Penn and confirmed by the SWE and initially deems West Penn to be in compliance with the G/E/NP consumption reduction requirement.

**4. Low-Income Carve-Out – Number of Measures**

Act 129 proscribed that, in Phases I and II, each EDC EE&C Plan must include specific energy efficiency measures for households at or below 150% of the federal poverty income guidelines (FPIG), in proportion to that sector's share of the total energy usage in the EDC's service territory. *See* 66 Pa. C.S. § 2806.1(b)(1)(i)(G). For Phase III, the Commission continues this prescription.<sup>54</sup> The Commission's determination of compliance with the low-income measure proportion requirement for each EDC follows.

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<sup>50</sup> *See* Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>51</sup> *See* Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>52</sup> *See* West Penn amended PY12 Final Annual Report at 32.

<sup>53</sup> *See* Table 16: Phase III GNI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>54</sup> *See Phase III Implementation Order* at 61-70.

**a. Duquesne**

Duquesne was required to offer 8.402% of its measures to the low-income sector.<sup>55</sup> Duquesne reports, in its amended PY12 Final Annual Report, that out of 113 measures offered across all sectors, 20 are offered to low-income customers. Duquesne states that this represents 17.7% of its measures.<sup>56</sup> In its Phase III Final Annual Report, the SWE was not able to validate Duquesne's reported 17.7%. The SWE notes that inconsistencies in matching Duquesne's reported proportionate number of measures to the TRM algorithm results in an increase from 17.7% to 26.9% of measures offered to low-income customers.<sup>57</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income offerings and initially deems Duquesne to be in compliance with the low-income measure proportion requirement.

**b. Met-Ed**

Met-Ed was required to offer 8.787% of its measures to the low-income sector.<sup>58</sup> Met-Ed reports, in its amended PY12 Final Annual Report, that out of 158 measures offered across all sectors, 59 are offered to low-income customers. Met-Ed states that this represents 37% of its measures.<sup>59</sup> In its Phase III Final Annual Report, the SWE was not able to validate Met-Ed's reported 37%. The SWE notes that inconsistencies in matching Met-Ed's reported proportionate number of measures to the TRM algorithm results in a decrease from 37% to 34.4% of measures offered to low-income customers.<sup>60</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income offerings and initially deems Met-Ed to be in compliance with the low-income measure

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<sup>55</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>56</sup> See Duquesne amended PY12 Final Annual Report at 5.

<sup>57</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.3 (Duquesne Light), of the SWE Phase III and PY12 Annual Report.

<sup>58</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801. Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>59</sup> See Met-Ed amended PY12 Final Annual Report at 30.

<sup>60</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.3 (Duquesne Light), of the SWE Phase III and PY12 Annual Report.



proportion requirement.

**c. PECO**

PECO was required to offer 8.799% of its measures to the low-income sector.<sup>61</sup> PECO reports, in its PY12 Final Annual Report, that out of 269 measures offered across all sectors, 117 are offered to low-income customers. PECO states that this represents 43.5% of its measures.<sup>62</sup> In its Phase III Final Annual Report, the SWE was not able to validate PECO's reported 43.5%. The SWE notes that inconsistencies in matching PECO's reported proportionate number of measures to the TRM algorithm results in a decrease from 43.5% to 29.1% of measures offered to low-income customers.<sup>63</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income offerings and initially deems PECO to be in compliance with the low-income measure proportion requirement.

**d. Penelec**

Penelec was required to offer 10.231% of its measures to the low-income sector.<sup>64</sup> Penelec reports, in its amended PY12 Final Annual Report, that out of 158 measures offered across all sectors, 59 are offered to low-income customers. Penelec states that this represents 37% of its measures.<sup>65</sup> In its Phase III Final Annual Report, the SWE was not able to validate Penelec's reported 37%. The SWE notes that inconsistencies in matching Penelec's reported proportionate number of measures to the TRM algorithm results in a decrease from 37% to 34.4% of measures offered to low-income customers.<sup>66</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income

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<sup>61</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>62</sup> See PECO PY12 Final Annual Report at 4-5.

<sup>63</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.1 (PECO), of the SWE Phase III and PY12 Annual Report.

<sup>64</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>65</sup> See Penelec amended PY12 Final Annual Report at 30.

<sup>66</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.4 (FirstEnergy Companies), of the SWE Phase III and PY12 Annual Report.

offerings and initially deems Penelec to be in compliance with the low-income measure proportion requirement.

**e. Penn Power**

Penn Power was required to offer 10.639% of its measures to the low-income sector.<sup>67</sup> Penn Power reports, in its amended PY12 Final Annual Report, that out of 158 measures offered across all sectors, 59 are offered to low-income customers. Penn Power states that this represents 37% of its measures.<sup>68</sup> In its Phase III Final Annual Report, the SWE was not able to validate Penn Power's reported 37%. The SWE notes that inconsistencies in matching Penn Power's reported proportionate number of measures to the TRM algorithm results in a decrease from 37% to 34.4% of measures offered to low-income customers.<sup>69</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income offerings and initially deems Penn Power to be in compliance with the low-income measure proportion requirement.

**f. PPL**

PPL was required to offer 9.950% of its measures to the low-income sector.<sup>70</sup> PPL reports, in its PY12 Final Annual Report, that out of 132 measures offered across all sectors, 25 are offered to low-income customers. PPL states that this represents 19% of its measures.<sup>71</sup> In its Phase III Final Annual Report, the SWE was not able to validate PPL's reported 19%. The SWE notes that inconsistencies in matching PPL's reported proportionate number of measures to the TRM algorithm results in an increase from 19% to 24.3% of measures offered to low-income customers.<sup>72</sup> The Commission agrees with

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<sup>67</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>68</sup> See Penn Power amended PY12 Final Annual Report at 30.

<sup>69</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.4 (FirstEnergy Companies), of the SWE Phase III and PY12 Annual Report.

<sup>70</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-20090-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>71</sup> See PPL PY12 Final Annual Report at 10-11.

<sup>72</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.4 (FirstEnergy Companies), of the SWE Phase III and PY12 Annual Report.

the SWE verified and adjusted proportion of low-income offerings and initially deems PPL to be in compliance with the low-income measure proportion requirement.

**g. West Penn**

West Penn was required to offer 8.794% of its measures to the low-income sector.<sup>73</sup> West Penn reports, in its amended PY12 Final Annual Report, that out of 158 measures offered across all sectors, 59 are offered to low-income customers. West Penn states that this represents 37% of its measures.<sup>74</sup> In its Phase III Final Annual Report, the SWE was not able to validate West Penn's reported 37%. The SWE notes that inconsistencies in matching West Penn's reported proportionate number of measures to the TRM algorithm results in a decrease from 37% to 34.4% of measures offered to low-income customers.<sup>75</sup> The Commission agrees with the SWE verified and adjusted proportion of low-income offerings and initially deems PPL to be in compliance with the low-income measure proportion requirement.

**5. Low-Income Carve-Out – Consumption Reduction Requirement**

In addition to the low-income number of measures requirement, the Commission requires that each EDC obtains a minimum of 5.5% of its consumption reduction requirements from the low-income sector.<sup>76</sup> The Commission's determination of compliance with the low-income consumption reduction carve-out for each EDC follows.

**a. Duquesne**

Duquesne was required to obtain 24,250 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>77</sup> Duquesne reports, in its

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<sup>73</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-20090-2146801, Table 1, at 6, that was adopted by the Commission in an April 27, 2010, Secretarial Letter at the same Docket.

<sup>74</sup> See West Penn amended PY12 Final Annual Report at 30.

<sup>75</sup> See Table 138: Phase III LI Measure Proportionality Targets and SWE Verification Results and Section A.2.4.4 (FirstEnergy Companies), of the SWE Phase III and PY12 Annual Report.

<sup>76</sup> See *Phase III Implementation Order* at 61-70.

<sup>77</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

amended PY12 Final Annual Report, it attained a TRM-verified reduction of 26,394 MWh from the low-income sector, including carryover savings from Phase II.<sup>78</sup> In its Phase III Final Annual Report, the SWE validates Duquesne's reported TRM-verified savings of 26,394 MWh and notes that this amounts to 109% of Duquesne's low-income consumption reduction requirement.<sup>79</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by Duquesne and confirmed by the SWE and initially deems Duquesne to be in compliance with the low-income consumption reduction requirement.

**b. Met-Ed**

Met-Ed was required to obtain 32,964 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>80</sup> Met-Ed reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 47,771 MWh from the low-income sector, including carryover savings from Phase II.<sup>81</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's reported TRM-verified savings of 47,771 MWh and notes that this amounts to 145% of Met-Ed's low-income consumption reduction requirement.<sup>82</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by Met-Ed and confirmed by the SWE and initially deems Met-Ed to be in compliance with the low-income consumption reduction requirement.

**c. PECO**

PECO was required to obtain 107,946 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>83</sup> PECO reports, in its PY12 Final Annual Report, it attained a TRM-verified reduction of 111,398 MWh from the

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<sup>78</sup> See Duquesne amended PY12 Final Annual Report at 6.

<sup>79</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>80</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>81</sup> See Met-Ed amended PY12 Final Annual Report at 30.

<sup>82</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>83</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

low-income sector.<sup>84</sup> In its Phase III Final Annual Report, the SWE validates PECO's reported TRM-verified savings of 111,398 MWh and notes that this amounts to 103% of PECO's low-income consumption reduction requirement.<sup>85</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by PECO and confirmed by the SWE and initially deems PECO to be in compliance with the low-income consumption reduction requirement.

**d. Penelec**

Penelec was required to obtain 31,139 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>86</sup> Penelec reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 49,477 MWh from the low-income sector, including carryover savings from Phase II.<sup>87</sup> In its Phase III Final Annual Report, the SWE validates Penelec's reported TRM-verified savings of 49,477 MWh and notes that this amounts to 159% of Penelec's low-income consumption reduction requirement.<sup>88</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by Penelec and confirmed by the SWE and initially deems Penelec to be in compliance with the low-income consumption reduction requirement.

**e. Penn Power**

Penn Power was required to obtain 8,655 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>89</sup> Penn Power reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 13,965 MWh from the low-income sector, including carryover savings from Phase II.<sup>90</sup>

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<sup>84</sup> See PECO PY12 Final Annual Report at 5.

<sup>85</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>86</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>87</sup> See Penelec amended PY12 Final Annual Report at 30.

<sup>88</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>89</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>90</sup> See Penn Power amended PY12 Final Annual Report at 30.

In its Phase III Final Annual Report, the SWE validates Penn Power's reported TRM-verified savings of 13,965 MWh and notes that this amounts to 161% of Penn Power's low-income consumption reduction requirement.<sup>91</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by Penn Power and confirmed by the SWE and initially deems Penn Power to be in compliance with the low-income consumption reduction requirement.

**f. PPL**

PPL was required to obtain 79,367 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>92</sup> PPL reports, in its PY12 Final Annual Report, it attained a TRM-verified reduction of 110,456 MWh from the low-income sector.<sup>93</sup> In its Phase III Final Annual Report, the SWE validates PPL's reported TRM-verified savings of 110,456 MWh and notes that this amounts to 139% of PPL's low-income consumption reduction requirement.<sup>94</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by PPL and confirmed by the SWE and initially deems PPL to be in compliance with the low-income consumption reduction requirement.

**g. West Penn**

West Penn was required to obtain 29,754 MWh of its total electric consumption reduction from the low-income sector in its service territory.<sup>95</sup> West Penn reports, in its amended PY12 Final Annual Report, it attained a TRM-verified reduction of 41,378 MWh from the low-income sector, including carryover savings from Phase II.<sup>96</sup> In its Phase III Final Annual Report, the SWE validates West Penn's reported TRM-verified savings of 41,378 MWh and notes that this amounts to 139% of West Penn's

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<sup>91</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>92</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>93</sup> See PPL PY12 Final Annual Report at 11.

<sup>94</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>95</sup> See Table 6: Phase III LI and GNI Carve-Out, of the SWE Phase III and PY12 Annual Report.

<sup>96</sup> See West Penn amended PY12 Final Annual Report at 30.

low-income consumption reduction requirement.<sup>97</sup> The Commission agrees with the TRM-verified savings from the low-income sector reported by West Penn and confirmed by the SWE and initially deems West Penn to be in compliance with the low-income consumption reduction requirement.

## **6. May 31, 2020 – Peak Demand Reduction Requirement**

In addition to the May 31, 2021 electric consumption reduction requirements, the EDCs were also required to reduce peak demand. The EDCs were required to initiate demand response events when certain conditions were met. As outlined in the table on page 4, the average per-event peak demand reduction requirements varied by EDC.<sup>98</sup> EDCs were not required to obtain peak demand reductions in the first program year of Phase III (PY8)<sup>99</sup> and the requirements for the final program year of Phase III (PY12) were subsequently deemed to be voluntary due to the COVID-19 pandemic.<sup>100</sup> Therefore, compliance is based on achieving the per-event average peak demand reductions for all Phase III DR events called through May 31, 2020. The Commission's determination of compliance with the peak demand reduction requirement for each EDC, through May 31, 2020, follows.

### **a. Duquesne**

Duquesne was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 42 megawatts (MW) during DR event hours.<sup>101</sup> Duquesne reports, in its amended PY12 Final Annual Report, that it called DR events as required and it attained an average reduction of 55.16 MW.<sup>102</sup> In its Phase III Final Annual Report, the SWE validates Duquesne's reported average peak demand reductions of 55.2 MW and notes that this amounts to 131% of Duquesne's average peak

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<sup>97</sup> See Table 15: Phase III LI Carve-Out Performance, of the SWE Phase III and PY12 Annual Report.

<sup>98</sup> See *Phase III Implementation Order* at 15-44.

<sup>99</sup> See *Phase III Implementation Order* at 35.

<sup>100</sup> See *Phase III Modification Order* at 6-9.

<sup>101</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

<sup>102</sup> See Duquesne amended PY12 Final Annual Report at 8.

demand reduction requirement.<sup>103</sup> The Commission agrees with the peak demand reductions reported by Duquesne and confirmed by the SWE and initially deems Duquesne to be in compliance with its Phase III dispatchable demand response requirement.

**b. Met-Ed**

Met-Ed was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 49 MW during DR event hours.<sup>104</sup> Met-Ed reports, in its amended PY12 Final Annual Report, that it called DR events as required and it attained an average reduction of 53.0 MW.<sup>105</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's reported average peak demand reductions of 53.0 MW and notes that this amounts to 108% of Met-Ed's average peak demand reduction requirement.<sup>106</sup> The Commission agrees with the peak demand reductions reported by Met-Ed and confirmed by the SWE and initially deems Met-Ed to be in compliance with its Phase III dispatchable demand response requirement.

**c. PECO**

PECO was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 161 MW during DR event hours.<sup>107</sup> PECO reports, in its PY12 Final Annual Report, that it called DR events as required and it attained an average reduction of 167.13 MW.<sup>108</sup> In its Phase III Final Annual Report, the SWE validates PECO's reported average peak demand reductions of 167.1 MW and notes that this amounts to 104% of PECO's peak demand reduction requirement.<sup>109</sup> The Commission agrees with the peak demand reductions reported by PECO and confirmed

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<sup>103</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>104</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

<sup>105</sup> See Met-Ed amended PY12 Final Annual Report at 34.

<sup>106</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>107</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

<sup>108</sup> See PECO PY12 Final Annual Report at 8.

<sup>109</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.



by the SWE and initially deems PECO to be in compliance with its Phase III dispatchable demand response requirement.

**d. Penelec**

Penelec was not required to and subsequently did not develop a DR program to reduce peak demand in its service territory for Phase III. However, Penelec had the option to voluntarily include a DR program in its EE&C Plan, but only if Penelec could show that it would still be able to meet its electric consumption reduction requirements.<sup>110</sup>

**e. Penn Power**

Penn Power was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 17 MW during DR event hours.<sup>111</sup> Penn Power reports, in its amended PY12 Final Annual Report, that it called DR events as required and it attained an average reduction of 39.9 MW.<sup>112</sup> In its Phase III Final Annual Report, the SWE validates Penn Power's reported average peak demand reductions of 39.9 MW and notes that this amounts to 235% of Penn Power's peak demand reduction requirement.<sup>113</sup> The Commission agrees with the peak demand reductions reported by Penn Power and confirmed by the SWE and initially deems Penn Power to be in compliance with its Phase III dispatchable demand response requirement.

**f. PPL**

PPL was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 92 MW during DR event hours.<sup>114</sup> PPL reports, in its PY12 Final Annual Report, that it called DR events as required and it

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<sup>110</sup> See *Phase III Implementation Order* at 44-45.

<sup>111</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

<sup>112</sup> See Penn Power amended PY12 Final Annual Report at 34.

<sup>113</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>114</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

attained an average reduction of 112.8 MW.<sup>115</sup> In its Phase III Final Annual Report, the SWE validates PPL's reported average peak demand reductions of 112.8 MW and notes that this amounts to 123% of PPL's peak demand reduction requirement.<sup>116</sup> The Commission agrees with the peak demand reductions reported by PPL and confirmed by the SWE and initially deems PPL to be in compliance with its Phase III dispatchable demand response requirement.

**g. West Penn**

West Penn was required to initiate demand response events when certain conditions were met, and to reduce demand by an average of 64 MW during DR event hours.<sup>117</sup> West Penn reports, in its amended PY12 Final Annual Report, that it called DR events as required and it attained an average reduction of 112.4 MW.<sup>118</sup> In its Phase III Final Annual Report, the SWE validates West Penn's reported average peak demand reductions of 112.4 MW and notes that this amounts to 176% of West Penn's peak demand reduction requirement.<sup>119</sup> The Commission agrees with the peak demand reductions reported by West Penn and confirmed by the SWE and initially deems West Penn to be in compliance with its Phase III dispatchable demand response requirement.

**7. May 31, 2020 – 85% Peak Demand Reduction Requirement**

In addition to the May 31, 2020 primary peak demand reduction requirement, the Commission required that the EDCs achieve at least 85% of the peak demand reduction requirement in each DR event.<sup>120</sup> EDCs were not required to obtain peak demand reductions in the first program year of Phase III (PY8)<sup>121</sup> and the requirements for the

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<sup>115</sup> See PPL PY12 Final Annual Report at 13.

<sup>116</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>117</sup> See Table 68: Phase III DR Reduction Targets, of the SWE Phase III and PY12 Annual Report.

<sup>118</sup> See West Penn amended PY12 Final Annual Report at 34.

<sup>119</sup> See Table 69: Phase III DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>120</sup> See *Phase III Clarification Order* at 8-10.

<sup>121</sup> See *Phase III Implementation Order* at 35.

final program year of Phase III (PY12) were subsequently deemed to be voluntary due to the COVID-19 pandemic.<sup>122</sup> Therefore, compliance is based on average peak demand reductions for all Phase III DR events through May 31, 2020. During the second, third and fourth program year of Phase III (PY9, PY10, and PY11) thirteen DR events were initiated (June 13, 2017, July 20, 2017, July 21, 2017, July 2, 2018, July 3, 2018, August 6, 2018, August 28, 2018, September 4, 2018, September 5, 2018, July 17, 2019, July 18, 2019, July 19, 2019, and August 19, 2019). The Commission's determination of compliance with the 85% peak demand reduction requirement for each EDC, through May 31, 2020, follows.

**a. Duquesne**

Duquesne was required to achieve, by May 31, 2020, at least 85% of its 42 MW primary peak demand reduction requirement, which translates to a minimum of 35.7 MW for each DR event. Duquesne reports, in its amended PY12 Final Annual Report, it achieved a minimum of 35.7 MW in each DR event as of May 31, 2020.<sup>123</sup> In its Phase III Final Annual Report, the SWE validates Duquesne's reported minimum peak demand reduction of 35.7 MW for each DR event and notes that Duquesne met or exceeded the 85% per event peak demand reduction target as of May 31, 2020.<sup>124</sup> The Commission agrees with the peak demand reductions reported by Duquesne and confirmed by the SWE and initially deems Duquesne to be in compliance with the May 31, 2020, 85% peak demand reduction requirement.

**b. Met-Ed**

Met-Ed was required to achieve, by May 31, 2020, at least 85% of its 49 MW primary peak demand reduction requirement, which translates to a minimum of 41.7 MW for each DR event. Met-Ed reports, in its amended PY12 Final Annual Report, it

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<sup>122</sup> See *Phase III Modification Order* at 6-9.

<sup>123</sup> See Duquesne amended PY12 Final Annual Report at 8-9.

<sup>124</sup> See Figure 29: Duquesne Event DR Performance, of the SWE Phase III and PY12 Annual Report.

achieved a minimum of 41.7 MW in each DR event as of May 31, 2020.<sup>125</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's reported minimum peak demand reduction of 41.7 MW for each DR event and notes that Met-Ed met or exceeded the 85% per event peak demand reduction target as of May 31, 2020.<sup>126</sup> The Commission agrees with the peak demand reductions reported by Met-Ed and confirmed by the SWE and initially deems Met-Ed to be in compliance with the May 31, 2020, 85% peak demand reduction requirement.

**c. PECO**

PECO was required to achieve, by May 31, 2020, at least 85% of its 161 MW primary peak demand reduction requirement, which translates to a minimum of 136.85 MW for each DR event. PECO reports, in its PY12 Final Annual Report, it achieved a minimum of 136.85 MW for twelve of thirteen DR events as of May 31, 2020. The DR event initiated on July 18, 2019 missed the 85% minimum peak demand reduction requirement.<sup>127</sup> In its Phase III Final Annual Report, the SWE validates PECO's reported minimum peak demand reduction of 136.85 MW for only twelve of thirteen DR events as of May 31, 2020; the event on July 18, 2019 missed the 85% per event peak demand reduction target with a SWE verified peak demand reduction of 133.7 MW.<sup>128</sup> The Commission agrees with the peak demand reductions reported by PECO and confirmed by the SWE and initially deems PECO not to be compliance with the May 31, 2020, 85% peak demand reduction requirement. As such, the Commission refers this issue of whether PECO is in compliance with Section 2806.1(d)(2) of Act 129, 66 Pa. C.S. § 2806.1(d)(2), and whether PECO is subject to the penalties contained in Chapter 33 of the Public Utility Code, 66 Pa. C.S. § 3301(a) to the Bureau of Investigation and Enforcement for the initiation of an appropriate proceeding.<sup>129</sup> If a

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<sup>125</sup> See Met-Ed amended PY12 Final Annual Report at 37.

<sup>126</sup> See Figure 30: Met-Ed Event DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>127</sup> See PECO PY12 Final Annual Report at 9.

<sup>128</sup> See Figure 27: PECO Event DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>129</sup> See *Phase III Implementation Order* at 36; *Phase III Clarification Order* at 8-10.

Petition challenging this initial determination is filed within 20 days of the entry date of this Order, any action initiated by the Bureau of Investigation and Enforcement shall be consolidated with the proceeding brought challenging the initial determination.<sup>130</sup>

**d. Penelec**

Penelec was not required to develop a DR program to reduce peak demand in its service territory for Phase III.<sup>131</sup>

**e. Penn Power**

Penn Power was required to achieve, by May 31, 2020, at least 85% of its 17 MW primary peak demand reduction requirement, which translates to a minimum of 14.5 MW for each DR event. Penn Power reports, in its amended PY12 Final Annual Report, it achieved a minimum of 14.5 MW in each DR event as of May 31, 2020.<sup>132</sup> In its Phase III Final Annual Report, the SWE validates Penn Power's reported minimum peak demand reduction of 14.5 MW for each DR event and notes that Penn Power met or exceeded the 85% per event peak demand reduction target as of May 31, 2020.<sup>133</sup> The Commission agrees with the peak demand reductions reported by Penn Power and confirmed by the SWE and initially deems Penn Power to be in compliance with the May 31, 2020, 85% peak demand reduction requirement.

**f. PPL**

PPL was required to achieve, by May 31, 2020, at least 85% of its 92 MW primary peak demand reduction requirement, which translates to a minimum of 78.2 MW for each DR event. PPL reports, in its PY12 Final Annual Report, it achieved a minimum of

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<sup>130</sup> If no petition challenging the initial determination is filed, the proceeding initiated by the Bureau of Investigation and Enforcement shall be limited to determining the amount of the penalty under Chapter 33 of the Public Utility Code, 66 Pa. C.S. § 3301(a).

<sup>131</sup> See *Phase III Implementation Order* at 44-45.

<sup>132</sup> See Penn Power amended PY12 Final Annual Report at 38.

<sup>133</sup> See Figure 31: Penn Power Event DR Performance, of the SWE Phase III and PY12 Annual Report.

78.2 MW in each DR event as of May 31, 2020.<sup>134</sup> In its Phase III Final Annual Report, the SWE validates PPL's reported minimum peak demand reduction of 78.2 MW for each DR event and notes that PPL met or exceeded the 85% per event peak demand reduction target as of May 31, 2020.<sup>135</sup> The Commission agrees with the peak demand reductions reported by PPL and confirmed by the SWE and initially deems PPL to be in compliance with the May 31, 2020, 85% peak demand reduction requirement.

**g. West Penn**

West Penn was required to achieve, by May 31, 2020, at least 85% of its 64 MW primary peak demand reduction requirement, which translates to a minimum of 54.4 MW for each DR event. West Penn reports, in its amended PY12 Final Annual Report, it achieved a minimum of 54.4 MW for twelve of thirteen DR events as of May 31, 2020. The event initiated on July 21, 2017 missed the 85% minimum peak demand reduction requirement.<sup>136</sup> In its Phase III Final Annual Report, the SWE validates West Penn's reported minimum peak demand reduction of 54.4 MW for only twelve of thirteen DR events as of May 31, 2020; the event on July 21, 2017 missed the 85% per event peak demand reduction target with a SWE verified peak demand reduction of 47.7 MW.<sup>137</sup> The Commission agrees with the peak demand reductions reported by West Penn and confirmed by the SWE and initially deems West Penn not to be compliance with the May 31, 2020, 85% peak demand reduction requirement. As such, the Commission refers this issue of whether West Penn is in compliance with Section 2806.1(d)(2) of Act 129, 66 Pa. C.S. § 2806.1(d)(2), and whether West Penn is subject to the penalties contained in Chapter 33 of the Public Utility Code, 66 Pa. C.S. § 3301(a) to the Bureau of Investigation and Enforcement for the initiation of an appropriate proceeding.<sup>138</sup> If a Petition challenging this initial determination is filed within 20 days of the entry date of

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<sup>134</sup> See PPL PY12 Final Annual Report at 14.

<sup>135</sup> See Figure 28: PPL Event DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>136</sup> See West Penn amended PY12 Final Annual Report at 39.

<sup>137</sup> See Figure 32: West Penn Event DR Performance, of the SWE Phase III and PY12 Annual Report.

<sup>138</sup> See *Phase III Implementation Order* at 36; *Phase III Clarification Order* at 8-10.

this Order, any action initiated by the Bureau of Investigation and Enforcement shall be consolidated with the proceeding brought challenging the initial determination.<sup>139</sup>

## **8. Challenges To The Phase III Results**

If any party desires to contest the facts the Commission relied upon in making its determinations of compliance contained herein, they have 20 days, from the date this order is entered, to file a petition in accordance with Section 5.41 of the Commission's Regulations, 52 Pa. Code § 5.41. Such petitions are to reference Docket Nos. M-2014-2424864 and the applicable EDC EE&C plan Phase III Docket. The party contesting the Commission's initial compliance determination shall have the burden of proof in accordance with 66 Pa. C.S. §§ 315 and 332(a). If no parties file a petition within 20 days of the date this order is entered, the Commission's initial compliance determinations for each EDC will be considered final.

## **B. Accumulated Savings In Excess Of Reduction Requirements**

In its *Phase III Implementation Order*, the Commission recognized the importance of the continued implementation of cost-effective Phase II programs until the beginning of Phase III. However, the Commission expressed concerns that continued carryover of all excess savings from phase to phase will lead to a scenario in which an EDC meets most, if not all, of its reduction target simply with carryover savings. Therefore, EDCs are allowed to bank only those savings attained in Phase III that are in excess of their Phase III targets for application towards Phase IV targets.<sup>140</sup> Because the Commission did not set specific G/E/NP consumption reduction requirements for Phase IV, there will be no G/E/NP reduction requirement excess carryover savings.<sup>141</sup>

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<sup>139</sup> If no petition challenging the initial determination is filed, the proceeding initiated by the Bureau of Investigation and Enforcement shall be limited to determining the amount of the penalty under Chapter 33 of the Public Utility Code, 66 Pa. C.S. § 3301(a).

<sup>140</sup> See *Phase III Implementation Order* at 83-86.

<sup>141</sup> See *Phase IV Implementation Order* at 37-43.

## **1. Carryover And Excess Savings**

The EDCs, in their PY12 Final Annual Reports, have provided the amount of carryover and excess savings resulting from the Phase III EE&C Program. The Commission's initial determination regarding the accuracy of these values for each EDC follows.

### **a. Duquesne**

In its amended PY12 Final Annual Report, Duquesne reports it attained the portfolio-level TRM-verified electric consumption carryover savings of 28,137 MWh; however, it was not able to attain excess savings from the low-income reduction requirement.<sup>142</sup> In its Phase III Final Annual Report, the SWE validates Duquesne's portfolio-level carryover of electric consumption savings of 28,137 MWh and that Duquesne is not able to carry over low-income reduction requirement excess savings.<sup>143,</sup>  
<sup>144</sup> The Commission agrees with the TRM-verified carryover and excess savings reported by Duquesne, confirmed by the SWE, and initially accepts a portfolio-level carryover total of 28,137 MWh to be credited against Duquesne's Phase IV portfolio-level electric consumption reduction requirement.

### **b. Met-Ed**

In its amended PY12 Final Annual Report, Met-Ed reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 147,303 MWh and low-income reduction requirement excess savings of 9,782 MWh.<sup>145</sup> In its Phase III Final Annual Report, the SWE validates Met-Ed's portfolio-level carryover of electric consumption savings in the amount of 147,303 MWh and the

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<sup>142</sup> See Duquesne amended PY12 Final Annual Report at 5.

<sup>143</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>144</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>145</sup> See Met-Ed amended PY12 Final Annual Report at 29 and 31.



low-income reduction requirement excess savings of 9,782 MWh.<sup>146, 147</sup> The Commission agrees with the TRM-verified carryover and excess savings reported by Met-Ed, confirmed by the SWE, and initially accepts a portfolio-level carryover total of 147,303 MWh to be credited against Met-Ed's Phase IV portfolio-level electric consumption reduction requirement and an excess savings total of 9,782 MWh to be credited against Met-Ed's Phase IV low-income reduction requirement.

**c. PECO**

In its PY12 Final Annual Report, PECO reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 104,953 MWh and low-income reduction requirement excess savings of 3,452 MWh.<sup>148</sup> In its Phase III Final Annual Report, the SWE validates PECO's low-income reduction requirement excess savings of 3,452 MWh.<sup>149</sup> However, the SWE was not able to verify PECO's portfolio-level electric consumption carryover savings of 104,953 MWh. The SWE notes, the correction of an error found in PECO's estimation of savings, increased the TRM-verified electric consumption reduction savings total to 2,068,877 MWh, therefore PECO's verified portfolio-level electric consumption carryover savings total increased from 104,953 MWh to 106,218 MWh.<sup>150</sup> The Commission agrees with the SWE verified and adjusted portfolio-level electric consumption carryover savings and initially accepts an excess savings total of 106,218 MWh to be credited against PECO's Phase IV portfolio-level electric consumption reduction requirement. Furthermore, the Commission agrees with the TRM-verified low-income reduction excess savings reported by PECO, confirmed by the SWE, and initially accepts an excess savings total of 3,452 MWh to be credited against PECO's Phase IV low-income reduction requirement.

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<sup>146</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>147</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>148</sup> See PECO PY12 Final Annual Report at 4 and 5.

<sup>149</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>150</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

**d. Penelec**

In its amended PY12 Final Annual Report, Penelec reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 130,025 MWh and low-income reduction requirement excess savings of 10,466 MWh.<sup>151</sup> In its Phase III Final Annual Report, the SWE validates Penelec's portfolio-level carryover of electric consumption savings in the amount of 130,025 MWh and the low-income reduction requirement excess savings of 10,466 MWh.<sup>152, 153</sup> The Commission agrees with the TRM-verified carryover and excess savings reported by Penelec, confirmed by the SWE, and initially accepts a portfolio-level carryover savings total of 130,025 MWh to be credited against Penelec's Phase IV portfolio-level electric consumption reduction requirement and an excess savings total of 10,466 MWh to be credited against Penelec's Phase IV low-income reduction requirement.

**e. Penn Power**

In its amended PY12 Final Annual Report, Penn Power reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 66,577 MWh and low-income reduction requirement excess savings of 3,504 MWh.<sup>154</sup> In its Phase III Final Annual Report, the SWE validates Penn Power's portfolio-level electric consumption carryover savings amount of 66,577 MWh and the low-income reduction requirement excess savings of 3,504 MWh.<sup>155, 156</sup> The Commission agrees with the TRM-verified carryover and excess savings reported by Penn Power, confirmed by the SWE, and initially accepts a portfolio-level carryover savings total of 66,577 MWh to be credited against Penn Power's Phase IV portfolio-level electric consumption

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<sup>151</sup> See Penelec amended PY12 Final Annual Report at 29 and 31.

<sup>152</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>153</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>154</sup> See Penn Power amended PY12 Final Annual Report at 29 and 31.

<sup>155</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>156</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

reduction requirement and an excess savings total of 3,505 MWh to be credited against Penn Power's Phase IV low-income reduction requirement.

**f. PPL**

In its PY12 Final Annual Report, PPL reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 306,276 MWh and low-income reduction requirement excess savings of 31,089 MWh.<sup>157</sup> In its Phase III Final Annual Report, the SWE validates PPL's low-income reduction requirement excess savings of 31,089 MWh.<sup>158</sup> However, the SWE was not able to verify PPL's portfolio-level electric consumption carryover savings of 306,276 MWh. The SWE notes, that the correction of an error found in PPL's estimation of savings, decreased the TRM-verified electric consumption reduction savings total to 1,749,310 MWh, therefore PPL's verified portfolio-level electric consumption carryover savings total decreased from 306,276 MWh to 306,275 MWh.<sup>159</sup> The Commission agrees with the SWE verified and adjusted portfolio-level electric consumption carryover savings and initially accepts an excess savings total of 306,275 MWh to be credited against PPL's Phase IV portfolio-level electric consumption reduction requirement. Furthermore, the Commission agrees with the TRM-verified low-income reduction excess savings reported by PPL, confirmed by the SWE, and initially accepts an excess savings total of 31,089 MWh to be credited against PPL's Phase IV low-income reduction requirement.

**g. West Penn**

In its amended PY12 Final Annual Report, West Penn reports it attained the portfolio-level TRM-verified electric consumption carryover savings amount of 168,480 MWh and low-income reduction requirement excess savings of 8,270 MWh.<sup>160</sup>

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<sup>157</sup> See PPL PY12 Final Annual Report at 10-11.

<sup>158</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>159</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>160</sup> See West Penn amended PY12 Final Annual Report at 29 and 31.

In its Phase III Final Annual Report, the SWE validates West Penn's portfolio-level carryover of electric consumption savings in the amount of 168,480 MWh and the low-income reduction requirement excess savings of 8,270 MWh.<sup>161, 162</sup> The Commission agrees with the TRM-verified carryover and excess savings reported by West Penn, confirmed by the SWE, and initially accepts a portfolio-level carryover total of 168,480 MWh to be credited against West Penn's Phase IV portfolio-level electric consumption reduction requirement and an excess savings total of 8,270 MWh to be credited against West Penn's Phase IV low-income reduction requirement.

## **2. Phase IV Savings**

As indicated above, the Commission initially accepts each EDC's megawatt-hour carryover and excess savings total that was confirmed by the SWE as of the SWE's Phase III Final Annual Report date. The Commission will credit this megawatt-hour amount appropriately against each EDC's Phase IV electric consumption reduction requirements.

Should any party desire to contest the facts the Commission relied upon in making its initial determinations of carryover and excess savings resulting from the Phase III EE&C Program contained herein, they have 20 days, from the date this order is entered, to file a petition in accordance with Section 5.41 of the Commission's Regulations, 52 Pa. Code § 5.41. Such petitions are to reference Docket Nos. M-2014-2424864 and the applicable EDC EE&C plan Phase III Docket. The party contesting the Commission's initial determinations of carryover and excess savings resulting from the Phase III EE&C Program shall have the burden of proof in accordance with 66 Pa. C.S. §§ 315 and 332(a). If no parties file a petition within 20 days of the date this order is entered, the Commission's initial determinations of carryover and excess savings resulting from the Phase III EE&C Program for each EDC will be considered final.

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<sup>161</sup> See Table 25: Estimated Phase III Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

<sup>162</sup> See Table 27: Estimated Phase III LI Carryover by EDC, of the SWE Phase III and PY12 Annual Report.

## **CONCLUSION**

With this Order, the Commission releases the Statewide Evaluator's Phase III Final Annual Report. The Commission also provides its determinations regarding EDC compliance with the mandates of Act 129 and regarding the level of accumulated savings from Phase III that may be applied to Phase IV consumption reduction requirements.

**THEREFORE,**

### **IT IS ORDERED:**

1. That the Statewide Evaluator's Phase III Final Annual Report be released to the public.
  
2. That a copy of this Order shall be served upon the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, and the jurisdictional electric distribution companies subject to the Energy Efficiency and Conservation Program requirements.
  
3. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation, and West Penn Power Company are in compliance with the May 31, 2021, electric consumption reduction requirement in Section 2806.1(c)(3) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(c)(3). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

4. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company are in compliance with the requirement to obtain a minimum of three-and-one-half percent of the required reductions in electric consumption from units of federal, state and local government, including municipalities, school districts, institutions of higher education and nonprofit entities in Section 2806.1(b)(1)(i)(B) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(b)(1)(i)(B). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

5. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company are in compliance with the requirement to include specific energy efficiency measures for households at or below 150% of the federal poverty income guidelines in proportion to those households' share of the total energy usage in Section 2806.1(b)(1)(i)(G) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(b)(1)(i)(G). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

6. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company are in compliance with the requirement to obtain a minimum of

five-and-one-half percent of its consumption reduction requirements from households at or below 150% of the federal poverty income guidelines. This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos.

M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

7. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company are in compliance with the May 31, 2020, peak demand reduction requirement in Section 2806.1(d)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(d)(2). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

8. That the Commission initially deems Duquesne Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and PPL Electric Utilities Corporation are in compliance with the May 31, 2020, 85% peak demand reduction requirement per event in Section 2806.1(d)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(d)(2). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket.

9. That the Commission initially deems that PECO Energy Company and West Penn Power Company are not in compliance with the May 31, 2020, 85% peak

demand reduction requirement in Section 2806.1(d)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(d)(2). This initial determination will be deemed final unless a Petition is filed contesting this determination within 20 days of the date this Order is entered. Such petitions shall reference Docket Nos. M-2014-2424864 and the applicable electric distribution company Phase III energy efficiency and conservation plan docket. This issue whether PECO Energy Company and West Penn Power Company are in compliance with Section 2806.1(d)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 2806.1(d)(2), and whether PECO Energy Company and West Penn Power Company are subject to penalties contained in Section Chapter 33 of the Public Utility Code, 66 Pa. C.S. § 3301(a) is referred to the Commission's Bureau of Investigation and Enforcement for the initiation of an appropriate proceeding. If a Petition challenging this initial determination is filed within 20 days of the entry date of this Order, any action initiated by the Bureau of Investigation and Enforcement shall be consolidated with the proceeding brought challenging the initial determination.


10. That the verified Phase III carryover and excess savings validated by the Statewide Evaluator, as noted its Phase III Final Annual Report for Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation, and West Penn Power Company as stated in this Order shall be credited against each electric distribution company's Phase IV electric consumption and low-income reduction requirements.

11. That this Order and the Statewide Evaluator's Phase III Final Annual Report be published on the Commission's public website at [http://www.puc.pa.gov/filing\\_resources/issues\\_laws\\_regulations/act\\_129\\_information/energy\\_efficiency\\_and\\_conservation\\_ee\\_c\\_program.aspx](http://www.puc.pa.gov/filing_resources/issues_laws_regulations/act_129_information/energy_efficiency_and_conservation_ee_c_program.aspx).



12. That the contact person for technical issues related to this Order and the Statewide Evaluator's Phase III Final Annual Report is Joseph M. Sherrick, Bureau of Technical Utility Services, 717-787-5369 or [josherrick@pa.gov](mailto:josherrick@pa.gov). The contact person for legal and process issues related to this Order is Adam Young, Law Bureau, 717-787-4700 or [adyoung@pa.gov](mailto:adyoung@pa.gov).

**BY THE COMMISSION**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: May 12, 2022

ORDER ENTERED: May 12, 2022