



March 12, 2015

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

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

*Reply Comments of the Pennsylvania Coalition for Affordable Utility Services and
Energy Efficiency in Pennsylvania*

Dear Secretary Chiavetta:

We submit these reply comments on behalf of our client, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA). CAUSE-PA is a statewide unincorporated association of low-income individuals which advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunication services. CAUSE-PA membership is open to moderate- and low-income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low-income families maintain affordable access to utility services and achieve economic independence and family well-being.

CAUSE-PA first responds to PPL's expanded eligibility parameters for its Master-Metered Low-Income Multifamily Housing Program ("Multifamily Program"), which the PP&L Industrial Customer Alliance (PPLICA) identified in its Comments as having been omitted from PPL's Petition. In its initial comments, the PP&L Industrial Customer Alliance (PPLICA) asked the Commission to reject the eligibility expansion on procedural grounds for failure to cite the change in its Petition. In the alternative, PPLICA asked the Commission to deny the eligibility standards based on PPL's projections to exceed its GNI reduction targets. (PPLICA Comments, 12-13). CAUSE-PA disagrees with PPLICA's request to reject PPL's eligibility expansion and, to the contrary, asserts that such a change is necessary to enable PPL to continue, and further develop, its recent initiatives into the low-income multifamily housing sector. The expansion proposed by PPL is consistent with the Commission's encouragement to utilities to expand its activities into this sector and will better enable PPL's Act 129 programs to benefit by the significant untapped energy savings which low-income multifamily energy efficiency will provide.

PPLICA is correct in pointing out that PPL's Petition did not identify the change to program eligibility, which was included within the redlined Plan which PPL submitted. Nevertheless, CAUSE-PA asks the Commission to provide interim approval of PPL's expanded eligibility requirements for its Multifamily Program, pending its submission of an amended Petition, to ensure that PPL can continue to achieve progress in serving multifamily housing buildings within its service territory without unnecessary delay.

Expanded eligibility for the Multifamily Program is an important step toward increasing the overall percentage of savings attributable to this unique subset of the GNI sector. Until recently, multifamily housing has been largely underserved by Act 129

Energy Efficiency programs. As the Commission recognized in its Phase II Implementation Order, the multifamily sector “has been underserved due to barriers and issues with metering classification,”ⁱ despite the fact that the potential to achieve savings and decrease demand in this sector is significant.ⁱⁱ It is therefore important for PPL to continue expanding and enhancing its Multifamily Program and to continue to facilitate the evolution of innovative solutions that address the unique challenges presented by multifamily housing metering constraints.

PPLICA argues that PPL’s change to its Multifamily Program eligibility should be denied on substantive grounds (if not denied on procedural basis) because PPL met its target savings for the GNI sector through its Phase I carryover, and stands to exceed its goal by 109% by the end of Phase II. (PPLICA Comments at 13). But this argument does not account for the fact that the multifamily housing sector only began to receive targeted Act 129 programming in PPL service territory at the start of Phase II, when PPL first implemented its Multifamily Program. (PPL Pet. Appendix A, 157). As such, none of the Phase I program savings carryover is attributable to multifamily buildings. (PPL Pet. Appendix A, 157, 217). Moreover, only a small share of the GNI savings in Phase II are from the PPL Multifamily Program. The savings in PY 5-7 amount to a combined 88,804 MWh, compared to 1,050,507 MWh in the GNI Prescriptive Efficient Equipment Incentive Program during the same period. (PPL Pet. at Apx. A, p. 217).

Approving of PPL’s expanded eligibility for its Multifamily Program is squarely in line with the Commission’s Phase II Implementation Order, which “encourage[d] the EDCs to give special emphasis and consideration to multifamily housing within the

government/educational/nonprofit sector,” and will ensure that the program is well primed for further success in Phase III.

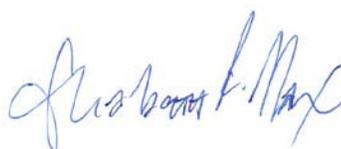
In addition to supporting the expanded eligibility for its Multifamily Program, CAUSE-PA provides its full support for the Comments submitted on behalf of the Commission on Economic Opportunity (CEO) and the Pennsylvania Weatherization Providers Task Force. Like CEO and the Pennsylvania Weatherization Providers Task Force, CAUSE-PA is generally supportive of PPL’s Plan to include additional funding and measures for its low-income customers, and applauds PPL’s efforts to achieve savings for confirmed low-income customers, as opposed to relying on the attribution of savings from its general residential programs.

Moreover, CAUSE-PA strongly supports PPL’s introduction of a de facto heating program to address dangerous and inefficient heating situations for low income customers within its service territory. However, we underscore the comments of CEO and the Pennsylvania Weatherization Providers Task Force that there is a potential for growth beyond the initial target of just 20 customers. CAUSE-PA requests that PPL consider growing the pilot at the outset, since a target of 20 customers may not present a statistically significant test group. The success of a pilot program relies on the availability of representative data to assess the program’s likelihood of success as a full-scale program. Like CEO and the Pennsylvania Weatherization Providers Task Force, CAUSE-PA looks forward to the results of the pilot, and is hopeful that the program will be increased in subsequent years to fully address the issue of de facto heating.

In sum, CAUSE-PA supports the modifications outlined in PPL's Petition which will enhance low income and multifamily programming, and urges the Commission to provide interim approval of PPL's amended Act 129 Plan pending its submission of an amended Petition to include the expanded eligibility for its Multifamily Program.

Respectfully Submitted,

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ⁱ Phase II Energy Efficiency and Conservation Program, *Implementation Order*, Docket No. M-2012-2289411, at 49 (Aug. 2, 2012) (hereinafter *Phase II Implementation Order*).

ⁱⁱ *Phase II Implementation Order* at 51 (“The multifamily housing sector has the potential to provide significant energy savings and to address aging multifamily housing stock within the state.”).

In the Commission's Phase III Tentative Order, issued March 11, 2015, it found “that multifamily housing represented 11.8% of the base achievable savings within the residential sector, when reviewing the base achievable savings by housing type.” However, the Commission also explained that “The SWE did not provide any further analysis of multifamily housing in its EE Potential Study, so it is not possible to determine an accurate picture of the true potential across all sectors.” Phase III Energy Efficiency and Conservation Program, *Tentative Order*, Docket No. , at 66 (March 11, 2015).

Optimal Energy, an energy efficiency consultant, recently conducted a targeted study of the potential energy savings in Pennsylvania's affordable multifamily housing, which may be helpful to the Commission in creating an accurate picture of the true potential savings in the multifamily sector. In its findings, which are due to be released publically later this month, Optimal Energy concludes that *the multifamily housing market in PPL service territory has the potential to yield 120 GWh savings over the next 20 years*. Optimal Energy, *Potential for Energy Savings in Affordable Multifamily Housing* (To Be Released: March 2015).