PPL ELECTRIC UTILITIES CORPORATION – PETITION FOR APPROVAL OF ACT 129 PHASE II ENERGY EFFICIENCY & CONSERVATION PLAN

DOCKET NUMBER: M-2012-2334388

BRIEF OF INTERVENOR
COMMISSION ON ECONOMIC OPPORTUNITY

AREAS ADDRESSED:
Low-Income Portion of Plan

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I. Introduction

The Commission on Economic Opportunity (CEO) is a non-profit organization serving the low-income and elderly in Luzerne County, Pennsylvania. In a typical year, CEO serves more than 20,000 Luzerne County residents of which 98% are at or below 150% of the federal poverty level. Through its representation of the low-income population of Luzerne County, CEO has been directly involved in assuring that low-income persons' utility costs are contained through counseling, advice, payment assistance and energy conservation measures since CEO's inception in 1965. CEO brings specific experience to this case in that CEO serves as a subcontractor for PPL's Winter Relief Assistance Program (WRAP) and the Low-Income Usage Reduction Program (LIURP) operated by other utility companies located in CEO's service territory.

CEO's testimony in this case in large part addressed the low-income portion of the Company's Plan and accordingly this Brief will only address those low-income issues.

II. Argument

CEO submitted the direct testimony of its Executive Director Eugene M. Brady. As a general matter Mr. Brady's testimony addressed the failure of the Plan to specifically target confirmed low-income customers for specific energy efficiency measures. The Company's Plan spends significantly less than it did in its prior Act 129 Plan on low-income customers with most of the current expenditures being in education with very few direct energy conservation measures targeted to low-income customers. (Brady 4). Brady further pointed out that the majority of the expected savings attributed to the low-income sector does not come from measures offered and targeted to the low-income sector but instead are the result of measures targeted to the general residential class. (Brady 5).

A. The Company Should Be Required to Meet Its Low-Income Carve-Out With Direct Measures Specifically Targeted to Confirmed Low-Income Customers.

Act 129 specifically requires that an EDC's EE&C plan "shall include specific energy efficiency measures for households at or below 150% of the Federal poverty income guidelines." Section 2806.1 (b)(1)(i)(G). The PUC's Act 129 Phase II Implementation Order requires that 4.5% of the savings in an EDC's plan come from the low-income sector. The Company is attempting to meet low income targets with little reliance on low-income programs targeted to confirmed low-income customers.

Based upon the total savings required from all sectors, meeting the low-income carve out would require savings of 37,000 MWh from the low-income sector. Although the Company's plan claims savings of 71,000 MWh savings from low-income customers only 22,000 MWh of those savings come from programs specifically targeted to the low-income sector and received by confirmed low-income customers. The balance of savings that the Company claims from the low-income sector, 49,000 MWh, comes from general residential customers without low income eligibility verification. (Brady 5). Instead of meeting the low-income carve out in energy savings from confirmed low-income customers the Company claims the majority of its low-income savings from customers who pay for measures under its general residential rebate program. The Company then surveys those customers to determine whether they are low-income. Claiming such savings as low-income savings would defeat the purpose of the statutory carve-out and PUC Implementation Order and such a practice is not likely to be in the best interests of low-income customers in that they will be paying for services that they would otherwise be eligible to receive without cost. CEO contends that the 4.5% requirement, savings of 37,000 MWh, should come directly from measures targeted to confirmed low-income customers.

Further, CEO takes issue with the manner in which the Company claims low-income savings from those residential customers. The Company does not use its normal eligibility process that would be required if a customer wanted to apply for universal services. Instead, claiming savings as low-income is based solely upon results from a short, anonymous, five question phone survey. (Brady 6). CEO questions the ability of such a survey to truly determine whether the customer, who paid for the measure, is in fact low-income. To compound matters, under the Company's Plan if the survey results in the determining that the savings were paid for by a low-income customer the Company merely claims those savings as low-income without identifying the customer or referring the customer to its Act 129 low-income program or universal service program. The result would then be a claim of low-income savings, paid for by a low-income customer, without any capturing of that customer for referral to other Act 129 measures or other available universal service measures. If the Company is allowed to claim such savings as low-income it should be required to actually confirm the customers as low-income, as it would normally do for its universal service programs, and then refer them for other Act 129 low-income measures and other available universal service programs.

CEO contends further that the Plan should include more direct measures for the low-income sector. As indicated above, the majority of the expected savings attributed to the low-income sector comes not from measures offered and targeted to low-income customers but instead are the result of measures targeted to the general residential class. And of those services targeted to the low-income sector most consist of 'soft' measures. In its prior Act 129 plan the Company provided full low-income weatherization services to its low-income customers. However, the proposed plan only provides baseload measures to low-income customers while its prior Act 129 program offered full energy conservation measures – low cost, full cost and baseload measures. (Brady 4). Further, when one looks at the services specifically targeted to low-income customers one can see that there are few direct measures offered but instead the Company targets the low-income sector in large part with educational services. This lack of direct measures targeted to the low-income sector differs from the many and substantial direct measures offered to the other sectors in the Company's Plan. As an example, Exhibit E to the Company's Plan lists all of the measures available to low-income customers but a large majority of those measures are not targeted to low-income customers and include measures, like agricultural measures, that are unlikely to reach or benefit confirmed low-income customers. Of the 75 measures listed in Exhibit E only 14 are targeted to low-income customers. (Brady 6).

In his testimony CEO witness Brady set forth a number of direct measures that could be targeted to the Company's low-income customers. Those measures include measures such as a Nest "learning thermostats", infrared guided air sealing, smart strips and energy information displays. (Brady 8-9). Brady further testified to CEO's first-hand experience in the installation of heat pump water heaters pursuant to a Federal grant. The Company's Plan provides for the installation of just 200 heat pump water heaters throughout its entire territory. Just in Northeastern Pennsylvania over the last two years CEO was able to successfully install 260 units using an earlier generation of heat pump water heater. (Brady 7-8). Brady points out in his testimony that CEO installed an earlier generation model that was larger and more cumbersome than the newer model and that a newer model, the GE GeoSpring Water Heater, has projected savings up to $325.00/year, a 62% reduction in electric usage, and are smaller, less cumbersome and can be installed to replace any standard size resistance water heater. (Brady 7). Brady believes that based upon CEO's experience in conducting the recent Federal program and with the newer, more compact and easier to install heat pump water heaters that CEO could install between 300-400 per year just in Northeastern Pennsylvania alone. CEO contends that the Company's plan to install just 200 heat pump water heaters throughout its entire service territory is insufficient.

Finally, the Company has indicated in its Plan an intention to continue to use community-based organizations in the implementation of its Act 129 Plan. CEO requests that the approval of the ultimate Plan include the requirement that the Company use community-based organizations in those service territories served by those organizations.

III. Request for Relief

1. The Company should be required to obtain all of the required low-income energy savings from measures specifically targeted to and received by confirmed low-income customers;

2. The Company should be required to increase the installation of heat pump water heaters for low-income customers to 500 per year. Further, there should be more direct measures-including but not limited to heat pump water heaters-provided to confirmed low-income customers.

3. If the Company is allowed to claim savings obtained from general residential customers as low-income savings it should only be allowed to do so upon confirmation that those customers are in fact low-income through the Company's established procedures for determining low-income eligibility. Upon confirmation that those customers are low-income those customers should be referred by the Company for participation in the Company's existing low-income programs, including Act 129 measures targeted to low-income customers. Further, the Company should be required to report to the Commission and stakeholders on a semi-annual basis the

confirmation of those customers as low-income and referral of them to the Company's low-income programs;

4. As set forth in the Plan, the Company should be required to continue to work with CBOs in the implementation of its Plan.

Respectfully submitted,

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the foregoing Brief of Intervenor, Commission on Economic Opportunity upon the following participants this 28th day of January, 2013, via first-class mail and electronic mail:

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