**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105**

Public Meeting held March 15, 2012

Commissioners Present:

Robert F. Powelson, Chairman

John F. Coleman, Jr., Vice Chairman

Wayne E. Gardner

James H. Cawley

Pamela A. Witmer, Statement

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| Petition of UGI Utilities, Inc. - Electric Division for Approval of its Energy Efficiency and Conservation Plan | M-2010-2210316 |

**OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the revised Energy Efficiency and Conservation Plan (Revised Plan) filed by UGI Utilities, Inc. - Electric Division (UGI or Company) on December 19, 2011. The Revised Plan was filed in response to the Commission’s Opinion and Order entered October 19, 2011 at the above-captioned docket (*October 2011 Order*). No comments were filed on the Revised Plan.

# Introduction

Act 129 of 2008, P.L. 1592 (Act 129) amended the Public Utility Code (Code), 66 Pa. C.S. §§ 101 *et seq*., to, *inter alia*, require the Commission to develop and adopt an EE&C Program by January 15, 2009. Under Act 129, the Commission’s Energy Efficiency and Conservation (EE&C) Program requires electric distribution companies (EDCs) to adopt and implement cost-effective energy efficiency and conservation plans to reduce energy demand and energy consumption within the service territory of each EDC. 66 Pa. C.S. § 2806.1(a). However, Act 129 exempted EDCs with fewer than 100,000 customers from the EE&C Program. 66 Pa. C.S. § 2806.1(l).

On December 23, 2009, the Commission issued a Secretarial Letter (December 2009 Secretarial Letter) addressed to four EDCs with less than 100,000 customers: Citizens Electric Company, Pike County Light & Power Company, UGI, and Wellsboro Electric Company. In the December 2009 Secretarial Letter, the Commission stated that customers served by small EDCs also can benefit from EE&C measures designed to help ensure affordable and available electric service. The Commission also stated that, since the initial Act 129 process for the large EDCs had nearly run its course, the Commission was now open to the filing of voluntary EE&C plans by these four smaller EDCs. December 2009 Secretarial Letter at 1.

The Commission directed that petitions for approval of voluntary EE&C plans are to be filed in accordance with 52 Pa. Code § 5.41 and must contain the following components:

1. A detailed plan and description of the measures to be offered;
2. Sufficient supporting documentation and verified statements or testimony or both;

3. Proposed energy consumption or peak demand reduction objectives or both, with proposed dates the objectives are to be met;

4. A budget showing total planned expenditures by program and customer class;

5. Tariffs and a section 1307 cost recovery mechanism; and

6. A description of the method for monitoring and verifying plan results.

December 2009 Secretarial Letter at 1.

# Brief History of the Proceeding[[1]](#footnote-1)

On November 9, 2010, UGI filed a Petition (Petition) seeking approval of an EE&C Plan (November 2010 Plan). On November 29, 2010, Answers to the Petition were filed by the Office of Consumer Advocate (OCA), the Office of Trial Staff (OTS), and the Office of Small Business Advocate (OSBA). On December 1, 2010, the Sustainable Energy Fund of Central Eastern Pennsylvania (SEF) filed a Petition to Intervene.

Following the distribution of direct, rebuttal, surrebuttal and rejoinder testimony among the Parties and the ALJ, an evidentiary hearing was held on   
May 4, 2011, in Harrisburg. The Parties filed Main Briefs on June 2, 2011. Also on June 2, 2011, the Industrial Customer Groups[[2]](#footnote-2) filed an *Amicus Curiae* Brief. The Parties, with the exception of SEF, filed Reply Briefs on or before June 14, 2011.

By Recommended Decision issued July 15, 2011, Administrative Law Judge (ALJ) Susan D. Colwell recommended, *inter alia*, that UGI’s Petition for approval of the November 2010 Plan be granted in part and denied in part. Exceptions to the Recommended Decision were filed by UGI, the OCA, and the OTS on July 25, 2011. Reply Exceptions were filed by UGI, the OCA, the OTS and the OSBA on August 1, 2011.

By the *October 2011 Order*, the Commission, *inter alia*, denied the Exceptions; adopted the Recommended Decision as modified; and directed UGI to file a Revised Plan with specific modifications within sixty days of the date of entry of the *October 2011 Order.* UGI was permitted to implement any component of its November 2010 Plan to the extent that a component was not affected by the modifications directed by the *October 2011 Order.* Interested parties were given tendays to file comments on the Revised Plan and any reply comments were due ten days following the due date of the comments. *October 2011 Order* at 48-52.

On December 19, 2011, UGI filed the Revised Plan with the Commission and copies were served on the Parties of record. No comments were filed on the Revised Plan.

# Summary of UGI’s Revised Plan

The Revised Plan is composed of nine programs that are designed to achieve UGI’s targeted electricity reduction goal of five percent by 2015, or approximately 52,700 MWh over the three years of the Revised Plan. Plan at 1-2. UGI explains that, although the Revised Plan was not designed with the specific purpose of achieving peak load reduction targets, the Company expects to produce peak load reductions of approximately one percent. *Id*. at 2.

The annual budget for the Revised Plan is designed to expend about two percent of the revenue the Company received during the twelve months ending May 31, 2008, which is equal to a total expenditure of $7.5 million over the three years of the Revised Plan. UGI proposes to allocate about $4.7 million to residential programs and $2.8 million to non-residential programs. UGI submits that the allocation to residential and non-residential customers may vary by $0.5 million over the three-year Revised Plan. *Id*. at 7.

The program costs will be recovered through three reconcilable Energy Efficiency and Conservation Riders (EEC Riders) under 66 Pa. C.S. § 1307 based on expenditures in each of three customer groups. One group will consist of residential customers, one group will include large commercial and industrial customers served by Rates LP and IH, and a third group will be made up of all other non-residential customers. Revised Plan at Appendix A. UGI averred that, since the Revised Plan will benefit both shopping and non-shopping customers, the EEC Rider will be applied to both default service and choice customers. The EEC Rider is to become effective with the first quarterly default service rate filing following the Commission’s approval of the Revised Plan and will continue for four years. UGI explained that the EEC Rider is designed to run for a year beyond the three-year implementation period to recover or refund any under- or over-collections that may occur during the third year of the Revised Plan. The EEC Rider will be included in the distribution charges instead of appearing as a separate surcharge on customers’ bills. UGI Exh. No. 1 at 76-77.

The Revised Plan includes the following nine programs:[[3]](#footnote-3)

1. Appliance Rebate Program (Residential Sector/Low-Income Customers);
2. School Energy Education Program (Residential Sector/Low-Income Customers);
3. Compact Fluorescent Lighting Campaign (Residential Sector/Low-Income Customers);
4. Appliance Recycling Program (Residential Sector/Low-Income Customers);
5. Home Energy Efficiency Incentives – Fuel Switching (Residential Sector/Low-Income Customers);
6. Appliance Rebate Program (Commercial and Industrial Sector/Governmental Customers);
7. Commercial and Industrial Custom Incentive Program (Commercial and Industrial Sector/Governmental Customers);
8. HVAC Tune-up Program (Commercial and Industrial Sector/Governmental Customers); and
9. Combined Heat and Power Fuel Switching (Commercial and Industrial Sector/Governmental Customers).

Revised Plan at 1.

In its Petition, UGI stated that the residential programs were designed to achieve energy reductions for its low-income customer segment by providing free or reduced pricing for energy conservation measures for those customers. UGI explained that the Compact Fluorescent Lighting campaign was specifically designed with this customer segment in mind. UGI submitted that other residential programs, such as the Appliance Recycling Program, the Appliance Rebate Program, the Home Energy Efficiency Incentives – Fuel Switching, and the School Energy Education Program, likely will assist low-income customers in reducing their electricity consumption as well. UGI stated that these programs are in addition to UGI Electric’s already “robust” low-income assistance programs outside the context of the November 2010 Plan. Petition at 10.

UGI estimated that the Total Resource Cost[[4]](#footnote-4) (TRC) overall benefit/cost ratio for the residential programs would be 2.56 and the overall benefit/cost ratio for the non-residential programs would be 1.48. The projected combined benefit/cost ratio for all nine programs is 2.05. Revised Plan at 5, 75.

# Discussion

## Burden of Proof

UGI bears the burden of proof as the party seeking affirmative relief from the Commission. 66 Pa. C.S. §§ 315, 332. To satisfy that burden, the proponent of a rule or order must prove each element of its case by a preponderance of the evidence*. Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600 (Pa. Cmwlth. 1990) *alloc. denied*, 529 Pa. 654, 602 A.2d 863 (1992). A preponderance of the evidence is established by presenting evidence that is more convincing, by even the smallest amount, than that presented by the other parties to the case. *Se‑Ling Hosiery, Inc. v. Margulies*, 364 Pa. 45, 70 A.2d 854 (1950). Additionally, this Commission’s decision must be supported by substantial evidence in the record. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC,* 489 Pa. 109, 413 A.2d 1037 (1980).

## Compliance with the *October 2011 Order*

### Revenue Recovery Rider

UGI estimated that, if its November 2010 Plan was successful, it would experience distribution revenue reductions of $310,000, $696,000 and $1,089,000 in the first, second and third years of the November 2010 Plan, respectively. UGI St. No. 3 at 11. In the November 2010 Plan, UGI proposed to recover these lost revenues through a reconcilable Conservation Development (CD) Rider. In response to the concerns raised by the OCA, the OSBA and the OTS regarding the CD Rider, UGI stated that it would be willing to accept an “appropriately designed” regulatory asset for lost revenue recovery in lieu of the CD Rider. UGI M.B. at 31. Under the regulatory asset approach, UGI would be able to accrue lost revenues, plus interest, in an account, and UGI then would be able to seek recovery of those lost revenues plus interest in its next base rate proceeding. UGI St. No. 3R at 8.

In the *October 2011 Order*, the Commission found that the decline in revenue that may result from UGI’s EE&C Plan should be addressed and recovered in a base rate proceeding where appropriate adjustments can be made in the context of actual changes in overall Company revenue and expenses. Consequently, the Commission rejected the proposed CD Rider and declined to approve a provision for the recovery of lost revenue through a regulatory asset. *October 2011 Order* at 23. In compliance with the *October 2011 Order*, UGI deleted the CD Rider from the Revised Plan. Revised Plan at 2, 82-83 and Appendix A.

### Incentive Levels in the Residential Fuel Switching Program

Through its Home Energy Efficiency Incentives Program in the November 2010 Plan, UGI proposed to offer rebate incentives for residential (including low-income) customers to replace their electric water heaters, space heating systems and clothes dryers with natural gas or propane appliances. November 2010 Plan at 57-60. UGI explained that these incentives would be offered where such appliances are more cost-effective under the TRC test than their electric counterparts. In the November 2010 Plan, UGI initially proposed water heating and clothes dryer incentives equal to one hundred percent of the anticipated incremental cost the customer incurs in making the fuel switch. For the space heating measure, the proposed incentive was equal to seventy-five percent of the anticipated incremental cost. Accordingly, the November 2010 Plan proposed to offer fixed incentives of $900 to replace a water heater, $830 for a clothes dryer replacement, and $4,850 for a space heating conversion. UGI Exh. No. 1 at 57-58.

In the *October 2011 Order*, the Commission noted that the direct costs of the three residential fuel switching incentives were projected to total about $2.8 million, which was about fifty-eight percent of the budgeted cost of all residential programs (excluding additional administrative costs) and thirty-two percent of the entire $8.6 million budget for the November 2010 Plan. *October 2011 Order* at 29, citing UGI Exh. 1 at 5, 62-63. The Commission found that the portion of program resources allocated to the residential fuel switching program was too large and the incentives were too high. Therefore, the Commission adopted the recommendation of the OTS to reduce the incentives by seventy percent. This reduction resulted in a $270 incentive to replace a water heater, a $250 incentive for a clothes dryer replacement, and a $1,455 incentive for a space heating conversion. *October 2011 Order* at 29-30.

Consistent with the *October 2011 Order,* UGI reduced the fuel switching incentives for the conversion to gas water heaters, clothes dryers and space heaters to the amounts delineated, *supra*. Revised Plan at 61. As a result, UGI’s total direct costs budgeted for the three incentives fell from about $2.8 million in the November 2010 Plan to less than $1.1 million in the Revised Plan, making more funds available for other programs.[[5]](#footnote-5) Revised Plan at 64-66.

### Propane Incentives in the Residential Fuel Switching Program

In the *October 2011 Order*, the Commission noted that, in response to a SEF Interrogatory, UGI presented data which projected that the TRC benefit/cost ratio for the conversion of electric water heating to propane would be 0.49. *October 2011 Order* at 30, citing Schedule No. 4, SEF-III-1.[[6]](#footnote-6) Since a TRC benefit/cost ratio of 0.49 indicated that the incentives for the conversion of electric water heating to propane are not cost-effective, we found that the fuel switching incentives for propane should be eliminated from UGI’s November 2010 Plan. *Id*. at 30. In compliance with the *October 2011 Order,* UGI deleted the incentives for the conversion to propane appliances in the Revised Plan. Revised Plan at 58.

### 4. Incentives Limited to High Efficiency Equipment

As part of the November 2010 Plan, UGI proposed to offer fuel switching incentives for “[a]ll natural gas water heaters,” “[a]ll natural gas dryers” and “[a]ll natural gas furnaces.” UGI Exh. 1 at 60.

In the *October 2011 Order*, we stated that, consistent with the findings in the *2011 TRC Final Order[[7]](#footnote-7)* and the *2012 TRM Tentative Order,[[8]](#footnote-8)* natural gas and propane appliances that are eligible for a fuel switching incentive payment must carry an EPA ENERGY STAR performance rating, if such appliances are available. We also stated that, if an electric utility is diverting new energy demand to a gas utility, that incremental demand should consume gas resources in an efficient manner. We concluded that high efficiency appliances would reduce any impact that the incremental gas consumption might have on the rates of existing gas utility customers. Accordingly, we directed UGI to modify the Home Energy Efficiency Incentives Program to require that natural gas appliances must carry an EPA ENERGY STAR performance rating, where available, to be eligible for an incentive. *October 2011 Order* at 36, 49.

The description of the Home Energy Efficiency Incentives program contained in the Revised Plan still indicates that appliances eligible for an incentive are “[a]ll natural gas water heaters,” “[a]ll natural gas dryers” and “[a]ll natural gas furnaces.” Revised Plan at 61. The Revised Plan does not require that appliances that are eligible for an incentive carry an EPA ENERGY STAR performance rating, where available. Therefore, the Home Energy Efficiency Incentives Program is not in compliance with the *October 2011 Order,* and we direct UGI to revise its Revised Plan so that natural gas appliances must carry an EPA ENERGY STAR performance rating, where available, to be eligible for a fuel switching incentive.

### 5. Solar Thermal Water Heating Fuel Switching Incentive

In its Main Brief, UGI explained that SEF presented testimony in support of the addition of solar thermal water heating incentives to the Plan, and provided the necessary TRC calculations to demonstrate its cost effectiveness. In his direct testimony, SEF’s witness John Costlow described the inputs that he used to develop his “cost benefit analysis” and reported that the benefit to cost ratio for converting from electric to solar hot water heating was 1.23. SEF St. No. 1 at 8-9. UGI stated that, after reviewing SEF’s calculations, the Company reached a Stipulation with SEF, agreeing to adopt solar thermal water heating as a technology to be recognized and incentivized under the Plan. UGI M.B. at 53-54. In the *October 2011 Order*, we stated “considering that the residential fuel switching incentives proposed by UGI were limited to gas or propane appliances, the addition of solar thermal water heating is a welcome addition to both the residential and commercial incentive programs.” *October 2011 Order* at 43. Accordingly, UGI added a $138 incentive for residential, commercial and industrial customers to install “residential sized” solar thermal water heaters. Revised Plan at 42, 58. We have two concerns about the proposed solar water heater incentive which are discussed*, infra*.

First, while SEF’s calculation of the benefit to cost ratio that led to the Stipulation was 1.23, the TRC benefit/cost ratio that UGI presented in the Revised Plan is an average of 0.47 over the three years of the Revised Plan. Revised Plan at 67. Comparing the information presented in SEF’s testimony and exhibits to the information presented in the Revised Plan, it is not clear why the TRC benefit/cost ratio has decreased from 1.23 to 0.47. At a TRC benefit/cost ratio of 0.47, we are concerned that this may not be a cost-effective measure to include in UGI’s Revised Plan.

Our second concern is that the $138 incentive may not be effective in encouraging customers to switch to solar water heating. In its direct testimony, SEF proposed that the solar water heating incentive be set at $461.[[9]](#footnote-9) SEF St. No. 1 at 6. In the Revised Plan, UGI reduced the solar thermal water heating incentive proposed by SEF by seventy percent to $138, consistent with the seventy percent reduction in the other fuel switching incentives initially proposed by UGI, *supra*. At $138, the incentive represents about 2.9% of the projected $4,800 average cost that customers may incur to install a solar thermal hot water system. Revised Plan at 61, 67. In contrast, the $270 incentive to convert from electric to gas water heating represents about thirty percent of the estimated $900 cost for a customer to make the conversion. *Id.* at 61, 64. Consequently, $138 solar thermal water heating incentive may not be a significant factor in a customer’s decision to switch to solar thermal hot water heating.

UGI has revised its Plan in order to comply with the *October 2011 Order*. Moreover, none of the Parties submitted Comments on the 0.47 TRC benefit/cost ratio or the $138 incentive. Therefore, we will not disturb the solar thermal water incentive as proposed in the Revised Plan. However, as part of its first annual report, UGI shall fully document the calculation of the TRC benefit/cost ratio for the solar thermal water heating incentive. In addition, the *October 2011 Order* requires UGI to address whether modifications to any of the fuel switching incentives are warranted in its annual reports. *October 2011 Order* at 31, 51*.*  Therefore, UGI shall address the effectiveness of its solar thermal water heating incentive in its annual report. The *October 2011 Order* also establishes a framework for comments and recommendations in conjunction with the annual reporting process and we encourage interested parties to address the calculation of the TRC benefit/cost ratio and the effectiveness of the solar thermal incentive program at that time. *October 2011 Order* at 46.

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### 6. Reduction in Total Plan Expenditure Levels

The November 2010 Plan was designed to expend approximately $8.603 million over the three-year implementation period, or approximately $2.867 million per year. The proposed annual budget was about 2.3 percent of the Company’s $125.3 million in jurisdictional revenues with gross receipts tax for the period June 1, 2007, through May 31, 2008. UGI Exh.1 70; UGI St. No. 3 at 5.

In the *October 2011 Order*, we directed that the expenditure cap of the Plan be set at two percent (2.0%) of jurisdictional revenue and we approved UGI’s recommendation to utilize its jurisdictional revenue realized between June 1, 2007, and May 31, 2008, to establish the expenditure cap. *October 2011 Order* at 38-39, and 50. In response to the *October 2011 Order,* UGI has reduced the total budget from $8.603 million to $7.519 million, which complies with the two percent (2.0%) cap. Revised Plan at 75.

### 7. Additional Customer Class for Cost Allocation

The November 2010 Plan proposed to recover the costs of the Plan from two customer classes: residential and non-residential. UGI St. 3 at 8. After the exchange of testimony, UGI and the OSBA agreed to split the non-residential class into a large non-residential class, consisting of Rate LP and Rate IH load, and a small non‑residential class consisting of the other non-residential tariff customers. The OSBA and UGI submitted that the division of non-residential customers into two classes would lend more precision to the rate design of the Plan, while avoiding cross-subsidization between the large and small/medium commercial classes. OSBA M.B. at 17-18; UGI M.B. at 46-47. The OTS and the OCA had no objection to this provision. OTS M.B. at 36; OCA M.B. at 30-31.

In the Recommended Decision, the ALJ noted that Act 129 requires that the cost of the EE&C programs be recovered from the customer class that receives the direct energy and conservation benefit of those measures. 66 Pa. C.S. § 2806.1(a)(11). The ALJ concluded that the agreement between UGI and the OSBA to establish a third rate class for cost recovery is in the public interest and should be adopted. R.D. at 50.

We concurred with the ALJ and stated that adding the third rate category should more accurately allocate costs to the customers in the rate class that can potentially benefit from those measures. *October 2011* *Order* at 40.

Consistent with the *October 2011* *Order,* the EEC Rider in the Revised Plan will utilize three rates to recover costs: a rate for residential customers; a rate for non-residential customers served by Rates LP- Large Power Service and Rate IH – Institutional Heating Service; and a rate for all other non-residential customers.

**8. Other Directives in the *October 2011 Order***

The *October 2011 Order* contained other provisions that did not require modifications to the November Plan prior to its implementation. These provisions included, *inter alia*, the development of an education program, the exploration into participating in PJM demand response bidding auctions, the parameters for the annual review process and the filing deadline for changes to the EEC Rider. Our consideration and disposition of the Revised Plan by this Opinion and Order has no effect on any of the other provisions set forth in the *October 2011 Order*.

# Conclusion

Based on the foregoing discussion, we find that the Revised Plan submitted by UGI on December 19, 2011, should be approved, subject to the modifications set forth in this Opinion and Order. Accordingly, UGI shall file a revised Plan within thirty days of the entry of this Opinion and Order that contains the specific modifications delineated in this Opinion and Order; **THEREFORE,**

**IT IS ORDERED:**

1. That the Energy Efficiency and Conservation Plan filed by UGI Utilities, Inc. – Electric Division on December 19, 2011, is approved, as modified by this Opinion and Order.
2. That UGI Utilities, Inc. – Electric Division shall file a revised blacklined copy of its Energy Efficiency and Conservation Plan that requires that appliances eligible for fuel switching incentive payments must carry an EPA ENERGY STAR performance rating, where available, to be eligible for an incentive. The revised blacklined copy of the Energy Efficiency and Conservation Plan shall be filed with the Commission and served on all Parties of record in this proceeding within thirty days of the entry date of this Opinion and Order.

1. That UGI Utilities, Inc. – Electric Division shall begin to implement its Energy Efficiency and Conservation Plan within three months of the notification from the Commission’s Bureau of Technical Utility Services that the revised blacklined copy of its Energy Efficiency and Conservation Plan, referenced in Ordering Paragraph No. 2, *supra*, is in compliance with this Opinion and Order.
2. That any directive, requirement, disposition or the like contained in the body of this Opinion and Order that is not the subject of an individual Ordering Paragraph shall have the full force and effect as if fully contained in this part.



**BY THE COMMISSION**,

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: March 15, 2012

ORDER ENTERED: March 16, 2012

1. A complete history of this proceeding was set forth in the *October 2011* *Order* at 3-4. [↑](#footnote-ref-1)
2. The Industrial Customer Groups include Industrial Energy Consumers of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance, and West Penn Power Industrial Intervenors. [↑](#footnote-ref-2)
3. UGI noted that all Residential Sector programs also are available to governmental and non-profit entities such as firehouses, ambulance providers and senior centers. [↑](#footnote-ref-3)
4. The December 2009 Secretarial Letter states that the Total Resource Cost test as defined by 66 Pa. C.S. § 2806.1(m) and applied by the Commission in its proceedings at Docket M-2009-2108601 will also apply to all Voluntary EE&C Plans to determine whether each proposed EE&C Plan is cost-effective. December 2009 Secretarial Letter at 1-2. [↑](#footnote-ref-4)
5. These changes in the program budget also reflect changes resulting from the deletion of the incentives to convert to propane-fueled appliances and the addition of an incentive to install solar thermal water heating systems, *infra*. [↑](#footnote-ref-5)
6. That Exhibit did not contain estimates of the benefit/cost ratio for the conversion of space heating and clothes dryers to propane. However, we noted that UGI projected that the overall benefit/cost ratio for water heating fuel conversions to natural gas and propane was 2.08, and the overall benefit/cost ratios for space heating and clothes dryer conversions were projected to be considerably lower than water heating at 1.46 and 1.17, respectively. UGI Exh. No. 1 at 62-63. Consequently, we found it reasonable to assume that the benefit/cost ratios for the conversion of space heating and clothes dryers to propane would not be greater than the 0.49 benefit/cost ratio for the conversion of water heating to propane. [↑](#footnote-ref-6)
7. *Implementation of Act 129 of 2008 – Total Resource Cost (TRC) Test 2011 Revision,* Docket No. M-2009-2108601 (Order entered August 2, 2011). [↑](#footnote-ref-7)
8. *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual 2012 Update,* Docket No. M-00051865 (Order entered September 23, 2011). [↑](#footnote-ref-8)
9. In developing the proposed incentive, SEF recommended that the solar incentive be proportional to the $900 incentive UGI initially proposed for the conversion from electric to natural gas water heating. SEF developed the proportional adjustment based on the ratio between the 4,104 kWh annual savings resulting from the conversion from an electric to a gas water heater and the 2,106 kWh savings from the conversion from an electric to a solar water heating system. The savings estimates were derived from the Commission’s TRM. SEF St. No. 1 at 6. [↑](#footnote-ref-9)