



COMMONWEALTH OF PENNSYLVANIA

March 12, 2015

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

I am delivering for filing the original of the Reply Comments, on behalf of the Office of Small Business Advocate.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari
Assistant Small Business Advocate
Attorney ID No. 306921

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corporation :
Phase II Energy Efficiency and Conservation : **Docket No. M-2012-2334388**
Plan :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the foregoing document, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise noted) upon the persons addressed below:

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation for Approval of Changes to Its Phase II Act 129 Energy Efficiency And Conservation Plan :
: **Docket No. M-2012-2334388**
:

**REPLY COMMENTS OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

On January 21, 2015, PPL Electric Utilities Corporation (“PPL” or the “Company”) filed a Petition for Approval of Changes to its Phase II Act 129 Energy Efficiency and Conservation Plan (“Petition”) with the Pennsylvania Public Utility Commission (“Commission”). The Petition seeks permission to make 22 modifications (2 major changes and 20 minor changes) to PPL’s Revised Phase II Energy Efficiency and Conservation Plan (“EE&C Plan”), which was approved by the Commission on July 11, 2013.¹

Comments to the Petition were filed on February 20, 2015, by the Office of Consumer Advocate (“OCA”), the PP&L Industrial Customer Alliance (“PPLICA”), and jointly by the Commission on Economic Opportunity and the Pennsylvania Weatherization Providers Task Force.

The Office of Small Business Advocate (“OSBA”) submits the following reply comments to PPLICA’s comments.

¹ *Petition of PPL Electric Utilities Corporation for Approval of its Phase II Act 129 Energy Efficiency and Conservation Plan*, Docket No. M-2012-2234388 (Order entered July 11, 2013).

II. REPLY COMMENTS

The OSBA supports or does not oppose the majority of the modifications proposed by PPL to its EE&C Plan. The OSBA takes no position on any proposed modifications not specifically referenced herein.

In its comments at pp. 12-13, PPLICA takes issue with the Company's proposal to modify the language relating to the Master Metered Multifamily Housing Program ("Multifamily Program") for the Government, Non-profit and Institutional ("GNI") sector. In particular, PPL proposes to modify the eligibility rules for this program to include customers taking service in rate classes LP4 and LP5 (in the Large C&I rate class group), in addition to customers taking service in rate classes GS1 and GS3 (in the Small C&I rate class group).²

PPL summarizes the program as follows:

The Master-Metered Low-Income Multifamily Housing Program provides eligible customers with an audit and rebates for installing energy-efficiency measures. A turnkey CSP will be engaged to manage the program including qualifying buildings, providing a walk-through audit and encouraging installation of energy-efficiency measures. Replacing and recycling inefficient refrigerators is a large component of the program. The chosen CSP will work with PPL Electric's Appliance Recycling CSP to coordinate recycling.³

PPLICA raises both procedural and substantive objections to the Company's proposal. While OSBA takes no position regarding the procedural matters, OSBA respectfully disagrees with PPLICA's evaluation of the substantive aspect of PPLICA's argument. As a general rule, OSBA agrees with PPLICA that business customers should not be required to pay for low income assistance programs through their electric rates. However, for this particular issue, the

² EE&C Plan at Table S1, page 157.

³ *Id.*

Commission made it very clear in its Implementation Order (Docket No. M-2012-2289411, Order Entered August 3, 2012, 49-51) that EDCs were required to include programs for low income customers in multifamily housing in their GNI programs. The Commission's Implementation Order did not indicate that such programs should be limited to rate classes that take service at secondary voltage (like PPL's Small C&I rate class group), nor did the Commission indicate that the subsidies for these programs should be paid only by small business and not larger business customers. The OSBA respectfully submits that, if the program has economic or policy merit, it has merit for both Small C&I and Large C&I customers.

PPLICA indicates that the previous language for the EE&C Plan explicitly limited eligibility to customers in Small C&I rate classes, and argues that this must have been intentional. The OSBA finds it much more likely that the original expectation was that multifamily customers *only* took service in the Small C&I rate classes, and that any reference to the Large C&I rate classes was unnecessary. (In fact, the OSBA expects that the vast majority of multifamily load does take service in Small C&I rate classes.) Thus, to the extent that there even are any multifamily customers who take service in rate classes LP4 or LP5, the OSBA views the proposed change as rectifying a minor oversight in the original language, rather than any fundamental change in the intent of the program.

PPLICA goes on to argue that PPL forecasts that it will exceed its GNI compliance target, and that there is therefore no need to expand the eligibility for this particular program. Again, the OSBA respectfully disagrees. If there are low income multifamily customers taking service under Large C&I rates, then it is in all customers' interest for PPL to be able to achieve its overall load reduction goals as efficiently as possible. Establishing arbitrary limits on the

types of low income multifamily customers who might be eligible for such programs reduces PPL's flexibility and reduces efficiency.

Thus, while OSBA is sympathetic to PPLICA's concerns that benefits of PPL's EE&C programs may disproportionately flow to GNI customers at the expense of business customers, OSBA does not agree that GNI programs which the Commission has determined are in the public interest should be arbitrarily limited to Small C&I customers.

III. CONCLUSION

The OSBA respectfully requests that the Commission consider and adopt the foregoing reply comments.

Respectfully submitted,



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