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May 1, 2015

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor (filing room)
Harrisburg, PA 17120

Re: 2016 Total Resource Cost (TRC) Test; Docket No. M-2015-2468992;
COMMENTS OF THE PENNSYLVANIA STATE UNIVERSITY'S

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission The Pennsylvania State University's Comments in the above-referenced proceeding. Copies have been served in accordance with the attached Certificate of Service.

Should you have any questions or comments, please feel free to contact me directly.

Very truly yours,

Thomas J. Sniscak
Christopher M. Arfaa

*Counsel for
The Pennsylvania State University*

TJS/CMA/das
Enclosures
cc: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

2016 Total Resource Cost (TRC) Test

Docket No. M-2015-2468992

**COMMENTS OF
THE PENNSYLVANIA STATE UNIVERSITY**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

On October 23, 2014, Pennsylvania Public Utility Commission (Commission) issued a Secretarial Letter at Docket No. M-2014-2424864. Among other things, the Secretarial Letter indicated that the 2016 Total Resource Cost (TRC) Test would be addressed at this docket. It also posed several questions, including questions relative to the TRC Test. On December 19, 2014, the Pennsylvania State University (Penn State or the University) submitted comments (December 2014 Comments) on several of the topics raised in the Secretarial Letter. On March 11, 2015, the Commission issued a Tentative Order, in which the Commission set forth, for public comment, its proposed changes to the 2013 TRC Test. Penn State applauds the Commission's efforts in this regard and appreciates the opportunity to submit these Comments.

In its December 2014 Comments, Penn State recommended that the Commission establish a periodic review and updating process in Phase III and that the TRC Test methodology be reviewed and updated annually. Other commenters also urged the establishment of a periodic review process every two or three years. However, the Commission tentatively rejected these recommendations and declined to establish any fixed timeline for further review, stating:

Amending the TRC Test mid-phase could be detrimental to the determination of cost-effectiveness of the programs and could result in extensive EE&C Plan changes. Such changes could also interfere with comparisons between years within a phase. (Tentative Order at 35.)

Penn State respectfully submits that while the Commission's stated concerns are relevant to whether the TRC Test should be *changed* mid-phase, they are not relevant to whether the TRC Test should be periodically *reviewed* during Phase III. Periodic review is necessary to ensure that the TRC Test keeps pace with technological changes. The concerns identified by the Commission should be weighed against any changes to the TRC Test that may be proposed during a periodic review. They should not preclude the Commission from adopting a necessary means of mitigating the perennial problem of regulatory lag. Penn State therefore renews its recommendation that the Commission establish an annual process in Phase III for reviewing and updating the TRC Test.

Respectfully submitted,



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DATED: May 1, 2015

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in the manner indicated below, and in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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Dated this 1st day of May, 2015



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