

**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 :

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MAIN BRIEF OF CITIZENS FOR  
PENNSYLVANIA'S FUTURE

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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”). Citizens for Pennsylvania’s Future (“PennFuture”), 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.

PennFuture’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. PennFuture’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.

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.

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.

PECO will have significant funding left in its Phase I Act 129 budget to pay for measures installed on or before May 31, 2013. As of December 17, 2012, the anticipated total costs of Phase I of Act 129 are \$216.5 million. *PennFuture Cross-Examination Exhibit 2*. This is well below PECO's \$341.9 million Phase I budget. Indeed, as of November, 2012, PECO had only



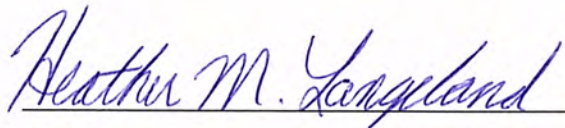
spent \$178.0 million of its Phase I budget. *PennFuture Cross-Examination Exhibit 1*. It is therefore not appropriate for PECO to spend Phase II funds on program measures installed and commercially operable during Phase I when there is still ample Phase I funding available. In addition, the Commission 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. *Implementation Order* at 107.

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").

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.

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 a horizontal line.

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DATED: January 15, 2013



**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  
CITIZENS FOR PENNSYLVANIA’S FUTURE MAIN BRIEF was served upon the following  
this 15<sup>th</sup> day of January, 2013, by depositing a copy of the same in the United States mail,  
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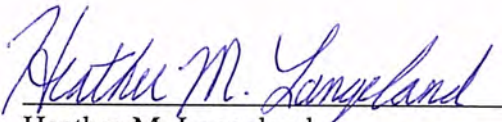
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