

ANNEX

ANNEX A

TITLE 52. PUBLIC UTILITIES CHAPTER 58. RESIDENTIAL LOW-INCOME USAGE REDUCTION PROGRAMS

Editor's Note: For ease of reference during the notice of proposed rulemaking (NOPR) process, the entire Chapter 58 is included.

§ 58.1. [Purpose] Statement of Purpose.

[This] **The purpose of this** chapter [requires] **is to require** [covered utilities] **a public utility, as defined in § 58.2 relating to definitions,** to establish **a** fair, effective and efficient [energy usage reduction programs] **Low-Income Usage Reduction Program (LIURP)** for [their low income] **its low-income customers and special needs customers.** [The programs are] **A LIURP that meets the requirements of this chapter is** intended to [assist low income customers conserve] **decrease a LIURP participant's** energy **usage** and [reduce residential energy] **public utility bills or to improve health, safety and comfort levels of household members, or both.** [The] **A** reduction in energy [bills] **usage [should decrease] creates cost savings, which can lessen** the incidence and risk of customer payment delinquencies and the attendant **public** utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs. [The programs are also intended to reduce the residential demand for electricity and gas and the peak demand for electricity so as to reduce costs related to the purchase of fuel or of power and concomitantly reduce demand which could lead to the need to construct new generating capacity. The programs should also result in improved health, safety and comfort levels for program recipients.] **A reduction in the residential demand for energy can also result in cost reductions related to the purchase of fuel or of power for all customers.**

§ 58.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Administrative costs—Expenses not directly related to the provision of program services. The term may include salaries, fringe benefits and related personnel costs for administration, secretarial and clerical support involved in fiscal activities, planning, personnel administration, and the like; office expenses, such as rents, postage, copying and equipment; and other expenses, such as **[audit] quality control** and evaluation expenses, advertising, **training** and insurance.

BCS—Bureau of Consumer Services—The Commission bureau with the responsibility to advise the Commission regarding universal service matters including the oversight of the review process of a public utility’s universal service programs.

CAP—Customer Assistance Program—A universal service program, as approved by the Commission, that provides payment assistance or pre-program arrearage forgiveness, or both, to a low-income residential customer.

CAP shortfall—The difference between the actual tariff rate for jurisdictional residential energy service and the amount charged on a CAP participant’s bill. This term is synonymous with “CAP credits.”

CARES—Customer Assistance and Referral Evaluation Services—A universal service program, as approved by the Commission, that provides a referral-based approach or a casework approach, or both, to help a payment-troubled customer secure energy assistance funds and other needed services to maximize the customer’s ability to pay utility bills.

CBO—Community-based organization—A public or private nonprofit organization that is representative of a community or a significant segment of a community and that works to meet community needs.

Commission—The Pennsylvania Public Utility Commission.

[Covered utility—A jurisdictional electric or gas local distribution utility having sales of natural gas for purposes other than resale exceeding 10 billion cubic feet or sales of electric energy for purposes other than resale exceeding 750 million kilowatt-hours during the preceding calendar year or both.]

CNGDO—City natural gas distribution operation—A collection of real and personal assets used for distributing natural gas to retail gas customers owned by a city or a municipal authority, nonprofit corporation or public corporation formed under 66 Pa.C.S. § 2212(m) (relating to city natural gas distribution operations). Under Section 2212(c), for the purposes of universal service and energy conservation, a CNGDO is subject to the same requirements, policies, and provisions applicable to a NGDC.

De facto heating—Use of a portable heater as the primary heating source when the primary or central heating system is non-functioning or public utility service has been terminated.

Dwelling—A structure being supplied with residential utility service such as a house, apartment, mobile home or single meter multiunit under 52 Pa. Code § 56.2 (relating definitions).

EDC—Electric distribution company—A public utility providing jurisdictional electric distribution service as defined in 66 Pa.C.S. § 2803 (relating to definitions). This term is synonymous with electric distribution utility (EDU), as defined in 66 Pa.C.S. § 1403.

ESP—Energy service provider—An organization, contractor, subcontractor, or public utility representative responsible for providing program services on behalf of a public utility.

Eligible customer—A [low income or special needs customer who is a residential space heating customer, or a residential water heating customer, or a residential high use electric baseload customer of a covered utility] space-heating, water-heating, or electric baseload low-income or special needs residential customer who meets the usage threshold and other criteria for a public utility’s LIURP, as specified in its USECP.

Energy [survey] audit—[An onsite inspection of a residential building for the purpose of determining the most appropriate usage reduction measures.] An initial assessment of a dwelling performed by an ESP to determine the energy usage and appropriate program services.

Energy conservation education—A presentation, workshop, training or instruction in which energy conservation objectives and techniques are explained or presented to a group or an individual.

FPIG—Federal Poverty Income Guidelines—The income levels published annually in the Federal Register by the United States Department of Health and Human Services. This term is synonymous with “federal poverty level.”

Hardship Fund—A universal service program, as approved by the Commission, that provides cash assistance to help eligible customers pay public utility debt, restore public utility service or stop a termination of public utility service.

Health and safety measure—A program measure or repair necessary to maintain and protect the physical well-being and comfort of an occupant of a dwelling or an ESP, or both.

Impact evaluation—An evaluation that focuses on the degree to which a universal service program achieves the continuation of utility service to program participants at a reasonable cost level and otherwise meets program goals.

Incidental repair—Work necessary to permit the installation of a program measure including a repair to an existing measure to make it operate more effectively.

LIHEAP—Low-Income Home Energy Assistance Program—A Federally funded program, administered in this Commonwealth by the Department of Human Services, which provides financial assistance grants to low-income households for home energy bills.

LIURP—Low-Income Usage Reduction Program—A universal service program, as approved by the Commission, that provides energy usage reduction services, health, safety and comfort services, conservation education services or a combination of such services for an eligible customer.

LIURP Advisory Committee—A committee that provides consultation and advice to a public utility regarding program services.

LIURP budget—The expected cost of providing program services in a given program year, as approved in a USECP proceeding.

LIURP funding mechanism—The process and method by which the public utility recovers its costs of providing approved program services.

LIURP funds—The proceeds recovered through a public utility’s LIURP funding mechanism to recover LIURP costs.

LIURP job—The act of providing program services to a dwelling by an ESP, which can include an energy audit, installation or modification of program measures, energy conservation education and testing the dwelling upon completion.

[Low income] Low-income customer—A residential **public** utility customer [with] whose **annual gross** household income **is** at or below 150% of the [Federal poverty guidelines] **FPIG**.

NGDC—Natural gas distribution company—A public utility providing jurisdictional natural gas distribution service as defined in 66 Pa.C.S. § 2202 (relating to definitions). This term is synonymous with natural gas distribution utility (NGDU), as defined in 66 Pa.C.S. § 1403, and includes a regulated CNGDO for universal service and energy conservation purposes under § 2212(c).

Payment-troubled customer—A customer who has an arrearage or has failed to maintain one or more payment arrangements in a one-year period.

Pilot program—A program [by a covered utility], **as approved by the Commission, to operate within the public utility’s LIURP,** to develop, implement and evaluate new or innovative methods for achieving [usage reduction] **the purposes of this chapter.**

Post-installation inspection—An assessment performed by an ESP to determine the efficacy of program measures installed at a dwelling.

Program [measures] measure—An [Installations which are designed to reduce energy consumption] **installation and other work performed on a dwelling under this chapter.**

Program [services] service—[Services] A **service** offered or **work** performed by a [covered] **public** utility or its [agent] **ESP** under this chapter.

Program year—The calendar year period beginning January 1 and ending on December 31.

Public utility—

- (1) An EDC with at least 60,000 residential customers.**
- (2) A NGDC with at least 100,000 residential customers.**

Residential [high use] electric baseload customer—A residential customer [of a covered utility utilizing] **using** [the] electric service [provided by the covered utility for] **from the EDC for purposes other than [nonspace heating] space-heating or [nonwater heating] water-heating** [end uses such as lighting and major and minor appliance usage and utilizing greater than 125% of the usage of the covered utility’s average residential baseload customer].

Residential [space heating] space-heating customer—A residential customer [of the covered utility utilizing] **using** the electric or **natural** gas service provided by the [covered] **public** utility as the primary heating source for the [customer’s residence]. The term includes customers with gas furnaces that have historically been used for heating but may not currently be operable] **dwelling.**

Residential [water heating] water-heating customer—A residential customer [of the covered utility utilizing] **using** the electric or **natural** gas service provided by the [covered] **public** utility **to provide water-heating** as the primary [water] heating source for the [customer’s residence] **dwelling.**

Special needs customer—A customer [having an arrearage with the covered utility and] whose household income is [at or below] between 151% and 200% of the [Federal poverty guidelines] FPIG with one or more household members who meet any of the following criteria:

- Are age 62 and over or age five and under.
- Need medical equipment.
- Have a disability.
- Are under a protection from abuse order.
- Are otherwise defined as a special needs customer under the public utility’s approved USECP.

USAC—Universal Service Advisory Committee—A group of stakeholders who meet at least semiannually, receive universal service program updates, and provide feedback on proposed public utility USECP initiatives.

USECP—Universal Service and Energy Conservation Plan—A documented and Commission-approved plan describing the benefits, policies and procedures related to a public utility’s universal service and energy conservation programs.

USECP proceeding—A Commission proceeding to review a proposed public utility USECP or a petition proposing to add or amend provisions within an existing USECP.

Universal service programs—The policies, protections and services that a public utility is required to offer under 66 Pa. C.S. §§ 2203(8) (relating to restructuring of natural gas utility industry) and 2804(9) (relating to standards for restructuring of electric industry) to help low-income customers maintain public utility service and conserve energy. This term is synonymous with “universal service and energy conservation programs” and includes payment assistance programs, termination of service protections, energy usage reduction programs and consumer education programs. LIURP, CAP, CARES and Hardship Fund are the four mandatory universal service program components of a public utility’s USECP; other programs are permissible if approved in a USECP proceeding.

[*Usage reduction education*—A group or individual presentation or workshop in which usage reduction objectives and techniques are explained.]

Weatherization—The process of modifying a dwelling to reduce energy consumption and optimize energy efficiency.

§ 58.3. Establishment and maintenance of a residential [low income usage reduction program] LIURP.

A [covered] **public** utility shall establish **and maintain** a [usage reduction program] **LIURP** for its [low income] **low-income** customers **and special needs customers**.

§ 58.4. [Program funding] **LIURP budgets**.

(a) [*General guidelines for gas utilities*. Annual funding for a covered natural gas utility's usage reduction program shall be at least .2% of a covered utility's jurisdictional revenues. Covered gas utilities shall submit annual program budgets to the Commission. A covered gas utility will continue to fund its usage reduction program at this level until the Commission acts upon a petition from the utility for a different funding level, or until the Commission reviews the need for program services and revises the funding level through a Commission order that addresses the recovery of program costs in utility rates. Proposed funding revisions that would involve a reduction in program funding shall include public notice found acceptable by the Commission's Bureau of Consumer Services, and the opportunity for public input from affected persons or entities.] **(Reserved)**.

(a.1) General. A public utility shall propose annual LIURP budgets for the term of a proposed USECP that is filed with the Commission for review and approval. Upon approval of the USECP by the Commission, the public utility shall continue providing program services at the budget level approved in the USECP unless the LIURP budget is revised in a future USECP proceeding.

(a.2) Special needs customers. A public utility may spend up to 25% of its annual LIURP budget on eligible special needs customers as defined in § 58.2 (relating to definitions).

(b) [*General guidelines for electric utilities*. A target annual funding level for a covered electric utility is computed at the time of the Commission's initial approval of the utility's proposed program. A covered electric utility shall continue funding the program at that level until the Commission acts upon a petition from the utility for a revised funding level, or until the Commission reviews the need for program services and revises the funding level through a Commission order that addresses the recovery of program costs in utility rates. Proposed funding revisions that would involve a reduction in program funding shall have include public notice found acceptable by the Commission's Bureau of Consumer Services, and the opportunity for public input from affected persons or entities.] **(Reserved)**.

(c) [*Guidelines for revising program funding*] **Revisions to a LIURP budget. A revision to a LIURP budget is accomplished in a USECP proceeding. A revision to a [covered] public utility's [program funding level is to] LIURP budget must be**

[computed] based upon factors [listed in this section. These factors are] including the following:

1) The estimated number of customers by FPIG levels 0% through 50%, 51% through 100%, 101% through 150%, and 151% through 200%.

(2) The number of confirmed low-income customers by FPIG levels 0% through 50%, 51% through 100%, 101% through 150%, and 151% through 200%.

(3) The number of special needs customers.

[(1)] **(4)** The number of eligible confirmed low-income customers that could be provided [cost-effective usage reduction] program services. The calculation [shall] must take into consideration the number of customer dwellings that have already received, or are not otherwise in need of, [usage reduction] program services.

(5) The number of eligible special needs customers that could be provided program services. The calculation must take into consideration the number of customer dwellings that have already received, or are not otherwise in need of, program services.

[(2)] **(6)** Expected customer participation rates for eligible customers. Expected participation rates [shall] must be based on the number of eligible confirmed low-income customers and historical participation rates [when customers have been solicited through approved personal contact methods].

[(3)] **(7)** The total expense of providing [usage reduction] program services, including costs of program measures, energy conservation education and training expenses and prorated expenses for [program] LIURP administration.

[(4)] **(8)** A plan for providing program services to eligible customers within a [reasonable period of time] proposed timeline, with consideration given to [the contractor] ESP capacity necessary for provision of services, including time and materials, and the impact on utility rates.

(d) [Pilot programs. Covered utilities are encouraged to propose pilot programs for the development and evaluation of conservation education and other innovative technologies for achieving the purposes of residential low income usage reduction.] (Reserved).

(d.1) Unspent LIURP funds. A public utility shall annually reallocate unspent LIURP funds to the LIURP budget for the following program year unless an alternate use is approved by the Commission in a USECP proceeding.

(e) *Recovery of LIURP costs.*

(1) [Program expenses shall] LIURP costs must be allotted among ratepayers. [The precise method of allocation between capital and expense accounts shall be determined in future rate proceedings.]

(2) Recovery of [program expenses] LIURP costs [shall] will be subject to Commission review of the prudence and effectiveness of a public utility's administration of its [low income residential usage reduction program] LIURP.

(3) The LIURP funding mechanism and the allocation between capital and expense accounts must be determined in a public utility's rate proceeding.

§ 58.5. Administrative costs.

(a) LIURP administrative costs. [For programs covered by § 58.4 (relating to program funding),] A public utility may not spend more than 15% of [a covered utility's] its annual LIURP budget [for its usage reduction program may be spent] on administrative costs, as defined in § 58.2 (relating to definitions). [The costs associated with approved pilot programs are exempt from the 15% cap.]

(b) LIURP pilot program administrative costs. The administrative costs associated with an approved pilot program are exempt from the 15% cap on LIURP administrative costs. A public utility shall track the administrative costs of a pilot program separately from the other costs of the pilot program.

§ 58.6. Consultation.

A [covered] public utility, when [making major modifications in] developing a proposal to modify its [program] LIURP design or developing a pilot program, shall consult with persons and entities with experience in the design or administration of usage reduction, energy efficiency, and weatherization programs. [Consultations may typically be with] Persons and entities consulted may also include a USAC, LIURP advisory committee, past recipients of weatherization services, social service agencies, and community groups[, other utilities with usage reduction programs, and conservation and energy service contractors].

§ 58.7. Integration.

(a) [A covered utility shall coordinate program service with existing resources in the community.] (Reserved).

(b) [Mandatory usage reduction programs] **A LIURP [shall] must be designed to operate in conjunction with the [covered] public utility's [consumer services and collection] other universal service programs as defined in § 58.2 (relating to definitions) and [relevant public or private programs so that customers experiencing ability-to-pay problems are made aware of the covered utility's usage reduction program and hardship funds] other relevant public or private programs that provide energy assistance or similar assistance to the community. The [covered] public utility shall provide direct assistance [to low income usage reduction program] or arrange third-party assistance for LIURP participants [in making application to the Low Income Home Energy Assistance Program] applying for LIHEAP as defined in § 58.2 (relating to definitions) and other energy assistance programs, based on income-eligibility.**

(c) [Mandatory usage reduction programs shall be designed, whenever possible, to provide program services through independent agencies which have demonstrated experience and effectiveness in the administration and provision of program services. In the absence of qualified independent agencies, a covered utility electing not to provide program services directly shall solicit competitive bids for the provision of services by providers of related services, such as construction, architectural or engineering services.] **(Reserved).**

§ 58.8. Tenant household eligibility.

(a) [*Program measures.*] **Tenant household.** An eligible customer who is a tenant **that resides at a dwelling, as defined in § 58.2 (relating to definitions),** shall have an equal opportunity to [secure] **receive** program services [if the landlord has granted written permission to the tenant for the installation of program measures, and the landlord agrees, in writing, that rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures, and the tenant not evicted for a stated period of time at least 12 months after the installation of the program measures, if the tenant complies with ongoing obligations and responsibilities owed the landlord].

(1) **A tenant household may be eligible for the installation of program measures if the landlord has granted permission to the public utility and the public utility documents the landlord's agreement for the ESP to perform work on the dwelling. A public utility shall provide a copy of the landlord's documented agreement to the tenant household.**

(2) If the landlord does not grant permission for the installation of program measures, the tenant household remains eligible for baseload measures and energy conservation education.

(b) Landlord contributions. A [covered] public utility may seek voluntary landlord contributions, [as long as the] The lack of landlord contributions [do] may not [prevent] prohibit an eligible [customer] tenant household from receiving program services. [Contributions] Voluntary contributions from landlords [shall] must be used by the public utility [as supplemental] to supplement its approved [Residential Low Income Usage Program] LIURP budget. The public utility shall document the conditions relative to the use of a voluntary contribution in writing.

(c) Optional public utility requirement. A public utility may require a landlord to agree that rent will not be raised unless the increase is related to matters other than the installation of the program measures or that the tenant household will not be evicted for a stated period of time after the installation of the program measures unless the tenant household fails to comply with ongoing obligations and responsibilities owed the landlord.

§ 58.9. [Program announcement] LIURP outreach.

(a) [A covered utility shall provide notice of program activities as follows:] A public utility shall, at least annually, review its customer records to identify customers who appear to be eligible for LIURP and provide a targeted communication with a description of program services and eligibility rules to each customer identified through this procedure so as to solicit applications for consideration of program services. A copy of this notice must also be sent to publicly and privately funded agencies which assist low-income customers within the public utility's service territory. A public utility shall also consider providing public service announcements regarding its LIURP in media outlet sources, such as print, broadcast and social media platforms. The public utility shall additionally advertise its LIURP in a language other than English when census data indicate that 5% or more of the residents of the public utility's service territory are using the other language.

(1) [The utility shall, at least annually, review its customer records to identify customers who appear to be eligible for low income usage reduction service. The utility shall then provide a targeted mass mailing to each customer identified through this procedure so as to solicit applications for consideration of program services. A copy of this notice shall also be sent to publicly and privately funded agencies which assist low income customers within the covered utility's service territory. A covered utility shall also consider providing public service

announcements regarding its low income usage reduction program in local newspapers and on local radio and television.] (Reserved).

(2) [If available program resources exceed initial customer response, the targeted mass mailing shall be followed by a personalized letter to customers who did not respond to the mass mailing.] (Reserved).

(3) [If available program resources still exceed customer response, personal contact should be made with customers who have not responded to earlier program announcements.] (Reserved).

(b) If, after implementing notice requirements of subsection (a), additional funding resources remain, [a covered utility shall send each of its residential customers notice of its usage reduction program along with a description of program services, eligibility rules and how customers may be considered for program services] the public utility shall attempt to make additional contact with eligible customers who have not responded to earlier LIURP outreach announcements.

§ 58.10. [Program announcement.] Prioritization of program services.

(a) [Priority for receipt of program services shall be determined as follows:] A public utility shall prioritize the offering of program services to eligible customers in the following order:

(1) Among eligible customers, those with the largest energy usage and greatest opportunities for utility bill reductions relative to the cost of providing program services, including CAP shortfall, shall [receive] be offered services first. When prioritizing eligible customers by usage level, several factors [shall] must be considered when feasible. These factors include: the size of the dwelling, the number of occupants, the number of consecutive service months at the dwelling and the end uses of the utility service. When prioritizing eligible customers by opportunities for utility bill reductions, [utility rate factors which may tend to limit (for example, declining block rates) or facilitate, for example, time-of-day rates or heating rates, bill reductions somewhat independently of absolute usage levels should be considered.] a public utility may also consider factors that tend to facilitate utility bill reductions.

(2) Among customers with the same standing with respect to paragraph (1), [those with the greatest arrearages shall receive services first. When feasible,] priority should be given to [customers with the largest arrearage relative to their income; for example, arrearage as a percentage of income] customers in the following sequence :

(i) Customers in CAP with the largest pre-program and in-program arrearage as a percentage of their household income.

(ii) Non-CAP customers with the largest arrearage as a percentage of household income.

(3) Among the customers with the same standing with respect to paragraph (2), those with incomes **[which place them farthest below the maximum eligibility level] at the lowest FPIG level** shall **[receive] be offered program** services first.

(b) **[Covered electric utilities] An EDC** shall use the **[guidelines outlined] prioritization provisions** in this section to determine the amount of **its** annual **[program funding] LIURP budget** to be **[budgeted] allocated** for **[usage reduction] program** services available to residential **electric [space heating] space-heating, electric** residential **[water heating] water-heating** customers and residential **[high-use] electric** baseload customers.

(c) **[A covered utility may spend up to 20% of its annual program budget on eligible special needs customers as defined in § 58.2 (relating to definitions).] (Reserved).**

(d) **A public utility may not restrict participation in LIURP to customers enrolled in a CAP. If a customer is CAP-eligible, participation in CAP must be encouraged but not required to receive program services.**

(e) **A public utility shall document its prioritization protocols in its USECP.**

§ 58.11. Energy [survey] audit.

(a) If **[an] a LIURP** applicant is eligible to receive program services, **the public utility shall arrange for** an **[onsite] energy [survey] audit [shall] to** be performed **by an ESP** to determine if the installation of program measures **or if the provision of other program services or if both** would be appropriate. **[The installation of a program measure is considered appropriate if it is not already present and performing effectively and when the energy savings derived from the installation will result in a simple payback of 7 years or less. A 12-year simple payback criterion shall be utilized for the installation of side wall insulation, attic insulation, space heating system replacement, water heater replacements, and refrigerator replacement when the expected lifetime of the measure exceeds the payback period.]**

(b) **[Program funds may not be used for measures that involve fuel switching between Commission regulated utilities. This stipulation does not apply to fuel switching within a dual-fuel utility.] (Reserved).**

(c) A public utility may not use the same ESP that performed an energy audit at a dwelling to install the program measures determined appropriate by the energy audit at the same dwelling.

(d) To evaluate whether the installation of program measures on a dwelling are appropriate, the energy audit must determine both:

(1) Whether a program measure is not already present or is not performing effectively.

(2) Whether the total estimated energy savings would exceed the cost of installation of all program measures over the expected lifetime of those program measures.

(e) Notwithstanding § 58.11(d), a public utility may determine that providing a program measure is necessary for the long-term health, safety, and comfort levels for the occupants regardless of the estimated energy savings.

§ 58.11a. Fuel switching.

(a) LIURP funds may be used for program measures that involve fuel switching between electric and natural gas under either of the following conditions:

(1) When the public utility provides both electric and natural gas utility service to the LIURP participant.

(2) If the primary heating source provided by another public utility is determined to be inoperable or unrepairable or if the cost to repair would exceed the cost of replacement and both public utilities agree in writing that fuel switching is appropriate.

(b) The public utility shall document these conditions.

§ 58.12. Incidental repairs and health and safety measures.

[Expenditures on program measures may include incidental repairs to the dwelling necessary to permit proper installation of the program measures or repairs to existing weatherization measures which are needed to make those measures operate effectively.]

(a) Criteria and services. A public utility shall identify in its USECP the criteria used for performing incidental repairs and health and safety measures.

(1) Incidental repairs. Expenditures on program measures may include incidental repairs to the dwelling needed to make those program measures operate effectively.

(2) Health and safety measures. These measures may include installing smoke alarms or carbon monoxide detectors, performing combustion testing and identifying and remediating potential hazards such as knob and tube wiring, mold, asbestos and moisture.

(b) Allowances. Incidental repairs and health and safety measures must have separate allowance limits, approved through a USECP proceeding.

(c) Deferral. A public utility may defer a dwelling due to health, safety and structural problems that either do not meet the criteria or exceed the maximum budget allowances for incidental repairs or health and safety measures.

(1) If deferral is necessary, the public utility shall inform the customer in writing and describe the conditions that must be met for program services to be installed.

(2) A public utility shall track and maintain a list of dwellings deferred within the past three years. This information must be reported under § 58.15.

§ 58.13. [Usage reduction] Energy conservation education.

(a) *Applicability.* A [covered] public utility shall provide [usage reduction] energy conservation education services to [program] LIURP recipients so that maximum energy savings can be derived from the installation of program measures and through the modification of energy-related behavior including water consumption. [Usage reduction] Energy conservation education should also address regular utility bill payment behavior and the [covered] public utility shall provide direct assistance to [low income usage reduction program recipients] each customer who receives program services in making application to secure available energy assistance funds.

(b) [*Funding level*] LIURP Budget. [Expenditures for usage reduction] The portion of the LIURP budget allocated for energy conservation education services [shall] must be sufficient to provide these services to each customer who receives other program services. [Usage reduction] Energy conservation education programs that have average costs which exceed \$150 per program recipient household [are to be pilot tested]

for 1 year during which the program will be measured for the incremental contribution to energy savings that the usage reduction education produces and the cost-effectiveness of that contribution] must be submitted for review and approval through a USECP proceeding.

(c) [*Pilot programs.* The Commission encourages covered utilities to pilot test and evaluate innovative usage reduction education approaches. Pilot programs are also encouraged that evaluate the incremental energy savings of usage reduction programs that incorporate an education component as compared to programs that do not incorporate an education component.] (Reserved).

(d) *Program services.* The [usage reduction] energy conservation education services described in this chapter include activities designed to produce voluntary conservation of energy on the part of eligible customers. A public utility shall take reasonable steps to provide energy conservation education activities in the language or the method of communication appropriate to its target audience. The activities [shall] must include[, but need not be restricted to,] the following:

(1) *Group presentations.* Meetings involving recipients of program measures and other customers at which energy conservation objectives are explained and possible [conservation] program measures are described and, when appropriate, demonstrated.

(2) *Workshops.* Group presentations at which, in addition to receiving explanations of energy conservation objectives, recipients of program measures and other customers are taught to install selected program measures.

(3) *In-home presentations.* Consultations held in the dwelling between a person supplying energy conservation education services and the [occupant or owner] owner, landlord, or tenant of the dwelling. The presentations may include the explanation of energy conservation objectives, the participation of the [owner or occupant] owner, landlord or tenant in the installation of selected program measures or other activities designed to produce voluntary reductions in energy use [by the owner or occupant].

(4) *Post-installation education.* Energy conservation education must be provided by phone or in-person to recipients of program measures whose energy usage has increased 12 months post-installation.

§ 58.13a. LIURP pilot programs.

(a) Public utilities may propose LIURP pilot programs that offer innovative services that may include the following:

(1) Energy conservation education.

(2) Renewable energy sources.

(3) Fuel switching.

(4) Air conditioning.

(b) A public utility shall attempt to coordinate pilot program-related services among EDC and NGDC universal service programs and other community resources.

(c) A public utility shall seek approval through a USECP proceeding before establishing or changing a pilot program, discontinuing a pilot program early, or incorporating the provisions of a pilot program as a regular component of its LIURP.

(d) The duration of a pilot program must not exceed 5 years or continue after the expiration of the public utility's current USECP, whichever comes later.

§ 58.14. Program measure installation.

(a) [Installation.] Based on the results of the energy [survey] **audit** conducted under § 58.11 (relating to energy [survey] **audit**), a [covered] **public** utility shall install or arrange for the installation of [the following] applicable program measures designed to reduce [energy] **utility** bills, usage or demand for [space heating] **space-heating**, [water heating] **water-heating** and baseload end uses **which may include the following**:

(1) For residential [space heating] **space-heating** customers, applicable program measures may include the installation of insulation, furnace replacement or furnace efficiency modifications, [clock] **programmable** thermostats, infiltration measures designed to reduce the flow of air through the building envelope or the repair or replacement of chimneys, **windows, exterior doors** and service lines.

(2) For residential [water heating] **water-heating** customers, program measures may include [the installation of control devices on water heaters or other major appliances, rewiring to permit billing on a time of day or other off-peak rate schedule, the installation of water heater and pipe insulation and devices reducing the flow of hot water in showers, faucets or other equipment.] **any of the following**:

(i) Installation of control devices on water heaters or other major appliances.

(ii) Installation, repair, or replacement of water heater insulation and pipe insulation.

(iii) Installation of devices reducing the flow of hot water in showers, faucets or other equipment.

(3) For residential baseload customers, applicable program measures may include lighting efficiency modifications, refrigeration replacements or efficiency improvements, **repairing or replacing water heaters which do not provide primary heating for the dwelling**, air conditioner **installations or** replacements or efficiency improvements and other major appliance replacements, retrofits or efficiency improvements.

(b) [*Quality control.* A covered utility shall establish effective quality control guidelines and procedures for the installation of program measures. When a contractor is utilized, the covered utility shall schedule post-installation inspections and require a warranty covering workmanship.] **(Reserved).**

(c) [*Inter-utility coordination.* Customers of covered gas utilities and covered electric utilities shall have coordinated provision of comprehensive program services.

(1) When providing program services a covered gas utility shall address usage of electricity provided by a covered utility through the provision of electric usage reduction education, the installation of efficient lightbulbs, where appropriate, the installation of electric water heater and hot water pipe insulation where the equipment is in unheated areas and the installation of devices to reduce the flow of hot water in showers and faucets.

(2) When providing program services, a covered electric utility shall address usage of gas provided by a covered utility through the provision of gas usage reduction education, the installation of gas water heater and hot water pipe insulation where the equipment is in unheated areas and the installation of devices to reduce the flow of hot water in showers and faucets.

(3) Covered electric utilities should arrange for the bulk purchase of efficient lightbulbs at their own expense and the distribution of the lightbulbs to covered gas utilities or the gas utilities' program contractors that are providing program services in the electric utility service territory.

(4) A covered utility may choose to absorb in its program budget the labor and materials cost for the water heating treatments they provide under this section. An electric utility choosing not to absorb the costs may choose to bill the covered gas

utility for the electric utility's cost of providing gas water heating treatments. Similarly, a gas utility choosing not to absorb the costs may choose to bill the covered electric utility for the gas utility's cost of providing electric water heater treatments. Inter-utility billing arrangements shall be stated in a contract between the two utilities which specifies costs to be covered and measures to be installed.

(5) Conservation education costs incurred as a result of this section are not to be included in inter-utility billing arrangements.

(6) Covered electric utilities shall provide training at their own expense to covered gas utility contractors and inspectors regarding the installation of electric hot water measures and the determination of appropriate installations for efficient lightbulbs. Covered gas utilities shall provide training at their own expense to covered electric utility contractors and inspectors regarding the installation of gas hot water measures.

(7) Covered utilities are not required to track or report energy usage data associated with conservation education provided or measures installed under this section.] (Reserved).

(d) A public utility shall warranty program measures installed in a dwelling for a minimum of 1-year covering labor and materials.

§ 58.14a. Quality control

(a) A public utility shall establish quality control standards for the installation of program measures and shall document in its USECP the quality control standards that it is using to evaluate both the work of the ESP and the performance of the program measures.

(b) A public utility shall schedule post-installation inspections on a minimum of 10% of completed full cost space-heating and water-heating jobs and a minimum of 5% of baseload jobs for each ESP performing such program measures.

(c) A public utility shall establish procedures for the installation of program measures and the post-installation inspections and shall document them in its USECP.

(d) A public utility shall establish a process for a customer to file a complaint about the quality of work, workmanship or serviceability of the ESP and shall document the complaint process in its USECP.

(e) A public utility may not use the ESP that installs program measures at a dwelling to conduct the post-installation inspection of those program measures.

(f) When energy usage by a recipient of program measures increases by more than 10% within the first 12 months post-installation, the public utility shall contact the recipient to determine the reason for increase in energy usage. If the public utility cannot substantiate the reason for the increase in energy usage, the public utility shall schedule a follow-up inspection to confirm the program measures are working properly.

(g) A public utility shall ensure that an ESP documents each of the following:

- (1) Post-installation inspection results.**
- (2) Follow-up program services if provided.**

(h) A public utility shall retain quality control documentation for a minimum of four years or until the impact evaluation is completed, whichever is later.

§ 58.14b. Use of an ESP for program services.

(a) A public utility electing not to provide program services directly shall use qualified ESPs selected through a competitive bidding process.

(b) Third-party ESP qualifications must include, at least, the following:

(1) Demonstrated experience and effectiveness in the administration and provision of energy efficiency and usage reduction services.

(2) Certification, as appropriate to the program services to be rendered, by an accredited certifying entity.

(3) Proof of appropriate and sufficient insurance, as determined by the public utility.

(4) Attestation that workmanship and materials will be covered under a minimum 1-year warranty.

(c) A public utility which outsources program services shall contract with multiple ESPs if possible and shall file and serve a justification if selection is limited to one ESP.

(d) A public utility may prioritize contracting with CBOs that meet its ESP qualifications.

§ 58.14c. Inter-utility coordination.

(a) A public utility shall pursue coordination of its program-related services, trainings, outreach and resources with other public utilities LIURPs and with other energy assistance programs.

(b) Coordinated program services may include an energy audit and post-installation inspection.

(c) Inter-utility billing arrangements must be stated in a contract between coordinating public utilities. The contract must specify costs to be covered and program measures to be installed under this section. A public utility may choose to absorb in its LIURP budget the labor and materials cost for the coordinated program measures it provides.

(d) Costs associated with inter-utility trainings and coordinated trainings or outreach may not exceed 1% of the public utility's total LIURP budget, annually.

§ 58.15. [Program] LIURP reporting and evaluation.

[A covered utility shall be responsible for the ongoing evaluation of its program. Evaluation shall include establishing procedures for monitoring program results and evaluating program effectiveness. Procedures shall include the following:

- (1) Compiling statistical data concerning:**
 - (i) The number of homes weatherized.**
 - (ii) The itemized cost of conservation measures installed.**
 - (iii) The total cost per home in terms of materials and labor.**
 - (iv) The types of housing structures weatherized**
 - (v) Energy consumption.**
 - (vi) Program recipient demographics.**
 - (vii) Program recipient utility bills and account balances.**
 - (viii) Program recipient utility payments.**
- (2) Evaluating the energy savings and load management impacts of program services; changes in customer bills, payment behavior and account**

balances; and the overall quality of program services and steps being taken to improve program performance. Utilities should at least annually assess the cost-effectiveness of weatherization contractors utilized in providing program services and incorporate this information into program management decisions.

(3) Reporting annually to the Commission regarding the findings of this evaluation.]

A public utility shall be responsible for the ongoing reporting and evaluation of its LIURP, including compiling and reporting information requested by the Commission on an annual basis. At a minimum, the following data and analyses regarding its LIURP must be provided:

(1) Actual LIURP production and spending data for the recently completed program year and projections for the current program year by February 28, consistent with 52 Pa. Code §§ 54.75 (relating to annual residential collection and universal service and energy conservation program reporting requirements) and 62.5 (relating to annual residential collection and universal service and energy conservation program reporting requirements).

(2) Universal service program data by April 1, consistent with 52 Pa. Code §§ 54.75 and 62.5.

(3) Statistical data on LIURP jobs completed in the preceding program year by April 30, including:

(i) The number of LIURP jobs including the number and type of dwelling, the number of each job type completed, the number of fuel-switching jobs, the number of deferred dwellings, the number of previously deferred dwellings that received program services during the program year, the number of inter-utility coordinated LIURP jobs and the number of LIURP jobs coordinated with other weatherization programs.

(ii) The total LIURP costs including, material and labor costs of measures installed, administrative costs, inter-utility trainings, coordinated trainings and outreach, health and safety, incidental repairs, energy conservation education and cost to serve special needs customers.

(iii) Overall percent of energy usage reduction and energy usage reduction by job type.

(iv) The total number of CAP households and number of special needs households.

(v) The budget and actual spending for each LIURP pilot program, number of jobs by job type, duration of the pilot, results and measures implemented through the pilot.

(vi) An explanation if more than 10% of the annual LIURP budget remains unspent.

(4) Evaluation data and analysis of LIURP jobs by April 30, including periods covering pre-installation and post-installation of program measures, ending in the preceding program year. The evaluation data and analysis must be submitted in compliance with the reporting instructions provided to public utilities electronically by the Commission's Bureau of Consumer Services each year and include the following information, broken out by job type:

(i) Energy savings and load management impacts of program services.

(ii) Changes in customer utility bills.

(iii) Payment behavior and account balances.

(iv) Household demographic data at the time program measures were installed.

(v) Assessment of the cost-effectiveness of ESPs used in providing program services and how the ESPs are meeting quality control standards. The public utility shall identify how this information is incorporated into LIURP management decisions.

§ 58.16. [Advisory panels] LIURP advisory committee.

(a) [*Creation.*] A [covered] public utility shall create and maintain a [Usage Reduction Program Advisory Panel to provide consultation and advice to the company regarding usage reduction services] LIURP advisory committee or a USAC that meets at least semiannually with stakeholders to consult on program services.

(b) [*Membership*] Committee participants. [No more than one representative from an organization or group may serve on a company's advisory panel. Membership] Participants of a public utility's [consumer advisory panel] LIURP advisory committee or USAC may include:

(1) Recipients of program measures and representatives from social service agencies, from community groups and from agencies or companies which administer or install program measures.

(2) Representatives from other groups or agencies which may be able to offer reasonable advice regarding **[usage reduction programs and] program** services.

(c) [Review. The advisory panel shall be provided with usage reduction program plans and proposed changes at least 15 days prior to the submission of plans for approval by the Commission. The panel shall report comments and exceptions to plans to the covered utility which shall provide the reports to the Commission in conjunction with the submission of the proposed plan.] (Reserved).

(d) [Creation of additional advisory panels. A covered utility may create more than one advisory panel when the size of the service territory or other considerations warrant.] (Reserved).

(e) [Existing advisory panels. A covered utility may use an existing customer advisory panel to satisfy this section when the membership of the panel can reasonably be expected to provide effective consultation and advice regarding usage reduction programs.] (Reserved).

§ 58.17. [Regulatory review] Modifications of a LIURP.

A [covered] **public** utility [may not] **shall** [implement a required usage reduction program, nor subsequently significantly] **establish or subsequently** modify [a program] **its program services and LIURP budget through a USECP proceeding** [approved under this chapter until the utility has received Commission approval for the proposal].

§ 58.18. [Exemptions] Waiver.

A [covered] **public** utility alleging special circumstances may petition the Commission **through a USECP proceeding to waive** [exempt its required usage reduction program from] **a provision in** this chapter, **under 52 Pa. Code § 1.91 (relating to applications for formal requirements).**

§58.19. Temporary suspension of program services.

(a) A public utility shall notify the Commission at its current USECP docket if it needs to suspend all or part of its program services for 30 days or longer. Notice

must be filed and served prior to suspension of program services or within 5 days after suspension of program services if prior notice was not possible. The notice must include the reason for suspension and the estimated timeline for resumption of program services.

(b) A public utility that has suspended its program services shall file and serve monthly status updates at its current USECP docket if the suspension of program services exceeds 30 days. The status updates must include an estimated timeline for resumption of program services.