

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :  
For Approval of its Act 129 Phase II : Docket No. M-2012-2334388  
Energy Efficiency and Conservation Plan :

---

**ANSWER AND COMMENTS OF CITIZENS FOR PENNSYLVANIA'S FUTURE  
IN RESPONSE TO THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION  
FOR APPROVAL OF ITS ACT 129 PHASE II ENERGY EFFICIENCY AND  
CONSERVATION PLAN**

---

Heather M. Langeland  
Pa. I.D. No. 207387  
Citizens for Pennsylvania's Future  
200 First Ave., Ste. 200  
Pittsburgh, PA 15222  
(412) 258-6684  
[langeland@pennfuture.org](mailto:langeland@pennfuture.org)

## TABLE OF CONTENTS

Introduction .....	1
PennFuture’s Position with Respect to the Issues Raised in the Petition. ....	2
Behavior & Education Program should be offered throughout Phase II .....	2
Residential Retail Program should include LED incentives in PY5. ....	3
Improvements Needed in Residential Home Comfort Program .....	4
New Home Component .....	4
Audit & Weatherization Component .....	5
Energy-Efficiency Equipment Component .....	6
Conclusion .....	7

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

Petition of PPL Electric Utilities Corporation :  
For Approval of its Act 129 Phase II : Docket No. M-2012-2334388  
Energy Efficiency and Conservation Plan :

---

**ANSWER AND COMMENTS OF CITIZENS FOR PENNSYLVANIA’S FUTURE  
IN RESPONSE TO THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION  
FOR APPROVAL OF ITS ACT 129 PHASE II ENERGY EFFICIENCY AND  
CONSERVATION PLAN**

---

**I INTRODUCTION**

Citizens for Pennsylvania’s Future (“PennFuture”) is filing these comments in accordance with the notice in the *Pennsylvania Bulletin* published on December 1, 2012. 42 Pa.B. 7371. The notice stated that PPL Electric Utilities Company (“PPL”) had filed its Energy Efficiency and Conservation (“EE&C”) Plan with the Pennsylvania Public Utility Commission (“Commission”) on November 15, 2012, in compliance with 66 Pa.C.S. § 2806.1(b)(1)(ii) (relating to energy efficiency and conservation program) and indicated that the matter had been assigned Docket Number M-2012-2334388. The Commission’s EE&C Program Implementation Order, entered on August 3, 2012, at Doc. No. M-2012-2289411, stated that an answer along with comments and recommendations are to be filed with the Commission within 20 days of the publication of the notice in the *Pennsylvania Bulletin*. These Comments are being provided by PennFuture in response to the notice in the *Pennsylvania Bulletin* and PennFuture’s review of PPL’s Act 129 Phase II Energy Efficiency and Conservation Plan (“Phase II Plan” or “Plan”).

## **II PENNFUTURE’S POSITION WITH RESPECT TO THE ISSUES RAISED IN THE PETITION**

### **A. Behavior & Education Program should be offered throughout Phase II**

PPL’s Residential Energy-Efficiency Behavior & Education Program began in 2010, providing residential customers with a series of report cards that compare their electricity consumption to comparable customers. The program educates customers about their energy usage and enables PPL to inform them of opportunities to save energy through low-cost actions and participation in Act 129 programs. According to PPL’s Phase I Program Year 3 Annual Report, 50,000 homes began receiving reports in Program Year 2 with 55,000 new homes added in Program Year 3. In total, 105,000 homes received a total of seven reports in Program Year 3.<sup>1</sup> PPL indicates in its Phase I Energy Efficiency & Conservation (“EE&C”) Plan that it intends to maintain the participation of 104,000 homes through in Program Year 4.<sup>2</sup>

The Behavior & Education Program has been proven to be a highly cost-effective means to capture electricity savings. The program had a Total Resource Cost (TRC) Test of 2.57 and produced 29,370 MWh/yr savings in Program Year 3.<sup>3</sup> For these reasons, PennFuture supports its continuation in Phase II.

While PPL proposes to continue its Behavior & Education Program in Phase II, the program will not begin until halfway into Program Year 6. This creates a situation where the 104,000 homes participating in the program at the end of Phase I will not receive a Home Energy Report for 18 months. Allowing the program to “go dark” for 18 months will create customer confusion and dissatisfaction; the exact situation the Commission is trying to avoid in the transition to Phase II.

---

<sup>1</sup> PPL Electric Final Annual Report to the Pennsylvania Public Utility Commission For the Period June 2011 through May 2012 Program Year 3, November 15, 2012.

<sup>2</sup> PPL Electric Utilities Corporation Energy Efficiency and Conservation Plan, Docket No. M-2009-2093216, May 29, 2012 at 93.

<sup>3</sup> PPL Electric Final Annual Report to the Pennsylvania Public Utility Commission For the Period June 2011 through May 2012 Program Year 3, November 15, 2012.

The Commission clearly states throughout the Energy Efficiency and Conservation Program Implementation Order, entered August 3, 2012, (“Implementation Order”) that it would like to avoid Act 129 programs from “going dark” to ensure a smooth transition from Phase I to Phase II. The Commission states, “Any lapse of continuity between Phase I and Phase II could allow loss of momentum in the customer-adoption of energy efficient measures, could deprive customers of electric savings for many months, and could increase administrative costs due to multiple program ramp-ups.” *Implementation Order* at 60.

To address this issue, PennFuture recommends that PPL amend its Phase II EE&C Plan to offer the Behavior & Education Program in all three Program Years (Program Year 5, 6 & 7). This would allow for customers that do not opt-out of the program to continue receiving report cards, helping to avoid customer confusion and dissatisfaction. This would also better align the program with the other electric distribution companies’ (“EDC”) Phase II EE&C Plans. Duquesne Light, FirstEnergy and PECO offer a behavioral energy efficiency program in all three program years. For example, Duquesne Light’s Residential Home Energy Reporting Program is offered in all three program years with even budgets and projected savings each year. Specifically the plan states “This program is a continuation of Phase I programmatic offerings; no program ramp-up action is indicated.”<sup>4</sup> Likewise, FirstEnergy continues its Phase I Behavioral Modification & Education Program seamlessly into Phase II for each of its EDCs and offers it every year as a sub program in its Residential Home Performance Program.

#### **B. Residential Retail Program should include LED incentives in PY5**

The Residential Retail Program is expected to produce the majority of PPL’s Phase II Act 129 residential savings, with the majority of those savings from the lighting component. Therefore, the way in which the lighting component is designed will be critical to PPL meeting its Phase II Act 129 goals.

As currently proposed, PPL’s Residential Retail Program does not offer discounted LED light bulbs until the second year of Phase II (Program Year 6 & 7). PPL does not provide any rationale behind this decision and PennFuture believes such program design creates a significant lost savings opportunity. The U.S. Environmental Protection Agency (“EPA”) lists 1,568

---

<sup>4</sup> Duquesne Light Act 129 Phase II Energy Efficiency and Conservation Plan Docket No. M-2012-2334399 at 33.

discreet LED model numbers currently available – representing 20% of all currently available ENERGY STAR qualified bulbs.<sup>5</sup> These LED bulbs and retrofit modules are already being stocked by major home improvement retailers. No single lighting technology can meet all consumer needs for varying lighting applications. As a result, lighting programs should be designed to offer a wide variety of choices to increase customer participation and satisfaction. Many of the current generation of LED light bulbs are attractive new options for efficiency programs because they overcome some of the barriers associated with consumer adoption of CFLs, including: instant on, dimmability, no mercury content and longevity.

Given the significant energy savings and benefits from LEDs, not including this product category throughout Phase II will lead to a significant loss of potential savings. PennFuture therefore recommends that PPL amend its Phase II EE&C Plan to offer discounted LEDs as part of its Residential Retail Program in all Program Years (5, 6 & 7).

### **C. Improvements Needed in Residential Home Comfort Program**

#### **1. New Home Component**

The new home component of PPL's Residential Home Comfort Program is intended to promote the construction of energy-efficient new homes by providing rebates for the installation of specific measures (heat pump water heater, refrigerator, dishwasher, wall insulation and ceiling insulation). However, there is no mention of leveraging EPA's ENERGY STAR® Homes certification program or the RESNET Home Energy Rating System (HERS), which promote a holistic approach to energy upgrades and quality installation in new homes.

PPL's proposed prescriptive measure based program ignores almost 20 years of infrastructure development around sound building science and performance based program design. In particular, this approach threatens to undermine an existing infrastructure of small business HERS Raters who support comprehensive efficiency certification of new homes through HERS ratings, ENERGY STAR and other national standards. Without the requirement for an energy rating to promote and verify performance, PPL is effectively eliminating the opportunity for spillover effect from additional savings from other cost effective measures, while

---

<sup>5</sup> ENERGY STAR Qualified Lamps Product List, December 17, 2012. Available at: [http://downloads.energystar.gov/bi/qplist/Lamps\\_Qualified\\_Product\\_List.xls?78fe-8a45](http://downloads.energystar.gov/bi/qplist/Lamps_Qualified_Product_List.xls?78fe-8a45)

at the same time removing the benefit of quality installation protocols (such as for insulation) that are an integral part of the HERS and ENERGY STAR processes.

By not leveraging EPA's ENERGY STAR® Homes certification program, PPL is confusing the market by implementing different standards than those found in other Act 129 residential new construction programs. FirstEnergy and PECO, the other EDCs in Pennsylvania that plan to offer residential new construction programs in Phase II, leverage EPA's ENERGY STAR® Homes certification and therefore use the same eligibility criteria. These programs require that new homes must exceed the standard building code by 15% consistent with energy efficiency standards as published by the Department of Energy under the ENERGY STAR® program and must qualify at the current ENERGY STAR® level, as determined by the EPA.

In addition, by proposing only flat incentives, PPL is losing the opportunity to reward better energy performance and greater savings through a progressive incentive structure. This runs counter to the incentive structures proposed by PECO for Phase II and currently implemented by FirstEnergy, where incentives are tied to kilowatt-hour reductions as determined by an energy rating.

PennFuture recommends that PPL amend its Phase II EE&C Plan to incorporate a rating based approach in its Home Comfort Program consistent with other Pennsylvania programs and nationally recognized best practices, thereby leveraging significant opportunities for quality verification, additional savings, and the burgeoning marketing value of the HERS and ENERGY STAR labels. This change would not require significant changes to the program budget as PPL's proposed \$2,000 Builder Package rebate would be enough to substantially offset the incremental costs of ENERGY STAR compliance.

## **2. Audit & Weatherization Component**

Unlike the new home component, PPL appears to have shifted to support of a comprehensive energy assessment for existing homes prior to qualification for rebates in the audit and weatherization component. PennFuture supports this approach, but is concerned that there is no reference to national standards for energy audits such as those promulgated by the Building Performance Institute (BPI) or the RESNET Home Energy Rating System (HERS). Without a requirement for "audit" or "survey" providers to be trained and certified under one of

these standards and follow accredited procedures, PPL can have no way of knowing whether appropriate building science based recommendations (including provisions related to health & safety) are being provided to homeowners or followed by contractors. If PPL does not require such certification, it will be missing opportunities for additional savings and seriously undermining an existing infrastructure for the training and delivery of standards based services within its territory.

PennFuture recommends that PPL modify its audit and weatherization program to incorporate a standards-based approach consistent with Pennsylvania programs and nationally recognized best practices, thereby ensuring that appropriate recommendations will be made to homeowners that promote robust savings and improved health, safety and comfort.

### **3. Energy-Efficiency Equipment Component**

PPL proposes rebates for high efficiency air source heat pumps and pool pumps through the energy-efficiency equipment component of its Residential Home Comfort Program. Although heat pump efficiencies exceed ENERGY STAR thresholds, no mention is made of the ENERGY STAR label or leveraging its marketing potential. Additionally, no mention is made of requiring proper sizing or quality installation standards as promulgated by the Air Conditioning Contractors of America (ACCA). Proper sizing is important to achieving maximum efficiency. Equipment that is too large for the home will cost more, cycle on and off more frequently, reduce peak performance and shorten the life of the unit. On the other hand, equipment that is too small will be forced to run for long periods of time.

PPL also does not mention any requirement for contractors to participate in technician training and certification programs such as NATE (North American Technician Excellence).

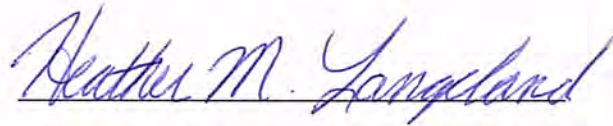
PennFuture recommends that PPL modify the energy-efficiency equipment component of its Residential Home Comfort Program to incorporate standards based training, certification, and specification to promote better confidence in measure savings and facilitate market transformation towards higher energy and comfort performance.



### III CONCLUSION

PennFuture appreciates the opportunity to provide this Answer and Comments in this matter. PennFuture respectfully requests that the Commission consider and adopt, as appropriate, the foregoing Comments by granting in part and denying in part PPL's Petition for approval of its Plan and requiring PPL to submit a revised plan consistent with the recommendations in these Comments.

Respectfully submitted,

A handwritten signature in blue ink that reads "Heather M. Langeland". The signature is written in a cursive style and is positioned above the typed name and contact information.

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

Counsel for Petitioner PennFuture

DATED: December 21, 2012

**CERTIFICATE OF SERVICE**

Petition of PPL Electric Utilities Corporation :  
for Approval of its Act 129 Phase II : M-2012-2334388  
Energy Efficiency and Conservation Plan :

I, Heather M. Langeland, do hereby certify that a true and accurate copy of the foregoing  
**ANSWER AND COMMENTS OF CITIZENS FOR PENNSYLVANIA’S FUTURE IN  
RESPONSE TO THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION  
FOR APPROVAL OF ITS ACT 129 PHASE II ENERGY EFFICIENCY AND  
CONSERVATION PLAN** was served upon the following this **21st** day of December, 2012, by  
depositing a copy of the same in the United States mail, postage prepaid and addressed to:

PAUL E RUSSELL ESQUIRE  
PPL SERVICES CORPORATION  
TWO NORTH NINTH STREET GENTW3  
ALLENTOWN PA 18106

DAVID B MACGREGOR ESQUIRE  
POST & SCHELL PC  
FOUR PENN CENTER  
1600 JFK BOULEVARD  
PHILADELPHIA PA 19103-2808

ANDREW S TUBBS ESQUIRE  
POST & SCHELL PC  
17 NORTH SECOND STREET  
12<sup>TH</sup> FLOOR  
HARRISBURG PA 17101-1601

KEVIN J. MCKEON  
JULIA A. CONOVER  
HAWKE MCKEON & SNISCAK LLP  
PO BOX 1778  
100 NORTH TENTH STREET  
HARRISBURG, PA 17101

MARK MORROW  
UGI CORPORATION

460 NORTH GULPH ROAD  
KING OF PRUSSIA, PA 19406

ELIZABETH ROSE TRISCARI  
OFFICE OF SMALL BUSINESS ADVOCATE  
300 NORTH SECOND STREET #1102  
HARRISBURG, PA 17101

DENNIS J. BUCKLEY  
ADMINISTRATIVE LAW JUDGE  
P.O. BOX 3265  
HARRISBURG, PA 17105-3265

DIANNE E. DUSMAN  
AMY E. HIRAKIS  
SENIOR ASSISTANT CONSUMER ADVOCATE  
OFFICE OF CONSUMER ADVOCATE  
555 WALNUT STREET  
FORUM PLACE, 5<sup>TH</sup> FLOOR  
HARRISBURG, PA 17101-1923

PATRICK CICERO  
HARRY GELLER  
PENNSYLVANIA UTILITY LAW PROJECT  
118 LOCUST STREET  
HARRISBURG, PA 17102

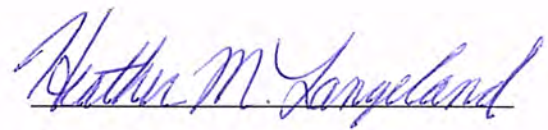
CRAIG R. BURGRAFF  
HAWKE, MCKEON & SNISCAK, LLP  
HARRISBURG ENERGY CENTER 100 NORTH TENTH STREET  
PO BOX 1778  
HARRISBURG, PA 17105-1778

DERRICK WILLIAMSON  
BARRY NAUM  
SPILMAN THOMAS & BATTLE  
1100 BENT CREEK BOULEVARD, SUITE 101  
MECHANICSBURG, PA 17050

JOSEPH VULLO  
BURKE VULLO REILLY ROBERTS  
1460 WYOMING AVENUE  
FORTY FORT, PA 18704

PAMELA POLACEK

ADEOLU BAKARE  
MCNEES WALLACE & NURICK LLC  
100 PINE STREET  
PO BOX 1166  
HARRISBURG, PA 17108-1166

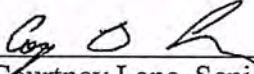
A handwritten signature in blue ink that reads "Heather M. Langeland". The signature is written in a cursive style and is positioned above a thin horizontal line.

Heather M. Langeland

## 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: 12/21/12

  
\_\_\_\_\_  
Courtney Lane, Senior Energy Policy Analyst  
PennFuture