



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

IN REPLY PLEASE
REFER TO OUR FILE
M-2020-3020818

June 27, 2023

Mr. Michael A. Gruin, Esq,
Stevens & Lee, P.C.
17 North Second Street, 16th Floor
Harrisburg, PA 17101

**Re: Duquesne Light Company – Phase IV Energy Efficiency and Conservation Plan
Petition for Minor Modification
Docket No. M-2020-3020818**

Dear Mr. Gruin:

On May 12, 2023, Duquesne Light Company (Duquesne or Company) filed a *Duquesne Light Company – Phase IV Energy Efficiency and Conservation Plan Petition for Minor Modification Docket No. M-2020-3020818* (Petition). The Petition seeks approval of minor changes to the programs contained in its Act 129 Phase IV Energy Efficiency and Conservation Plan (EE&C Plan) through the Commission’s expedited process set forth in its June 10, 2011, Final Order at Docket No. M-2008-2069887 (Expedited Process Order). For the reasons discussed below, the Bureau of Technical Utility Services (Staff) will grant Duquesne’s Petition.

In the Expedited Process Order, the Commission delegated its authority to review and approve minor EE&C Plan changes to Staff, with assistance from staff of the Law Bureau.¹ The Expedited Process Order directs Staff to issue a Secretarial Letter approving, denying, or transferring to the Office of Administrative Law Judge for hearings, some or all of a petition’s proposed minor plan changes. Duquesne served the Petition on all parties of record.

The elements requested in the Duquesne Petition are contained in the following summary. Comments were due by May 30, 2023. No comments were filed and no hearings were held.

¹ In the Expedited Process Order, the Commission delegated its authority to staff of the Bureau of Conservation, Economics and Energy Planning, with assistance from staff of the Bureau of Fixed Utility Services and the Law Bureau. *See*, Expedited Process Order at 22. In a Final Procedural Order entered on August 11, 2011, at Docket No. M-2008-2071852, the Commission transferred the staff and functions of the Bureaus of Fixed Utility Services and Conservation, Economics and Energy Planning to the Bureau of Technical Utility Services. *See Implementation of Act 129 of 2008 Organization of Bureaus and Offices*, Final Procedural Order at 4.

(1) Modify the projected savings of certain measures based upon the Codes and Standards Guidance Memos, Interim Measure Protocols, and other Guidance Memos from the Statewide Evaluator.

In its Petition, Duquesne asserts that the Company's current Phase IV EE&C Plan was developed using the 2021 Technical Reference Manual (TRM) as adopted by the PA PUC on February 4, 2021, and was designed around the technologies, codes, and standards found therein (Codes and Standards). Since the publication of the TRM and the approval of the Company's EE&C Plan, the Statewide Evaluator (SWE) has issued a number of Codes and Standards Guidance Memos, Interim Measure Protocols, and other Guidance Memos. Among these documents are 21 Codes and Standards Guidance Memos regarding the impacts of Codes and Standards changes on the energy saving technologies defined in the TRM. The Company is proposing to adjust the approved Phase IV EE&C Plan to reflect these changes in savings potential represented by each technology.

The SWE also published 40 Interim Measure Protocols that provide for additional technologies or guidance on claiming savings from existing technologies in new delivery channels. The Company is proposing to adjust the approved Phase IV EE&C Plan to reflect these changes in available technologies and program delivery options.

Additionally, the SWE issued 5 other Guidance Memos covering errors in the 2021 TRM. The Company proposes to adjust the approved Phase IV EE&C Plan to reflect these corrections to the TRM.

All of the aforementioned changes involve changes to projected savings that do not increase the overall costs to the affected customer class.

(2) Remove certain measures that no longer save energy due to Codes and Standards changes.

As part of the proposed changes to the Company's Phase IV EE&C plan, certain measures will be removed due to changes in Federal Standards. The Company is proposing to remove the majority of screw-in LED lighting measures from the Plan. This action is being taken in response to the expanded definition of "general service lamp" and codification of the 45 lumen per Watt standard issued by the Department of Energy. The SWE asserts that LEDs are the only widely available technology that can meet this standard and are, therefore, the baseline. The screw-in lighting measures retained in the EE&C Plan continue to fall outside of the federal definition of general service lamp, and therefore remain cost-effective, and all are very low or very high lumen output products.

All of the aforementioned changes involve the elimination of measures that are no longer viable for reasons of cost-effectiveness.

(3) Add new measures to replace measures removed due to Codes and Standards changes.

The Company is proposing to add several additional measures to replace some of the savings lost to Codes and Standards changes. As described above, the Company is proposing to remove General Service LED lighting from residential programs, except for direct installation and efficiency kits.

Due to Codes and Standards changes, heating ventilation and air conditioning (HVAC) and electric water heating measures became subject to increased minimum federal efficiency baselines, as well as broad revisions to efficiency measurement metrics. The Company's proposed changes focus on tiered incentives for high efficiency HVAC, addition of cold climate heat pumps, and greater focus on advanced control technologies. In addition, computer room air conditioners, a number of compressed air measures, and a series of tiered incentive measures for commercial new construction are being proposed for addition to the Phase IV EE&C Plan.

All of the aforementioned changes involve the addition of a measure with no increase to the overall costs to the affected customer class.

(4) Modify incentive amounts to promote new and retained measures to achieve savings targets.

The Company is proposing to adjust incentive levels of retained measures and establish new incentives for new measures to encourage participation and to maximize the impact of incentive dollars. The Company is proposing to differentiate incentive amounts between the different delivery channels (downstream versus midstream), and to offer tiered incentives for commercial new construction to encourage designs that significantly surpass building codes. In addition, the Company is proposing to adjust various prescriptive rebates based on customer participation levels in the first two years of Phase IV.

All of the aforementioned changes involve changes to the conditions of a measure and/or rebate structure of a measure, with no increase to the overall costs to the affected customer class.

(5) Make minor text revisions for clarity.

In connection with the minor changes outlined herein, the Company also proposes to make the associated ministerial revisions necessitated by the changes, including revisions to the table of contents, EE&C Plan filed date, and certain typographical error corrections.

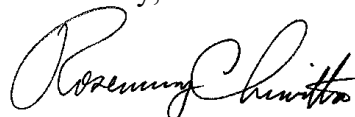
Conclusion

In view of the above, Staff has determined that the *Duquesne Light Company – Phase IV Energy Efficiency and Conservation Plan Petition for Minor Modification*, filed on May 12, 2023, at Docket No. M-2020-3020818, satisfies the requirements of Act 129 and the prior related Orders of the Commission. Staff finds that the minor changes proposed in the Petition should

help Duquesne Light meet or exceed the energy consumption and demand reduction requirements of Act 129 in a cost-effective manner. Therefore, Staff finds that the May 12, 2023, minor changes submitted by Duquesne Light are approved. Duquesne Light is directed to file with the Secretary a revised plan, consistent with this Secretarial Letter, within 30 days of the date of this Letter and post the same on its website.

As directed in the Commission's Expedited Process Order, petitions for appeal from this Staff action must be filed within ten (10) days after service of this Secretarial Letter in accordance with 52 Pa. Code § 5.44.²

Sincerely,



Rosemary Chiavetta
Secretary

cc: Chairman Brown Dutrieuille
Vice Chairman DeFrank
Commissioner Yanora
Commissioner Zerfuss
Commissioner Coleman
Parties of Record
Paul Diskin, TUS
Darren Gill, TUS
Joseph Sherrick, TUS
Cornelia Schneck, TUS
Kriss Brown, LAW
Kathryn Sophy, OSA

² Expedited Process Order at 19.