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File #: 158814

May 21, 2015

***VIA ELECTRONIC FILING***

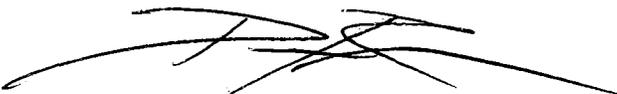
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Implementation of the Alternative Energy Portfolio Standards Act of 2004:  
Standards for the Participation of Demand Side Management Resources - Technical  
Reference Manual 2016 Update - Docket No. M-2015-2469311**

Dear Secretary Chiavetta:

Enclosed for filing are the Reply Comments of PPL Electric Utilities Corporation in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DTR/jl  
Enclosures

cc: Certificate of Service  
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**CERTIFICATE OF SERVICE**  
**(M-2015-2469311)**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: May 21, 2015



Devin T. Ryan

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of the Alternative Energy :  
Portfolio Standards Act of 2004: Standards :  
for the Participation of Demand Side :       Docket No.   M-2015-2469311  
Management Resources – Technical :  
Reference Manual 2016 Update :

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**REPLY COMMENTS OF  
PPL ELECTRIC UTILITIES CORPORATION**

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**TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), by and through its attorneys, in accordance with the Pennsylvania Public Utility Commission’s (“Commission”) March 26, 2015 Tentative TRM Order,<sup>1</sup> hereby submits these Reply Comments in response to the comments filed by various parties on or about May 11, 2015.

**I.     BACKGROUND**

On March 26, 2015, the Pennsylvania Public Utility Commission (“Commission”) entered its Tentative Order in the above-captioned proceeding. In the Tentative TRM Order, the Commission issued, for public comment, its proposals for modifying the Technical Reference Manual (“TRM”) as part of its third phase (“Phase III”) of the Energy Efficiency and Conservation (“EE&C”) Program. On May 11, 2015, PPL Electric submitted its Comments on the Tentative TRM Order. PPL Electric will not respond to each issue raised in Tentative TRM

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<sup>1</sup> *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual 2016 Update*, Docket No. M-2015-2469311 (Order Entered Mar. 26, 2015) (“Tentative TRM Order”).

Order and the comments of other parties. Instead, PPL Electric will focus on those issues that are most important to the Company.

## **II. REPLY COMMENTS OF PPL ELECTRIC**

In their comments, Citizens for Pennsylvania's Future ("PennFuture"), the Clean Air Council, the Sierra Club, the Natural Resources Defense Council ("NRDC"), the Environmental Defense Fund, and the Keystone Energy Efficiency Alliance ("KEEA") (collectively, "Joint Commentators") suggest several revisions to the TRM's baselines. First, the Joint Commentators state that "[t]he TRM continues to place too much emphasis on building energy codes and federal appliance standards as the preferred or sole means to establish baselines" and should instead "rely on more accurate and timely assessments of 'practices and market transformation' or 'current market practices.'" Joint Commentators Comments, p. 5. Second, the Joint Commentators contend that "[t]he baseline for the LED measure should . . . assume a weighted average of EISA compliant incandescents and CFLs, as opposed to 100% CFLs." Joint Commentators Comments, p. 7. Third, the Joint Commentators "recommend that Pennsylvania develop a new construction baseline based on onsite surveys, not minimum code requirements." Joint Commentators Comments, p. 14.

PPL Electric does not believe the Joint Commentators' recommendations are appropriate. The baselines proposed by the Joint Commentators are essentially net savings baselines (i.e., market baselines) that require a significant amount of studies (for each electric distribution company ("EDC")) to determine the market baseline for each measure. This could be very subjective, would change each year, and would vary between each EDC. On the other hand, code baselines are very clear and uniform across Pennsylvania. In addition, if the market baseline is lower (i.e., worse) than the code baseline, EDCs would be providing incentives to customers to bring their energy efficiency up to code. It is not appropriate to use ratepayer

dollars to encourage investment in energy efficiency to meet code. Instead, incentives should be used to achieve greater energy efficiency than is required by code.<sup>2</sup>

The Joint Commentators also aver that “the TRM material on lighting does not allow for any Operation and Maintenance (O&M) benefits.” Joint Commentators Comments, p. 16.

PPL Electric believes that the TRM is not intended to define how to estimate non-electric savings, such as maintenance. Such benefits are accounted for in the TRC calculation, not in the TRM. Therefore, the TRM should not address O&M benefits.

In addition, the Joint Commentators contend that certain measures should be removed from the TRM. For instance, the Joint Commentators aver that televisions should be removed due to low per unit savings and that LED traffic lights should be removed because they are a common practice throughout the country and, as a result, the free-ridership level is high. Joint Commentators Comments, pp. 13, 17-18.

PPL Electric believes that there is no need to remove these measures from the TRM, as it is used to determine gross savings. Even if the savings protocol continues to exist, if the net-to-gross evaluation is too low, the EDCs can drop the specific measures.

Finally, the Joint Commentators recommend “a separate characterization for wi-fi thermostats and/or learning thermostats such as Nest.” Joint Commentators Comments, p. 9. PPL Electric agrees and recommends that an interim measure protocol be added for this new measure (i.e., Smart Thermostats).

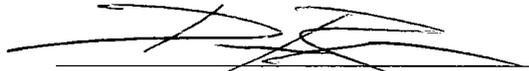
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<sup>2</sup> PPL Electric further notes that in 2014, the Statewide Evaluator and the Program Evaluation Group (“PEG”) considered “market baselines” and rejected them because they result in net savings.

**III. CONCLUSION**

For the reasons set forth above, PPL Electric Utilities Corporation respectfully requests that the Commission take these Reply Comments into consideration in preparing its Final TRM Order.

Respectfully submitted,



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Post & Schell, P.C.

Date: May 21, 2015

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