

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petition of PPL Electric Utilities for
Approval of its Act 129 Phase IV Energy
Efficiency and Conservation Plan**

**Public Meeting held April 20, 2023
3020824-OSA
Docket No. M-2020-3020824**

MOTION OF VICE CHAIRMAN STEPHEN M. DEFRANK

Before the Pennsylvania Public Utility Commission (Commission or PUC) for consideration and disposition is the Petition (Petition) of PPL Electric Utilities Corporation (PPL or Company) for Approval of Changes to its Act 129 Phase IV Energy Efficiency and Conservation (EE&C) Plan (Petition), filed on December 30, 2022. PPL is requesting approval of eleven modifications to its Phase IV Plan. The proposed changes include “major” and “minor” changes as defined in the Commission’s expedited review process set forth in Commission Order.¹ PPL requested that the Commission review and approve all of the proposed modifications pursuant to the “*major*” change process.

PPL proposes the following changes to its Phase IV Plan:

1. Add, Change, and Remove Residential Program Measures with No Change to the Residential Sector’s Overall Budget (*Minor Change*);
2. Increase the Estimated Savings and Decrease the Estimated Peak Demand Reductions for the Residential Program (*Major Change*);
3. Add, Change, and Remove Low-Income Program Measures with No Change to the Low-Income Sector’s Overall Budget (*Minor Change*);
4. Increase the Estimated Savings and Adjust the Estimated Peak Demand Reductions for the Low-Income Program (*Major Change*);
5. Shift Approximately \$18 million from the Large Commercial and Industrial (C&I) Sector Budget in the Non-Residential Program to the Small C&I Sector Budget in the Non-Residential Program (*Major Change*);
6. Add, Change, and Remove Non-Residential Program Measures with No Change to the Non-Residential Program’s Overall Budget (*Major and Minor Changes*);
7. Increase the Estimated Savings and Estimated Peak Demand Reductions for the Small C&I Sector in the Non-Residential Program (*Major Change*);

¹ Order entered June 10, 2011 at Docket M-2008-2069887.

8. Decrease the Estimated Savings and Estimated Peak Demand Reductions for the Large C&I Sector in the Non-Residential Program (Major Change);
9. Adjust the Major Accounts Common Cost Allocation Method (Major Change);
10. Update the Phase IV EE&C Plan to Reflect the Actual Carryover Savings from Phase III (*Major Change*), and
11. Make Grammatical and Editorial Changes to Correct or Clarify Wording for Figures in the EE&C Plan (*Minor Change*).

PPL states that the proposed modifications to its Phase IV Plan are based on new information and experience gained since the Company filed its original Phase IV Plan in November 2020 and will not change the total estimated cost of its Phase IV Plan. PPL explained that its proposed modifications were identified through: (1) its experience in Phase IV of Act 129; (2) input from stakeholders, trade allies, conservation service providers, and program participants; (3) Program Year 13 evaluation results; and the Company's ongoing coordination activities with other Pennsylvania EDCs.

Answers to the Petition were filed by The Office of Small Business Advocate (OSBA) and Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

I believe the uncontested changes, namely those labelled 1, 2, 4, 9, and 11 above, are reasonable and that no further investigation into the changes is necessary at this time. Further, I believe the information provided by PPL regarding its changes labelled 3, 6, and 10 substantiates their approval as well, noting the adverse positions raised by parties within this proceeding.

However, I highlight the issues labelled 5, 7, and 8. Both OSBA and CAUSE-PA raise concerns about PPL's request for additional investment in the Small C&I Sector. Although the OSBA states that "the modified EE&C Plan looks potentially reasonable," the OSBA contends that more information is needed regarding PPL's basis for expecting significantly higher participation from the Small C&I Sector compared to historic participation levels.

I understand that shifting a portion of the Large C&I budget to the Small C&I budget may foster PPL's ability to meet the Small C&I Sector's demand for EE&C measures. However, I cannot disregard two important points. First, PPL has not demonstrated that its Large C&I Sector is under-performing so as to justify the reallocation of its funding. Second, PPL has not demonstrated that its requested modification will not disturb the reasonable mix of programs in PPL's Phase IV Plan as required by Act 129.

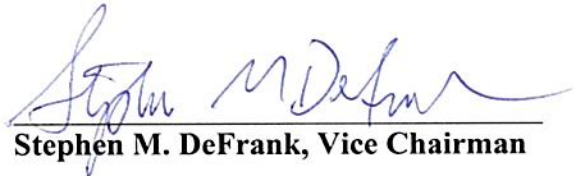
Based on my review of the proceeding, I am concerned that the proposed transfer of funds from the Large C&I budget to the Small C&I budget may not result in an EE&C Plan that continues to satisfy the requirements of Act 129 and the prior related Orders of the Commission. As OSBA and CAUSE-PA have raised questions of fact and law regarding PPL's proposed

Phase IV Plan budget, I submit that further development of the evidentiary record is necessary to resolve this issue. Therefore, I propose referral of issue number 5, and by association issues number 7 and 8, to the Office of Administrative Law Judge (OALJ) for expedited consideration.

THEREFORE, I MOVE THAT:

1. That the Petition of PPL Electric Utilities Corporation for Approval of Changes to its Phase IV Act 129 Energy Efficiency and Conservation Plan is granted in part, and denied, in part, consistent with this Opinion and Order.
2. That PPL Electric Utilities Corporation's proposed Changes Nos. 1 through 4, 6, and 9 through 11, as set forth in the Petition of PPL Electric Utilities Corporation for Approval of Changes to its Phase IV Act 129 Energy Efficiency and Conservation Plan, which was filed on December 30, 2022, are approved, consistent with this Motion.
3. That the following proposed changes, as set forth in PPL Electric Utilities Corporation's Petition of PPL Electric Utilities Corporation for Approval of Changes to its Phase IV Act 129 Energy Efficiency and Conservation Plan, are referred to the Office of Administrative Law Judge for scheduling of such proceedings as may be necessary and the issuance of a Recommended Decision within 90 days of the Opinion and Order entered date herein.
 - a. Change No. 5 – Shift Approximately \$18 million from the Large C&I Sector Budget in Non-Residential Program to the Small C&I Sector Budget in the Non-Residential Program (*Major Change*).
 - b. Change No. 7 – Increase the Estimated Savings and Estimated Peak Demand Reductions for the Small C&I Sector in the Non-Residential Program (*Major Change*).
 - c. Change No. 8 – Decrease the Estimated Savings and Estimated Peak Demand Reductions for Large C&I Sector in the Non-Residential Program (*Major Change*).
4. That PPL Electric Utilities Corporation is permitted to implement those portions of its Revised Act 129 Phase IV Energy Efficiency and Conservation Plan expressly approved consistent with this Motion.
5. That the Office of Special Assistants prepare an Opinion and Order consistent with this Motion

DATE: April 20, 2023


Stephen M. DeFrank, Vice Chairman