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VIA ELECTRONIC FILING

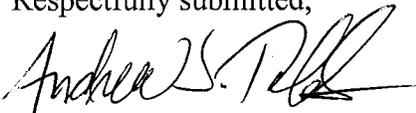
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Implementation of the Alternative Energy Portfolio Standards of 2004: Standards for the Participation of Demand Side Management Resources - Technical Reference Manual 2014 Update - Docket Nos. M-2012-2313373 & M-00051865

Dear Secretary Chiavetta:

Enclosed for filing are the Reply Comments of PPL Electric Utilities Corporation for the above-referenced proceeding.

Respectfully submitted,



Andrew S. Tubbs

AST/jl
Enclosure

cc: Megan G. Good (*Via E-Mail*)
Kriss E. Brown (*Via E-Mail*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of the Alternative Energy :
Portfolio Standards of 2004: Standards for : Docket Nos. M-2012-2313373
the Participation of Demand Side : M-00051865
Management Resources - Technical :
Reference Manual 2014 Update :

**REPLY COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), by and through its attorneys, in accordance with the Pennsylvania Public Utility Commission (“Commission”) September 13, 2013 Tentative Order,¹ hereby submits these Reply Comments to the October 15, 2013 joint comments of Citizens for Pennsylvania’s Future (“PennFuture”) and the Keystone Energy Efficiency Alliance (“KEEA”). As discussed in detail below, although PPL Electric generally supports certain aspects of the joint comments filed by PennFuture and KEEA (“PennFuture/KEEA Comments”) concerning the proposed 2014 update of the Commission’s Technical Reference Manual (“2014 TRM”), the Company requests that if the Commission accepts the proposals suggested by PennFuture and KEEA, said proposals should be modified consistent with these Reply Comments. In support thereof, PPL Electric states as follows:

¹ *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual 2014 Update* (Order entered September 13, 2013), Docket Nos. M-2012-2313373 and M-00051865 (“*Tentative Order*”).

II. REPLY OF PPL ELECTRIC

In their joint comments, PennFuture/KEEA recommend that the Commission review the baselines for several measures and revise those baselines as needed. Specifically, PennFuture/KEEA recommend that the following baselines be subject to review and potential revision:

- The baselines for ENERGY STAR appliances, including, but not limited to, refrigerators, clothes washers, and dishwashers. PennFuture/KEEA Comments, Issue A, p. 3;
- Baselines for 2014 Energy Independence and Security Act covered lamps, covered compact fluorescent lighting and light emitting diodes. PennFuture/KEEA Comments, Issue C, p. 6;
- Television and office equipment baselines. PennFuture/KEEA Comments, Issue E, p. 6;
- The baselines associated with lighting retrofits affected by federal minimum standard for linear fluorescent lamps. PennFuture/KEEA, Issue B, p. 10;
- Baseline for heating, ventilating and air-conditioning measures. PennFuture/KEEA Comments, Issue D, p. 11; and
- The baseline for ductless heat pumps. PennFuture/KEEA Comments, Issue E, p. 11.

PPL Electric does oppose the request of PennFuture and KEEA that the Commission review the baselines identified above. Indeed, PPL Electric supports that the Commission continue to review and update the TRM. However, for the reasons provided below, PPL Electric recommends that the Commission not attempt to update the baselines identified above in the 2014 or the 2015 TRM.

As addressed in PPL Electric's October 15, 2013 Comments, the electric distribution companies ("EDCs") put forth a significant effort and incurred substantial costs to design and launch new programs for their Phase 2 energy efficiency and conservation plans ("EE&C Plan") less than three months ago. The 2014 TRM, as proposed by the Commission, will impact PPL

Electric's Phase 2 EE&C Plan programs, measures, savings, tracking system, and other Phase 2 implementation details. To address these impacts, PPL Electric will need to revise its existing Phase 2 EE&C Plan to modify program design, eliminate or modify some energy efficiency measures, and change rebates. To avoid or minimize these impacts on an EDC's EE&C Plan, PPL Electric recommended in its Comments that future "mid-phase" updates to the TRM should be limited and consider the potential impacts on currently operating EE&C Plans.

Consistent with its Comments, PPL Electric proposes that the Commission review and consider updating the baselines identified by PennFuture and KEEA as part of the ongoing baseline and market potential studies currently in-progress by the Commission and the statewide evaluator. The results of these two studies should then be used by the Commission in establishing energy reduction targets associated with any future phase(s) of the Act 129 energy EE&C Plans. However, there is insufficient time for the Commission and interested parties to adequately review and to reset the baselines identified by PennFuture and KEEA for the final 2014 TRM (December 2013). Indeed, extensive revisions to existing baselines in the TRM during the second year of a three-year EE&C Plan would be very disruptive to the momentum of programs, confusing to customers and trade allies, and would be costly to implement.

In addition, PPL Electric recommends that the Commission not change these baselines in the 2015 TRM. Again, PPL Electric appreciates the Commission's effort to improve the accuracy of savings estimates and generally agrees that updates to the TRM improve the accuracy of the savings estimates. However, PPL Electric maintains its position that extensive revisions to the TRM should coincide with the beginning of an EE&C Phase. This provides EDCs with the opportunity to incorporate extensive changes into their EE&C Plan for that phase. Moreover, extensive revisions during the final year of a 3-year Plan would leave insufficient

time for EDCs to revise their EE&C Plans (*e.g.*, to reflect the new baselines and other changes in the 2015 TRM issued in December 2014), obtain Commission approval of those EE&C Plan changes, implement those changes in time, and “make-up” the savings shortfall caused by the new baselines (since the baseline revisions are likely to reduce savings, EDCs would have to implement more measures and likely increase expenditures to achieve their savings target).

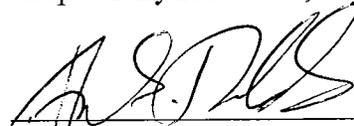
Finally, it is PPL Electric’s position that major changes, such as new baselines for appliances, building codes, HVAC, and lighting, should be carefully and accurately determined and be consistent with the assumptions used in the Commission’s Phase 2 market potential study, which established the EDCs’ Phase 2 energy reduction compliance targets. Finally, such changes should be the basis of an EDC’s initial EE&C Plan for the beginning of a future phase of an EE&C Plan and not a mid-course change in a relatively short 3-year phase.²

² Furthermore, as discussed in the Company’s comments filed on October 28, 2011 at Docket No. M-00051865, the Commission may not require that subsequent revisions to the TRM be applied to previously approved EE&C Plans without following established procedures, particularly where any proposed revisions would jeopardize an EDC’s ability to comply with Act 129 of 2008.

III. CONCLUSION

For all of the reasons stated above, PPL Electric Utilities Corporation requests that the Pennsylvania Public Utility Commission modify the proposals presented in the comments filed by Citizens for Pennsylvania's Future and the Keystone Energy Efficiency Alliance on October 15, 2013, consistent with these Reply Comments.

Respectfully submitted,



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Date: October 24, 2013

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