

**Comments of Advanced Energy Management Alliance for the Pennsylvania Public Utility  
Commission to the May 1, 2020 Petition by the Energy Association of Pennsylvania to  
Amend the Commission’s June 19, 2020 Implementation Order**

Act 129 Energy Efficiency and Conservation Program

Docket No. M-2014-2424864

May 12, 2020

**1. Introduction.**

Advanced Energy Management Alliance (“AEMA”) is a trade association under Section 501(c)(6) of the federal tax code whose members are engaged in providing or facilitating various clean energy solutions including energy efficiency (“EE”), demand response (“DR”), and distributed energy resources (“DER”). AEMA includes some of the largest energy customers in the country, which leverage these services. AEMA members support the incorporation of clean energy solutions including from advanced energy management solutions to help customers achieve electricity cost savings and their personal environmental goals such as reducing their carbon footprint while also contributing to grid reliability. These comments represent the collective consensus of AEMA as an organization, although it does not necessarily represent the individual positions of AEMA member companies.

**2. AEMA Supports the EAP Petition.**

On May 1, 2020, the Energy Association of Pennsylvania (“EAP”) submitted a Petition to the Commission, seeking to amend the June 19, 2015 Implementation Order for Phase 3 of the Act 129 Energy Efficiency and Conservation program. The EAP cites that all EDCs have

complied with the requirements of Phase 3 during the first three mandatory summers of the Phase. The COVID-19 pandemic adds uncertainty to customer load reduction capability this coming summer. AEMA supports the EAP request, which makes programs voluntary this summer and allows for continuity, while supporting the overall objectives of Phase III peak shaving programs.

### **3. Modifications to CSP Contracts.**

In addition to approving the EAP request, AEMA requests the Commission direct utilities to modify their contracts with Conservation Service Providers (“CSP”) to align CSP obligations with the revised obligations of the utilities. AEMA notes that contracts between CSPs and utilities contain performance incentives and penalty provisions designed to support the utility commitments under Act 129. Similarly, AEMA requests the Commission direct CSPs that have subcontracted any portion of its obligations to align the subcontractor’s obligations with the revised obligations of the CSPs.

AEMA respectfully requests that an amended Implementation Order include direction to utilities and applicable CSPs to modify their contracts with CSPs and CSP’s subcontractors respectively to eliminate penalty provisions for 2020 or otherwise align these provisions consistent with any utility incentives that are established through an amendment.

### **4. Mandatory Demand Response Should Continue in Phase IV.**

AEMA reiterates our support for AEMA comments on the Phase IV Tentative Order (Docket M-2020-3015228) supporting continuation of a Phase IV demand response peak shaving program.

In those comments, AEMA acknowledges the short-term and temporary impacts of COVID on electric demand, while underscoring the vital importance of maintaining a highly cost-effective Phase IV demand response peak shaving program. For instance, AEMA highlights:

It is also important to note what the current health crisis does and does not mean for energy planning in Pennsylvania. “Stay at Home” orders have lowered both total energy use and peak demand in affected states, and “returning to normal” will not be an immediate switch – there is a good chance that certain populations will be affected for some months to come. However, it is also likely that a substantial portion of the state’s economy will have to be re-opened by the Fall, and both federal, state, and municipal governments are planning substantial efforts to support an accelerated economic recovery.

Hence, in planning programs through 2025, demand response programs should be understood both as allowing Pennsylvanian organizations to support the state’s electric grid as the economy rebounds, [and] providing an effective hedge against future price shocks during that rebound.<sup>1</sup>

The EAP proposed amendment to Act 129 Phase III has minimal impact on Phase IV planning, where Phase IV starts in June 2021 and may see higher energy consumption even than normal as businesses return to normal. The successful performance of demand response during Phase III demonstrates the importance of continuing these peak shaving programs into Phase IV.

## **5. Conclusion.**

In closing, for the reasons cited above, AEMA supports EAP’s petition and requests that the Commission include direction to revise contracts with demand response providers (i.e. CSPs and CSP’s subcontractors) consistent with any amendments to the Phase III Order. And finally,

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<sup>1</sup> AEMA Comments pages 4-5.

AEMA notes that these comments are entirely consistent with the AEMA filing on the Tentative Phase IV Implementation Order. Thank you for consideration of these comments.

Respectfully submitted,

A handwritten signature in black ink that reads "Katherine Hamilton". The signature is written in a cursive style with a long, sweeping underline.

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