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August 31, 2009

Via Electronic Filing and First-Class Mail

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

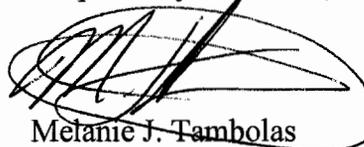
Re: Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Energy Efficiency and Conservation Plan, Approval of Recovery of its Cost through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan, Docket No. M-2009-2093218

Dear Secretary McNulty:

Enclosed for filing is the Main Brief of Field Diagnostic Services, Inc., in the above-referenced proceeding. Copies have been served as indicated on the enclosed Certificate of Service.

If you have any questions, please contact me.

Respectfully submitted,



Melanie J. Tambolas
PA Attorney I.D. #209323

MJT/dc
Enclosures

cc: Honorable Katrina Dunderdale (w/encl.) (via Federal Express)
Office of Special Assistants (w/encl.) (via Federal Express)
All parties on attached Certificate of Service (w/encl.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of West Penn Power :
Company d/b/a Allegheny Power for :
Approval of its Energy Efficiency and :
Conservation Plan, Approval of : **Docket Nos. M-2009-2093218**
Recovery of its Cost through a :
Reconcilable Adjustment Clause and :
Approval of Matters Relating to the :
Energy Efficiency and Conservation
Plan

**MAIN BRIEF OF
FIELD DIAGNOSTIC SERVICES, INC**

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Dated: August 31, 2009

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I. INTRODUCTION

This proceeding presents the Pennsylvania Public Utility Commission (the “Commission”) the opportunity to review and improve upon the Energy Efficiency and Conservation Plan (“EE&C Plan,” or the “Plan”) put forth by WPP Energy Company (“WPP”) as mandated by Act 129 and the Commission’s subsequent Implementation Order. The Plan put forward by WPP is, by and large, well-designed, comprehensive and cost-effective. That said, however, the Plan would be substantially strengthened by including additional HVAC measures and tailoring program design toward HVAC, as proposed by Field Diagnostic Services, Inc. (“FDSI”), in order to encourage WPP customers to improve the efficiency of their heating, ventilation, and air conditioning (“HVAC”) systems. While the Plan does provide some incentives for improved HVAC efficiency, the factual record in this proceeding makes clear that, through the implementation of additional, targeted HVAC efficiency programs and incentives for HVAC-specific diagnostic testing, WPP can better meet the aim of Act 129: providing the most cost-effective energy savings possible, in order to meet or exceed the targeted reductions.

II. PROCEDURAL HISTORY

On July 1, 2009, WPP filed its Petition for Approval of its Act 129 Energy Efficiency and Conservation Plan and Expedited Approval of its Compact Fluorescent Lamp Program” (“WPP’s Petition”), seeking Commission approval of its EE&C Plan, which purports to reduce energy consumption and demand in its service territory in accordance with the requirements of Act 129—codified at 66 Pa.C.S.A. § 2806.1—and the Implementation Orders entered January 16, 2009 and May 28, 2009 by the Commission at Docket No. M-2008-2069887, *Energy Efficiency and Conservation Program*. WPP simultaneously filed direct testimony and exhibits in support of its EE&C Plan.

Petitions to Intervene and Prehearing Memoranda were filed by several parties, including FDSI. A prehearing conference was held in Harrisburg on July 28, 2009 before Administrative Law Judge Katrina Dunderdale; at that conference, Petitions to Intervene—including FDSI’s—were granted, the service list was developed, the schedule directed by the Commission was discussed and adopted, and other procedural matters were addressed.

On August 7, 2009, intervening parties, including FDSI¹, circulated Direct Testimony and Exhibits.

An evidentiary hearing was held in Harrisburg on August 19, 2009. Oral rejoinder was presented by WPP’s witnesses, certain witnesses sponsored direct testimony and were cross-examined, and the sworn direct testimony of the remaining intervening parties—including FDSI—was admitted into evidence without cross-examination or objection.

III. DESCRIPTION OF WPP’S EDC PLAN

WPP’s Plan purports to reduce energy consumption and demand in its service territory in accordance with the requirements of Act 129 and the Implementation Orders entered January 16, 2009 and May 28, 2009 by the Commission at Docket No. M-2008-2069887, *Energy Efficiency and Conservation Program*. The Plan is comprised of twenty-two energy efficiency and conservation and demand response programs and rate offerings.² WPP’s Plan includes measures that target major energy consuming systems, such as HVAC, and major consumer appliances and lighting, with a sufficiently broad scope to provide an opportunity for all WPP customers in Pennsylvania to participate.³

¹ Direct Testimony of Todd M. Rossi, Ph.D. on behalf of FDSI, identified as FDSI Statement No. 1 (Aug. 7, 2009) (hereinafter, “FDSI St. 1”).

² WPP’s Petition, p. 2.

³ *Id.*

The WPP Plan, commendably, tailors program design in all customer classes to improve HVAC efficiency, including the Residential HVAC Efficiency Program, the Small and Large Commercial and Industrial HVAC Efficiency Programs and the Governmental/Non-Profit HVAC Efficiency Program. With that said, however, all of the HVAC-specific programs focus only on equipment replacement rather than HVAC tune-ups and other measures that can improve the efficiency of the existing unit short of replacement.

The Residential HVAC Efficiency Program, for example, encourages residential customers to purchase energy efficiency central air conditioners (“CAC”) and heat pumps of SEER ratings of 14.5 or greater instead of less energy efficient units.⁴ The program provides rebates (equal to about 50% of the appliance’s incremental cost) for the purchase of units that exceed the SEER ratings of 13.⁵ To qualify for the rebates, the work must be completed by a certified contractor and a programmable thermostat must be installed.⁶

Similarly, the HVAC Efficiency Programs for small and large C&I customers and government/non-profit sector customers, customers are encouraged to purchase energy efficient CACs and heat pumps instead of less energy efficient units.⁷ The program provides rebates (equal to about 50% of the appliance’s incremental cost) for the purchase of units that exceed the SEER ratings.⁸

Also, WPP’s HVAC Efficiency Programs, commendably, provide for a CSP role that is directly responsible for the delivery and execution of the tailored HVAC efficiency programs.⁹

⁴ EE&C Plan, p. 56.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 101.

⁸ *Id.*

⁹ *Id.* at 56; 101.

Indeed, WPP provides that it will contract to provide administrative actions, including coordination with HVAC equipment distributors and installation contractors, marketing activities, rebate processing services provider oversight, reporting, and program evaluation.¹⁰ WPP will contract directly with rebate processing service providers.¹¹ WPP will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation.¹²

IV. SUMMARY OF ARGUMENT

The Plan put forward by WPP would be strengthened by providing for inclusion of incentives for HVAC diagnostic testing and HVAC tune-ups and other measures short of replacement. As the undisputed factual record establishes, HVAC usage accounts for a significant portion—35% to 60%—of energy consumption among all customer classes. In fact, HVAC usually offers the single best opportunity for any individual end-user to improve its energy efficiency, providing one of the most significant opportunities for achieving the energy consumption reduction mandates under Act 129. To that end, FDSI has put forth concrete suggestions—each supported by the factual record—to improve on the HVAC measures already included within WPP’s Plan and to provide for additional incentives that will improve the utilization of such HVAC measures.

In particular, FDSI recommends that the Commission enhance the HVAC measures proposed within the WPP Plan by:

- including measures for HVAC efficiency short of full replacement of HVAC equipment, such as, tune-ups;

¹⁰ EE&C Plan, p. 56; 101.

¹¹ *Id.*

¹² *Id.*

- establishing guidelines to ensure that HVAC tune-ups and other measures are performed in accordance with appropriate protocols and procedures; and
- including incentives for HVAC-specific diagnostic testing and requiring the use of automated systems for diagnostics.

Additionally, FDSI encourages the Commission to permit the grandfathering of energy efficiency projects implemented between July 1, 2009, and Commission approval of WPP's EE&C Plan because not only does Act 129 permit such treatment, but it will allow customers to realize the full benefit of projects already implemented. Likewise, FDSI urges the Commission to allow customers that take advantage of federal stimulus funding through the American Recovery and Reinvestment Act ("ARRA"), along with Act 129 funding, for purposes of installing energy-efficiency projects, to be able to demonstrate compliance with Act 129.

V. ARGUMENT

A. Act 129 Conservation and Demand Reduction Requirements

Act 129 was signed into law on October 15, 2008, and the standards have since been promulgated in Implementation Orders entered January 16, 2009, May 28, 2009, and June 23, 2009 by the Commission at Docket No. M-2008-2069887. The Act directs that each electric distribution company ("EDC") in Pennsylvania put forth a plan to reduce annual energy consumption by its customers—measured against each EDC's forecasted customer consumption for the period between June 1, 2009 and May 31, 2010—by at least 1% by May 31, 2011, and at least 3% by May 31, 2013.¹³ It further requires each EDC serving at least 100,000 customers to reduce average system-wide peak demand during the 100 highest hours of demand by at least

¹³ 66 Pa.C.S. § 2806.1(c).

4.5% by May 31, 2013, as compared to peak demand over the highest 100 hours of use occurring between June 1, 2007 and September 30, 2007.¹⁴

Each plan, in its entirety, must satisfy a Total Resource Cost (“TRC”) test: the total cost of the plan must be less than the expected cost of the electricity that would otherwise have been consumed in its absence.¹⁵ The costs incurred by each utility due to its EE&C plan, including administrative costs, may be recouped through a cost recovery mechanism, up to 2% of each EDC’s total annual revenue as of December 31, 2006.¹⁶

Finally, at least 10% of the consumption reductions must be realized by federal, state, and local governments, and various non-profit entities,¹⁷ and the plan must include components specifically geared toward low-income consumers.¹⁸

1. Overall Conservation Requirements

Not applicable.

2. Overall Demand Reduction Requirements

Not applicable.

3. Requirements for a Variety of Programs Equitably Distributed

Not applicable.

4. 10% Government/Non-Profit Requirement

Not applicable.

5. Low Income Program Requirements

Not applicable.

¹⁴ *Id.* at § 2806.1(d).

¹⁵ *Id.* at § 2806.1(b)(1)(i)(I).

¹⁶ *Id.* at § 2806.1(g), (h).

¹⁷ *Id.* at § 2806.1(b)(1)(i)(B).

¹⁸ *Id.* at § 2806.1(b)(1)(i)(G).

6. Issues Relating to Individual Conservation and Demand Reduction Programs.

FDSI's position on these issues are addressed *infra*, and are incorporated herein by reference.

7. Proposals for Improvement of WPP's EE&C Plan

As Dr. Rossi testified in this proceeding, the WPP Plan, commendably, includes programs designed specifically to improve HVAC efficiency.¹⁹ While all of the programs include incentives for replacement of existing HVAC units, none include incentives for improving HVAC efficiency short of full replacement, such as, for example HVAC tune-up measures or measures relating to ductwork or optimal start/stop.²⁰

As will be demonstrated just below, the factual record makes clear the importance and, indeed, necessity, of including HVAC efficiency incentives as part of the Plan.

In addition, the undisputed factual record demonstrates that the existing HVAC programs proposed by WPP would benefit from the following improvements: (1) inclusion of measures for improving HVAC efficiency short of full replacement of HVAC equipment; (2) establishing guidelines to ensure that HVAC tune-ups and other measures are performed in accordance with appropriate protocols and procedures; and (3) inclusion of incentives for HVAC-specific diagnostic testing and requiring the use of automated systems for diagnostics.

a. Targeted HVAC Efficiency Improvements are Crucial to a Successful EE&C Program; Therefore, WPP's Plan Should Provide Incentives for Improvements to HVAC Efficiency Short of Full Replacement.

The requirements of Act 129, taken together, demand that WPP find the most cost-effective means possible to encourage its customers to reduce their energy consumption.

¹⁹ FDSI St. 1, p. 23, lines 3 - 8.

²⁰ *Id.*

Substantial record evidence demonstrates that the single best means to do so for customers in every class is through improved HVAC efficiency.²¹

As Dr. Rossi testified, “according to the Department of Energy, HVAC use accounts for 40 to 60 percent of the energy used in U.S. commercial and residential buildings, and up to 35 percent of energy used in manufacturing facilities.”²² By way of example, Dr. Rossi explained just how high the potential is for consumption reduction when a customer improves the efficiency of its HVAC unit through diagnostic testing followed by a tune-up or replacement:

Assume a typical HVAC unit in the field is currently performing only at 80% efficiency compared to “as new” performance. Improving the efficiency of that HVAC unit to 95% or 100% (which . . . is a very common outcome) can decrease the building’s entire energy use by 8% to 12% for a commercial and residential building, and 7% for manufacturing facilities.²³

The undisputed factual record establishes that, by *alone* optimizing the efficiency of a single customer’s HVAC performance, each customer can realize average energy use savings of 20 to 25 percent per HVAC unit, leading to a 7 to 12 percent reduction in a customer’s entire energy usage.²⁴ Given the magnitude of energy savings available through HVAC efficiency improvements, it is no wonder that each utility in Pennsylvania has included some programs and measures to improve HVAC efficiency in its EE&C Plan.

Therefore, the record evidence clearly and amply demonstrates the value and importance of improving HVAC efficiency in order to make WPP’s Plan successful.

As Dr. Rossi testified, WPP’s Plan should provide incentives for HVAC tune-ups as well as for full replacement because:

²¹ *Id.*, p. 7, lines 3 - 16.

²² *Id.*, p. 7, lines 3 - 6.

²³ *Id.*, p. 7, lines 8 - 13.

²⁴ *Id.*

First, it is much more expensive to replace an HVAC unit than to perform a tune-up. While the energy savings often justify the cost of a full HVAC replacement, in my experience there are also many instances where a tune-up alone is sufficient to restore an HVAC unit to at least 95% efficiency and 95% capacity, at a much lower price.

Second, I know based on experience that a program is most successful when it provides the right incentives to contractors, who are typically the party most responsible for encouraging customers to tune-up or replace their HVAC unit. A program which provides incentives for only full replacements—the most expensive HVAC improvement available—only rewards contractors when they steer customers toward the most expensive choice available to them when they experience HVAC difficulty. This leads many contractors to ignore the program altogether, and focus on more standard service work.²⁵

b. Incentives for HVAC Diagnostic Testing and Reliance on Automated Systems for Diagnostics Will Improve Energy Efficiency Outcomes.

As discussed above, the HVAC programs proposed by WPP are worthy ones. However, providing incentives for HVAC diagnostic testing is pivotal to ensuring that the programs proposed by WPP are properly utilized. Indeed, WPP itself concedes the importance of providing accurate information to the customer to help with the customer's decision to utilize efficiency measures by encouraging customer referrals to qualified audit providers who can help customers identify appropriate and cost-effective retrofit opportunities. Yet, the evidentiary record in this proceeding makes clear that diagnostic testing is so important to HVAC energy efficiency that financial incentives should be used to promote it and that diagnostic testing should be used in connection with HVAC efficiency in lieu of generalized audits.

Dr. Rossi explains that “[d]iagnostic testing directs the contractor to determine what type of efficiency measure must be implemented to optimize HVAC efficiency.”²⁶ This information

²⁵ FDSI St. 1, p. 11, line 13 to p. 12, line 2.

²⁶ *Id.*, p. 12, lines 12 -14.

is critical to empowering consumers and contractors—even otherwise unskilled contractors—to work together to make the best, most efficient HVAC tune-up or replacement decisions: “utilizing the proper reporting tools can help the contractor communicate to the HVAC unit owner that there is a real benefit to a specific repair measure, and can even calculate the return on investment of replacing the unit based on the kWh cost of power from the utility in question.”²⁷

Diagnostic testing also enables the customer to trust in the contractor’s credibility, which is critical when costly but important HVAC improvements are in play – “equipment owners are reluctant to invest in a new system when the existing strategy is to spend the least amount of money possible to keep cold air coming from the unit.”²⁸ Believing that the contractor is using a proven metric in order to recommend HVAC investments will encourage consumers to make these investments where advisable.

It is likewise important to note that diagnostic testing is not only useful before the performance of an HVAC tune-up or replacement, but after: contractors can use diagnostic testing to monitor the performance of the unit after the tune-up or replacement.²⁹ As Dr. Rossi made clear, customers usually prefer to do this to verify that they are receiving the benefits they expected, and it would give the contractor—and ultimately the utility—the concrete data necessary to verify the projected benefits are being realized.³⁰

Despite the value and importance of diagnostic testing to make the best, most cost-effective decision regarding HVAC replacement, few consumers actually have access to it.³¹ Most HVAC contractors are not properly trained to provide efficacious HVAC consultations

²⁷ *Id.*, p. 14, lines 20 – 23.

²⁸ *Id.*, p. 15, lines 2-4.

²⁹ FDSI St. 1, p. 16, lines 16 - 22.

³⁰ *Id.*

³¹ *Id.*, p. 13, line 21 to p. 14, line 5.

without a proven paradigm for diagnostic testing – they may have many multiple manual tools, but no real gauge to calculate bottom-line efficiency.³² Without such consultations, there is no guarantee that consumers and contractors will make the best decisions with respect to their HVAC.³³ As Dr. Rossi explains, the Plan may be either over-utilized or under-utilized for this reason: consumers may “not participate in these programs at all because they are not aware of the potential energy savings to be achieved, or over-participate in the early years of the program and then drop-out,” because they will not have access the information they need to make on-going decisions about their HVAC units.³⁴ Particularly with respect to high energy-consuming large commercial, industrial, and industrial customers, ongoing assessment is crucial.³⁵

Furthermore, others in this proceeding—the Department of Environmental Protection (“DEP”) and PennFuture—have advocated for an emphasis on whole home or building audits, which are included in WPP’s Plan. While such programs are worthy for other efficiency measures, the undisputed evidence shows that generalized audits do not sufficiently address the spectrum of opportunity for HVAC efficiency improvements, and some auditors may not be equipped to recommend efficiency options that are less expensive and more cost-effective than a full replacement of an HVAC unit.

As Dr. Rossi testified:

At best, a comprehensive whole home audit would be able to make recommendations for replacement of existing HVAC units with higher efficiency SEER units. But the return on investment might not be there for the customer to make a replacement. If the return on investment does not exist, customers will not replace the unit. But the real missed opportunity lies in the fact that customers will miss out on the ability to implement more cost-effective, efficiency improvements to their HVAC units. . . . All that the auditor is

³² *Id.*, p. 25, line 8 to p. 26, line 9.

³³ *Id.*

³⁴ *Id.*

³⁵ FDSI St. 1, p. 14, lines 8 - 16.

equipped to do is to tell the customer to replace a unit with a new unit. This is because an auditor is only able to tell a customer how efficient a *new* unit is based on the manufacturer’s published efficiency ratings, or the SEER level. . . . Yet, the auditor is not able to tell the customer how efficiently the existing 12 SEER unit currently is running. For example, the auditor would not be able to tell if the refrigerant charge needs adjustments, whether there are possible line restrictions in the mechanical unit, if the coils need to be cleaned, or if there are problems with any of the heat exchangers, evaporators, or condensers. An HVAC contractor, in contrast, would be able to tell that the 12 SEER unit is running at 80% efficiency and could recommend the necessary improvements to address the remaining 20% efficiency. . . .³⁶

In summary, as Dr. Rossi succinctly stated, “[WPP’s] failure to provide financial incentives for the diagnostic portion of HVAC efficiency is a major risk for these programs, because it could render the HVAC measures useless.” Financial incentives for diagnostic testing must be included, and reliance on automated systems for diagnostics is strongly encouraged. As the undisputed factual record indicates, using diagnostic technology, as opposed to manual testing and reporting, increases the availability of diagnostic information to customers, improves information-sharing between customers and contractors, improves contractor skilled performance and increases the chance of sustainable energy consumption reductions over the long-term.³⁷

c. WPP’s Plan Should Establish Guidelines to Ensure that HVAC Tune-ups and Other Measures are Performed in Accordance with Appropriate Protocols and Procedures.

The success of WPP’s HVAC efficiency measures depend not just on the technical veracity of a program, but also its execution. To that end, the record demonstrates that it is crucial that the proposed HVAC measures—as well as all additional HVAC programs included by the Commission—be performed according to established best practices. As Dr. Rossi

³⁶ *Id.*, p. 27, line 15 to p. 28, line 22.

³⁷ *Id.*, p. 14, line 9 to p. 15, line 5.

explained, “the financial incentives currently built into WPP’s Plan for certain HVAC efficiency measures should only be rewarded for measures that are implemented according to appropriate industry protocols and procedures in order to safeguard against any potential loss in energy savings to be achieved from the measure.”³⁸

Dr. Rossi’s position is consistent with Ms. Guttman’s expert testimony regarding the importance of establishing standard protocols and procedures to ensure that the programs WPP incentives are effectively managed.³⁹ While FDSI maintains that whole home audits advocated for by Ms. Guttman, though worthwhile, are not the primary solution for maximizing HVAC efficiency, it shares her concern that appropriate protocols and procedures be preemptively established and enforced.⁴⁰ As she explains, “[t]here is no uniformity among standards for reporting, education, or consumer incentives, for example, and the critically important standards for contractors and actual installation are generally non-existent. In order to have a successful program, it is important that the parties cooperate on developing a uniform standard that is coordinated with existing whole-home programs being deployed in Pennsylvania.”⁴¹

With respect to HVAC tune-ups for instance, Dr. Rossi explained that certain protocols and procedures must be followed in order to maximize energy savings.

Initially:

the first step must be the initial performance assessment, or ‘test-in.’ During this measure the unit controllers (thermostats) are set to 100% for 15 minutes. It is only at this full performance setting that the unit’s true efficiency be calculated. Then program prescribed refrigeration cycle tests are performed. Economizer testing and change over setpoints are adjusted.”⁴²

³⁸ *Id.*, p. 26, line 23 to p. 27, line 4.

³⁹ Direct Testimony of Maureen Guttman, AIA, on behalf of the Department of Environmental Protection, identified as DEP Statement No. 1, p. 18, line 8 to p. 19, line 1.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² FDSI St. 1, p. 19, line 22 – p. 20, line 7.

Second, typically “coil cleaning” is required:

This measure is essential because most units can gain significant performance from a condenser coil cleaning. In fact, this should be a mandatory measure on all units tested in the program, and the completion of the measure should be tied to an incentive payment. The evaporator coil should only be cleaned if needed per “test-in” criteria. Program standards should encourage power washing of coils, training on the effective techniques, chemical selections, and address how to avoid problems like “over” cleaning to the point that heat transfer is reduced because coils are damaged “blown off” units.⁴³

Third “is refrigeration charge and airflow . . . Again, I think that this should be a mandatory measure, tied to an incentive, if the initial testing criteria determines a charge adjustment would increase unit efficiency.”⁴⁴

Fourth:

repairs to economizers must be considered. The purpose of an economizer device is to pull in fresh air from outside the building when the temperature and humidity are more favorable than the return air inside the space. A significant amount of economizers are found to be poorly functioning or not working at all. The difference between a working and non-working economizer can be up to 40% in energy savings.⁴⁵

Finally, “a ‘test-out’ should be performed so that any corrective measures performed improve efficiency and capacity to the 90% level, or better.”⁴⁶

As Dr. Rossi’s testimony makes clear, best practices for improving HVAC performance and efficiency are technically complex, yet extremely important – when these procedures are not employed, the cost for the HVAC program stays the same but the resultant benefit is reduced, thereby threatening compliance with TRC standards. This is why it is imperative that the

⁴³ *Id.*, p. 20, lines 7-16.

⁴⁴ *Id.*, p. 20, lines 17 – 19.

⁴⁵ *Id.*, p. 20, line 20 to p. 21, line 2.

⁴⁶ *Id.*, p. 21, line 3 to p. 21, line 4.

Commission include in the WPP Plan the appropriate procedures and protocols which will maximize the potential for energy savings.

B. Cost Issues

Not applicable.

C. CSP Issues

Not applicable.

D. Implementation and Evaluation Issues

Not applicable.

E. Other Issues

1. FDSI Supports Grandfathering Energy Efficiency Projects Implemented Between July 1, 2009, and Commission Approval of WPP's EE&C Plan.

In its EE&C Plan, WPP requests that the Commission allow retroactive customer eligibility for customers who install or commit to install qualifying equipment and services between July 1, 2009, and Commission approval of the Plan. FDSI supports WPP's proposal to grandfather proposed and existing projects for customers that install or commit to install qualifying equipment or services under its EE&C Plan between July 1, 2009, and Commission approval of the Plan for the following reasons.

First, Act 129 expressly permits such treatment, as it defines "energy efficiency and conservation measures" in part as "technologies, management practices or other measures...installed on or after the effective date of this section at the location of a retail customer."⁴⁷ Second, grandfathering these projects would improve WPP's ability to reach its required Act 129 energy efficiency and consumption targets by increasing the amount of time and projects available that WPP may count toward compliance. Finally, grandfathering these

⁴⁷ 66 Pa. C.S. § 2806.1(m)(1)(I).

projects would allow customers to take advantage of programs and incentives, including federal stimulus funding through the ARRA, discussed *infra* below, that may be available during the time between the Company's EE&C Plan filing and Commission approval.

2. FDSI Urges the Commission to Allow Projects that Received ARRA Funding to be Used to Demonstrate Compliance with Act 129.

FDSI urges the Commission to allow customers that take advantage of federal stimulus funding through the ARRA, along with Act 129 funding, for purposes of installing energy-efficiency projects to be able to demonstrate compliance with Act 129. In the Total Resource Cost Test Order, the Commission determined that “[f]or the purposes of TRC testing, if the end-use customer is a recipient of an incentive/rebate from an Act 129 program, even if the customer is also a recipient of an [ARRA] incentive or rebate for the same equipment or service, we conclude that the entire savings of that equipment or service can also be claimed by the EDC for TRC testing purposes.”⁴⁸ In FDSI’s experience, imposing such an artificial limitation on the use of funding would only tend to hinder customer participation in WPP’s Act 129 energy efficiency programs: a counter-productive result to enhancing WPP’s ability to meeting the energy consumption reduction targets of Act 129.

VI. CONCLUSION

Substantial record evidence in this proceeding support the following proposed changes to WPP’s EE&C Plan:

- including measures for HVAC efficiency short of full replacement of HVAC equipment, such as, tune-ups;

⁴⁸ Total Resource Cost Test Order, *Energy Efficiency and Conservation Program*, entered June 23, 2009, Docket No. M-2009-2108601.

- establishing guidelines to ensure that HVAC tune-ups and other measures are performed in accordance with appropriate protocols and procedures; and
- including incentives for HVAC-specific diagnostic testing and requiring the use of automated systems for diagnostics.

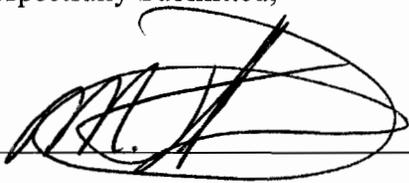
Additionally, FDSI encourages the Commission to permit the grandfathering of energy efficiency projects implemented between July 1, 2009, and Commission approval of WPP's EE&C Plan because not only does Act 129 permit such treatment, but grandfathering will allow customers to realize the full benefit of projects already implemented. Likewise, FDSI urges the Commission to allow customers that take advantage of federal stimulus funding through the ARRA, along with Act 129 funding, for purposes of installing energy-efficiency projects, to be able to demonstrate compliance with Act 129.

VII. PROPOSED ORDERING PARAGRAPHS

IT IS HEREBY ORDERED THAT:

1. The Petition of WPP Energy Company for Approval of its Act 129 Energy Efficiency and Conservation Plan, Docket No. M-2009-2093218, is GRANTED and the Plan is APPROVED, subject to the modifications set forth below.
2. WPP is directed to include within its HVAC Efficiency Programs for all customer classes incentives for HVAC tune-up measures and other measures short of full equipment replacement that are geared toward improving HVAC efficiency.
3. WPP is directed to provide incentives for HVAC-specific diagnostic testing and to require the use of automated systems for diagnostics, where possible.
4. WPP is directed to establish guidelines to ensure that HVAC tune-ups and other measures are performed in accordance with appropriate protocols and procedures.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "C.A. Lewis", is written over a horizontal line. The signature is stylized and somewhat illegible due to the cursive nature of the handwriting.

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Dated: August 31, 2009

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing document, Main Brief of Field Diagnostic Services, Inc., upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

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