

I. INTRODUCTION

These comments are submitted by the Energy Efficiency for All (EEFA) coalition in response to the Act 129 Phase III Energy Efficiency and Conservation Program (EE&C) Plan filed by the Duquesne Light Company (Duquesne) on November 30, 2015.

EEFA is a partnership of national and Pennsylvania organizations that share a common goal of ensuring that the owners and tenants of multifamily housing can access energy efficiency services to reduce the energy consumption of these buildings and to preserve existing affordable housing for economically vulnerable households. EEFA members and supporters who participated in the development of these comments include ACTION-Housing, Inc., The National Housing Trust, The Natural Resources Defense Council, the Keystone Energy Efficiency Alliance, and Earthjustice.

In these comments, EEFA (1) identifies four program elements that should inform treatment of multifamily efficiency in all EDCs' plans, (2) discusses, in light of these four elements, several particular issues with Duquesne's plans, and (3) requests that the PUC approve Duquesne's plans only on condition that it provide certain additional information to the PUC. Within 60 days, Duquesne should be required to provide specific, quantified information (detailed below) concerning its planned budgets, savings, incentives, and outreach plans for multi-family initiatives. Complementarily, EEFA recommends that the PUC direct the SWE, with input from stakeholders and EDCs, to develop requirements for transparent data tracking and reporting for the EDCs' multifamily programs—the tracking and reporting that will be needed to conduct a potential study for multifamily energy efficiency and assess whether the EDCs are adequately addressing the needs of the multifamily market. Finally, EEFA recommends that the Commission provide additional guidance to increase the effectiveness of the Multifamily Housing Working

Group (MHWG) that the Commission directed the Bureau of Consumer Services (BCS) to convene.¹ Where EEFA does not provide specific comments on the EE&C Plans it requests that the Commission not take that to imply endorsement by EEFA.

EEFA thanks the Commission for the opportunity to provide these comments.

II. ESSENTIAL MULTIFAMILY PROGRAM ELEMENTS FOR EE&C PLANS

EEFA appreciates the emphasis that the Commission has placed on providing sufficient benefits to the multifamily market, and recognizes that elements of the plans filed by most of the EDCs demonstrate some effort to improve the availability of these services. However, the EDCs have not gone far enough to assure that their multifamily programs will be successful in meeting the needs of their customers. Consistent with best-practice approaches to providing efficiency services for multifamily housing² and with EEFA's previous comments in Phase III proceedings³, EEFA recommends that the Commission provide additional direction to the EDCs and require them to place special attention on the following key elements of their multifamily energy efficiency program designs in order to overcome the unique barriers faced by this market:

1. Programs must strive to provide comprehensive savings in multifamily housing that address all applicable end uses, regardless of whether electricity is provided through residential or commercial accounts, or through a combination of the two;
2. Program participation requirements must be streamlined to eliminate programmatic barriers to participation;

¹ Act 129 Phase III Implementation Order, p.80

² For example, see <http://energyefficiencyforall.org/resources/program-design-guide-energy-efficiency-programs-multifamily-affordable-housing> and <http://aceee.org/research-report/e13n>.

³ <http://www.puc.state.pa.us/pcdocs/1356566.pdf>

3. Incentives for affordable multifamily housing initiatives must be sufficient to overcome the unique financial barriers that this market faces, with universally slim operating margins and the inability of affordable housing providers to adequately recover operating and capital costs through increased rents;
4. EDCs must engage housing providers and supporting organizations to develop collaborative approaches to reaching this market and overcoming the participation barriers that it faces.

The Commission should also charge the MHWG with addressing these items at its meetings and in its reports (see below). As filed, the plans of some of the utilities address these program elements to some degree. However it is generally not possible, with the limited detail provided in the EDCs' plans, to confirm the extent to which they have taken these program elements into account in their program designs, nor how they will be applied. Therefore EEFA requests that the Commission clearly state its expectations that the EDCs incorporate these best practices in implementing their multifamily energy efficiency programs, and that it require supplemental information on the EDC Plans as follows.

III. SPECIFIC COMMENTS REGARDING DUQUESNE'S EE&C PLAN

EEFA appreciates the relatively greater level of detail that Duquesne provides in its EE&C Plan compared with the other EDCs. Low income multifamily retrofit projects are expected to provide 35% of the low income savings from projects in master-metered multifamily affordable housing, and EEFA applauds this level of commitment to multifamily energy efficiency. However, it is not clear from Duquesne's plans how it will also provide services to individually metered low income multifamily projects, nor how it will address common area measures and whole-building systems in low income multifamily housing. Consistent with best practice

approaches, EEFA urges the Commission to require Duquesne to also address these components of the low income multifamily market in its territory.

There are further questions regarding Duquesne's plans as well. The measure lists that are provided include neither air sealing nor duct sealing- typically two highly cost-effective building retrofit measures. Duquesne should modify its program offerings to include these measures. Also, in Figure 33 Duquesne shows that 23% of anticipated program costs are for incentives and 77% are for administration. For clarity, Duquesne should provide a detailed budget that shows the specific expenditures that are included in each category.

IV. PLAN TRANSPARENCY AND DATA TRACKING AND REPORTING FOR MULTIFAMILY PROGRAMS

EEFA requests that the Commission require the EDCs to provide supplements to their filed Phase III plans within 60 days to provide greater detail about proposed budgets and savings for the multifamily market. The lack of transparency in the EDC's plans has made it challenging for EEFA to ascertain critical aspects of planned multifamily implementation, without which it is not possible to determine the sufficiency of the EDC's proposed efforts. For example, PECO does not provide any breakdown of the scale of its expected investments or savings in discrete low-income program areas. Similarly, the First Energy Companies provide no detail about how they will conduct outreach to engage multifamily housing owners, or what the specific eligibility criteria are for participation in the different low income programs. This information and more should have been included in the EDCs original filings so that the Commission and stakeholders would be able to discern the EDCs intent. A requirement for the EDCs to provide explicit multifamily planning data as supplements to their filed plans, and in the future for them to include these data in their primary filings would better serve all parties. The data which are largely unavailable in the EDC filings include, among others:

- Total budgets available for multifamily initiatives. These budgets may already be included as parts of other, more encompassing residential or C&I budgets but it is generally impossible to identify how much of each budget category is planned to contribute to multifamily projects, or what the total combined multifamily expenditures across all budgets are expected to be;
- Planned savings for multifamily programs, both within individual residential and C&I budgets and as a total of all these budget areas combined;
- Number of multifamily buildings and units which are expected to receive efficiency services, and the level of savings that are expected at the building and unit level;
- Magnitude of incentives available for multifamily measures and projects— both the portion of residential and C&I budgets that is expected to be committed for multifamily projects, and the percentage of total project costs that incentives are expected to offset;
- Outreach plans for engaging affordable housing providers and multifamily building owners and managers to ensure meaningful participation in this sector. Indeed, the Commission has previously directed the EDCs to engage with PHFA and affordable housing providers, but there is little discussion of how the EDCs will do this in the plans that they filed. EEFA requests the Commission to require the EDCs to file sufficiently detailed outreach and engagement plans to demonstrate how they will successfully enroll sufficient multifamily properties in comprehensive projects to assure that this underserved market is receiving equitable treatment under Act 129.

EEFA requests that the Commission order Duquesne to provide these data within 60 days as a condition of plan approval, and that they be explicitly included in future plan updates and filings.

EEFA further recommends that the Commission initiate a process through which the Statewide Evaluator (SWE), working with input from stakeholders and EDCs, will, within 90 days, develop requirements for transparent data tracking and reporting for the EDCs' multifamily programs. Among other key data to be determined upon recommendation of the SWE, the EDCs should track and report both projections and actual results including number of projects completed, total units per project, number of units served per project, savings per unit and per project, utility cost and owner cost per unit and per project, the savings opportunities that have been identified and the actual measures that were installed, and so on. This should be done quickly to ensure that mechanisms are put in place early, so that data will be available in the EDCs' regular reporting from the outset of the Phase III program cycle. This will allow the Commission and interested stakeholders to assess the adequacy of the EDC multifamily efficiency efforts. Initiating multifamily reporting requirements will, along with an assessment of multifamily potential from the SWE, provide sufficient data for the Commission to determine the prudence of establishing specific multifamily savings carve-outs in future phases of Act 129 implementation.

V. MULTIFAMILY HOUSING WORKING GROUP

EEFA applauds the Commission for convening the MHWG, and is pleased to have participated in its initial meeting on December 16, 2015. EEFA welcomes the invitation from several of the EDCs to engage with them directly in informal discussions regarding their multifamily programs, and looks forward both to those discussions and to future meetings of the MHWG. While acknowledging the Commission's decision that the EDCs are not obligated to incorporate any recommendations of the MHWG in the implementation of their programs, EEFA urges the Commission to require the MHWG to meet at least every three months in a format that

encourages direct exchanges between participants,⁴ and to report on its progress to the Commission annually. EEFA suggests that a mandate to provide the Commission with a written report of its activities and findings will assure that the MHWG continues to receive sufficient attention from all parties to drive the development of specific recommendations to enhance the multifamily programs. Additionally, a written report will provide the Commission with important information on the successes of the multifamily programs, as well as the challenges they face. In concert with the enhanced multifamily data reporting that EEFA recommends and an assessment of multifamily potential developed by the SWE, this annual report of the MHWG will provide the Commission with the data it needs to assure that this market is being provided with sufficient energy efficiency opportunities. EEFA recommends that the report include:

1. A summary of activities for the year, including meeting schedules, agendas, and minutes;
2. A summary of progress on the four key program elements listed at pp. 3-4 above, and any other specific findings and recommendations for enhancement of multifamily energy efficiency services;
3. Detail on how EDCs have incorporated or will incorporate MHWG recommendations to improve the implementation of their plans, or rationale for not incorporating recommendations where appropriate.

VI. CONCLUSION

The EE&C Plans that Duquesne has provided show a significant investment in planning

⁴ The initial MHWG meeting was held in a hearing room, with Staff at a table at the head of the audience and participants seats that all faced front. EEFA believes that modifying the physical arrangement of the room to facilitate direct exchanges between the participants would be more useful. This could be accomplished easily by arranging chairs in a conference table configuration.

to meet the needs of multifamily affordable housing, however more information is needed. EEFA urges the Commission to require Duquesne to provide information on how it will address both the living units and the common area opportunities in individually metered multifamily housing. EEFA also recommends that the Commission require clarification on why duct sealing and air sealing— two highly cost-effective measures— are not included in the measure lists for multifamily housing. Further, EEFA requests the Commission to initiate a process with the SWE to assure that multifamily data are tracked and reported adequately so that the Commission and stakeholders will be able to determine the extent to which services are meeting the opportunities and needs of those Pennsylvanians who live in multifamily dwellings. Lastly, EEFA asks that the Commission provide additional direction to the MHWG to assure that its work is carried out effectively and in a timely manner.

Respectfully submitted,

/s/Sarah Ralich

Energy & Construction Manager
ACTION-Housing, Inc.
611 William Penn Place, Suite 800
Pittsburgh, PA 15219
(412) 281-2102 x 2054
sralich@actionhousing.org

/s/Todd Nedwick

Housing and Energy Efficiency Policy Director
National Housing Trust
1101 30th Street, NW, Ste.
100A Washington, D.C. 20007
(202) 333-8931
tnedwick@nhtinc.org

/s/Deron Lovaas

State/Federal Policy & Practice Dir., Urban Solutions
Natural Resources Defense Council
1152 15th Street NW, Suite 300
Washington, D.C. 20005
(202) 289-2384
dlovaas@nrdc.org

/s/Brian Kauffman

Executive Director
Keystone Energy Efficiency Alliance
1501 Cherry St.
Philadelphia, PA 19102
(267)-519-5314
bkauffman@keealliance.org

/s/ Charles McPhedran

Staff Attorney
Earthjustice
1617 JFK Boulevard, Suite 1130
Philadelphia, PA 19103
(215) 717-4521
cmcphedran@earthjustice.org