

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company :
for Approval of its Act 129 Phase II : M-2012-2333992
Energy Efficiency and Conservation Plan :

**PETITION TO INTERVENE AND ANSWER OF
CITIZENS FOR PENNSYLVANIA'S FUTURE**

Now comes Citizens for Pennsylvania's Future ("PennFuture"), by counsel, Heather M. Langeland, and hereby Petitions to Intervene in the above captioned matter. Petitioner requests that the Pennsylvania Public Utility Commission ("Commission") grant Petitioner status as Intervenor in these proceedings concerning the Act 129 Petition filed November 1, 2012 by PECO Energy Company ("PECO"). Additionally, pursuant to 52 Pa. Code §5.61(a), PennFuture hereby files this Answer in response to PECO's above-captioned filing.

I. PETITION TO INTERVENE

Petitioner provides the following in support of its Petition to Intervene:

1. Petitioner is PennFuture, a Pennsylvania nonprofit corporation with offices in Philadelphia, West Chester, Wilkes-Barre, Harrisburg, and Pittsburgh, Pennsylvania (www.pennfuture.org). PennFuture's principal business location is 610 North Third Street, Harrisburg, PA 17101, tel. (717) 214-7920. PennFuture has members who live in the PECO service territories, are customers of PECO and/or receive

service from PECO. PennFuture engages in policy development, public education, litigation and other strategies to achieve its goals, including promoting clean energy and energy efficiency.

2. The name and address of counsel for Petitioner is:

Heather M. Langeland, Staff Attorney
PennFuture
200 First Street, Suite 200
Pittsburgh, PA 15222
Phone: 412-258-6684
Fax: 412-258-6685
langeland@pennfuture.org

3. On or about November 1, 2012, PECO, pursuant to the requirements of Act 129 of 2008, 66 Pa. C.S. §2806.1, petitioned the Commission for approval of PECO's Phase II Energy Efficiency and Conservation Plan ("Petition").

4. Pursuant to the *Implementation Order* entered August 3, 2012 at Docket Nos. M-2012-2289411 and M-2008-2069887 ("Implementation Order") all Answers and Comments to any such proposed plan is due within 20 days of publication of notice in the *Pennsylvania Bulletin*. As of the date of this filing, no such notice has been published, making this submission timely.

5. The Petitioner, on behalf of its members and the public interest, have an interest in ensuring that PECO's Energy Efficiency and Conservation ("EE&C") plan is in accordance with Act 129 and provides a robust and comprehensive package of energy efficiency measures and programs that will result in cost-effective electricity savings that will protect public health, preserve the environment, reduce energy prices, and maintain grid reliability. Petitioner's members are directly and personally affected by the Proceedings because any modification to PECO's Phase II Plan may impact the ability of

those members to participate in energy efficiency programs and benefit from resulting reductions in their electric bills. Petitioner's members depend on electric distribution service from PECO to meet basic necessities of life, and risk health and financial consequences if service is not provided in a reliable, clean, and affordable manner provided by maximum investment in energy efficiency allowed through Act 129.

6. Specifically, this action directly impacts PennFuture and its members including but not limited to the following: Joy Bergey resides at 100 South College Avenue, Flourtown, PA, 19031, where she is a customer receiving distribution service from PECO.

7. Petitioner has a right and interest in assuring that safe, reliable, clean and affordable public utility service, and participation in these Proceedings is an appropriate way to protect these rights and interests. Petitioner may intervene in this proceeding pursuant to 52 Pa. Code §§ 5.71-74.

8. PennFuture has participated in the PECO Act 129 stakeholder input process, and submitted comments to the Commission in the matter captioned *Energy Efficiency and Conservation Program*, Docket Nos. M-2012-2289411 and M-2008-2069887.

9. Petitioner has interests in and perspectives on issues in this proceeding that are not adequately represented by other parties of record.

10. Petitioner intends to review and analyze the PECO's proposed Phase II Plan as it pertains to program design. The variety and type of programs and measures offered in PECO's Phase II Plan will directly impact Petitioner's members' ability to participate in Act 129 and benefit from investing in energy efficiency measures.

11. Petitioner reserves the right to raise other issues as necessary and appropriate during the course of the proceeding and to respond to issues raised by other parties.

12. Pursuant to the Prehearing Conference Order entered in this matter and limiting each party to one entry on the service list, all documents and correspondence in this proceeding should be addressed to:

Heather Langeland, Staff Attorney
PennFuture
200 First Street, Suite 200
Pittsburgh, PA 15222
Phone: (412) 258-6684
Fax: (412) 258-6685
langeland@pennfuture.org

For the foregoing reasons, Petitioner requests that the Commission grant this Petition and confer status as Intervenor in this Proceeding.

II. ANSWER

13. Through its Petition, PECO requests approval to utilize Phase II funds (and generate Phase II energy savings) when (1) a customer completes a measure-eligible action during the Phase I period, but does not apply for an incentive until the Phase II period; and (2) when a customer completes a measure during the Phase I period after being placed on a waitlist. *Petition* at 13.

14. PennFuture opposes PECO's request to allow for Phase II funds to be spent when a customer completes a measure during the Phase I period. The Commission previously ruled on this matter in the Implementation Order. The Commission states in the Implementation Order that program measures installed and commercially operable on

or before May 31, 2013, as well as, conservation service provider (“CSP”) or administrative fees related to Phase I are considered Phase I expenses. The Commission goes on to state that it will allow electric distribution companies (“EDCs”) to utilize their Phase I budgets past May 31, 2013, solely to account for those program measures installed and commercially operable on or before May 31, 2013, and to finalize the CSP and administrative fees related to Phase I. *Implementation Order* at 107. The Commission further states that in order for an EDC to claim savings for a measure in Phase II, that measure must be installed and commercially operable no earlier than June 1, 2013. *Id.* at 113.

15. PECO will have significant funding left in its Phase I Act 129 budget to pay for measures installed on or before May 31, 2013. According to PECO’s Program Year 4, Quarter 1 Report to the Commission, it has spent \$172.4 million of its \$341.9 million Phase I budget. It is therefore not appropriate for PECO to spend Phase II funds on program measures installed and commercially operable during Phase I when there is still ample Phase I funding available. In addition, the Commission directs that EDCs are allowed to continue Phase I spending through the course of Phase I, ending May 31, 2013, even if they have already attained their three percent reduction targets. *Id.* at 107.

16. PECO’s Petition states the need for this request is to get a "jump start" on its Phase II energy savings targets. *Petition* at 13. However, the Commission has already addressed this issue by allowing EDCs to accrue savings beyond their Phase I targets for use towards Phase II compliance. According to PECO’s Phase II Plan, it estimates 91,000 megawatt-hours (MWh) of banked Phase I savings will be available for Phase II compliance. *Peco’s Phase II EE&C Plan* at 5-6 (“Phase II Plan”).

17. Allowing PECO to apply banked Phase I savings towards Phase II compliance while simultaneously spending Phase II funds on Phase I measures would create an unnecessarily cumbersome process. In addition, if Phase II funds are permitted to be used for measures that could have been paid with Phase I funds it reduces the overall spending on energy efficiency. This is due to the fact that the Implementation Order directs EDCs to continue spending their Act 129 program budgets when they achieve their savings target within a phase and seek out additional, cost-effective measures to implement. *Implementation Order* at 26. Instead of PECO allocating available Phase I funding to waitlisted customers, it will leave that money unspent and use Phase II funds instead. This action will unnecessarily reduce total Phase II funding. A reduction in overall spending on energy efficiency would harm PennFuture's members as it would limit their ability to participate in energy efficiency programs and to reduce their electric bills accordingly. This would also result in PennFuture's members, as PECO ratepayers, spending more money on fuel, generation capacity and expanded transmission and distribution infrastructure than would have been spent on energy efficiency.

18. For the foregoing reasons, PennFuture does not support PECO's request to utilize Phase II funds on measures installed during the Phase I period.

19. In addition to the issues identified above, PennFuture reserves the right to raise and address additional issues of concern during the course of the proceeding based on further review of the Petition, issues identified via discovery, and issues raised by other parties.

III. CONCLUSION

Wherefore, PennFuture respectfully requests that the Commission grant this Petition to Intervene, provide PennFuture with full-party status in this proceeding, and allow such other relief as it deems necessary.

Respectfully submitted,

A handwritten signature in cursive script that reads "Heather M. Langeland". The signature is written in black ink and is positioned above a horizontal line.

Heather M. Langeland, Staff Attorney
Pa. Bar Id. No. 207387
200 First Street, Suite 200
Pittsburgh, PA 15222
Phone: 412-258-6684
Fax: 412-258-6685
langeland@pennfuture.org

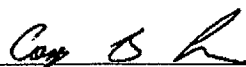
Counsel for Petitioner PennFuture

DATED: November 29, 2012

VERIFICATION

I, Courtney Lane, am a Senior Energy Policy Analyst for Citizens for Pennsylvania's Future's Center for Energy, Enterprise and the Environment. I hereby state facts set forth herein are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I have registered to use the Public Utility Commission's electronic filing system in accordance with the registration instructions available on the Commission's web site and have obtained a user ID and password. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. Section 4904 concerning unsworn falsification to authorities.

DATED: November 29, 2012



Courtney Lane, Senior Energy Policy Analyst
PennFuture

CERTIFICATE OF SERVICE

Petition of PECO Energy Company :
for Approval of its Act 129 Phase II : M-2012-2333992
Energy Efficiency and Conservation Plan :

I, Heather M. Langeland, do hereby certify that a true and accurate copy of the foregoing PETITION TO INTERVENE AND ANSWER OF CITIZENS FOR PENNSYLVANIA’S FUTURE was served upon the following this 29th day of November, 2012, by depositing a copy of the same in the United States mail, postage prepaid and addressed to:

ANTHONY E GAY ESQUIRE
JACK R GARFINKLE ESQUIRE
EXELON BUSINESS SERVICES
COMPANY
2301 MARKET STREET
PO BOX 8699
PHILADELPHIA PA 19101-8699

RICHARD A KANASKIE ESQUIRE
CARRIE B WRIGHT ESQUIRE
PA PUC BIE
PO BOX 3265
HARRISBURG PA 17105-3265

THOMAS P GADSDEN ESQUIRE
CATHERINE G VASUDEVAN ESQUIRE
MORGAN LEWIS & BOCKIUS LLP
1701 MARKET STREET
PHILADELPHIA PA 19103-2921

TANYA J MCCLOSKEY ESQUIRE
JENNEDY S JOHNSON ESQUIRE
OFFICE OF CONSUMER ADVOCATE
5TH FLOOR FORUM PLACE
555 WALNUT STREET
HARRISBURG PA 17101-1923

DANIEL G ASMUS ESQUIRE
SHARON E WEBB ESQUIRE
OFFICE OF SMALL BUSINESS
ADVOCATE
SUITE 1102 COMMERCE BUILDING
300 NORTH SECOND STREET
HARRISBURG PA 17101

HARRY S GELLER ESQUIRE
JULIE GEORGE ESQUIRE
JOHN C GERHARD ESQUIRE
PA UTILITY LAW PROJECT
118 LOCUST STREET
HARRISBURG PA 17101-1414

KURK E KLAPKOWSKI
PA DEP
RCSOB 9TH FLOOR
400 MARKET STREET
HARRISBURG PA 17101-2301

THU B TRAN ESQUIRE
PHILLIP A BERTOCCI ESQUIRE
JONATHAN M STEIN ESQUIRE
COMMUNITY LEGAL SERVICES
1424 CHESTNUT STREET
PHILADELPHIA PA 19102-2505

DANIEL CLEARFIELD ESQUIRE
KEVIN J MOODY ESQUIRE
ECKERT SEAMANS CHERIN &
MELLOTT LLC
PO BOX 1248
HARRISBURG PA 17108-1248

CHARIS MINCAVAGE ESQUIRE
ADEOLU A. BAKARE ESQUIRE
MCNEES WALLACE & NURICK LLC
PO BOX 1166
HARRISBURG PA 17108-1166

ROGER E CLARK
THE REINVESTMENT FUND
718 ARCH STREET
SUITE 300 NORTH
PHILADELPHIA PA 19106-1591

J BARRY DAVIS ESQUIRE
SCOTT J SCHWARZ ESQUIRE
CITY OF PHILADELPHIA LAW DEPT
1515 ARCH STREET 16TH FLOOR
PHILADELPHIA PA 19102

SCOTT H DEBROFF ESQUIRE
ALICIA R PETERSON ESQUIRE
RHOADS & SINON LLP
PO BOX 1146
HARRISBURG PA 17108-1146

DIVESH GUPTA ESQUIRE
CONSTELLATION
100 CONSTELLATION WAY
SUITE 500 C
BALTIMORE MD 21202

NIA WILSON ESQUIRE
OFFICE OF REPRESENTATIVE
MARK B COHEN
HOUSE HUMAN SERVICES
COMMITTEE
330 IRVIS OFFICE BUILDING
HARRISBURG PA 17120-2202


ROBERT GRAFF MANAGER
ENERGY & CLIMATE CHANGE
INITIATIVES
DELAWARE VALLEY REGIONAL
PLANNING COMM
190 NORTH INDEPENDENCE MALL
WEST
8TH FLOOR
PHILADELPHIA PA 19106-1520

LIBBY DODSON DIVISION CHIEF
POLLUTION PREVENTION & ENERGY
ASSISTANCE
PA DEP – OETD
RCSOB 15TH FLOOR
400 MARKET STREET
HARRISBURG PA 17101-2301

RICK SAUER EXEC DIR
PHILADELPHIA ASSOC OF
COMMUNITY DEVELOPMENT
CORPORATIONS
SUITE 1600
1315 WALNUT STREET
PHILADELPHIA PA 19107

DICK SPELLMAN PRESIDENT
GDS ASSOCIATES INC.
SUITE 800
1850 PARKWAY PLACE
MARIETTA, GA 30067

JENNEDY S. JOHNSON
ASSISTANT CONSUMER ADVOCATE
555 WALNUT STREET, 5TH FLOOR
FORUM PLACE
HARRISBURG, PA 17101-1923


Heather M. Langeland