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File #: 140069

September 4, 2012

BY E-FILE

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Implementation of Act 129 of 2008 - Phase II Energy Efficiency and Conservation Plan Template Docket No. M-2012-2289411

Dear Secretary Chiavetta:

Enclosed are the Comments of PPL Electric Utilities Corporation in the above-referenced proceeding.

Respectfully Submitted,

Andrew S. Tubbs

AST/jl
Enclosures
cc: Honorable Robert F. Powelson, Chairman
Honorable John F. Coleman, Jr., Vice Chairman
Honorable Wayne E. Gardner
Honorable James H. Cawley
Honorable Pamela A. Witmer
Jan H. Freeman, Executive Director
Karen Oill Moury, Director of Regulatory Operations
Paul T. Diskin, Director, Bureau of Technical Utility Services
Bohdan Pankiw, Chief Counsel
Robert F. Young, Deputy Chief Counsel

Kriss E. Brown, Assistant Counsel
Charles Covage, Bureau of Technical Utility Services
Gregory A. Shawley, Bureau of Technical Utility Services
Darren Gill, Bureau of Technical Utility Services

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Implementation of Act 129 of 2008 - Phase II Energy Efficiency and Conservation Plan Template	: :	**Docket Nos. M-2012-2289411**

COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

On August 17, 2012, the Pennsylvania Public Utility Commission ("Commission") issued a Secretarial Letter in the above-captioned proceeding requesting comments on the proposed filing template for the Phase II Energy Efficiency and Conservation ("EE&C") Program. PPL Electric Utilities Corporation ("PPL Electric" or the "Company") generally agrees with the Commission's proposed filing template. However, the Company proposes certain refinements and requests clarification regarding certain portions of the proposed filing template.

I. COMMENTS OF PPL ELECTRIC

Again, PPL Electric generally agrees with most of the proposals in the Phase II Template and provides the following comments on the Commission's recommendations. Specifically, PPL Electric requests that the Commission make the revisions or clarifications identified below and reflected in the attached redline of the proposed Phase II EE&C Plan filing template (Appendix A) and the redline of the proposed tables for the Phase II EE&C Plan filing template (Appendix B):

A. SECTION 2 – ENERGY EFFICIENCY PORTFOLIO/PROGRAM SUMMARY TABLES AND CHARTS

- Section 2.1: PPL Electric has proposed some changes to footnote number nine in order to provide additional clarity by adding a definition of "measure" and suggesting revisions to the definitions of the customer sectors.

B. SECTION 3 – PROGRAM DESCRIPTIONS

- General: PPL Electric requests that the Commission clarify that the two to three page limit for program descriptions excludes charts, tables, and lists of measures as these can take up a full page each.

- Section 3.1.5: The requirement that electric distribution companies ("EDCs") address how each EDC's EE&C plan is designed to achieve at least 25% of their consumption reduction target amount in each program year should be addressed in either Section 1 – Overview of Plan or Section 4 – Program Management or Implementation Strategy rather than in this section. Including a discussion of the EDC's plan to achieve at least 25% in Section 3 improperly implies that EDCs are required to achieve a 25% reduction for each program.

- Section 3.2: PPL Electric requests that the Commission permit EDCs to include ranges of projected data, including projected rebates, savings, and participation levels in their Phase II EE&C plans. As it is not possible to make exact predictions as to customer participation levels, savings for each measure, or the rebate level necessary to prompt customer participation, allowing EDCs to propose ranges for such data would avoid the need for frequent and costly petitions to modify EE&C plans to reflect revised predictions of such data points. For example, if an EDC actually provided rebates for 450 heat pump water heaters in Year 1 rather than the 500 rebates estimated in its approved EE&C Plan, the EDC would need to file a petition to modify its EE&C plan to effectuate this change. This process is costly, takes approximately 4 to 6 months, and is unnecessary as it is not possible to predict or control the exact number of rebates requested by customers. Allowing the EDC to include a reasonable range, such as 300 to 600 estimated heat pump water heaters, in the EE&C Plan's estimates provides reasonable flexibility for estimating uncertainty. In addition, the language modifications proposed by PPL Electric would enable EDCs to make limited time rebate offers to customers within the Commission-approved rebate range. The use of a range for rebate offers would provide EDCs with limited flexibility to raise an incentive for a limited time and then lower it.

As EDCs would include the proposed ranges in their Phase II EE&C Plan filing, stakeholders would have the opportunity to review and comment on the EDC's proposed ranges and the Commission would review and approve these ranges during the EDC's EE&C Plan proceeding. Therefore, PPL Electric requests that the Commission provide EDCs with the opportunity to make adjustments to data points discussed above.

C. SECTION 5 – REPORTS

- Sections 5.1 and 5.2: PPL Electric proposes that Sections 5.1 and 5.2 be removed from the Phase II EE&C Plan filing template. EDCs currently submit quarterly and annual reports to the Commission, the statewide evaluator ("SWE"), and stakeholders consistent with the timeline set by the Commission in its May 25, 2011 Secretarial Letter issued at Docket No. M-2008-2069887. Further, the content of these reports has been prescribed by the Commission and/or the SWE. Therefore, PPL Electric proposes that EDCs not be required to define the content and format of these reports in its EE&C Plan.

D. SECTION 9 – PLAN COMPLIANCE INFORMATION AND OTHER KEY ISSUES

- Section 9.2.4: PPL Electric proposes that the Commission not require EDCs address consumer education efforts specifically for solar, solar photovoltaic and geothermal heating in their Phase II EE&C plans. The Company recognizes the importance of consumer education for all programs and not just the ones identified in this section.

- Section 9.2.5: PPL Electric proposes to eliminate the requirement that EDCs provide a list of all eligible federal and state funding programs available to ratepayers for energy efficiency and conservation. This information is subject to change from year to year and the Company does not want to be in the position of providing outdated information to customers.

E. TABLES FOR PENNSYLVANIA EDC EE&C PLANS

- Table 1: Clarify that the word "net" as used in the column heading "Total Discounted **Net** Lifetime Benefits" means the arithmetic difference between the previous two columns, and does not mean net verified savings (as in net-to-gross ratio). Since the TRC uses gross verified savings, not net verified savings, the use of the word "net" in any TRC terms can be confusing.

- Table 1: Delete the last column titled "TRC" because it is the same as the previous column titled "Cost-Benefit Ratio."

- Table 1: Add a note at the bottom "Includes only the savings for measures installed June 1, 2013 through May 31, 2016. Excludes Phase I carryover."

- Table 2: PPL Electric proposes that the last column titled "Total" be deleted as it is not required since the MWh/yr savings in each of the Program Year columns are cumulative savings (i.e. the sum of all Program Years to date). Therefore, savings shown in the "Program Year 2015" column is the 3-year cumulative total.

- Table 2: The row "baseline" is not applicable for "kW saved" columns as there is no demand reduction target or baseline.

- Table 2: "MWh" should be "MWh/yr"

- Table 2: In the row titled "Commission Identified Goal," "N/A" should be added to the Program Year 2013 and Program Year 2014 columns because there are no yearly compliance goals. The only compliance goal is a cumulative goal in Program Year 2015.

- Table 2: "N/A" should be added in the last column ("kW saved") for rows titled "EE&C Plan Total- Percentage of Target to be Met," "Percent Reduction from Baseline," "Commission Identified Goal," and "Percent Savings Due to Portfolio Above or Below Commission Goal" because there is no peak load reduction compliance target.

- Table 2: PPL Electric proposes to add footnote #3 that states "Gross Verified Savings." This footnote applies to the title of Table 2 "Summary of Portfolio Energy and Demand Savings" to clarify that all MWh/yr savings are on a gross verified basis.

- Table 2: Add a row titled "Estimated Phase I Carryover" and add a row titled "Total Cumulative Projected Savings Phase 2 + Estimated Phase I Carryover" immediately after the row "EE&C Plan Total-Cumulative Projected Savings." These additions are appropriate because the Implementation Order states that Phase I carryover can be applied toward the Phase 2 compliance target. Table 2 is the ideal location to show the Phase I carryover. Also, PPL Electric suggests adding a footnote to "Estimated Phase I Carryover" that states "This is the estimated Phase I carryover as of October 2012. The actual, verified Phase I carryover will not be known until the Phase I Program Year 4 Final Annual Report is issued on November 15, 2013."

- Table 3: For clarity, PPL Electric proposes to split the "Portfolio Budget" column into 2 columns—"$1000" and "%" and to add a "Total" column (also with "$1000" and "%" sub-columns.

- Table 4: PPL Electric requests that the Commission remove the word "net" from the column headings entitled "Net Lifetime MWh Savings" and "Net kW Savings." As proposed by the Commission in its Phase II Tentative Implementation Order and not challenged by any party in that proceeding, EDCs are to continue to use net verified savings in their TRC test for program planning purposes (such as adjusting program design, rebates, or measure eligibility requirements for programs that have a low net-to-gross ratio). However, EDC compliance in Phase II will continue to be determined using gross verified savings, not net savings. *See Energy Efficiency and Conservation Program Implementation Order*, Docket No. M-2012-2289411 (order entered on May 11, 2012.) at 27. In addition, PPL Electric requests that the Commission define the term "Program Market."

- Table 4: PPL Electric proposes to add the following note at the bottom of the table – "Savings (lifetime and portfolio) are for measures installed 6/1/13 through 5/31/16 and exclude Phase I carryover."

- Table 5: PPL Electric requests that the Commission clarify what is intended to be included as "other expenditures" in the column entitled "% of Total Budget Excluding Other Expenditures." In addition, the Company requests that the Commission provide clarity as to the last column in this table entitled "% of Total Customer Revenue." Specifically, PPL Electric requests that the Commission clarify: (1) what customer revenues are to be included in the calculation of a customer's total revenue (i.e., distribution, transmission, generation, gross receipts tax, etc.); and (2) what is the base year by which EDCs are to calculate a customer's total revenue. PPL Electric suggests that 2006 be used as the base year as the funding for each EDC's EE&C Plans is capped at 2% of the EDC's total annual revenues as of December 31, 2006. Further, PPL Electric notes that, depending upon what customer revenues are to be included in this calculation, EDCs are not privy to details related to shopping commercial and industrial customers' generation costs or costs related to residential customers who shop and receive a separate bill from an electric generation supplier.

- Table 6C: PPL Electric notes that this table duplicates Table 3 (total cost by sector) and Table 6B (common cost by sector). Therefore, PPL Electric recommends deleting Table 6C.

- Table 7A: PPL Electric proposes to add a "Total" row for each program and to include a TRC cost-benefit ratio only for the total. The TRC test does not compute a unique benefit-cost ratio for each program year because the TRC is based on the lifetime costs and benefits for all cumulative measures/programs. Therefore, the TRC value included in the EE&C Plan is an estimate of the benefit-cost ratio for each program (and the portfolio) at the end of the planning cycle (May 2016). The actual TRC tests performed by the EDC at the end of each program year will be based on the lifetime costs and benefits for all cumulative measures/programs installed as of that program year. Therefore, the Program Year 1 TRC will be based on the lifetime benefits and costs of measures/programs installed in Program Year 1, the Program Year 2 TRC will be based on the lifetime benefits and costs of measures/programs installed in Program Years 1 and 2, and the Program Year 3 TRC will be based on the lifetime benefits and costs of measures/programs installed in Program Years 1, 2, and 3. Computing a TRC that includes only the lifetime benefits and costs of measures/programs installed in that single Program Year is inconsistent with the TRC Test and will not provide meaningful information to the EDC, the Commission, or stakeholders. In addition, the column entitled "T&D" is unnecessary. Presently PPL Electric leaves this column blank in its current EE&C Plan as the avoided T&D costs (i.e., the retail T&D rates paid by customers) are included as a component of the energy cost. Therefore, PPL Electric requests that the Commission remove the "T&D" column from Table 7A.

II. CONCLUSION

For the reasons set forth above, PPL Electric Utilities Corporation respectfully requests that the Commission take these Comments into consideration in finalizing the Phase II EE&C Plan filing template.

Respectfully submitted,

Andrew S. Tubbs

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Of Counsel:

Post & Schell, P.C.

Date: September 4, 2012

Attorneys for PPL Electric Utilities Corporation

Appendix “A”

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE M-2012-2289411

August 17, 2012

To: All Interested Parties

Re: Implementation of Act 129 of 2008—Phase II
Energy Efficiency and Conservation Plan Template
Docket No. M-2012-2289411

The Pennsylvania Public Utility Commission (Commission) hereby issues, for comment, an Energy Efficiency and Conservation Plan (EE&C Plan) filing template for the EE&C Phase II Program. On August 2, 2012, the Commission adopted an Implementation Order, which directed that Act 129 Phase II would operate from June 1, 2013, through May 31, 2016, and prescribed further energy consumption reduction targets.[1] This Implementation Order also directed that the electric distribution companies (EDCs) file EE&C Plans for Phase II by November 1, 2012.[2] With this Secretarial Letter, the Commission continues its process of establishing guidelines for implementing Phase II of the Act 129 EE&C Program.

The EE&C Plan template for Phase I was developed pursuant to the Commission's Phase I Implementation Order.[3] With this Secretarial Letter, the Commission is proposing a revised EE&C Plan template that all jurisdictional EDCs with at least 100,000 customers will use in preparing and filing their Phase II EE&C Plans. The attached proposed template includes a number of blank tables that are available on the Commission's website.[4]

As in Phase I, the Commission proposes that during the Phase II program term, each EDC should maintain an electronic copy of its entire, currently effective, Commission-approved Phase II EE&C Plan on the EDC's website. We further propose that the initial Phase II EE&C Plan shall be posted to the EDC's website in addition to all subsequent revised versions,[5] noting the date of Commission approval or, if not yet approved, a designation indicating that approval is pending before the Commission. The Commission also proposes maintaining copies of all approved Phase II EE&C Plans on its website.[6]

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[1] *See Energy Efficiency and Conservation Program* Implementation Order at Docket No. M-2012-2289411, entered August 3, 2012.
[2] *See Id.* at 63.
[3] *See Energy Efficiency and Conservation Program* Implementation Order at Docket No. M-2008-2069887, entered on January 16, 2009, at 10.
[4] The proposed template with tables can be found on the Commission's website at: http://www.puc.state.pa.us/electric/Act129/EEC_Program.aspx.
[5] As in Phase I, EDCs should post clean and redlined versions of all plan revisions.
[6] We propose maintaining links to copies of all approved Phase II EE&C Plans on the following Commission webpage: http://www.puc.state.pa.us/electric/Act129/EEC_Program.aspx.

The Commission directs that all interested parties shall file an original of written comments by September 4, 2012, referencing Docket No. M-2012-2289411 to the Pennsylvania Public Utility Commission, Attention: Secretary, P.O. Box 3265, Harrisburg, PA 17105-3265. No reply comments will be accepted.

If there are any technical questions regarding the attached proposed EE&C template, please contact Charles Covage in the Commission's Technical Utility Services at ccovage@pa.gov, 717-783-3835. If there are any questions relating to legal or procedural issues regarding the attached proposed EE&C template, please contact Kriss Brown in the Commission's Law Bureau at kribrown@state.pa.us, 717-787-4518.

Sincerely,

Rosemary Chiavetta
Secretary

Attachment: EE&C Plan Template

cc: Chairman's Office
Vice Chairman's Office
Commissioners' Offices
Jan Freeman, Executive Director
Karen Oill Moury, Director of Regulatory Operations
Paul Diskin, Director, Bureau of Technical Utility Services
Bohdan R. Pankiw, Chief Counsel
Robert F. Young, Deputy Chief Counsel
Kriss Brown, Assistant Counsel
Charles Covage, Bureau of Technical Utility Services
Greg Shawley, Bureau of Technical Utility Services
Darren Gill, Bureau of Technical Utility Services

Template for Pennsylvania EDC Energy Efficiency and Conservation Plans
To be submitted by EDCs by November 1, 2012

Contents

Note:
If any of your answers require you to disclose what you believe to be privileged or confidential information, not otherwise available to the public, you should designate at each point in the EE&C Plan that the answer requires you to disclose privileged and confidential information. Explain briefly why the information should be treated as confidential. You should then submit the information on documents stamped "CONFIDENTIAL" at the top in clear and conspicuous letters and submit one copy of the information under seal to the Secretary's Office along with the EE&C Plan. In addition, an expunged copy of the filing should also be included with the EE&C Plan. If someone requests to examine the information, or if Commission staff believes that the proprietary claim is frivolous or otherwise not justified, the Secretary's Bureau will issue a Secretarial Letter directing that the EDC file a petition for protective order pursuant to 52 Pa. Code § 5.423.

Energy Efficiency and Conservation Plan

A. Transmittal Letter - with reference to statutory and regulatory requirements and Electric Distribution Company (EDC) contact that PA PUC should contact for more information.

B. Table of Contents - including lists of tables and figures.

1. Overview of Plan (~10 pages)

(The objective of this section is to provide an overview of the entire plan)

1.1. Summary description of plan, plan objectives, and overall strategy to achieve energy efficiency and conservation goals.

1.2. Summary description of process used to develop the EE&C plan and key assumptions[7] used in preparing the plan.

1.3. Summary tables of portfolio savings goals, budget and cost-effectiveness (see Tables 1, 2 and 3).[8]

1.4. Summary of program implementation schedule over three-year plan period (see Chart 1 Notes).

1.5. Summary description of the EDC implementation strategy to manage EE&C portfolios and engage customers and trade allies.

1.6. Summary description of EDC's data management, quality assurance and evaluation processes; include how EE&C plan, portfolios, and programs will be updated and refined based on evaluation results.

1.7. Summary description of cost recovery mechanism.

2. Energy Efficiency Portfolio/Program Summary Tables and Charts

(The objective of this section is to provide a quantitative overview of the entire plan for the three-year period. The audience will be those who want to see the "numbers", but not all the details.)

2.1. Residential, Commercial/Industrial Small, Commercial/Industrial Large and Governmental/Educational/Non-profit Portfolio Summaries (see Table 4).[9]

2.2. Plan data: Costs, Cost-effectiveness and Savings by program, sector and portfolio (see Tables 1-4).

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[7] Whenever assumptions are used, provide the basis for using that assumption.

[8] Tables (and Chart) referenced in the template outline are located in the separate master spreadsheet.

[9] A *measure* is a single device (CFL, heat pump, insulation, T-5 light, etc.), operational change, equipment or facility modification, or other action that reduces energy consumption. A *project* is an activity or course of action involving one or multiple energy efficiency measures, at a single facility or site. A *program* is a group of measures and/or projects, with similar characteristics and installed in similar applications. Individual programs include those that involve encouraging and/or incenting the installation of equipment or practices associated with new-construction and retrofit solar energy and energy efficiency projects. The *portfolio* consists of all the programs in the residential, commercial/industrial small, commercial/industrial large, or governmental/educational/non-profit sectors. Residential sector programs include participants with a residential rate schedule. Commercial/Industrial Small sector programs include participants with a small C&I rate schedule. Commercial/Industrial Large sector programs include participants with a large C&I rate schedule. Governmental/Educational/Non-Profit includes customers in any rate schedule who are Federal, State, Municipal, and Local Governments; as well as school districts, institutions of higher learning, and non-profit entities. [The applicable EE&C sector designation is based on the customer's rate schedule, not the size of the energy efficiency project or the type of building.]

Deleted: low-income, single-family and multi-family housing projects

Deleted: small commercial, industrial, agricultural, and public sector facility projects

Deleted: large commercial, industrial, agricultural, and public sector facility projects

2.3. Budget and Parity Analysis – (see Table 5).

3. Program Descriptions (2 to 3 pages per program) [Confirm that page limit excludes charts, tables, and lists of measures.]

(The objective of this section is to provide detailed descriptions of each proposed program and the background on why particular programs were selected and how they form balanced/integrated portfolios.)

3.1. Discussion of criteria and process used for selection of programs:

3.1.1. Describe portfolio objectives and metrics that define program success (e.g., energy and demand savings, customers served, number of units installed).

3.1.2. Describe how programs were constructed for each portfolio to provide market coverage sufficient to reach overall energy and demand savings goals. Describe analyses and/or research that were performed (e.g., market, best-practices, market modeling).

3.1.3. Describe how energy efficiency, conservation, solar, solar photovoltaic systems, geothermal heating, and other measures are included in the portfolio of programs as applicable.

3.1.4. Describe the comprehensive measures to be offered to the residential and small commercial rate classes

3.2 Residential Sector (as defined by EDC Tariff) Programs - include formatted descriptions of each program organized under the following headings:

Deleted: <#>Describe how at least 25% of the consumption reduction target will be acquired each program year¶

- Program Title and Program years during which program will be implemented[10]
- Objective(s)
- Target market
- Program description
- Implementation strategy (including expected changes that may occur in different program years)
- Program issues and risks and risk management strategy
- Anticipated costs to participating customers
- Ramp up strategy
- Marketing strategy
- Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., $ per measure, $ per kWh or MW saved)
- Program start date with key schedule milestones
- Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by the Commission's statewide EE&C Plan Evaluator
- Administrative requirements – include internal and external staffing levels
- Estimated participation – includes tables indicating metric(s) with target value(s) or target ranges per year
- Estimated program budget (total) by year – include table with budget per year
- Estimated percentage of sector budget attributed to program

[10] It is assumed that there are three program years, each starting June 1 and ending May 31st. The first program year (PY) is Program Year 2013 and the last is Program Year 2015.

- Savings targets – include tables with estimated total MWh/yr and MW goals and/or ranges per year and cumulative tables that document key assumptions of estimated savings or savings ranges per measure or project
- Cost-effectiveness – include TRC for each program
- Other information deemed appropriate

3.2.1. Low-Income Sector (as defined by 66 Pa. C.S. § 2806.1) Programs - include formatted descriptions of each program organized under the same headings as listed above for residential programs. As well, provide and detail all plans for achieving compliance with the August 2, 2012 Implementation Order.

3.2. Commercial/Industrial Small Sector (as defined by EDC Tariff) Programs - include formatted descriptions of each program organized under the same headings as listed above for residential programs.

3.3. Commercial/Industrial Large Sector (as defined by EDC Tariff) Programs - include formatted descriptions of each program organized under the same headings as listed above for residential programs.

3.4. Governmental/Educational/Non-Profit Sector (as defined by 66 Pa. C.S. § 2806.1) Programs - include formatted descriptions of each program organized under the same headings as listed above for residential programs. As well, provide and detail all plans for achieving compliance with the August 2, 2012 Implementation Order.

4. Program Management and Implementation Strategies (~5 to 10 pages)

(The objective of this section is to provide detailed description of how EDC plans to manage and implement programs, including their approach to and use of Conservation Service Providers (CSPs).)

4.1. Overview of EDC Management and Implementation Strategies:

4.1.1. Describe the types of services to be provided by EDC as well as consultants, trade allies, and CSPs. Indicate which organizations will provide which services and the basis for such allocation. Reference reporting and EM&V information from Sections 5 and 6 below.[11]

4.1.2. Describe how the risk categories of performance, technology, market and evaluation can affect the programs and any risk management strategies that will be employed to mitigate those risks.[12]

4.1.3. Describe how EDC plans to address human resource and contractor resource constraints to ensure that adequate personnel and contractors are available to implement the EE&C plan successfully.

4.1.4. Describe "early warning systems" that will be utilized to indicate progress towards the goals and whether they are likely to be met. Describe EDC's approach and process for

[11] Services to be offered by EDC or others may include marketing, customer recruiting, demonstration projects, audits and or installation of new efficiency measures, verification of installations and or baseline usage, response to customer concerns, program tracking and program evaluation.

[12] Performance risk is the risk that, due to design or implementation flaws, the program does not deliver expected savings. Technology risk is the risk that technologies targeted by a program fail to deliver the savings expected. Market risk is the risk that customers, or other key market players (e.g., contractors), choose not to participate in a program. Evaluation risk is the risk that independent EM&V will, based on different assumptions, conclude that savings fall short of what the implementers have estimated.

shifting goals and funds, as needed, between programs and adding new measures/programs.

4.1.5. Provide implementation schedules with milestones.

4.2. Executive management structure:

4.2.1. Describe EDC structure for addressing portfolio strategy, planning, review of program metrics, internal and external communications, budgeting and financial management, program implementation, procurement, program tracking and reporting, and Quality Assurance/Quality Control (QA/QC). Include EDC organization chart for management team responsible for implementing EE&C plan.

4.2.2. Describe approach to overseeing the performance of sub-contractors and implementers of programs and how they can be managed to achieve results, within budget, and ensure customer satisfaction.

4.2.3. Describe basis for administrative budget.

4.3. Conservation Service Providers (CSPs):

4.3.1. List any selected CSPs, describe their qualifications and basis for selection (include contracts in Appendix).

4.3.2. Describe the work and measures being performed by CSPs.

4.3.3. Describe any pending RFPs to be issued for additional CSPs.

5. [illegible]

(Objective of this section is to provide detailed description of reporting and the critical data management and tracking systems that EDCs need in order to implement programs and which Commission, and its statewide EE&C Plan Evaluator, need to access.)

5.1. Reporting:

5.1.1.

5.1.2.

5.2. Project Management Tracking Systems:

5.2.1. Provide brief overview of the data tracking system for managing and reporting measure, project, program and portfolio activities, status and performance as well as EDC and CSP performance and expenditures.

5.2.2. Describe the software format, data exchange format, and database structure you will use for tracking participant and savings data. Provide examples of data fields captured.

Deleted: List reports that would be provided to the Commission, the schedule for their delivery, and the intended

Deleted:

Deleted: contents

Deleted: Describe data that would be available (including format and time frame of availability) for Commission review and audit

Deleted: .[14]

[13] This Section may be modified if the Commission's statewide EE&C Plan Evaluator develops further reporting and tracking systems that are approved by the Commission.

[15] These sub-sections may reference other chapters of the plan as they may restate what was included elsewhere in the plan, and are collected here only for convenience of review.

5.2.3. Describe access and mechanism for access for Commission and statewide EE&C Plan Evaluator.

6. Quality Assurance and Evaluation, Measurement and Verification (~5 pages)

(Objective of this section is to provide detailed description of how the EDC's quality assurance/quality control, verification and internal evaluation process will be conducted and how this will integrate with the statewide evaluation activities)

6.1. Quality Assurance/Quality Control:

6.1.1. Describe overall approach to quality assurance and quality control.

6.1.2. Describe procedures for measure and project installation verification, quality assurance and control, and savings documentation.

6.1.3. Describe process for collecting and addressing participating customer, contractor and trade ally feedback (e.g., suggestions and complaints).

6.2. Describe any planned market and process evaluations and how results will be used to improve programs.

6.3. Describe strategy for coordinating with the statewide EE&C Plan Evaluator (nature and type of data will be provided in a separate Commission Order).

7. Cost-Recovery Mechanism (~5-10 pages with tables)

(Objective of this section is to provide detailed description and estimated values for cost recovery mechanism.)

7.1. Provide the amount of total annual revenues as of December 31, 2006, and provide a calculation of the total allowable EE&C costs based on 2% of that annual revenue amount.

7.2. Description of plan in accordance with 66 Pa. C.S. §§ 1307 and 2806.1 to fund the energy efficiency and conservation measures, to include administrative costs.

7.3. Provide data tables (see Tables 6A, 6B, and 6C).

7.4. Provide and describe tariffs and a Section 1307 cost recovery mechanism that will be specific to Phase II Program costs.. Provide all calculations and supporting cost documentation.

7.5. Describe how the cost recovery mechanism will ensure that measures approved are financed by the same customer class that will receive the direct energy and conservation benefits.

7.6. Describe how Phase II costs will be accounted for separate from Phase I costs.

8. Cost Effectiveness (~5 pages)

(Objective of this section is to provide detailed description of the cost-effectiveness criteria and analyses. It can refer to appendices with program data.)

8.1. Explain and demonstrate how the proposed plan will be cost effective as defined by the Total Resource Cost Test (TRC) specified by the Commission.

8.2. Provide data tables (see Tables 7A thru 7E).

9. Plan Compliance Information and Other Key Issues (~ 5–10 pages)

(Objective of this section is to have specific areas in EE&C plan where the Commission can review miscellaneous compliance items required in legislation and address key issues in EE&C plan, portfolio, and program design.)

9.1. Plan Compliance Issues.[15]

9.1.1. Describe how the plan provides a variety of energy efficiency, conservation, and load management measures and will provide the measures equitably to all classes of customers in accordance with the August 2, 2012 Implementation Order.

9.1.2. Provide statement delineating the manner in which the EE&C plan will achieve the requirements of the program under 66 Pa. C.S. §§ 2806.1(c) & 2806.1(d).

9.1.3. Provide statement delineating the manner in which the EE&C plan will achieve the Low-Income requirements prescribed in the August 2, 2012 Implementation Order.

9.1.4. Provide statement delineating the manner in which the EE&C plan will achieve the Government/Educational/Non-Profit requirements prescribed in the August 2, 2012 Implementation Order.

9.1.5. Describe how EDC will ensure that no more than two percent of funds available to implement the plan shall be allocated for experimental equipment or devices.

9.1.6. Describe how the plan will be competitively neutral to all distribution customers even if they are receiving supply from an EGS.

9.2. Other Key Issues:

9.2.1. Describe how this EE&C plan will lead to long-term, sustainable energy efficiency savings in the EDC's service territory and in Pennsylvania.

9.2.2. Describe how this EE&C plan, and the EDC, will avoid possible overlaps between programs offered in different Pennsylvania EDC service territories as well as possibly programs offered in neighboring states.

9.2.3. Describe how this EE&C plan will leverage and utilize other financial resources, including funds from other public and private sector energy efficiency and solar energy programs.

9.2.4. Describe how the EDC will address consumer education on energy efficiency, conservation, Describe how the EDC will provide the public with information about the results from the programs.

Deleted: solar and solar photovoltaic systems, and geothermal heating, and other measures.¶
<#>Indicate that the EDC will provide a list of all eligible federal and state funding programs available to ratepayers for energy efficiency and conservation.¶

10. Appendices

A. Commission approved electricity consumption forecast for the period of June 1, 2009 through May 31, 2010.

B. Approved CSP contract(s).

C. Program by program calculation of savings and costs for each program year. Include separate sections for each program with sub-sections for each year describing savings and costs information. Cost data should include for each program (and for General Administrative Cost Areas of Planning, Evaluation and Other) and each program year separate budgets for (see Example Tables 6A, 6B, and 6C):

- Direct Program Costs
    - EDC labor
    - EDC materials and supplies
    - CSP labor
    - CSP materials and supplies
    - Other outside services (define)
    - Customer incentives
    - Other (define)
- Administrative Costs, including but not limited to costs relating to plan and program development, cost-benefit analysis, measurement and verification, and reporting.
- Total costs.
- Cost effectiveness calculations by program and by program year, indicating benefits by category (see Example Table 7A – 7E).

D. Calculation methods and assumptions. Describe methods used for estimating all program costs, including administrative, marketing, and incentives costs; include key assumptions. Describe assumptions and present all calculations, data and results in a consistent format. Reference Appendix D.

Tables for Pennsylvania EDC Energy Efficiency and Conservation Plans
To be submitted by EDCs by November 1, 2012

Contents

- The tables attached on this word document are for illustrative purposes only.
- A master excel spreadsheet is uploaded on the Commission website. Each EDC is directed to use the master spreadsheet when populating the following tables.

1. Portfolio Summary of Lifetime Costs and Benefits
2. Summary of Portfolio Energy and Demand Savings
3. Summary of Portfolio Costs
4. Program Summaries
5. Budget and Parity Analysis Summary
6. Cost Recovery
   A. Portfolio-Specific Assignment of EE&C Costs
   B. Allocation of Common Costs to Applicable Customer Sector
   C. Summary of Portfolio EE&C Costs
7. TRC Benefits Table (7A – 7E)

Redline of Tables provided separately.

Table 1: Portfolio Summary of Lifetime Costs and Benefits

Notes:

o Net Lifetime Benefits, and TRC per the California Standard Practice Manual

Portfolio	Discount Rate	Total Discounted Lifetime Costs ($000)	Total Discounted Lifetime Benefits ($000)	Total Discounted Net Lifetime Benefits ($000)	Cost- Benefit Ratio	TRC[1]
Residential *(exclusive of Low-Income)*						
Residential Low- Income						
Commercial/ Industrial Small						
Commercial/ Industrial Large						
Governmental/ Educational/ Non-Profit						
Total						

Table 2: Summary of Portfolio Energy and Demand Savings

o Program Year is June 1 – May 31

	Program Year 2013		Program Year 2014		Program Year 2015		Total	
MWh and kW Saved for Consumption Reductions	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved
Baseline[1]								
Residential Sector *(exclusive of Low- Income)* - Cumulative Projected Portfolio Savings[2]								
Residential Low-Income Sector - Cumulative Projected Portfolio Savings[2]								
Commercial/Industrial Small Sector - Cumulative Projected Portfolio Savings[2]								
Commercial/Industrial Large Sector - Cumulative Net Weather Adjusted Savings[2]								
Governmental/ Educational/Non-Profit Sector - Cumulative Projected Portfolio Savings[2]								
EE&C Plan Total - Cumulative Projected Savings								
EE&C Plan Total - Percentage of Target to be Met[1]								
Percent Reduction From Baseline								
Commission Identified Goal								
Percent Savings Due to Portfolio Above or Below Commission Goal								

[1] As defined in the August 2, 2012 Implementation Order, Docket No. M-2012-2289411.

[2] Adjusted for weather and extraordinary load as applicable.

Table 3: Summary of Portfolio Costs

- Program year is June 1 – May 31

	Program Year 2013	Program Year 2014	Program Year 2015
	Portfolio Budget	Portfolio Budget	Portfolio Budget
Residential Portfolio Annual Budget ($000 and percent of Portfolio Budget)			
Residential Low-Income Portfolio Annual Budget ($000 and percent of Portfolio Budget)			
Commercial/Industrial Small Portfolio Annual Budget ($000 and percent of Portfolio Budget)			
Commercial/Industiral Large Portfolio Annual Budget ($000 and percent of Portfolio Budget)			
Governmental/Educational/ Non-Profit Portfolio Annual Budget ($000 and percent of Portfolio Budget)			
Total Portfolio Annual Budget			

Table 4: Program Summaries

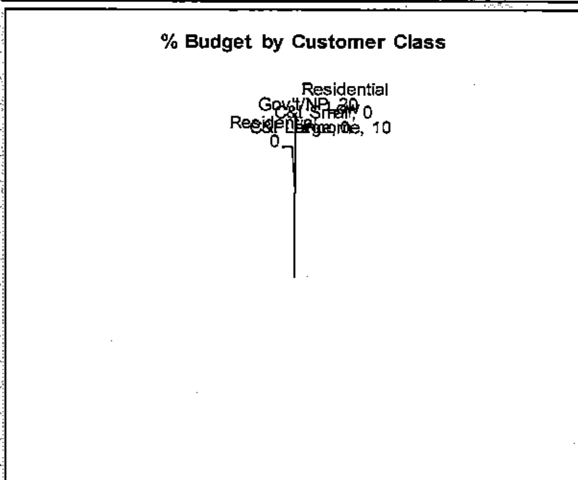
› Add additional rows to list more programs.

	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%
Residential Portfolio Programs (exclusive of Low Income)							
	Totals for Residential Sector						
Residential Low-Income Sector Programs							
	Totals for Low-Income Sector						
Commercial/ Industrial Small Portfolio Programs							
	Totals for C/I Small Sector						
Commercial/ Industrial Large Portfolio Programs							
	Totals for C/I Large Sector						
Governmental/ Educational/Non-Profit Portfolio Programs							
	Totals for Gov't/NP Sector Programs						
	Total for Plan						

Table 5: Budget and Parity Analysis Summary

o Through program year 2015

Customer Class	Budget	% of Total EDC Budget	% of Total Budget Excluding Other Expenditures	% of Total Customer Revenue
Residential				
Residential Low Income				
Residential Subtotal	0	0	0	0
C&I Small				
C&I Large				
C&I Subtotal	0	0	0	0
Governmental/Educational/Non-Profit				
Governmental/Educational/Non-Profit Subtotal	0	0	0	0
Residential/C&I/Governmental/ Educational/Non-Profit Subtotal	0	0	0	0
Other Expenditures				
Other Expenditures Subtotal	0	0		
EDC TOTAL	0	0		



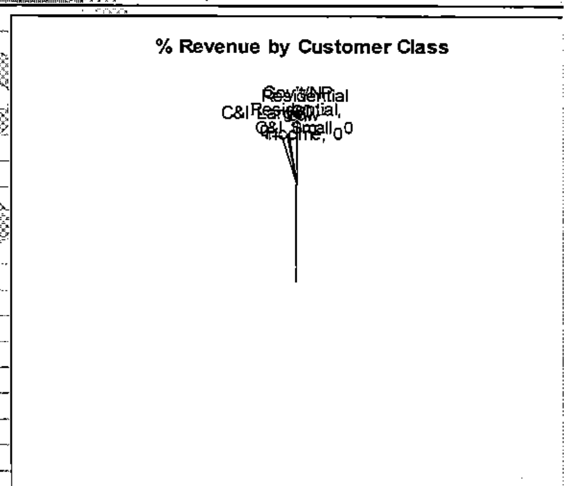


Table 6A: Portfolio-Specific Assignment of EE&C Costs [1]

Residential Portfolio (including Low-Income)

EE&C Program [2]	Cost Elements ($) [3]						Totals
[Residential Program 1]							
[Residential Program 2]							
[Residential Program 3]							
Totals							

Notes:

[1] Prepare and submit a separate table for ***each*** customer sector portfolio. The *Residential* portfolio is used here for illustrative purposes.

[2] List each EE&C program by name. Add rows as necessary.

[3] List all cost elements for each program that can be directly identified as relating exclusively to the specific customer sector addressed in this table. Any cost elements that are applicable to multiple sectors, or are common across all sectors, are to be listed in Table 7B (relating to Common Costs). **Because cost elements may vary for each EDC and program, the EDC should designate cost elements at its discretion, and the Commission will review and evaluate the prudence and reasonableness of all costs shown.**

Table 6B: Allocation of Common Costs to Applicable Customer Sector

Common Cost Element[1]	Total Cost ($)	Basis for Cost Allocation[2]	Class Cost Allocaton ($)			
			Residential (Including Low-Income)	Commercial/ Industrial -- Small	Commercial/ Industrial -- Large	Governmental/ Non-profit
Totals						

Notes:

[1] List all identified cost elements that are determined to be applicable to multiple customer sectors, or are common across all sectors. **Because cost elements may vary for each EDC and program, the EDC should designate cost elements at its discretion, and the Commission will review and evaluate the prudence and reasonableness of all costs shown.**

[2] Provide a brief explanation of the methodolgy used to allocate each common cost element to the applicable customer sectors.

Table 6C: Summary of Portfolio EE&C Costs

Portfolio	Total Sector Portfolio-specific Costs [1]	Total Common Costs [2]	Total of All Costs
Residential (Including Low-Income)			
Commercial/Industrial -- Small			
Commercial/Industrial -- Large			
Governmental/Educational/Non-profit			
Totals			

Notes:

[1] Cost figures are to be carried over from the last column ("**Totals**") of Table 7A.

[2] Cost figures are to be carried over from the bottom row ("**Totals**") of Table 7B.

Table 7A: TRC Benefits Table

Submit yearly projections for each program thru final year of that program for TRC evaluation.

****Portfolio****	**TRC Benefits By Program Per Year** ($000)											
			Program Costs	Program Benefits	Capacity		Energy		Load Reductions in kW		MWh Saved	
					Annual		Annual					
Program	Program Year	TRC	($000)	($000)	Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
HVAC [1]	*1*											
	2											
	3											
Retrofit [1]	*1*											
	2											
	3											
	4											
	5											
	6											
	7											
Total												

[1] Program listings and corresponding Program Years are for illustrative purposes.

Chart 1: Gantt Chart of Program Schedule Summary (For Section 1.4)

- Chart will be formatted to fit on one 8½ - 11 page
- It will use color to differentiate schedule items
- Provide a separate chart for each Portfolio that includes:
    - Start and completion dates for the launch and close of Residential Portfolio programs for Program Years 2013, 2014 & 2015
    - Start and completion dates for the launch and close of Commercial/Industrial Small portfolio programs for Program Years 2013, 2014 & 2015
    - Start and completion dates for the launch and close of Commercial/Industrial Large portfolio programs for Program Years 2013, 2014 & 2015
    - Start and completion dates for the launch and close of Governmental/Educational/Non-Profit portfolio programs for Program Years 2013, 2014 & 2015

    As well, include the following for each chart:
    - Start and completion dates for design of each Program Year
    - Dates at which CSPs will be selected and placed under contract for each portfolio
    - Dates at which EDC will provide annual program reports to Commission

Appendix “B”

Table 1: Portfolio Summary of Lifetime Costs and Benefits

Notes:

o Net Lifetime Benefits, and TRC per the California Standard Practice Manual

Portfolio	**Discount Rate**	**Total Discounted Lifetime Costs ($000)**	**Total Discounted Lifetime Benefits ($000)**	**Total Discounted Net Lifetime Benefits ($000) (see comment A below)**	**Cost- Benefit Ratio [Add TRC to this column]**	TRC[1] [DELETE COLUMN]
Residential *(exclusive of Low-Income)*						
Residential Low-Income						
Commercial/ Industrial Small						
Commercial/ Industrial Large						
Governmental/ Educational/ Non-Profit						
Total						

[1] See Commission instructions on definition of TRC

Note: Includes only the savings for measures installed 6/1/13 - 5/31/2016. Excludes Phase I carry over.

Table 2: Summary of Portfolio Energy and Demand Savings[1]
o Program Year is June 1 – May 31

MWh/yr and kW Saved for Consumption Reductions	Program Year 2013		Program Year 2014		Program Year 2015		Total [Delete column]	
	MWh/yr Saved	kW Saved	MWh/yr Saved	kW Saved	MWh/yr Saved	kW Saved	MWh/yr Saved	kW Saved
Baseline[4]		N/A		N/A		N/A		N/A
Residential Sector *(exclusive of Low-Income)* – Cumulative Projected Portfolio Savings[2]								
Residential Low-Income Sector - Cumulative Projected Portfolio Savings[2]								
Commercial/Industrial Small Sector - Cumulative Projected Portfolio Savings[2]								
Commercial/Industrial Large Sector - Cumulative Net Weather Adjusted Savings[2]								
Governmental/ Educational/Non-Profit Sector - Cumulative Projected Portfolio Savings[2]								
EE&C Plan Total - Cumulative Projected Savings								
Estimated Phase I Carryover[3]								
EE&C Plan Total Cumulative Projeted Savings								
EE&C Plan Total - Percentage of Target to be Met[4]								N/A
Percent Reduction From Baseline								N/A
Commission Identified Goal	N/A (see note B below)		N/A		N/A			N/A
Percent Savings Due to Portfolio Above or Below Commission Goal								N/A

1. Gross Verified Savings.
2. Adjusted for weather and extraordinary load as applicable.
3. This is the estimated Phase I carryover as of October 2012. The actual, verified Phase I carrover will not be known until the Phase I Year 4 Annual Report is issued on Novemeber 15, 2013.
4. As defined in the August 2, 2012 Implementation Order, Docket No. M-2012-2289411.

Table 3: Summary of Portfolio Costs

- Program year is June 1 – May 31

	Program Year 2013		Program Year 2014		Program Year 2015		Total	
	Portfolio Budget		Portfolio Budget		Portfolio Budget		Portfolio Budget	
	$1,000	%	$1,000	%	$1,000	%	$1,000	%
Residential Portfolio Annual Budget ($000 and percent of Portfolio Budget)								
Residential Low-Income Portfolio Annual Budget ($000 and percent of Portfolio Budget)								
Commercial/Industrial Small Portfolio Annual Budget ($000 and percent of Portfolio Budget)								
Commercial/Industiral Large Portfolio Annual Budget ($000 and percent of Portfolio Budget)								
Governmental/Educational/ Non-Profit Portfolio Annual Budget ($000 and percent of Portfolio Budget)								
Total Portfolio Annual Budget		100%		100%		100%		100%

Table 4: Program Summaries

o Add additional rows to list more programs.

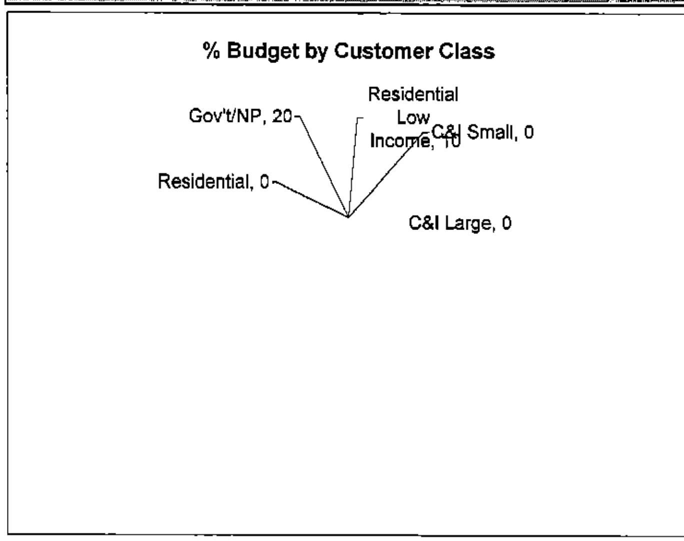
	Program Name	Program Market (Define)	Program Two Sentence Summary	Program Years Operated	~~Net~~ Lifetime MWh Savings	~~Net~~ kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%
Residential Portfolio Programs (exclusive of Low Income)							
	Totals for Residential Sector						
Residential Low-Income Sector Programs							
	Totals for Low-Income Sector						
Commercial/ Industrial Small Portfolio Programs							
	Totals for C/I Small Sector						
Commercial/ Industrial Large Portfolio Programs							
	Totals for C/I Large Sector						
Governmental/ Educational/Non-Profit Portfolio Programs							
	Totals for Gov't/NP Sector Programs						
Total for Plan							

Note: Savings (lifetime and portfolio) are for measureses installed 6/1/3013 - 5/31/2016 and exclude Phase I carryover.

Table 5: Budget and Parity Analysis Summary

o Through program year 2015

Customer Class	Budget	% of Total EDC Budget	% of Total Budget Excluding Other Expenditures (define the term other expenditures)	% of Total Customer Revenue	Difference
Residential					0
Residential Low Income					0
Residential Subtotal	0	0	0	0	0
C&I Small					0
C&I Large					0
C&I Subtotal	0	0	0	0	0
Governmental/Educational/Non-Profit					0
Governmental/Educational/Non-Profit Subtotal	0	0	0	0	0
Residential/C&I/Governmental/ Educational/Non-Profit Subtotal	0	0	0	0	
Other Expenditures					
Other Expenditures Subtotal	0	0			
EDC TOTAL	0	0			



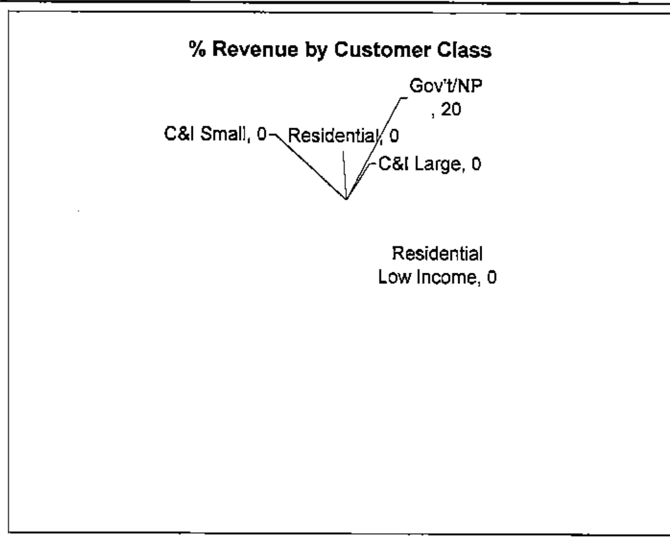


Table 6A: Portfolio-Specific Assignment of EE&C Costs [1]

	Residential Portfolio (including Low-Income)			
EE&C Program [2]	Cost Elements ($) [3]			
[Residential Program 1]				
[Residential Program 2]				
[Residential Program 3]				
Totals				

Notes:

[1] Prepare and submit a separate table for ***each*** customer sector portfolio. The *Residential* portfolio is used here for illustrat

[2] List each EE&C program by name. Add rows as necessary.

[3] List all cost elements for each program that can be directly identified as relating exclusively to the specific customer secto

		Totals

tive purposes.

r addressed in this table. Any cost elements that are applicable to

Table 6B: Allocation of Common Costs to Applicable Customer Sector

Common Cost Element [1]	Total Cost ($)	Basis for Cost Allocation [2]	Residential (Including Low-Income)
Totals			

Notes:

[1] List all identified cost elements that are determined to be applicable to multiple customer sectors, or are comr

[2] Provide a brief explanation of the methodolgy used to allocate each common cost element to the applicable cı

Class Cost Allocaton ($)		
Commercial/ Industrial -- Small	Commercial/ Industrial -- Large	Governmental/ Non-profit

non across all sectors. **Because cost elements may vary for each** ustomer sectors.

Table 6C: Summary of Portfolio EE&C Costs [Delete Table]

Portfolio	Total Sector Portfolio-specific Costs [1]	Total Common Costs [2]
Residential (Including Low-Income)		
Commercial/Industrial -- Small		
Commercial/Industrial -- Large		
Governmental/Educational/Non-profit		
Totals		

Notes:

[1] Cost figures are to be carried over from the last column ("**Totals**") of Table 7A.

[2] Cost figures are to be carried over from the bottom row ("**Totals**") of Table 7B.

Note: This table duplicates Table 3 (total cost by sector) and Table 6B (common cost by sector)

Total of All Costs

Table 7A: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Portfolio	**TRC Benefits By Program Per Year** ($000)											
			Program	Program	Capacity		Energy		Load Reductions in kW		MWh Saved	
	Program		Costs	Benefits	Annual		Annual					
Program	Year	TRC	($000)	($000)	Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
HVAC[1]	*1*											
	2											
	3											
Total (TRC Ratio)												
Retrofit[1]	*1*											
	2											
	3											
	4											
	5											
	6											
	7											
Total (TRC Ratio)												
Total												

[1] Program listings and corresponding Program Years are for illustrative purposes.