

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Act 129 Energy Efficiency and Conservation Program Phase Two** :  
: **Docket No. M-2012-2289411**  
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COMMENTS OF REGIONAL HOUSING LEGAL SERVICES AND THE PHILADELPHIA  
WEATHERIZATION AND CONSERVATION COLLABORATIVE

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## INTRODUCTION

These comments are submitted by Regional Housing Legal Services (RHLS) and the Philadelphia Weatherization and Conservation Collaborative (the “PWCC”) in response to the Pennsylvania Public Utility Commission’s (the “Commission”) Tentative Implementation Order (“Tentative Order”), entered on May 11, 2012 at Docket No. M-2012-2289411, regarding Act 129 Energy Efficiency and Conservation Program Phase Two.

RHLS is a nonprofit law firm with unique expertise in affordable, sustainable housing and its related components — community and economic development, utility matters and preservation of home ownership. RHLS provides innovative project and policy solutions that help create sustainable communities offering decent, safe and affordable housing for lower-income Pennsylvanians.

For nearly 40 years, RHLS has worked closely with nonprofit, community-based organizations that provide shelter for low- and moderate-income households across Pennsylvania. Our work and the work of our partners and clients helps strengthen households and increased the stability of neighborhoods across the Commonwealth.

The PWCC is a collaborative of over 25 organizations, including owners, developers, and operators of subsidized multifamily housing as well as representatives from governmental agencies and several utilities. The PWCC meets on quarterly basis to identify opportunities to increase energy efficiency in subsidized multifamily housing and in low-income communities. RHLS was a founding member of the PWCC and serves as its coordinator.

RHLS and the PWCC thank the Commission for this opportunity to provide these comments.

## **COMMENTS**

RHLS and the PWCC applaud the Commission's proposal in the Tentative Order to preserve the Government/Educational/Nonprofit Carve-Out (the "Carve-Out"). RHLS and PWCC strongly urged the Commission to create a carve-out or other specific funding or savings goals for the multifamily housing sector. RHLS and PWCC remain strongly committed to the need for specific goals or funding for the multifamily housing sector. In the Tentative Order, the Commission declined to create specific goals or funding for multifamily housing, but instead urges electric distribution companies ("EDCs") to focus on multifamily housing within the Carve-Out. If a multifamily carve-out or other specific funding or savings goals for multifamily housing will not be a part of Phase Two of Act 129, RHLS and PWCC strongly urge the Commission require that EDCs track and share data relating to their work concerning multifamily housing (funding spent, measures implemented, savings achieved, etc.).

## **CARVE-OUTS FOR GOVERNMENT/EDUCATIONAL/NONPROFIT AND LOW-INCOME**

In the Commission's Tentative Order for the second phase of the Act 129 Energy Efficiency and Conservation Program ("Act 129"), the Commission retains the 10% carve-out for the government/educational/nonprofit sector. RHLS and PWCC believe maintaining this carve-out is an important element of achieving the joint goals of the PUC, the EDCs, and advocates for energy-efficiency and affordable housing. It also directs EDCs to provide resources to entities and organizations that are unlikely, on their own, to be able to make significant investment in energy-efficiency improvements.

In addition, the Tentative Order also preserves a carve-out for low-income households and adds a reduction of consumption goal to the low-income segment. RHLS and PWCC, each significantly involved in low-income household issues and advocacy, support the continuation of

the carve-out and the addition of a goal for the segment. RHLS and PWCC note that the low-income carve-out and goals should be complementary to any carve-out or goals for multifamily housing.

### **INCLUSION OF MULTIFAMILY HOUSING**

RHLS and PWCC laud the Commission for raising, for the first time, the importance of multifamily housing in the Act 129 context. The Tentative Order specifically addresses the challenges and the potential for significant consumption reduction by targeting Act 129 efforts on multifamily housing. While the Tentative Order does not create any requirements related to multifamily housing, it does suggest that EDCs give multifamily housing “special emphasis and consideration within the government/educational/nonprofit sector”(Tentative Order, p. 21).

RHLS and PWCC agree that a significant amount of consumption reduction can be obtained by EDCs focusing on multifamily housing.

~~RHLS and PWCC previously urged the Commission to address the specific needs of~~  
subsidized multifamily housing through a carve-out with dedicated funding or another appropriate mechanism that is specifically targeted at subsidized multifamily housing. A specific requirement to address the energy-efficiency needs in this market segment would allow the Commission and the utilities to: 1) help preserve existing state investments; 2) reach a significant and largely untapped market; 3) capture economies of scale; and 4) remedy the effective exclusion of thousands of low-income Pennsylvanians from the benefits of Act 129.

The long-term viability of Pennsylvania’s affordable multifamily housing is threatened by increasing and unstable utility costs. State and local governments in Pennsylvania have made huge investments in affordable housing – investment that the Commission has an opportunity to help protect. In addition, providing energy-efficiency improvements to multifamily housing

allows EDCs to reach a significant and largely untapped market and capture economies of scale that allow the EDCs' investments to reap more savings per dollar than in other types of buildings. Finally, focusing on affordable multifamily housing as part of the Carve-Out helps to remediate the effective exclusion of a significant number of low-income households from the benefits of Act 129.

### **MULTIFAMILY MARKET ENERGY SAVINGS POTENTIAL**

As the Commission no doubt understands, what gets measured is what gets done. Even if the Commission elects not to create a carve-out or specific goals for the multifamily sector in Phase Two of Act 129, RHLS and PWCC strongly urge that the Commission require the EDCs to track and share information related to their work with multifamily housing. Without this information it will be impossible for the Commission, the EDCs, or advocates to assess progress toward capturing the significant opportunities for consumption reduction that exists in multifamily housing in Pennsylvania.

The subsidized multifamily housing market is significant and is a largely untapped market for energy efficiency work. Nationally, the approximately 5 million units of HUD-assisted housing have an energy savings potential of over 7,800GWH of electricity and 432 million therms of natural gas. (*Addendum Report: U.S. Multifamily Housing Stock Energy Efficiency Potential*, Benningfield Group, Inc., p. 2, and p. 4 (April 9, 2010)). In addition, there are nearly 2 million households that live in properties constructed using LIHTCs, almost half of which were constructed at least 15 years ago with and estimated to have an energy efficiency potential of 3,000 GWH and 167 million therms. (*Addendum Report: U.S. Multifamily Housing Stock Energy Efficiency Potential*, Benningfield Group, Inc., p. 4, 7 (April 9, 2010)). In Pennsylvania there are more than 90,000 affordable multifamily apartments, most of which have

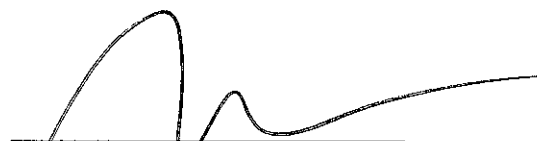
not had any significant energy efficiency improvements, so there is significant potential for consumption reduction in this segment.

The information about EDCs work on multifamily housing is significant not only in the Act 129 context. The information about expenditures, measures, savings, etc. will also help multifamily housing owners/managers and advocates for multifamily and energy-efficiency to help marshal other sources of funding to increase energy-efficiency in this sector.

### CONCLUSION

In conclusion, RHLS and the PWCC thank the Commission for the opportunity to submit these comments. RHLS and PWCC appreciate the Commission's decision to maintain the Government/Educational/Nonprofit Carve-Out and the addition of a strong encouragement for EDCs to focus on multifamily housing within that Carve-Out. While RHLS and PWCC would prefer a carve-out for multifamily housing, if such carve-out will not be a part of Phase Two of Act 129, RHLS and PWCC strongly urge the PWCC to require EDCs to track and publicly report their activities, expenditures and savings associated with multifamily housing.

Respectfully submitted,



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