

Kathy J. Kolich
Senior Corporate Counsel330-384-4580
Fax: 330-384-3875

November 15, 2012

VIA FEDEX OVERNIGHT**RECEIVED**

NOV 15 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Implementation of the Alternative Energy Portfolio standards Act of 2004:
Standards for the Participation of Demand Side Management Resources –
Technical Reference Manual 2013 Update
Docket Nos. M-2012-2313373 and M-00051865

Dear Secretary Chiavetta:

Pursuant to the Commission's Order entered September 13, 2012, in the above-captioned proceeding, enclosed herewith for filing are the Reply Comments of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company.

Please contact me if you have any questions regarding this matter.

Sincerely,



Kathy J. Kolich

Enclosure

cc: As Per Certificate of Service

RECEIVED

NOV 15 2012

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: :
Standards for the Participation of : Docket Nos. M-2012-2313373 and
Demand Side Management Resources – : M-00051865
Technical Reference Manual 2013 :
Update :

REPLY COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER
COMPANY AND WEST PENN POWER COMPANY

I. INTRODUCTION

On September 13, 2012, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order in the above-referenced matter seeking comments to the proposed updates to the 2013 Technical Reference Manual (“TRM”) that will be applied to electric distribution companies (“EDCs”) Phase II Energy Efficiency and Conservation (“EE&C”) Plans from June 1, 2013 through May 31, 2014. The Commission directed that comments be submitted within thirty days of publication in the *Pennsylvania Bulletin*, and that reply comments be filed forty days thereafter, which deadline was subsequently extended to November 15, 2012. The Tentative Order was published in the *Pennsylvania Bulletin* on September 29, 2012.

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively, “the Companies”) respectfully submit the following reply comments related to the Commission’s Tentative Order.

II. REPLY COMMENTS

A. National Housing Trust (“NHT”) / Pennsylvania Housing Financing Agency (“PHFA”)

NHT/PHFA raise the question of whether the “deemed savings for air sealing and insulation in multifamily housing” also apply to multi-family units. While the Companies are fully supportive of including savings from multifamily facilities of all sizes, and application of the Technical Reference Manual (“TRM”) formulas for measures such as insulation as appropriate, the TRM does not specify “deemed” savings processes for estimation of seal-up or whole building impacts. This is consistent with the ENERGYSTAR® protocol for home performance programs. Therefore, rather than adopt new savings protocols, the Companies recommend the continued estimation of savings impacts using applicable protocols and standards pending development of supported deemed savings through the working group process.

B. Keystone Energy Efficiency Alliance (“KEEA”)

1. Impact of Weather – TRM Section 1.16

In its Comments, KEEA questions the applicability of mapping Pennsylvania cities to California climate zones as demonstrated in Table 1-2.¹ The Companies share similar concerns regarding utilizing California Climate Zones, and notes that, based on their review of the TRM, it is unclear where and how Table 1-2 was used to develop savings estimates. The Companies suggest that the Commission direct the Statewide Evaluator (“SWE”) and Program Evaluation Group (“PEG”) to: i) review how Table 1-2 is used; ii) justify appropriate mapping of California climate zones and studies to Pennsylvania; iii) support adjustment to factors impacted by Table 1-2 as appropriate; and iv) if used in the TRM, include references to its use. The Companies

¹ KEEA Comments at 2, 5-6.

recommend that the Commission resolve these issues prior to adopting changes impacted by Table 1-2.

2. Burdensome Savings Estimation Procedures

KEEA suggests, in several sections, refinement of savings estimation procedures that will burden program processes while not improving the accuracy of overall program savings estimates.² KEEA recommends using customer specific information to estimate savings through processes such as billing analysis. Adopting KEEA's recommendation would increase barriers to participation in Act 129 programs by increasing the information needed to estimate savings, which in turn would increase the time needed to complete applications and the time needed by the Companies to review the applications and issue any incentives. KEEA has not demonstrated that expanding program processes will improve accuracy of program savings estimates. Therefore, in balancing the interest of having customers participate in user-friendly energy efficiency programs with the small improvement that might be made on the accuracy of program savings, the Companies believe that savings estimation procedures do not need to be expanded.

C. PPL Electric Utilities Corporation ("PPL")

The Companies support and reinforce PPL's comments on Commercial and Industrial lighting protocols and support continued use of 2012 TRM until such time as Pennsylvania-specific primary data support proposed changes (i.e., need for change, and proposed values are supported by a Pennsylvania-specific metering study).³ For example, dusk-to-dawn hours were reduced by 11% to 3,833 hours per year based on references to the Ohio TRM. The Commission should not reduce this value based on the Ohio TRM because Ohio has not adopted a TRM – the referenced document is a draft from Vermont Energy Investment Corporation, which “assumes

² See e.g. KEEA Comments at §§ 2, 7 and 11.

³ PP&L Comments at 9 – 13.

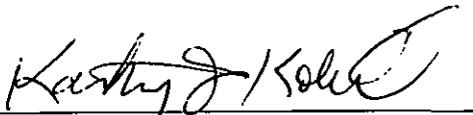
10.5 hours per day; typical average for photocell control.” In addition, the current value is based on regional daylight hours in Pennsylvania. Lastly, Company evaluations to date support high realization rates for lighting and as such, does not support the need for a change in average values or building type classifications for C&I lighting. Therefore, the Commission should continue with the current TRM related to Commercial and Industrial lighting protocols.

III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company appreciate the opportunity to provide reply comments on the Commission’s Tentative Order regarding the 2013 Technical Reference Manual. The Companies look forward to working with the Commission and the other parties on this matter.

Respectfully submitted,

Dated: November 15, 2012


Kathy J. Kolich
Attorney No. 92203
FirstEnergy Service Company
76 S. Main Street
Akron, Ohio 44308
Phone: (330) 384-4580
Fax: (330) 384-3875
Email: kjkolich@firstenergycorp.com

Counsel for:
Metropolitan Edison Company,
Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn
Power Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: : Docket Nos. M-2012-2313373
Standards for the Participation of : :
Demand Side Management Resources – : M-00051865
Technical Reference Manual 2013 Update :**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by first class mail:

Steven C. Gray, Esq.
Acting Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
sgray@state.pa.us

Tanya D. McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street – 5th Floor
Harrisburg, PA 17101-1923
tmccloskey@paoca.org

Johnnie E. Simms, Esq.
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
josimms@state.pa.us

Service by electronic mail, as follows:

Megan G. Good
Bureau of Technical Utility Services
megagood@pa.gov

Kriss Brown
Law Bureau
kribrown@pa.gov

Dated: November 15, 2012



Kathy J. Kofich

Attorney No. 92203

FirstEnergy Service Company

76 S. Main Street

Akron, Ohio 44308

Phone: (330) 384-4580

Fax: (330) 384-3875

Email: kjkolich@firstenergycorp.com

Counsel for:

Metropolitan Edison Company,

Pennsylvania Electric Company,

Pennsylvania Power Company and

West Penn Power Company

From: (330) 384-4580
Kathy J. Kolich
FirstEnergy Corp
76 S. Main St.

Origin ID: CAKA



J12201209200325

Akron, OH 44308

Ship Date: 15NOV12
ActWgt: 1.0 LB
CAD: 3157553/INET3300

Delivery Address Bar Code



RECEIVED

NOV 15 2012

SHIP TO: (717) 772-7777

BILL SENDER

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 NORTH ST FL 2

Ref # 580600/503001/503001
Invoice #
PO #
Dept # Legal - KJK/CMD

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

HARRISBURG, PA 17120

FRI - 16 NOV A1
PRIORITY OVERNIGHT

TRK# 7940 8653 1972

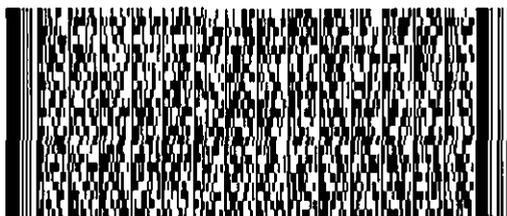
0201

17120

PA-US

MDT

NC MDTA



515G3/EE3B/AA44

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.