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April 1, 2009

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

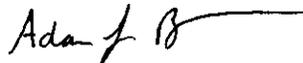
**RE: Energy Efficiency and Conservation Program and EDC Plans; Docket No.
M-2008-2069887**

Dear Secretary McNulty:

Please find enclosed the Energy Efficiency and Conservation ("EE&C") Plan Template Comments of Industrial Energy Consumers of Pennsylvania ("IECPA"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), Duquesne Industrial Intervenors ("DII"), Penn Power Users Group ("PPUG") and West Penn Power Industrial Intervenors ("WPPII") to the Staff draft proposal for the EE&C Plan format.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adam L. Benschhoff

Counsel to Industrial Energy Users Group of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance and West Penn Power Industrial Intervenors

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ALB/sds
Enclosures

c: Chairman Cawley (via Hand Delivery)
Vice Chairman Christy (via Hand Delivery)
Commissioner Powelson (via Hand Delivery)
Commissioner Pizzingrilli (via Hand Delivery)
Commissioner Gardner (via Hand Delivery)
RA-Act129@state.pa.us

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Energy Efficiency and Conservation Program and EDC Plans	: : : : :	Docket No. M-2008-2069887
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**COMMENTS OF
INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA, DUQUESNE
INDUSTRIAL INTERVENORS, MET-ED INDUSTRIAL USERS GROUP, PENELEC
INDUSTRIAL CUSTOMER ALLIANCE, PENN POWER USERS GROUP,
PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP, PP&L INDUSTRIAL
CUSTOMER ALLIANCE, AND WEST PENN POWER INDUSTRIAL INTERVENORS
ON
THE ENERGY EFFICIENCY AND CONSERVATION PLAN TEMPLATES**

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Pennsylvania, Duquesne Industrial Intervenors,
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Customer Alliance, Penn Power Users Group,
Philadelphia Area Industrial Energy Users Group,
PP&L Industrial Customer Alliance, and West Penn
Power Industrial Intervenors

Dated: April 1, 2009

I. INTRODUCTION

On October 15, 2008, Governor Rendell signed into law House Bill 2200, or Act 129 of 2008 ("Act"). Among other things, the Act expands the Pennsylvania Public Utility Commission's ("PUC" or "Commission") oversight responsibilities and sets forth new requirements on electric distribution companies ("EDCs") for energy conservation, default service procurements, and the expansion of alternative energy sources.

On January 16, 2009, the Commission issued its Act 129 Implementation Order ("Implementation Order") in the above-referenced docket, which provided general guidance for EDCs regarding their Energy Efficiency and Conservation ("EE&C") Plans that are required to be filed by July 1, 2009.¹ *See* Implementation Order at 10-13. In addition, the Implementation Order also stated that the Commission would develop a more detailed format for plan filings. *Id.* at 10, n. 4. On March 18, 2009, the Commission's staff solicited public comment on a draft proposal for the EE&C Plan Template that includes the proposed format of each plan along with proposed tables and charts that would be filed as appendices to each plan.

Industrial Energy Consumers of Pennsylvania ("IECPA") is an association of energy-intensive industrial companies operating facilities across Pennsylvania. IECPA's members annually consume in excess of 25% of the industrial electricity in Pennsylvania and employ approximately 75,000 workers at nearly 120 facilities across the Commonwealth. Also sponsoring these Comments are coalitions of industrial customers receiving service from most of the Commonwealth's EDCs: Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial

¹ The Industrial Customers have actively participated in this docket through the submission of Initial Comments (November 3, 2008), Comments on the Draft Proposal (December 8, 2008), and Reply Comments (December 19, 2008).

Customer Alliance ("PPLICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customers").

Because the Industrial Customers use substantial volumes of electricity in their manufacturing and operational processes, electric costs represent a sizeable component of overall operating costs, and therefore energy efficiency and conservation programs are important aspects of their energy management portfolios. In light of this direct and substantial impact, the Industrial Customers submit these Comments in order to address specific areas of concern to large commercial and industrial ("C&I") customers with respect to information that will be necessary for the Commission, and interested stakeholders, to appropriately evaluate the implementation of EDC run EE&C programs.

II. COMMENTS

The Industrial Customers' brief but important Comments will be made as a redline to the language taken directly from the Commission's proposed EE&C Plan Template.

3. Program Descriptions (2 to 3 pages per program)

3.4 Commercial/Industrial Large sector Programs - include formatted descriptions of each program organized under the ~~same headings as listed above for residential programs.~~following headings:²

- Program Title and Program years during which program will be implemented
- Objective(s) (including projected level of MW or MWh reductions or shift of usage to off-peak periods, etc.)
- Target market by SIC code designation; estimated number of customers within each SIC code that are in the target market; comparison of total Large C&I customers to total number of customers within target market for program
- Program description
- Implementation strategy (including expected changes that may occur in different program years)
- Program issues and risks and risk management strategy
- Anticipated costs to participating customers (both in total and on a per-participant basis)
- Ramp up strategy
- Marketing strategy
- Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per kWh or MW saved)
- Program start date with key schedule milestones
- Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant
- Administrative requirements – include utility staffing levels
- Estimated participation – includes tables indicating metric(s) with target value(s) per year
- Estimated program budget (total) by year – include table with budget per year
- Savings targets – include tables with total MWh and MW goals per year and cumulative & tables that document key assumptions of savings per measure or project
- Cost-effectiveness – include TRC for each program year and cumulative
- Other information deemed appropriate

² Headings have been imported from subsection 3.2 Residential Sector Programs and only Industrial Customers' changes to the Residential headings are redlined for clarity. These changes apply only to Section 3.4, and do not necessarily apply to Section 3.2.

7. Cost-Recovery Mechanism (~5-10 pages with tables)

7.3 Provide data tables (see Tables 7A, 7B, and 7C). [Industrial Customers'](#)

[Recommendation: Table 7C summarizes the customer class EE&C costs proposed to be allocated for each program, including any that are claimed to be common costs. Industrial Customers recommend the addition of "Table 7D" to provide similar information stated in terms of the cents per kWh impact of each program and the claimed common cost allocation on the total surcharge that is projected for the individual customer classes. In addition, to the extent the cost of any individual program is claimed to be a common cost allocated to more than one customer class, the cents per kWh impact of that designation on the total proposed surcharge for each class should be separately stated for each such program.](#)

III. CONCLUSION

WHEREFORE, Industrial Energy Consumers of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance, and West Penn Power Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Comments.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By  _____

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Date: April 1, 2009