

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of its Act 129 : Docket No. M-2015-2515642  
Phase III Energy Efficiency and :  
Conservation Plan :

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**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA IN SUPPORT OF THE JOINT  
PETITION FOR APPROVAL OF PARTIAL SETTLEMENT**

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The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), one of the signatory parties to the Joint Petition for Approval of Partial Settlement (“Joint Petition” or “Settlement”), believes that the terms and conditions of the Settlement are in the public interest and, through its counsel at the Pennsylvania Utility Law Project, submits this statement in support.

**I. INTRODUCTION**

CAUSE-PA intervened in this proceeding to address, among other issues, whether the proposed Phase III Energy Efficiency and Conservation (EE&C) Plan of PPL Electric Utilities Corporation (PPL or the Company) adequately ensure that its low income customers, as defined in the Act, are correctly targeted; whether those low income customers will obtain a share of the total energy savings that is in accord with the Commission’s Phase III Implementation Order; and whether the measures employed, and methods of coordination and education, are appropriate and comport with and satisfy the requirements of Act 129 and Commission Orders. Although not all of CAUSE-PA’s positions have been fully adopted, the settlement was arrived at through good faith negotiation and thoughtful compromise to reach an appropriate resolution of the parties’ concerns.

The Settlement is in the public interest in that it addresses the issues of concern to CAUSE-PA (namely, that the low income programs are appropriately targeted to reach the deepest levels of cost and energy savings for low income households), balances the interests of the parties, and resolves a number of important issues fairly. Substantial litigation and associated costs will be avoided; and if approved, the Settlement will eliminate the possibility of further Commission litigation and appeals in this case, along with their attendant costs.

## **II. BACKGROUND**

CAUSE-PA accepts and adopts the Background statement as it appears in Section II of the Joint Petition.

## **III. REASONS FOR CAUSE- PA SUPPORT OF THE JOINT PETITION**

Section III of the Joint Petition sets out the specific settlement provisions. Many of these provisions address issues presented in testimony and negotiated by the parties concerning aspects of the Companies' Act 129 Phase III Plans affecting low income customers. The resolution of these issues, through this Settlement, furthers the goals of Act 129 and Commission Orders regarding the energy efficiency and conservation services and measures to be provided to low-income households within PPL's service territory and is in the public interest.

### **1. Enhanced Programming for Affordable Multifamily Housing**

In Paragraphs 33-37, 44, and 46 of the Joint Petition, PPL takes important steps toward addressing the energy efficiency needs of single- and master-metered multifamily buildings. Each was specifically suggested by CAUSE-PA witness, Mr. Harry Geller, in his direct testimony.<sup>1</sup>

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<sup>1</sup> See CAUSE-PA Statement No. 1-REVISED at 24-26.

*a. Coordination and Leveraging of Multifamily Programming*

First, paragraphs 33 and 34 ensure that the programs serving multifamily buildings – regardless of the building’s customer classification (residential or commercial & industrial) -- will be coordinated in a consistent manner through a single point of contact. And, in paragraph 36, PPL commits to align – to the extent possible – with the energy efficiency guidelines and requirements set forth by the Pennsylvania Housing Finance Agency in its Qualified Allocation Plan and Energy Rebate Analysis. Finally, in paragraph 37, PPL commits to host a stakeholder meeting with key stakeholders – including the Pennsylvania Housing Alliance – to solicit feedback and identify potential positive changes to PPL’s portfolio of multifamily programs. This meeting will allow real-time adjustments to the programming based on a multitude of stakeholder input. Together, these provisions of the Settlement will help to streamline and leverage existing infrastructure and networks to effectively implement and deliver meaningful energy efficiency programming to affordable housing providers across the PPL service territory.

*b. Service for Low Income Multifamily Units*

The Settlement also specifically addresses low income residential units within single- and master-metered buildings. Paragraphs 44 and 46 respectfully clarify that low income tenant units within single- and master-metered buildings will receive no-cost measures through PPL’s Low Income WRAP. Master-metered building unit participation in Low Income WRAP is capped at a budget of \$2.5 million – with the possibility of an increase with Commission approval. In its Phase III Implementation Order, the Commission emphasized the importance of energy efficiency

programming for affordable multifamily homes, and noted that enhanced programming for affordable multifamily buildings was supported unanimously amongst stakeholders.<sup>2</sup> The Commission ultimately chose not to adopt a specific savings target for multifamily housing in Phase III, but nonetheless encouraged EDCs to offer programming for multifamily buildings as part of their Phase III portfolio. CAUSE-PA strongly supports the availability of no or low cost direct installation programming for affordable multifamily housing, as it has multifaceted and far-reaching benefits for all customer segments.<sup>3</sup>

## 2. Enhanced Coordination, Leveraging, and Tracking of Low Income and LIURP WRAP

In paragraphs 38-41, 43, and 47, the Settlement sets forth a series of provisions designed to enhance coordination between and leveraging/tracking of PPL's Act 129 Low Income WRAP and LIURP WRAP. These programs were coordinated in the past through Phases I and II, but the actual number of baseload, low-cost, and full-cost jobs completed by each program raised significant question as to whether PPL's coordination efforts were successful at achieving leveraged savings for low income participants.<sup>4</sup>

The series of paragraphs addressing coordination between and leveraging/tracking of Low Income WRAP and LIURP WRAP in the Settlement are designed to ensure that PPL will continue to improve its coordination across its LIURP WRAP and Low Income WRAP, and will track its progress in a manner that allows the Commission, independent evaluators, and affected stakeholders to track the Company's progress in enhanced coordination.

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<sup>2</sup> Phase III Implementation Order at 76-77.

<sup>3</sup> See CAUSE-PA Statement No. 1-REVISED at 24-27.

<sup>4</sup> CAUSE-PA Statement No. 1-REVISED at 17-19.

*a. Coordination and Leveraging of Low Income and LIURP WRAP*

Paragraphs 38-40 provide that PPL will leverage funding and coordinate between the two programs in a manner similar to its efforts in Phases I and II to provide seamless service to low income customers. This coordination will ensure that low income customers requesting energy efficiency and conservation services will be served holistically through one or both of the programs, regardless of how they come into the system.

*b. Targeted Marketing of Low Income and LIURP WRAP*

In Paragraph 41, PPL commits to conduct marketing to confirmed low income customers who are not already enrolled in OnTrack, and agrees to update parties and gather input on its marketing efforts at its Act 129 stakeholder meetings. This provision was designed to address the rise in baseload jobs and decline in full-cost jobs in Phase II, which Mr. Geller discussed extensively in direct testimony.<sup>5</sup> In response to Mr. Geller’s concerns over declining full-cost jobs, PPL witness Peter Cleff explained that a primary reason for the decline in full-cost jobs and rise in baseload jobs was the fact that the “dominant source of referrals for PPL Electric’s Low Income WRAP is through OnTrack.”<sup>6</sup> Mr. Cleff asserted that OnTrack customers were less likely to need full cost jobs because two-thirds of OnTrack customers do not heat with electric – a requirement for receipt of full-cost remediation.<sup>7</sup> Paragraph 41 was therefore designed to target WRAP marketing to

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<sup>5</sup> CAUSE-PA Statement No. 1-REVISED at 17-19 (citing Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan, Opinion and Order, M-2012-2334388 (July 11, 2013) (approving PPL’s Revised Phase II Energy Efficiency and Conservation Plan); and Pa. PUC, Bureau of Consumer Services, 2013 Report on Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies, at 6 (2013)).

<sup>6</sup> PPL Statement 1-R at 23.

<sup>7</sup> Id.

non-OnTrack customers to ensure that all low income customers<sup>8</sup> are able to meaningfully access the benefits of energy efficiency and conservation programming.

*c. Proper Tracking of Completed Low Income and LIURP WRAP Jobs*

In paragraph 43, PPL confirms that it provides all Low Income and LIURP WRAP participants with the deepest measures available for each client. In turn, PPL pledges to track and report on its Low Income WRAP jobs in the same manner that it tracks and reports its LIURP WRAP jobs. This data will ensure that the Commission and interested stakeholders will be able to compare the programs side-by-side in future years to ensure proper program alignment and coordination.

*d. Consistency in Low Income and LIURP WRAP Delivery*

Finally with respect to LIURP WRAP and Low Income WRAP coordination, PPL was explicit in paragraph 47 that a providers' experience administering LIURP WRAP, the Department of Energy's Weatherization Assistance Program, and/or low income programming generally "should be considered in the bid process" conducted by the Low Income CSP. This bid preference is important, as it ensures that the infrastructure and institutional knowledge built in years' past will be leveraged to effectively and efficiently deliver Phase III programming.

**3. Inclusion of Measures for Manufactured Housing**

In paragraph 45, PPL agreed to allow low income occupants/owners of manufactured homes to obtain the same Low Income WRAP measures available to low income occupants/owners

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<sup>8</sup> There were 41,288 PPL customers enrolled in OnTrack in 2014, compared to 171,171 confirmed low income customers and 322,500 estimated low income customers. See CAUSE-PA Statement 1-REVISED at 13-14 (citing Pa. PUC, Bureau of Consumer Services, 2014 Report on Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies, at 6 (2014), available at [http://www.puc.state.pa.us/General/publications\\_reports/pdf/EDC\\_NGDC\\_UniServ\\_Rpt2014.pdf](http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2014.pdf)).

of other residential homes. In its initial EE&C Plan, PPL proposed to provide a self-installation kit to occupants/owners of manufactured homes. Mr. Geller explained in direct testimony that, as proposed, PPL's plan provided insufficient services to this unique and historically underserved housing segment.<sup>9</sup> Allowing manufactured housing occupants/owners to access measures through Low Income WRAP will help to ensure equity in program availability across housing type, and will address the aging manufactured housing stock in Pennsylvania, which is primarily owned and occupied by low income households.<sup>10</sup>

#### 4. Coordination with Natural Gas Distribution Company Energy Efficiency Programs

In paragraph 42, PPL commits to ensuring that its Low Income CSP meets with Natural Gas Distribution Companies which operate in the PPL service territory. This provision is important, as it will ensure that Low Income CSPs are knowledgeable about and able to coordinate programming with and/or refer clients to appropriate NGDC programs for assistance with gas-related energy efficiency and conservation remediation.

## **IV. CONCLUSION**

The Joint Petition avoids extended litigation with potentially uncertain outcome, actively addresses low-income concerns and satisfies the Commission's requirements of Act 129 Phase III in regard to those matters.

The Joint Petitioners arrived at the Settlement after a number of meetings, discussions, discovery and extensive negotiations. The Settlement terms and conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (*see* 52 Pa. Code §§ 5.231, 69.391, and 69.401).

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<sup>9</sup> CAUSE-PA Statement No. 1-REVISED at 21-23

<sup>10</sup> *Id.*

WHEREFORE, CAUSE-PA submits this Statement of Support and respectfully requests that the Commission find the settlement to be in the public interest and approve it in its entirety without modification.

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
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