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April 27, 2015

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Act 129 Energy Efficiency Program – Phase III
Docket No. M-2014-2424864

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Comments of the Demand Response Supporters on Tentative Implementation Order with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww

Enclosure

cc: Megan Good (megagood@pa.gov)
Kriss Brown (kribrown@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Act 129 Energy Efficiency Program - :
Phase III : Docket No. M-2014-2424864
:

**COMMENTS OF THE
DEMAND RESPONSE SUPPORTERS
ON TENTATIVE IMPLEMENTATION ORDER**

I. INTRODUCTION

The Demand Response Supporters¹ hereby offer their Comments on the Tentative Order, in the above-captioned docket, entered March 11, 2015 (“Tentative Order”), which proposed required consumption and peak demand reductions for each electric distribution company (“EDC”) subject to Act 129,² as well as guidelines for implementing Act 129 Phase III Energy Efficiency and Conservation (“EE&C”) Plans (“Phase III” or “Plan”).³

The Demand Response Supporters consist of Comverge, Inc. (“Comverge”),⁴ Enerwise Global Technologies d/b/a CPower Corporation (“CPower”),⁵ EnergyConnect, a Johnson

¹ The comments expressed in this filing represent only those of the Demand Response Supporters, which is a coalition of providers and supporters of demand response united to overcome barriers to the use of demand response, and do not necessarily represent the views of each particular member.

² Act 129 of 2008, 66 Pa. C.S. § 2806.1, et seq., as amended (“Act 129”).

³ The Commission invited interested parties to submit comments on the Tentative Order. *See* Tentative Order, p. 10, 120, and at Ordering Paragraph 3; *Notice*, 45 Pa.B. 1586 (March 28, 2015).

⁴ Comverge is focused exclusively on delivering world-class solutions to help electric utilities deploy successful DR, energy efficiency, and customer engagement programs targeting residential and small business customers. Comverge has been an active Conservation Service Provider (“CSP”) in Pennsylvania and has served several electric distribution companies (“EDCs”) who are in the Act 129 Phase II Programs. For more information, please visit: <http://www.comverge.com>.

⁵ CPower is focused on delivering a full spectrum of demand response offerings to commercial and industrial customers across the United States. CPower is one of the largest demand response

Controls Company,⁶ and EnerNOC, Inc. (“EnerNOC”).⁷ The contact information for the Demand Response Supporters is as follows:

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companies in North America. It was formed in November 2014 by combining the commercial and industrial DR businesses of Comverge and Constellation. For more information, please visit: <http://www.cpowercorp.com>.

⁶ EnergyConnect Inc., is a wholly owned subsidiary of Johnson Controls, Inc. (“Johnson Controls”). The unit operates as integrated Demand Resources (iDR), and combines the power of building automation, with easy-to-implement DR technology. Johnson Controls is a global diversified technology and industrial leader serving customers in more than 150 countries. Johnson Controls employs more than 2500 people in the Commonwealth of Pennsylvania, and owns and operates several large manufacturing facilities in the state and is member of the large industrial energy users coalition supporting ACT 129 EE&C in phase III. For more information go to: www.johnsoncontrols.com.

⁷ EnerNOC provides demand response software, technology, and managed services to hundreds of clients, including vertically integrated utilities, system operators, transmission and distribution companies, and energy retailers—in both traditionally regulated and restructured markets around the world. For more information, please visit: <http://www.enernoc.com/for-utilities/demand-response>.

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With these Comments, the Demand Response Supporters (a) support the inclusion of a Low-Income Sector Carve-Out which is important to make sure that all Pennsylvania ratepayers, including low-income customers, benefit from next Act 129 program (b) support the commitment of unspent Phase II dollars, if any, to additional programs in Phase III; and (c) urge the Pennsylvania Public Utility Commission (“PUC” or “Commission”) to recognize the significant benefits that will redound to the Commonwealth and its citizens by increasing the role of demand response (“DR”) in the next Act 129 program. To do this it should make a number of modifications to its Tentative Order.

First, the Commission should reverse the prohibition on customer participation in both PJM Interconnection LLC’s (“PJM”) Emergency Load Response Program (“Emergency Program” or “ELRP”) and Pennsylvania’s Act 129 DR Programs. The two programs complement each other well, and to capture the full range of benefits, dual participation needs to be allowed. The “either-or” decision proposed in the Tentative Order places each DR program in competition with the other, ignoring the different fundamental purposes of each program. PJM’s Emergency Program is a Federal Energy Regulatory Commission (“FERC”) regulated program intended to address system emergencies and works to

ensure system reliability across the PJM footprint.⁸ It was not in any way developed to allow the EDC to manage peak loads or for Pennsylvania consumers to manage their distribution-level electricity costs. Moreover, the “no dual participation” requirement appears to be a misreading of the Statewide Evaluator (“SWE”) recommendations, which actually indicated that the two programs complement each other and rarely overlap. In the event that a customer participating in both programs was curtailed for the same hour – an unlikely occurrence – the Commission could limit payments to the customer to a single program by directing a refund to the Act 129 program of economic DR payments – if an economic settlement is also made by PJM for the same hour, thus eliminating any legitimate concerns about double counting.

Second, the Commission should provide flexibility and clarification regarding one of the proposed DR program parameters: “Each curtailment event shall last four hours.” The Commission could realize incremental value from the DR programs by ordering separate dispatch strategies for residential and Commercial and Industrial (“C&I”) customers. Moreover, the Commission should also change the minimum four hour dispatch requirement for residential customers. If any call does not necessitate a four-hour performance than the utility should have the flexibility to limit the request.

Third, the Commission should review the inputs utilized by the SWE in generating the Residential Total Resource Costs (“TRC”) in its DR Potential Study and recalculate the TRCs using appropriate data assumptions for Phase III demand response programs. Correcting three issues in the SWE’s TRC calculation shows that residential demand response would have TRCs well in excess of 1.0 – **perhaps as high as 2.71** –and generally greater than the TRCs seen from Energy Efficient (“EE”) measures:

⁸ PJM has the responsibility of ensuring the reliability of the electric transmission system in thirteen states, including Pennsylvania as well as the District of Columbia.

- The TRC for Phase III was calculated from data taken from a program that used the extremely flawed “top 100 hours” program design. Simply correcting for this error would increase the TRC by approximately 1.33 times.
- The Commission has outlined a program where customers will be curtailed a total of six times during a year for four hours each curtailment. As discussed above, it may be more appropriate to curtail residential customers more frequently, but for shorter duration. Making this change would also result in an increased TRC.
- As discussed herein, the Commission should allow residential Direct Load Control (“DLC”) programs to be offered into the PJM Emergency Program by the EDCs. If this were allowed, the TRC would need to be adjusted to reflect both (a) the revenue the EDC earns by selling capacity in Reliability Pricing Model (“RPM”), and (b) the cost the EDC avoids by reducing its 5 Coincident Peak (“5CP”) hour demand.

Correcting for each of the factors described above individually raises the PPL DLC TRC to 0.95 or higher. Correcting for all of the factors raises the PPL DLC TRC to 1.89.

Fourth, in light of this evidence, and the increased potential for C&I DR if the restriction on dual participation is lifted, the Commission should revise its decision to limit DR programs to just 10% of the overall Act 129 program spend and consider increasing the allocation of Act 129 funds to DR programs to at least 20%. At the very least, it should ask the SWE to recalculate the TRC for DR programs, after adopting the modifications proposed herein and reconsider its program funding allocations in light of those revised findings.

Detailed comments on these recommendations and other relevant issues are set forth herein.

II. BACKGROUND ON DEMAND RESPONSE

A. Demand Response

DR is a mechanism designed to result in a reduction in electricity consumption.⁹ Electricity customers can, either individually in the case of large commercial or industrial customers, or in aggregate, provide a substantial amount of DR without significantly affecting their comfort or their businesses (e.g., if a service provider deploys software to enable real-time control of thermostats for air conditioners or hot water heaters).¹⁰ It is simplistic, however, to think of DR as individual customers flipping off a light switch or turning down a thermostat. DR generally involves a new kind of business service, i.e., an aggregator that automates demand-side flexibility for businesses and consumers and offers their aggregated reductions as a block into wholesale markets and utility-based programs.¹¹

B. PJM Demand Response Programs

DR programs within PJM, a FERC approved Regional Transmission Organization (“RTO”), are split into two main categories:¹²

- Emergency Program: The Emergency Program functions within the Capacity Market. The Emergency Program is a mechanism by which end-use customers are compensated by PJM for reducing their load from the grid during an emergency

⁹ See 18 CFR § 35.28(b)(4) (defining demand response as “a reduction in the consumption of electric energy by customers from their expected consumption in response to an increase in the price of electric energy or to incentive payments designed to induce lower consumption of electric energy”).

¹⁰ *Enernoc, Inc. et al., Petitioners, v. Electric Power Supply Association, et al., Respondents*, US Supreme Court Docket No. 14-841, Petition for a Writ of Certiorari (January 15, 2015), p. 10.

¹¹ *Id.* at 10-11, *citing*, Joel Eisen, *Who Regulates the Smart Grid?*, 4 San Diego J. of Climate & Energy L. 69, 81 (2012-13).

¹² PJM State of the Market Report (2014), p. 217, 220. This report is available at: http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2014.shtml.

or pre-emergency event.¹³ DR participation in this program enhances bulk level reliability and lowers system capacity costs.

- Economic Load Response Program (“Economic Program”): The Economic Program is designed to enable customers to respond to pricing conditions in the wholesale energy market. DR participation in this program lowers wholesale energy costs for all consumers.

As detailed herein, DR participation in these PJM programs increases the competitiveness of the Pennsylvania economy and strengthens the reliability and resiliency of the electric grid.

C. Phase III Demand Response Proposals

To prepare for Phase III, the Commission, *inter alia*, directed the Act 129 SWE to perform a Demand Response Potential Study (“DR Potential Study”) using certain proposed load curtailment models.¹⁴ The DR Potential Study was highly comprehensive. However, the Commission directed the SWE to exclude dual participation in both state and PJM programs when it performed its load curtailment (“LC”) analysis as part of its DR Potential Study.¹⁵

The SWE submitted its final version of the DR Potential Study to the Commission on February 25, 2015.¹⁶ In the DR Potential Study, the SWE “removed estimates of PJM DR commitments based on historical trends, as well as any potential tied to non-cost-effective DLC measures. These new numbers represented cost-effective potential net of any PJM Emergency Program commitments.”¹⁷ Notably, C&I customers participating in PJM’s Emergency Program

¹³ PJM State of the Market Report (2014), p. 220.

¹⁴ See *Energy Efficiency and Conservation Program Final Order*, Docket Nos. M-2012-2289411 and M-2008-2069887, entered February 20, 2014 (“Peak Demand Cost Effectiveness Final Order” or “PDR Cost Effectiveness Determination Final Order”).

¹⁵ See PDR Cost Effectiveness Determination Final Order, p. 56-57.

¹⁶ Tentative Order, p. 6, citing, Demand Response Potential for Pennsylvania – Final Report, submitted by GDS Associates, Inc., et al., February 25, 2015 (DR Potential Study).

¹⁷ Tentative Order, p. 28.

were excluded to prevent a scenario in which a customer is compensated by both PJM and an EDC for the same curtailment hour(s).¹⁸ The SWE noted:

“This need for mutual exclusivity is contentious as the mechanisms of producing benefits to ratepayers of the Commonwealth differ somewhat between the programs. PJM uses DR to meet the reliability requirement for a given year. The prospective Act 129 program relies on actual load reductions in a given year lowering resource requirement in future years.”¹⁹

The DR Potential Study was released publicly via Secretarial Letter served February 27, 2015.²⁰ In that letter, the Commission indicated that it would solicit formal comments on the DR Potential Study through its Phase III implementation proceeding.

The DR Potential Study largely influenced the Tentative Order,²¹ which was issued about two weeks after the Commission received that Study and the final Energy Efficiency Potential Study²² (“EE Potential Study”). To wit, the Commission proposed the following allocation of peak demand reduction requirements between EE and DR:

¹⁸ Tentative Order, p. 25.

¹⁹ DR Potential Study, p. 9, 65.

²⁰ *See Release of the Act 129 Statewide Evaluator Energy Efficiency and Demand Response Market Potential Studies and Stakeholder Meeting Announcement Secretarial Letter*, at Docket No. M-2014-2424864, served February 27, 2015 (EE Potential Study).

²¹ *See, e.g.*, Tentative Order, p. 25-39.

²² Tentative Order, p. 7. *See Energy Efficiency Potential for Pennsylvania – Final Report*, submitted by GDS Associates, Inc., *et. al.*, February 2015; *Release of the Act 129 Statewide Evaluator Energy Efficiency and Demand Response Market Potential Studies and Stakeholder Meeting Announcement Secretarial Letter*, at Docket No. M-2014-2424864, served February 27, 2015 (EE Potential Study).

EDC	Funding Scenario (EE/DR) (%)	5 Year DR Spending Allocation (Million \$)
Duquesne	90/10	\$9.77
PECO	90/10	\$42.70
FE: Penn Power	90/10	\$3.33
FE: West Penn Power	90/10	\$11.78
FE: Met-Ed	92/8	\$9.95
PPL	95/5	\$15.38
FE: Penelec	100/0	\$0.00
<i>Source: Tentative Order, p. 36, 42; DR Potential Study, at Table 7.</i>		

In its Tentative Order, the Commission proposed the following DR program design for Phase III Implementation:²³

- Curtailment events shall be limited to the months of June through September.
- Curtailment events shall be called for the first six days that the peak hour of PJM's day-ahead forecast²⁴ for an EDC is greater than 96% of the EDC's PJM summer peak demand forecast²⁵ for the months of June through September each year of the program.
- Each curtailment event shall last four hours.
- Each curtailment event shall be called such that it will occur during the day's forecasted peak hours.
- Once six curtailment events have been called in a program year, the peak demand reduction program shall be suspended for that program year.
- Compliance will be determined based on the average MW performance across all event hours in a given program year.
- Customers participating in PJM's ELRP shall not be eligible to participate.

²³ Tentative Order, p. 37-38.

²⁴ The Commission is proposing to use the PJM 7-day load forecast.

²⁵ The Commission is proposing to use Table B-1 of the annual PJM Load Forecast Report.

III. COMMENTS OF THE DEMAND RESPONSE SUPPORTERS

Robust DR participation in Phase III will benefit all Pennsylvania electric customers and the Commonwealth. A successful statewide DR program will avoid millions of dollars in transmission & distribution (“T&D”) costs, reduce peak period energy prices, lower emissions, positioning Pennsylvania well for the Clean Air Act (“CAA”) Section 111 (d) compliance,²⁶ and exert downward pressure on forecasts of summer peak demand, reducing the generation capacity required to meet PJM’s reliability requirements.²⁷ The program as outlined in the Tentative Order represents an improvement over the Phase I programs. However, as detailed below, critical modifications are necessary to increase the overall effectiveness of the program and attract customer participation.

A. Allow Dual Participation in PJM’s Emergency Program and the Act 129 DR Program

Most importantly, the proposed prohibition on dual participation in the PJM Emergency Program and Act 129 programs should be reversed because it would deprive all Pennsylvania consumers of significant benefits and because the PJM Emergency Program and Act 129 DR program delivers separate, incremental value streams to Pennsylvania consumers. In sum, the two programs complement each other well, and to capture the full range of benefits, dual participation needs to be allowed.

On its face, the prohibition will force end-user customers to make a choice between participation in the Act 129 Phase III DR program or PJM’s Emergency Program. This “either-

²⁶ On June 18, 2014, the US Environmental Protection Agency (“EPA”) proposed new regulations governing greenhouse gas (“GHG”) emissions from existing power plants for the states. The EPA’s proposed CAA Section 111 (d) regulations represent a far-reaching first step in controlling GHG emissions on a national basis. *See* Preamble and Proposed Rule at 40 CFR Part 60 published at 79 FR 34830 (June 18, 2014).

²⁷ DR Potential Study, p. 2, 17, 23, 25.

or” decision places each DR program in competition with the other,²⁸ ignoring the different fundamental purposes of each program. PJM’s Emergency Program is a FERC regulated program intended to address system emergencies and works to ensure system reliability across the PJM footprint. It was not in any way developed to allow the EDC to manage peak loads or for Pennsylvania consumers to manage their distribution-level electricity costs. In comparison, Act 129 and the Phase III DR Program is a peak load shaving program that is focused on conservation and reducing overall costs for Pennsylvania EDCs and Pennsylvania electricity customers. The goals of each program are exclusive of one another, as are the trigger mechanisms. Forcing EDC’s to compete with PJM for participants is neither cost effective, nor beneficial to ratepayers in the Commonwealth.

If customers choose the PJM Emergency Program over the Act 129 Program, then they will only be dispatched during system emergencies, which typically average three to five hours a year. Therefore, they will not be dispatched to reduce load during the majority of the 24 peak hours of the year, as contemplated in the Tentative Order. Consumption during peak hours requires additional infrastructure, as typically 10% of electric costs are caused by consumption in 1% of the hours. Without reductions during these peak hours, millions of dollars in T&D costs will be incurred that could have been avoided if dual participation were allowed. The potential avoided T&D costs from Act 129 are summarized in Table 1-3 of the SWE DR Potential Study, and are reproduced below:²⁹

²⁸ See PDR Cost Effectiveness Final Order, p. 57.

²⁹ DR Potential Study, p. 4 at Table 1-3.

EDC	Average T&D Avoided Cost per kW/year for 2016	Average Transmission Only Avoided Cost per kW/year for 2016
Duquesne	\$40.88	\$40.88
FE: Met-Ed	\$40.98	\$14.77
FE: Penelec	\$40.98	\$14.77
FE: Penn Power	\$40.98	\$14.77
FE: West Penn	\$40.98	\$14.77
PECO	\$49.27	\$3.88
PPL	\$20.10	\$0.00

Also, while DR in the PJM program meets supply needs for that delivery year, it does not reduce capacity requirements for future years. As noted by the SWE, by dispatching DR during the hours that determine PJM’s future capacity requirement, the Act 129 programs reduce future capacity needs. “PJM uses DR to meet the reliability requirement for a given year. The prospective Act 129 program relies on actual load reductions in a given year lowering resource requirements in future years.”³⁰ In fact, if PJM calls an emergency event during one of its calculated 5CP hours, it will add back any load reduction it called in that hour when calculating the next year’s PLC.³¹ Peak period reductions in Act 129 programs can also serve to lower wholesale energy costs during the most expensive periods of the year.

Moreover, if customers only participate in the PJM program, they will be consuming during peak hours, requiring the heaviest emitting generators to be dispatched. This will

³⁰ DR Potential Study, p. 9.

³¹ PJM Tariff. Attachment K, Section 8.9, p 1998 “Actual Emergency Load Response, Pre-Emergency Load Response and Economic Load Response load reductions for Load Management resources registered as Emergency Load Response or Pre-Emergency Load Response Full Program Option or Capacity Only resources which occur from June 1 through September 30, will be added back for the purpose of calculating peak load for capacity for the following Delivery Year...”

complicate Section 111 (d) compliance. If they participate in both PJM and Act 129, customers will reduce usage during these peak periods, lessening dependence on these generators and facilitating Section 111 (d) compliance.

On the other hand, if customers choose to participate solely in the Act 129 programs, Pennsylvania customers will lose out on well-documented bulk level reliability and cost-savings benefits of customer participation in the PJM program. To its immense credit, the PUC has repeatedly recognized these benefits and has helped lead the fight to preserve customer participation in the PJM DR program in light of recent legal challenges. It would be puzzling and counterproductive if the PUC then created a deterrent to realizing those benefits.

Regarding reliability benefits, the Act 129 programs are not dispatched in response to system contingencies. Therefore, if customers chose Act 129 over PJM, during events like the Polar Vortex or unexpected generator outages, or system challenges experienced just last week in the Penelec service territory or wide-spread challenges as experienced in September 2013, PJM would not have DR at its disposal to prevent brownouts and blackouts. PJM has noted the importance of having DR available during such periods:

“Although demand response is usually only needed by grid operators in the summer, operators also successfully deployed it during the power emergencies occasioned by the bitter cold “Polar Vortex” weather in January 2014. As PJM set multiple winter peak records early that month, it called on demand response, and received more megawatts as load reductions than it could obtain as generation from all but the very largest generating stations. In the midst of those challenging conditions, demand response – responding to PJM’s dispatch as a wholesale market resource – helped maintain the reliability of the system.”³²

Further, DR participation in PJM forces market competition, and has saved billions of dollars for Pennsylvania customers. The PJM Independent Market Monitor (“IMM”) reported

³² *Analysis of Operational Events and Market Impacts During the January 2014 Cold Weather Events, 19-21 (May 8, 2014).*

that DR participation in the 2013/14 PJM Reliability Pricing Model Base Residual Auction resulted in a savings of \$11.8 billion to all customers in the PJM region for that one year³³ The IMM also estimated that removing DR resources from PJM's capacity auction would cost customers approximately \$9 billion in the 2017/2018 delivery year.³⁴ These cost savings drive economic competitiveness in Pennsylvania. Using publicly available data, the Demand Response Supporters estimate that Pennsylvania electric customers realized over \$2 billion in annual savings from demand side participation in PJM's capacity market.³⁵ The Demand Response Supporters estimate that during the current PJM delivery year (2014/15) the 5,300 DR participants that operate in Pennsylvania are earning over \$100 million for their participation.³⁶

The Commission has explained that this "dual participation" prohibition is aimed at preventing "the payment of Act 129 EE&C Program funds to a customer for an event during which the customer was already curtailing due to signals from PJM (and subsequently receiving payment from PJM)."³⁷ However, the PUC has addressed this issue in the Tentative Order, as

³³ *Analysis of the 2013/2014 RPM Base Residual Auction Revised and Updated*, September 20, 2010, p. 52. This document is available at: http://www.monitoringanalytics.com/reports/Reports/2010/Analysis_of_2013_2014_RPM_Base_Residual_Auction_20090920.pdf.

³⁴ *Analysis of the 2017/2018 RPM Base Residual Auction (2014)*, p. 6. This document is available at http://www.monitoringanalytics.com/reports/Reports/2014/IMM_Analysis_of_the_2017_2018_RPM_Base_Residual_Auction_20141006.pdf.

³⁵ To wit: as noted, in 2013-14 alone, DR saved consumers in the mid-Atlantic region \$11.8 billion. Those savings resulted from a total of 10,416 unique MWs, of which 21.77% (or 2267.3 unique MWs) were located in Pennsylvania. *See* PJM 2014 Demand Response Activity Report, p. 3-5 at Figure 1. 21.77% of \$11.8 billion results in savings of \$2,568,561,828 attributable to unique MWs in Pennsylvania.

³⁶ For example: capacity payments to demand response resources were \$632.8 million in 2014. *See* 2014 State of the Market Report for PJM, p. 217. Those payments resulted from a total of 10,416 unique MWs, of which 21.77% (or 2267.3 unique MWs) were located in Pennsylvania. *See* PJM 2014 Demand Response Activity Report, p. 3-5 at Figure 1. 21.77% of \$632.8 million results in payments of \$137,744,570 attributable to unique MWs in Pennsylvania.

³⁷ Tentative Order, p. 38. *See also* PDR Cost Effectiveness Final Order, p. 65.

customers will not receive energy payments from Phase III of Act 129. (Energy payments composed a significant portion of Phase I revenue.) Given this modification, the Demand Response Supporters believe that dual participation can't result in double payments. However, if the PUC still has concerns in this regard, the Demand Response Supporters are confident that an agreeable solution can be found that is far less harmful than banning dual participation.

For example, if the PUC is concerned about increased potential overlapping dispatches between the PJM economic program and Act 129 program, energy payments received from the PJM economic program that coincide with Act 129 dispatches could be subtracted from Act 129 revenues, and be distributed to ratepayers. That being said, and as highlighted above, PJM dispatches and Act 129 dispatches will rarely overlap. PJM typically dispatches for 3 to 5 hours per year, compared to 24 expected hours for Act 129. It would be unfortunate to ban dual enrollment because of potential overlap for a potential couple hours every year.³⁸ Such a ban would be more in line with the stated intent quoted above from the PUC.³⁹ But banning dual participation altogether far exceeds the stated intent.

³⁸ It should also be noted that, having voluntarily agreed to participate in the PJM DR programs, it would not appear that the Commission has the authority to selectively prohibit such participation for certain customers.

³⁹ Indeed, it would be reasonable to conclude that payments from both programs for the same curtailment are reasonable. The Demand Response Supporters are sensitive to the concern that customers only pay once for each service, but the Commission needs to recognize that when two services are being provided, and there is no way to be sure ahead of time that both will overlap, it is appropriate to pay for those services separately. That being said, the prohibition on multiple payments is based on the flawed conclusion that customers receive compensation for same service. The Emergency Program and Act 129 Peak Load Management programs are not the same, and seek different services from ratepayers. It is both reasonable and prudent for ratepayers to be paid for each service they provide. If the ratepayer satisfies the differing program requirements, and meets the very different performance criteria, that ratepayer should be paid for each service provided (peak saving and/or emergency response). That reality is that dual payments would not be a frequent occurrence. There is not a perfect correlation between PJM emergency DR event days and either customer-specific or coincident system peak hours. This should be unsurprising, as the programs are intended, as noted above, to target different things. PJM system emergencies can occur during peak periods, but they can also occur during shoulder