

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 11, 2017

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

RE: Energy Efficiency & Conservation Program  
Docket No. M-2012-2289411

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lauren M. Burge", written over a horizontal line.

Lauren M. Burge  
Assistant Consumer Advocate  
PA Attorney I.D. # 311570  
E-Mail: [LBurge@paoca.org](mailto:LBurge@paoca.org)

Enclosures  
Certificate of Service

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency & Conservation Program                   :           Docket No. M-2012-2289411  
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ANSWER OF THE OFFICE OF CONSUMER ADVOCATE  
TO THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION

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**I. INTRODUCTION**

Pursuant to Sections 5.61 and 5.572 of the Pennsylvania Code, 52 Pa. Code §§ 5.61 and 5.572, the Office of Consumer Advocate (OCA) provides the following Answer to the Petition<sup>1</sup> of PPL Electric Utilities Corporation (PPL or the Company). In its Petition, PPL contests the Pennsylvania Public Utility Commission's (Commission) initial determination in its April 6, 2017 Compliance Order regarding the Energy Efficiency and Conservation (EE&C) Program, in which the Commission precluded PPL from using excess Phase II savings from low-income and government, educational and non-profit (G/E/NP) carve-outs to meet carve-out requirements in its subsequent Phase III plan.

As discussed below, the OCA is concerned with such a significant carryover of Phase II savings from the low-income carve-out and the impact it will have on the ability of low-income customers, who pay for these programs, to receive the intended portion of the expected benefits in Phase III. The OCA submits that, if PPL is permitted to carry over excess savings from its Phase II low-income carve-out, the Commission should direct PPL to continue to use all funding

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<sup>1</sup> PPL filed its Petition as a Petition for Reconsideration. The Commission's April 6, 2017 Compliance Order, however, provided a process for filing a Petition to contest the initial determination. See Compliance Order at 29, Ordering Para. 3. As such, PPL's filing should be treated as a Petition to contest the initial determination, and not a Petition for Reconsideration.

allocated to the low-income customer class and to work with the stakeholders to ensure that the full budgeted amount is applied in a way that allows low-income customers to continue to experience the full benefit of the program.

## II. ANSWER

Throughout the Comment period of the Phase III EE&C Implementation Order, the OCA supported the expansion of the EE&C low-income carve-out to 5.5%. See, Energy Efficiency and Conservation Program, Docket No. M-2014-2424864 (OCA Comments of April 27, 2015 at 11-14). In addition, the OCA supported requiring each EE&C Plan for Phase III to include low-income specific programs designed to meet the proposed carve-out percentages without having to rely on the participation of low-income customers in programs not specifically targeted to the low-income population. The OCA submits that the Phase III Implementation Order's requirements that the low-income EE&C carve-out be increased to 5.5% of total savings from low-income specific measures provided substantial benefits to low-income ratepayers.

In its Petition, PPL challenges, *inter alia*, the Commission's initial determination in its April 16, 2017 Compliance Order precluding PPL from using excess Phase II savings from low-income carve-out to meet carve-out requirements in its subsequent Phase III plan. Instead, PPL requests that its Phase III low-income savings requirement be met by using 10,520 MWh from Phase II. Petition at 1, ¶ 8. In effect, this reduces the low-income savings expected to be achieved in Phase III from a carve-out of 5.5% to 4.8% of the total Phase III savings. PPL indicates that it designed its Phase III Plan to achieve the low-income carve-out without any Phase II carryover, but it will have to evaluate changes to its EE&C programs anyway if it is not permitted this carryover. Petition at ¶ 18.

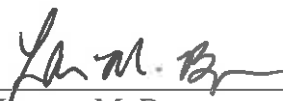
The OCA is concerned with such a significant reduction in achieved savings for low-income customers in Phase III. PPL provides no indication or commitment to continuing or improving the low-income programs if its request for carryover is granted. If PPL is permitted to carry over its excess Phase II low-income savings, low-income customers may not obtain the full benefits intended in Phase III or see improved programs. The OCA submits that such a carryover should not prevent PPL's low-income customers from realizing the full benefits of the EE&C program.

The OCA submits that if the Commission grants PPL's request and allows the excess savings from the Phase II low-income carve-out to be carried over to the Phase III carve-out, the Commission should direct PPL to continue applying the full amount of funding allocated to programs directed toward the low-income customer class. PPL should also be directed to work with the existing stakeholder group to develop an approach that will spend the entire budgeted amount on programs specifically benefitting low-income customers, and will achieve the maximum amount of savings for the broadest low-income customer base within that budget. This will ensure that low-income customers continue to receive the benefit of the program.

### III. CONCLUSION

The OCA respectfully requests that, if the Commission allows PPL to carry over excess savings from its Phase II low-income carve-out, the Commission should direct PPL to continue to use all funding allocated to the low-income customer programs and to work with the stakeholders to ensure that the full budgeted amount is applied in a way that allows low-income customers to continue to experience the full benefit of the program.

Respectfully Submitted,



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May 11, 2017

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency & Conservation Program

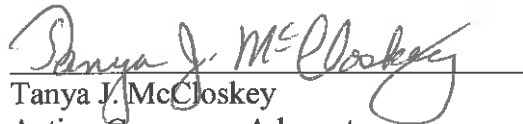
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Docket No. M-2012-2289411

VERIFICATION

I, Tanya J. McCloskey, hereby state hereby state that the facts above set forth in the OCA's Answer are true and correct and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature:

  
Tanya J. McCloskey  
Acting Consumer Advocate

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DATED: May 11, 2017

CERTIFICATE OF SERVICE

Energy Efficiency and Conservation Plan : Docket No. M-2012-2289411

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 11<sup>th</sup> day of May 2017.

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