

February 16, 2016

VIA Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Petition of PPL Electric Utilities Corporation for Approval of its Act 129
Phase 111 Energy Efficiency and Conservation Plan;
Docket No: M-2015-2515642**

Dear Secretary Chiavetta:

Enclosed please find the Statement of EnerNOC, Inc. in Support of the Joint Petition for Settlement.

Please contact our office if you have any questions concerning this filing.

Sincerely,

TUCKER ARENSBERG, PC

By: 
Kevin L. Hall, Esquire

KLH/sed

Enclosure

cc: Administrative Law Judge Susan D. Colwell (*via E-mail*)
Certificate of Service (*Via Email*)

HBGDB:155920-1 030489-169654

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation
for Approval of its Act 129 Phase III Energy
Efficiency and Conservation Plan

Docket No. M-2015-2515642

STATEMENT OF EnerNOC, INC.
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT

EnerNOC, Inc., (EnerNOC) one of the signatory parties to the Joint Petition for Approval of Partial Settlement (Settlement or Joint Petition), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On November 14, 2008, Act 129 of 2008 (Act 129) became effective. Act 129 contains a requirement for the Pennsylvania Public Utility Commission (Commission) to implement an Energy Efficiency and Conservation Program for Electric Distribution Companies (EDCs) with more than 100,000 customers. *See* 66 Pa.C.S. § 2806.1 *et seq.*

On June 19, 2015, the Commission entered an Implementation Order regarding the *Energy Efficiency and Conservation Program* at Docket No. M-2014-2424864. With this Implementation Order, the Commission tentatively adopted additional incremental reductions in electric consumption and peak demand for the period of June 1, 2016 through May 31, 2021. The Implementation Order set forth an expedited litigation schedule so the Commission can approve or reject energy efficiency and conservation (EE&C) Phase III plans within 120 days of the filing date of the plans.

On November 30, 2015, PPL Electric Utilities Corporation (PPL Electric or Petitioner) filed with the Pennsylvania Public Utility Commission(Commission) its Petition for Approval of its Act 129 Phase III Energy Efficiency and Conservation Plan, asking that the Commission approve the Energy Efficiency and Conservation Plan (EE&C Plan), which is designed to reduce energy consumption and demand in its service territory in accordance with the requirements of Act 129, 66 Pa.C.S.A.§2806.1, and the Implementation Order.

The Implementation Order required publication of notice of the filing, which was accomplished on December 12, 2015, 45 Pa.B. 7078, and set a 20-day deadline for answers with comments and recommendations. The petition was assigned to Administrative Law Judge Susan D. Colwell by Notice dated December 8, 2015. An initial pre-hearing Order was issued on December 18, 2015. An Initial Prehearing Conference was held on January 7, 2016, at which time the parties agreed to a scheduling order, with a hearing to be held on January 29, 2016.

Consistent with the scheduling Order of Judge Colwell, direct testimony of the parties was filed in this matter on January 12, 2016. The parties participated in settlement discussions leading to a Joint Petition for Settlement. On January 28, 2016, counsel for PPL informed Judge Colwell that a global settlement had been reached.

A hearing was held on January 29, 2016, for purposes of admitting testimony and exhibits into the record. The parties were given leave until February 16, 2016, within which time to submit a Joint Stipulation for Admission of Evidence and Copies of Statements and Exhibits as well as the Joint Petition for Approval of Settlement. The record was to be certified by Judge Colwell for Commission review on or about February 19, 2016.

EnerNOC is a leading provider of cloud-based energy intelligence software (“EIS”) and services to thousands of commercial and industrial (“C&I”) customers and utilities globally. EnerNOC's EIS solutions for C&I customers improve energy productivity by optimizing how they buy, how much they use, and when they use energy. EIS for C&I includes budgeting and procurement, utility bill management, facility optimization, visibility and reporting, project tracking, demand management, and demand response. EnerNOC's EIS solutions for utilities help maximize customer engagement and the value of demand-side resources, including demand response and energy efficiency. Successful implementation of EE measures is at the core of EnerNOC’s EIS solutions.

EnerNOC intervened in this proceeding to ensure that the above referenced EIS was properly included in the Company’s plan. The Settlement provides for the approval of the Petitioner’s Phase III EE&C Plan with certain clarifications and modifications to specific energy efficiency programs. As discussed below, EnerNOC submits that the Settlement is in the public interest and should be adopted.

II. TERMS OF SETTLEMENT

Section III of the Joint Petition sets out the specific settlement provisions. Many of these provisions address issues presented in testimony and negotiated by the parties concerning aspects of the Company’s Act 129 Phase III Plans affecting issues raised by EnerNOC. The resolution of these issues, through this settlement, furthers the goals of Act 129 and Commission Orders regarding energy efficiency and conservation services and measures to be taken in the PPL Electric service territory and is in the public interest.

A. Energy Intelligence Software

1. In Paragraph 59 of the Joint Petition, the Company agreed to meet with EnerNOC in Program Year 8 to review its Energy Intelligence Software (“EIS”) product. The Company will decide in early Program Year 9 whether to pursue implementing EIS or similar products from other vendors. During Program Year 9, PPL Electric will work with its Nonresidential CSP or other contractors to evaluate an Energy Intelligence Software pilot for Small Commercial and Industrial (“Small C&I”) sector customers that includes a reasonable number of customers, and review the recommendations of the evaluation with stakeholders. If the evaluation recommends implementing a pilot program for Small C&I customers, the Company will include the pilot in a petition to modify the EE&C Plan, with the pilot program commencing no later than Program Year 10.

EnerNOC supports the Company’s efforts to comply with the stated EE and DR goals of Act 129 and respectfully intervened in this proceeding to ensure the Commission considered and provides the Company access to all necessary elements for the most successful implementation of the Company’s plan. It was EnerNOC’s position that the inclusion of important enablement software solutions, Energy Intelligence Software (“EIS”), as an element of the Company’s Phase III Act 129 plans will provide the Company with the necessary tools to maximize the use of smart meter data while efficiently accomplishing the goals of Phase III of Act 129. With the proper support and incentives to the Company, EIS can encourage innovation and become an emphasis in customer engagement efforts as part of the current plan.

As explained by Peter Cavan in his direct testimony filed on behalf of EnerNOC:

I believe the Company has taken great care to craft a plan that includes EE measures that will allow satisfaction of the mandates of phase III and support

providing the Company with the tools necessary to accomplish that plan. I do not dispute the energy efficiency and demand response figures proposed by the Company in their plan over the course of Phase III or whether those figures will meet the Phase III obligations; nor can I offer an opinion on whether the Company's plan will definitively meet the EE and DR goals mandated by Act 129. However, to increase the likelihood of success and use Phase III of Act 129 to begin maximizing the return on investments into smart meters already underway, I recommend incorporating more innovative and technologically advanced software solutions. I believe Energy Intelligence Software that links customer engagement with information from smart meters will increase the likelihood of the Company's ability to comply with the mandates of Phase III while simultaneously accelerating the return on investment already made in smart meters in the Commonwealth.¹

The Act 129 proceedings provided an excellent opportunity for EnerNOC to ensure that the Company received substantial information related to the benefits of EIS, and the Commission provided access to permit the Company to maximize these benefits. A number of important trends have coalesced in the last few years that make now an opportune time to build on Pennsylvania's investment in smart meters. Cloud computing technologies have dramatically lowered the cost of computing resources, making a range of machine-learning techniques feasible at mass-scale. High prevalence of cellphones, tablets and other portable devices has made a digital-first communications strategy possible. In the utility industry, consumers are demanding the same modern engagement tools from their utility company as they've come to expect from the banking, airline and wireless service industries. These demands can be addressed by customer engagement software, for which smart meters are a key data source to provide the most effective engagement strategy. Utility customer engagement software has seen rapid adoption over the past few years and, given the timeframe for Phase III Plans through 2021, now is the time to incorporate these solutions in the implementation of the Act to avoid losing five years of access to advanced software solutions that exist today.

¹ EnerNOC, Inc. Statement No. 1 at p. 6.

It is within the context of this rapidly changing environment that EnerNOC and the Company have agreed to address the benefits of EIS, particularly as it relates to the Small C&I sector. The prudence of these efforts was explained by Peter Cavan in the direct testimony submitted on behalf of EnerNOC:

Nearly 90% of businesses have fewer than 20 employees, but the SME segment poses unique challenges and opportunities for customer engagement. Unlike residential customers, whose electricity usage is relatively homogeneous, SME customers have significant diversity of business types across the segment. And unlike larger commercial and industrial customers, who have energy management teams and customized support from utility key account managers, SME customers typically have fewer options. In addition, SME customers have traditionally been harder and more expensive to engage because the decision-maker is not always the person paying the utility bill. Research and experience has shown that engaging diverse SME customers in cost-effective energy efficiency programs has presented a challenge for utilities for decades. Solving this problem requires a unique and innovative approach in order to be successful, for which smart meter data can be an incredibly valuable foundation.²

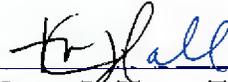
The Company and EnerNOC have come to a mutually agreeable position on these issues as indicated in Paragraph 59 of the Joint Petition, and therefore for the reasons stated above, EnerNOC supports the Joint Petition.

III. CONCLUSION

EnerNOC submits that the terms and conditions of the proposed Settlement of this EE&C proceeding represent a fair and reasonable resolution of the issues and claims arising in this proceeding. If approved, the proposed Settlement will benefit the Commission and all Parties by foregoing the additional costs of litigation. For all of the foregoing reasons, EnerNOC, Inc. submits that the proposed Settlement is in the public interest and the interest of the customers of PPL Electric Utilities Corporation, and should be approved.

² EnerNOC, Inc. Statement No. 1 at p. 8.

Respectfully submitted,



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Conservation Plan**

DOCKET NO. M-2015-2515642

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

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