



January 30, 2023

**VIA E-File**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, Filing Room  
Harrisburg, PA 17120

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

*CAUSE-PA Comments in Response to PPL Petition for Approval of Changes to its Act 129 Phase IV EE&C Plan*

Dear Secretary Chiavetta:

Please find the attached **Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** in the above-referenced matter. As indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John W. Sweet", with a horizontal line above it.

John W. Sweet, Esq.  
*Counsel for CAUSE-PA*

*CC: Certificate of Service*

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**COMMENTS OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA**

**IN RESPONSE TO THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION  
FOR**

**APPROVAL OF CHANGES TO ITS**

**ACT 129 PHASE IV ENERGY EFFICIENCY AND CONSERVATION PLAN**

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**PENNSYLVANIA UTILITY LAW PROJECT**

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**January 30, 2023**

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## I. INTRODUCTION

On December 30, 2022, PPL Electric Utilities Corporation (PPL or the Company) filed a Petition for Approval of Changes to its Act 129 Phase IV Energy Efficiency and Conservation (EE&C) Plan (Petition) at the above captioned docket, requesting that the Pennsylvania Public Utility Commission (Commission) approve several changes to its Act 129 Phase IV EE&C Plan, including both “major” changes and “minor” changes.

In its Petition, the Company requests that the Commission review and approve all the proposed modifications, both “major” and “minor,” under the major change process set forth in the Commission’s *Minor Plan Change Order*.<sup>1</sup> Under the major change process, parties have 30 days to file comments, an answer, or both, and 20 days to file replies.<sup>2</sup> The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, files the following Comments in response to PPL’s Petition. CAUSE-PA has also separately filed an Answer to PPL’s Petition at the above captioned docket.

In short, while CAUSE-PA is not principally opposed to PPL’s proposed programmatic amendments, we offer several recommendations and further adjustments to help ensure that PPL’s Phase IV EE&C programs remain appropriately targeted to comprehensively serve the most pressing efficiency needs of low income families across its service territory.

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<sup>1</sup> See Energy Efficiency and Conservation Program, Docket No. M-2008-2069887, pp. 20- 21 (Order Entered June 10, 2011) (“Minor Plan Change Order”); see also 52 Pa. Code § 5.61(e) (responses to petitions due within 20 days “Unless a different time is prescribed by statute, the Commission, or presiding officer.” Through the *Minor Plan Change Order*, the Commission has prescribed a 30 day response time for proposed major plan changes and allows for both comments and answers.).

<sup>2</sup> Minor Plan Change Order at 20

## **II. BACKGROUND**

Act 129 of 2008 (Act 129) charged the Commission with the task of developing an energy efficiency and conservation program (EE&C Program). The Act also established energy efficiency (EE) and peak demand reduction (PDR or DR) targets that each electric distribution company (EDC) with at least 100,000 customers must meet. Pursuant to Section 2806.1(C)(3) of Act 129, the Commission was charged with evaluating the costs and benefits of the EE&C Program by November 30, 2013, and every five years thereafter.

On November 30, 2020, PPL Electric Utilities Corporation (PPL or the Company) filed a Petition for Approval of Its Act 129 Phase IV Energy Efficiency and Conservation Plan at the above-captioned docket. Several parties either intervened or entered their appearances, including CAUSE-PA, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), PP&L Industrial Customer Alliance (“PPLICA”), the Commission on Economic Opportunity (“CEO”), the Sustainable Energy Fund (“SEF”), and the Natural Resources Defense Council (“NRDC”). CAUSE-PA intervened to ensure that PPL’s Phase IV EE&C Plan is appropriately designed to provide affordable and accessible energy efficiency measures for low income customers and other vulnerable consumer groups. CAUSE-PA submitted expert testimony and exhibits analyzing the details of PPL’s proposed Phase IV Plan and its alignment with the Commission’s Phase IV Implementation Order and other important policy goals and objectives.<sup>3</sup> CAUSE-PA expert witness, Mitchell Miller explained that PPL serves a substantial number of low income customers who are unable to afford utility service, and are in immediate need of

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<sup>3</sup> See CAUSE-PA St. 1.

comprehensive energy efficiency programs to help control their usage and, in turn, reduce their monthly electric bills.<sup>4</sup>

On February 26, 2021, the parties submitted the Joint Petition for Approval of Partial Settlement, which was achieved as a result of extensive settlement discussions by the active parties.<sup>5</sup> The Settlement included several provisions directed to improve comprehensive and direct install EE&C measures to low income households and to improve access to EE&C measures for master metered multifamily buildings.<sup>6</sup>

On December 30, 2022, PPL filed the instant Petition for Approval of Changes to its Phase IV EE&C Plan and requested that the Commission review and approve all of the proposed modifications pursuant to the “major” change process, which provides parties with 30 days to file comments, an answer, or both, and 20 days to file replies.

CAUSE-PA files these Comments, together with its separately filed Answer, in response to PPL’s Petition.

### **III. DISCUSSION**

#### **1. Low Income Program Changes.**

In its Petition, PPL proposes to add, change, and remove various Low-Income Program measures.<sup>7</sup> PPL proposes to adjust “certain existing measures’ eligibility requirements, estimated participation, and incentive ranges based on feedback and the Company’s own analysis.”<sup>8</sup> Though,

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<sup>4</sup> CAUSE-PA St. 1 at 14-17.

<sup>5</sup> See Joint Petition for Partial Settlement (Note: The Joint Petition for Partial Settlement resolved all issues, except for PPLICA’s proposal to reduce PPL Electric’s peak demand reduction compliance target, which was subsequently briefed by parties and resolved by Commission Order; see Opinion and Order, Entered March 25, 2021.).

<sup>6</sup> Joint Petition for Partial Settlement at ¶¶ 31-39.

<sup>7</sup> Petition at 9-10.

<sup>8</sup> Id. at 9, ¶ 25.

PPL was not specific about what the feedback and analysis was that led to its decision to change the program. PPL asserts generally that changes are necessary so that the Company can achieve its savings targets within budget, but provides few additional details to explain how its proposed changes specifically impact eligibility, participation rates, and incentive ranges.<sup>9</sup> PPL also proposes to remove certain measures due to lack of expected participation,<sup>10</sup> and proposes to add water heater pipe insulation, thermostatic shower restriction valves, and room air conditioner retirement to its Low-Income Program.<sup>11</sup> Finally, PPL proposes to update its EE&C Plan to reflect its actual Phase III carryover savings, which were higher than originally projected, and to incorporate additional low income savings anticipated as a result of its proposed measure changes.<sup>12</sup>

As an initial matter, CAUSE-PA respectfully asserts that the Commission should require PPL to further clarify how its proposed Low-Income program changes will impact the eligibility requirements, estimated participation, and incentive ranges available to low income consumers. As noted, PPL generally asserts that changes are necessary to achieve its savings targets but does not explain the impact those changes will have on participation rates, and the delivery of comprehensive services to low income participants capable of generating meaningful energy and bill savings. Additional explanation is necessary to ensure that the proposed changes do not reduce the availability of comprehensive and direct install measures for low income households.

Notwithstanding the need for additional explanation to support PPL's proposed amendments to its Low-Income Program, CAUSE-PA notes explicitly that it does not oppose

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<sup>9</sup> Id. at ¶25.

<sup>10</sup> Id. at 10 ¶ 26.

<sup>11</sup> Id. at ¶ 27.

<sup>12</sup> Id. at 17.

PPL’s proposal to add certain measures to its Low-Income Program, including water heater pipe insulation, thermostatic shower restriction valves, and room air conditioner retirement. However, regarding PPL’s proposal to add air conditioner retirement to its Low-Income Program, CAUSE-PA respectfully asserts that the Company should be required to both retire *and replace* inefficient air conditioners. Low income customers not only struggle to afford heating in the winter, but also cooling in the summer – a struggle which has become progressively acute in the face of rapidly increasing electricity costs and more frequent extreme heat events.<sup>13</sup> Extreme heat events are dangerous, and disproportionately impact communities of color, older adults, young children, medically vulnerable individuals, and outdoor workers – all of whom are more likely to have lower income and less ability to access efficient cooling measures for their home.<sup>14</sup> Providing program participants with air conditioner replacements will not only help low income customers afford their cooling costs, it will also ensure that retired air conditioners are replaced with high efficiency cooling equipment – rather than the less efficient, lower cost units that low income customers may turn to without assistance. Indeed, merely taking an inefficient air conditioner offline – without also replacing the unit with a more efficient alternative cooling measure – will do nothing to ensure a net energy savings, as low income families may still turn to low cost, inefficient replacements.

Finally, CAUSE-PA respectfully asserts that the Commission should closely monitor the Company’s implementation of any approved changes to ensure the changes do not reduce the delivery of comprehensive and direct install measures for low income households. CAUSE-PA observes that PPL’s proposed adjustment to account for actual Phase III carryover savings does not appear to reduce the overall level of low income savings achieved through PPL’s Phase IV

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<sup>13</sup> See US Dep’t Health & Human Services, Administration for Children & Families, LIHEAP and Extreme Heat (April 22, 2022), <https://www.acf.hhs.gov/blog/2022/04/liheap-and-extreme-heat>.

<sup>14</sup> See *id.*

EE&C Plan. PPL has proposed to increase its estimated Phase III low income carryover savings in the EE&C plan from 20,000 MWh to 31,089 MWh to account for its actual Phase III carryover, an increase of 11,089 MWh.<sup>15</sup> At the same time, PPL projects that its other proposed changes to low income measures will increase savings from 68,342 MWh to 71,005 MWh (or 2,663 MWh).<sup>16</sup> In all, PPL projects that the total low income savings resulting from its proposed changes will increase its low income savings, including Phase III rollover, from 84,430 MWh to 98,182 MWh (an increase of 13,752 MWh).<sup>17</sup> Considering that the Company has increased its projected low income savings to account for the additional carryover savings and has not proposed to reduce the amount of low income savings achieved in through its Phase IV EE&C Plan, this proposal seems reasonable. However, the Commission should closely monitor the implementation of the proposed changes to ensure that delivery of comprehensive and direct install measures is not eroded.

In its Phase IV Implementation Order, the Commission was purposeful in setting its savings requirements to allow for more comprehensive programming with measures capable of achieving deeper savings for low income consumers capable of improving affordability for low income program participants.<sup>18</sup> In his direct testimony in PPL's Phase IV EE&C proceeding, CAUSE-PA witness Mitchell Miller explained that PPL serves a substantial number of low income customers that do not have enough income to afford utility service and are in immediate need of comprehensive energy efficiency programs to help control their usage and, in turn, reduce their monthly electric bills.<sup>19</sup> Mr. Miller pointed out that low income families are more likely to live in energy inefficient homes but are unable to afford investments in energy efficiency, further

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<sup>15</sup> Petition at 17.

<sup>16</sup> Petition, Appendix A at p. 2 (Table 2 "Summary of Compliance Targets").

<sup>17</sup> Petition, Appendix A at p. 33 (Table 10 "Summary of Costs and Savings by Program and Customer Sector").

<sup>18</sup> Phase IV Implementation Order at 15.

<sup>19</sup> CAUSE-PA St. 1 at 14-17.



compounding energy unaffordability and underscoring the need for comprehensive energy efficiency and conservation services to low income households.<sup>20</sup> Mr. Miller concluded that PPL's Plan placed far too much emphasis on lighting and low-cost efficiency measures that do not produce meaningful bill savings for low income consumers, which was inconsistent with the Commission's Phase IV Final Implementation Order.<sup>21</sup> The Settlement in PPL's Phase IV EE&C proceeding provides that PPL would add building shell measures and allow for up to \$2 million to be dedicated to deeper measures, including space heating; building shell measures; water heater maintenance, repair, and replacement; and appliance replacement/recycling.<sup>22</sup>

On its face, PPL's Petition and proposed modifications do not seem to impact these settlement provisions or to reduce the number of comprehensive or direct install measures available to low income households. However, PPL has not explained whether its proposed changes to eligibility criteria and incentive levels could impact the ability of low income households to obtain direct install or comprehensive measures. Thus, CAUSE-PA respectfully recommends that the Commission require PPL to provide an explanation about the impacts of its proposed changes on the ability of low income households to receive comprehensive energy efficiency measure and to provide assurances that the Company will not merely shift savings targets from direct install and comprehensive measures to lighting or other low cost efficiency measures to obtain easier, more cost effective savings. Additionally, to the extent that PPL proposes to remove any direct install measures from the Low-Income Program due to lack of participation, it should be required to first evaluate whether participation could be increased by removing barriers to participation.

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<sup>20</sup> Id. at 17-8.

<sup>21</sup> See CAUSE-PA St. 1 at 19-20, Table 1, and Exhibit MM-1.

<sup>22</sup> Settlement at ¶¶ 32-34.

## 2. Nonresidential Program Changes.

In its Petition, PPL proposes to shift approximately \$18 million from the Large C&I Sector's budget in the Non-Residential Program to the Small C&I Sector's budget in the Non-Residential Program.<sup>23</sup> PPL asserts that this change is necessary because the Small C&I Sector's interest in energy efficiency is much greater than expected for Phase IV.<sup>24</sup> PPL asserts that without shifting the funds, the Small C&I Sector could exhaust its budget prior to the end of the Phase.<sup>25</sup>

CAUSE-PA does not oppose PPL's proposal to shift \$18 million from Large C&I budget to the Small C&I budget, but respectfully recommends that the Commission require PPL to direct at least 20% of the reallocated funds to increase the energy efficiency programming available to serve affordable multifamily buildings. Affordable multifamily buildings are often most in need of energy efficiency services to help reduce energy costs and preserve the availability of affordable housing, but can nevertheless be amongst the most difficult building segment to reach as a result of split incentives and razor-thin operating budgets.<sup>26</sup> It is therefore imperative that funding from Act 129 be maximized to serve small businesses that build, operate, and/or maintain affordable multifamily buildings.

In recent years, the Commission has recognized the potential for energy efficiency savings in multifamily buildings and has issued additional guidance encouraging EDCs to improve the availability of programs for this sector. In its Phase IV Implementation Order, the Commission

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<sup>23</sup> Petition at 11, ¶ 35.

<sup>24</sup> *Id.* at ¶36.

<sup>25</sup> *Id.* at 12, ¶ 37

<sup>26</sup> See ACEEE, Stefan Samarripas & Dan York, Closing the Gap in Energy Efficiency Programs for Affordable Multifamily Housing (April 2019), <https://www.aceee.org/sites/default/files/publications/researchreports/u1903.pdf>; see also Rand Corp., Heather L. Schwartz et al., Energy Efficiency as a Tool for Preservation of Affordable Rental Housing (2018), [https://www.rand.org/pubs/research\\_reports/RR2293.html](https://www.rand.org/pubs/research_reports/RR2293.html).

directed the EDCs “to report savings achieved in multifamily housing, both for the low-income carve-out and for their portfolio programs.”<sup>27</sup> The Commission also ordered “that savings from multifamily housing, up to the percentage of verified low-income households living in the multifamily housing, are eligible for the low-income carve-out.”<sup>28</sup>

In his evaluation of PPL’s proposed low income programming, Mr. Miller raised concerns about the accessibility of PPL’s programming for affordable multifamily building owners and operators.<sup>29</sup> As he explained, multifamily buildings, and in turn the tenants who reside in those buildings, can be difficult to serve without specific program design features and targeted outreach efforts.<sup>30</sup> Mr. Miller explained that housing authorities, transitional housing providers, and low income housing providers most often operate on razor-thin budgets that do not leave room for investment in energy efficiency services, despite the clear need to reduce energy costs in order to preserve the availability of decent affordable housing.<sup>31</sup> He explained that it is especially critical to ensure that low income housing providers have access to low or no cost energy efficiency services to help reduce energy usage, stabilize operating costs, and preserve already-scarce affordable multifamily housing.<sup>32</sup>

PPL offers a range of free direct install energy efficiency measures in the tenant units of low-income residents living in master-metered multifamily buildings in the Small C&I rate class.<sup>33</sup> Despite proposing to shift approximately \$18 million to the Small C&I budget, PPL has not proposed to increase the budget for nor the savings derived from master metered multifamily

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<sup>27</sup> Phase IV Implementation Order at 37.

<sup>28</sup> *Id.* at 37.

<sup>29</sup> CAUSE-PA St. 1 at 24-27, 37-40.

<sup>30</sup> *Id.* at 24-27, 37-40

<sup>31</sup> *Id.* at 38.

<sup>32</sup> *Id.* at 39.

<sup>33</sup> Petition, Appendix A, p. 27 (Table 8, Pa. PUC Table 5, “Residential, C&I Small, and C&I Large Portfolio Summaries”).

buildings.<sup>34</sup> CAUSE-PA respectfully recommends that at least 20% of the additional Small C&I program funds be utilized to expand efficiency services to low income master metered multifamily buildings.

#### IV. CONCLUSION

CAUSE-PA appreciates the opportunity to comment on PPL's Petition to Amend its Phase IV EE&C Program. Consistent with our above Comments, we recommend that the Commission (1) require PPL to clarify the impact of its proposed Low-Income Program changes on the eligibility requirements, estimated participation, and incentive ranges available to low income consumers; (2) require PPL to both retire *and replace* inefficient air conditioning units; (3) closely monitor implementation of any approved programmatic changes to ensure the continued availability of comprehensive, direct installation services to low income consumers; and (4) direct PPL to target at least 20% of its reallocated C&I budget to support efficiency programming for affordable multifamily buildings.

Respectfully submitted,

**PENNSYLVANIA UTILITY LAW PROJECT**

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Dated: January 30, 2023

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<sup>34</sup> Id.

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**Certificate of Service**

I hereby certify that I have this day served copies of the **Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54.

**VIA Email Only**

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