**Act 129 Energy Efficiency and Conservation Program - Phase III Planning**

**Data Request from April 8, 2015 Stakeholder Meeting[[1]](#footnote-1)**

*Q1. Please provide the EDC acquisition costs with the low-income sector removed from the analysis.*

At the stakeholder meeting, there was some discussion on how the low income(LI)-specific measures (i.e., measures provided to low-income households at no cost) were factored into the analysis and the resulting impact on acquisition costs. The table below shows the change in base achievable/program potential acquisition cost for the total portfolio as a result of removing LI-specific measures from the potential analysis. Because low income measures are more expensive than non-low income measures, the acquisition costs with the LI results removed are lower than the original costs.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Total Portfolio | | |
|  | *All ("Pre")* | *LI-Removed ("Post")* | *Post : Pre* |
| Duquesne | $ 186.92 | $ 168.18 | 90.0% |
| FE: Met Ed | $ 182.18 | $ 164.88 | 90.5% |
| FE: Penelec | $ 191.87 | $ 173.30 | 90.3% |
| FE: Penn Power | $ 176.08 | $ 157.15 | 89.2% |
| FE: WPP | $ 181.04 | $ 161.01 | 88.9% |
| PECO | $ 183.56 | $ 160.50 | 87.4% |
| PPL | $ 183.67 | $ 162.57 | 88.5% |
| Statewide | $ 184.00 | $ 163.46 | 88.8% |

*Q2. Please provide the measure list the SWE assumed in the Carve out program potential for Low Income customers.*

The table below provides the number of low income-specific measures by EDC. The numbers reflect iterations of measures which passed the cost-effectiveness screening established for low income customers (TRC >= 0.25) and are represented by a variety of replace-on-burnout and retrofit measures including: standard CFLs, specialty CFLs, LED reflectors, HVAC equipment maintenance, high efficiency air-source heat pumps and central air conditioners, programmable and smart thermostats, refrigerator recycling, various efficient appliance measures, low flow aerators and faucets, weatherization package, smart strips, etc.

|  |  |
| --- | --- |
| EDC | # measures |
| Duquesne | 154 |
| PPL | 146 |
| PECO | 154 |
| MetEd | 154 |
| Penelec | 146 |
| Penn Power | 147 |
| West Penn Power | 150 |

See the report appendices for the complete list of low income-specific measures considered in the energy efficiency potential analysis. Low income-specific measures are designated in the income target column as “LI”.

*Q3. Did the SWE assume incentives were equal to 100% of the measure cost for low-income specific measures?*

The SWE can confirm that the analysis assumed, for low income-specific measures, that EDCs would pay 100% of the measure cost. In the analysis, non-equipment measures (i.e., building shell measures) were considered to be retrofit measures with assumed measure costs equal to the full installation costs. However, equipment upgrades were generally considered to be replaced upon equipment failure, with measure costs equal to the incremental cost of the efficient technology over standard equipment costs. Under this assumption, the 100% incentive only covers all of the incremental cost, not the full cost of the measure.

In an effort to determine the sensitivity of direct install low-income programs that pay 100% of the full cost of both non-equipment and equipment measures, the SWE altered the assumed measure cost of low income-specific equipment costs (i.e., residential lighting, heat pump water heaters, heat pumps, room air conditioners, refrigerators, clothes washers, and dehumidifiers) to full costs.

The SWE estimates that a full cost assumption for all low income specific measures and EDCs paying 100% of the full cost, would have a 2.4%-4.6% increase on the total (all-sectors) portfolio acquisition costs across the EDCs. The overall impact on the statewide acquisition cost is a 3.1% increase to the total portfolio acquisition cost. It is important to note that the full cost assumption causes some low-income specific measures to fall below the threshold for cost-effectiveness utilized for the potential study. Low income-specific measures with a TRC ratio below 0.25 were not included in estimates of economic, achievable, or program potential.

*Q4. What is the total acquisition cost of the Low Income 2% direct install carve out?*

The SWE did not propose a 2% direct install carve out or calculate this as part of the potential study.

*Q5. What is the total assumed cost the SWE came up with to achieve the 2%, if available?*

Again, this was not a SWE potential study calculation.

*Q6. The acquisition cost related to the total installed cost of measures (this would not include EDC labor and CSP admin costs, this gets funky because M&L of installed measures is also considered an admin cost, but for planning it’s important to know how much is M&L and how much is Admin*).

The SWE did not calculate the acquisition cost related to the total installed cost of measures, excluding EDC labor and CSP administrative costs as part of potential study.

1. This document was developed by the Commission’s Act 129 Statewide Evaluator, GDS Associates, *et. al*, and does not necessarily reflect the views, opinions or directives of the Commission or its staff. [↑](#footnote-ref-1)