

Barry A. Naum Direct Dial (717) 795-2742 bnaum@spilmanlaw.com

April 22, 2020

VIA ELECTRONIC FILING

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

Re: Energy Efficiency and Conservation Program; Docket No. M-2020-3015228

Suspension of Regulatory and Statutory Deadlines; Modifications to Filing and Service Requirements; Docket No. M-2020-3019262

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Petition of the Industrial Energy Consumers of Pennsylvania to Suspend Implementation of the Act 129 Phase IV Requirements and for Other Relief, in the above-referenced dockets.

Upon recommendation of the Secretary's Bureau, this document was filed electronically, and as titled, with the Commission in both above-referenced dockets. All necessary statutory parties, and certain identifiable parties of interest from other similar or related proceedings, are being served with electronic copies of this document in accordance with the enclosed Certificate of Service.

Please contact the undersigned if you have any questions concerning this filing.

Sincerely,

Bv

SPILMAN THOMAS & BATTLE, PLLC

Derrick Price Williamson

Barry A. Naum

BAN/sds Enclosures

c: Chief Administrative Law Judge Charles E. Rainey, Jr. (via E-mail)

Kathryn G. Sophy, Director, Office of Special Assistants (via E-mail)

Renardo Hicks, Chief Counsel, Law Bureau (via E-Mail)

Robert F. Young, Deputy Chief Counsel, Law Bureau (via E-mail)

Paul Diskin, Director, Bureau of Technical Utility Services (via E-mail)

Darren Gill, Deputy Director, Bureau of Technical Utility Services (via E-mail)

Shirley Spunaugle, Secretary's Bureau (via E-mail)

Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency and Conservation : Docket No. M-2020-3015228

Program

:

Suspension of Regulatory and Statutory :

Deadlines; Modifications to Filing and : Docket No. M-2020-3019262

Service Requirements :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

VIA E-MAIL

Richard Kanaskie, Esquire

Allison Kaster, Esquire

Bureau of Investigation & Enforcement

Sharon E. Webb, Esquire

Office of Schiller

Pennsylvania Public Utility Commission Office of Small Business Advocate

400 North Street, 2nd Floor 300 North Second Street

P.O. Box 3265 Suite 202

Harrisburg, PA 17105-3265

rkanaskie@pa.gov
akaster@pa.gov

sgray@pa.gov

sgray@pa.gov

swebb@pa.gov
Tanya McCloskey, Esquire

Darryl Lawrence, Esquire
Office of Consumer Advocate
Tishekia E. Williams, Esquire
Michael Zimmerman, Esquire

5th Floor, Forum Place
555 Walnut Street
Duquesne Light Company
Harrisburg, PA 17101
411 Seventh Avenue
tmccloskey@paoca.org
dlawrence@paoca.org
twilliams@duqlight.com
mzimmerman@duqlight.com

efarah@duqlight.com

Certificate of Service Docket Nos. M-2020-3015228 and M-2020-3019262 Page 2

Michael W. Gang, Esquire Anthony D. Kanagy, Esquire Post & Schell, P.C. 17 North Second Street, 12th Floor Harrisburg, PA 17101-1601 mgang@postschell.com akanagy@postschell.com

Tori L. Giesler, Esquire Teresa K. Harrold, Esquire FirstEnergy Service Company 2800 Pottsville Pike P.O. Box 16001 Reading, PA 19612-6001 tgiesler@firstenergycorp.com tharrold@firstenergycorp.com

John L. Munsch, Esquire FirstEnergy Service Company 800 Cabin Hill Drive Greensburg, PA 15601 jmunsch@firstenergycorp.com

Anthony E. Gay, Esquire
Jack R. Garfinkle, Esquire
W. Craig Williams, Esquire
PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
craig.williams@exeloncorp.com

Kenneth M. Kulak, Esquire Brooke E. McGlinn, Esquire Morgan, Lewis & Bockius LLP 1701 Market Street Philadelphia, PA 19103-2921 ken.kulak@morganlewis.com brooke.mcglinn@morganlewis.com

Kimberly A. Klock, Esquire Michael J. Shafer, Esquire PPL Services Corporation Two North Ninth Street Allentown, PA 18101 kklock@pplweb.com mjshafer@pplweb.com

Michael W. Hassell, Esquire Lindsay A. Berkstresser, Esquire Post & Schell, P.C. 17 North Second Street, 12th Floor Harrisburg, PA 17101-1601 mhassell@postschell.com lberkstresser@postschell.com

Pamela C. Polacek, Esquire
Susan E. Bruce, Esquire
Charis Mincavage, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
ppolacek@mcneeslaw.com
sbruce@mcneeslaw.com
cmincavage@mcneeslaw.com

Elizabeth R. Marx, Esquire Patrick M. Cicero, Esquire Pennsylvania Utility Law Project 118 Locust Street Harrisburg, PA 17101 pulp@palegalaid.net Certificate of Service Docket Nos. M-2020-3015228 and M-2020-3019262 Page 3

Judith D. Cassel, Esquire
Micah R. Bucy, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17105-1778
jdcassel@hmslegal.com
mrbucy@hmslegal.com

Joseph L. Vullo, Esquire Burke Vullo Reilly Roberts 1460 Wyoming Avenue Forty Fort, PA 18704 <u>ilvullo@aol.com</u> Daniel Clearfield, Esquire
Deanne M. O'Dell, Esquire
Sarah C. Stoner, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
dclearfield@eckertseamans.com
dodell@eckertseamans.com
sstoner@eckertseamans.com

Barry A. Naum

Dated: April 22, 2020

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency and Conservation : Docket No. M-2020-3015228

Program :

:

Suspension of Regulatory and Statutory :

Deadlines; Modifications to Filing and : Docket No. M-2020-3019262

Service Requirements :

PETITION OF THE INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA TO SUSPEND IMPLEMENTATION OF THE ACT 129 PHASE IV REQUIREMENTS AND FOR OTHER RELIEF

Pursuant to 52 Pa. Code Section 5.42 and the Emergency Order issued by the Pennsylvania Public Utility Commission ("PUC" or "Commission") on March 20, 2020, at Docket No. M-2020-3019262, the Industrial Energy Consumers of Pennsylvania ("IECPA") hereby submits this Petition to Suspend Implementation of the Act 129 Phase IV Requirements and For Other Relief in order to protect the Pennsylvania public from immediate harm posed by the prospective Phase IV Energy Efficiency and Conservation ("EE&C") program and ongoing EE&C programs currently in place throughout the Commonwealth. IECPA is an association of energy-intensive industrial consumers taking service from a variety of regulated utilities in Pennsylvania whose members constitute some of the largest employers, as well as some of the largest consumers of utility services, in the Commonwealth. In that capacity, and by counsel, IECPA states as follows:

¹ For this reason, IECPA may be bound by actions of the Commission in these proceedings and has an interest that may be directly affected and which is not adequately represented by any existing party. Therefore, to the extent required, IECPA satisfies the standing requirements for eligibility to intervene in Commission proceedings, as

established by 52. Pa. Code § 5.72.

A. The Commission Should Suspend or Delay the Implementation of the Phase IV EE&C Requirements for 270 Days.

As explained in the Tentative Implementation Order issued by the Commission in Docket No. M-2020-3015228 ("Tentative Implementation Order"), the Statewide Evaluator ("SWE") submitted its final *Pennsylvania Act 129 Phase IV Energy Efficiency and Peak Demand Reduction Market Potential Study* and *Pennsylvania Act 129 Phase IV Demand Response Potential Study* ("EEPDR") to the Commission on February 28, 2020, providing the SWE's evaluation and potential for additional cost-effective incremental reductions in electric consumption and peak demand for this five-year period of Phase IV EE&C programs for Electric Distribution Companies ("EDCs") subject to the requirements of Act 129. As the Commission notes, that evaluation and assessment was based on 2018 baseline studies of electricity usage and electrical consuming equipment installed in Pennsylvania at that time, specifically using the Act 129 Pennsylvania-specific cost-effectiveness criteria and the most recent EDC avoided cost projections calculated according to the Commission's 2021 Total Resource Cost ("TRC") Test Final Order. Tentative Implementation Order, p. 9.

Much has changed in Pennsylvania since the issuance of the Tentative Implementation Order and the publication of the SWE's EEPDR, both for utilities and their customers. Specifically, the current novel-coronavirus and COVID-19 pandemic, as well as the Commonwealth's response to the emergency, which currently includes a statewide "stay at home" order and an order requiring the closure of all "non-life sustaining businesses," have forcefully impacted every aspect of economic life in Pennsylvania. For many commercial and industrial ("C&I") utility customers, this has meant either the wholesale closure of operations or significant reductions in production capability and output. For residential ratepayers of electric utilities, this includes the loss of jobs for many and the reduction in income for many others. While the actual

economic impact of the pandemic is not currently known in full, and will not likely be known for many months, as of April 21, 2020, the Pennsylvania Department of Labor and Industry reported as many as 1.56 million unemployment claims.² All of this has had an immediate and substantial impact on electric utilities within the Commonwealth, and on electricity consumption, the demand for electrical power, and projections going forward for what electricity needs (both demand and energy) may arise in the future, both near and far.

The Commission proactively acknowledged the novel-coronavirus and COVID-19 pandemic with its issuance of an Emergency Order in Docket No. M-2020-3019262 ("Emergency Order"), authorizing "[s]uspension, extension, waiver or change of any regulatory, statutory or procedural deadlines" not to exceed 90 days "except upon expedited certification of the question by the Chief Administrative Law Judge or Bureau Director to the Commission." Emergency Order, p. 2. The Commission issued the Emergency Order on March 20, 2020, to "ensure operations continue as smoothly as possible and to prevent any regulatory statute or rule prescribing procedures for the conduct of Commission business from unreasonably interfering with the public interest." *Id.* at 3. Based on this initiative, IECPA requests that the Commission suspend or delay the planned Act 129 Phase IV requirements. This would be consistent with the spirit of the Emergency Order and in keeping with the stated purpose of Governor Wolf's March 6, 2020, Proclamation of Disaster Emergency ("Proclamation") to prevent enforcement of regulatory statutes and procedures that "would in any way prevent, hinder, or delay necessary action in coping with this emergency." *Id.* at 1, citing Proclamation.

IECPA is concerned that any measures to impose additional electricity consumption savings and peak demand reductions, particularly when those measures are based on data that is

-

² https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx

arguably no longer valid or relevant, may create unintended economic hardships on utilities and their consumers and would significantly hinder the ability of all stakeholders to cope with the present emergency. This is especially true considering that the Commission's Tentative Implementation Order has established a statewide budget for Phase IV EE&C programs of over \$1.2 billion, which will be funded entirely through rates borne by consumers who are now confronted with unprecedented economic pressures and a very uncertain economic future.

IECPA appreciates the Commission's Emergency Order, which provides for delays or suspensions of statutory or regulatory requirements up to 90 days. Certainly, a 90-day delay of the Phase IV implementation process and related requirements would be a step in the right direction; however, IECPA submits that a longer delay of 270 days is required. A suspension or delay of this length would permit more time for the Commonwealth, including EDCs, businesses, and all stakeholders, to have a better grasp on the long-term impacts of the current pandemic, would provide some measure of opportunity for meaningful recovery to occur, and would roughly coincide with the year-end and the typical budget changes that accompany the new year for many businesses and individuals. Moreover, it may be prudent for the Commission to re-evaluate the EEPDR in light of the certain changes that have occurred and undoubtedly will continue to occur in relation to demand and energy usage within the Commonwealth as a result of the pandemic, both in the short term and long term.

Of important note in that regard, the schedules and deadlines contemplated by the Commission in the Tentative Implementation Order for development and implementation of the Phase IV EE&C programs are schedules and deadlines established purely by regulatory function, based on the implementation of previous phases of the overall Act 129 goals; there arguably is no statutory obligation within Act 129 that requires the Commission to implement a Phase IV EE&C

regimen on the precise schedule established by the Tentative Implementation Order. Rather, the provisions of Act 129 required that EDCs file initial EE&C plans by July 1, 2009, and then "every five years *or as otherwise required by the Commission*." 66 Pa. C.S. § 2806.1(b) (emphasis added). While Act 129 did require that the Commission evaluate the costs and benefits of EE&C plans beginning on November 30, 2013, "and every five years thereafter" (*i.e.*, November 30, 2018; November 30, 2023; November 30, 2028, etc.), the Commission has since embarked on a separate EE&C filing and review trajectory, as it was empowered to do, that arguably exceeds the requirements established by statute.

As explained in the Tentative Implementation Order, following its reviews of the prior EE&C programs, the Commission subsequently determined in its Phase III Implementation Order "that additional reductions in consumption and peak demand were cost-effective and therefore prescribed reductions in consumption and peak demand targets to be met by May 31, 2021." Tentative Implementation Order, p. 7. These targets are being met by the Phase III programs currently in operation, which were established on a schedule set at the Commission's discretion and are set to terminate well in advance of the Commission's next statutory five-year review deadline of November 30, 2023. In other words, the Commission's ongoing schedule for EE&C programs is approximately two years ahead of the schedule anticipated and codified by Act 129. While IECPA understands the probable intent to keep EE&C investments and savings going in order to maintain momentum, the Commission is not required by statute to do anything until the November 30, 2023, review and evaluation date set by the Act. At that point, per the statute, the Commission may require EDCs to implement additional programs to achieve further savings; but by statute, it need not do anything until then.

-

³ 66 Pa. C.S. § 2806.1(c)(3).

The proactive and aggressive approach employed by the Commission for the implementation of EE&C programs to this point has therefore afforded an opportunity for the Commission to take necessary measures to delay or suspend further EE&C developments, if needed. That need has clearly arisen today given the circumstances of the novel-coronavirus and COVID-19 pandemic. For this reason, IECPA respectfully requests that the Commission now issue an Order suspending the implementation of, and requirements associated with, Phase IV EE&C programs and the schedule established by the Tentative Implementation Order for 270 days, or until another date deemed by the Commission to be reasonable. In addition to the tangible benefits afforded to utilities and their customers by avoiding certain economic harm, such a delay may also provide the SWE, the Commission, and all stakeholders an opportunity to better understand how the economic impacts of the current pandemic may influence projections of electric consumption, peak demand, and potential reductions going forward.

B. The Commission Should Extend the Phase III EE&C Period for an Equivalent 270-Day Period and Provide Other Relief to Consumers and Utilities.

In addition to the issues related to the Commission's implementation of Phase IV EE&C as described above, the novel-coronavirus and COVID-19 pandemic, and the Commonwealth's response to the same, has also created issues that pose immediate harm to the Pennsylvania public as a result of <u>current</u>, <u>ongoing</u> EE&C programs and associated costs. This harm consists of continued collection of charges from ratepayers for EE&C investments and measures that are now disassociated with the energy consumption and savings potentials previously assessed and evaluated in the course of the creation, submission, and approval of those investments and measures. Furthermore, utilities have been required to shut down or dramatically decrease EE&C related activities that are intended to meet the energy and peak demand savings established by Act 129.

As such, and without some measure to prevent it, or some assurance that economic recovery will happen in a sufficient time and manner to permit quick re-establishment of those activities, the EDCs subject to the Act 129 requirements also face the substantial penalties contained within the Act for failure to meet those energy and peak demand reductions. Accordingly, the Commission should, in addition to suspending the implementation and requirements of the Phase IV EE&C process: (1) extend Phase III for 270 days coinciding with the suspension of the Phase IV implementation, or for the duration of any suspension otherwise approved under Section A, *supra*, insuring that all current or pending energy efficiency or peak demand projects and measures intended for the benefit of customers continue or re-start as soon as possible; (2) reduce the collection of associated Phase III surcharges by at least 50 percent, subject to later reconciliation and collection; and (3) suspend or temporarily waive the EDC penalties mandated by Act 129 for the duration of the extension of the Phase III programs.

1. The Commission Should Extend the Term of the Phase III EE&C Programs for 270 Days or Otherwise in Accordance with Any Approved Suspension of the Phase IV Implementation and Requirements.

As noted above, Governor Wolf's order closing all "non-life sustaining businesses" required the immediate closure of many businesses and operations responsible for the ongoing roll-out and administration of many of the EDCs' various EE&C measures. As such, many of the functions and aspects of <u>current</u> Phase III EE&C programs have necessarily been put on hold. Furthermore, as discussed above in the context of the prospective Phase IV programs, the Phase III programs, measures, and potential energy and peak demand reductions targeted by the current programs were also based on data and projections that are no longer relevant or meaningful under the present pandemic and economic shut-down. Despite this, and despite the benefits that have been obtained in the form of energy and peak demand reductions to this point, the current Phase

III EE&C programs previously approved by the Commission and implemented by EDCs continue to collect charges from all electric distribution customers.

To that end, it is critical to note that for Large C&I customers, the EE&C surcharges implemented by EDCs have typically been in the form of per kW charges that are based on each customer's Peak Load Contribution ("PLC"). While that rate design generally has been a just and reasonable approach for Large C&I customers under "normal" operations during Act 129 program years, those charges are now discordant with reality. The PLCs previously established for Large C&I businesses are presently irrelevant, as it is entirely unlikely, or perhaps impossible, that a typical Large C&I customer is currently operating at or near its PLC, regardless of whether its operations are considered by the Commonwealth to be an essential "life-sustaining" business. Furthermore, it is entirely unknown when or if these businesses may return to operation reflective of those PLCs.

For residential customers, the problem is one of a converse, but equally damaging nature, as these customers are required to pay a per kWh charge for EE&C programs. Due to the present statewide "stay at home" order, all Pennsylvania residents are now living and operating -- including remote work functions and home education for children -- <u>full-time</u> from their homes. This, in turn, has certainly created a substantial increase in residential energy demand and usage (and inflated per kWh charges) never contemplated by any prior EDC or Commission assessment of EE&C costs under any phase, including the background assessments conducted prior to the current Phase IV Tentative Implementation Order.

On the other hand, EDCs may have already begun energy efficiency and/or peak demand reduction projects and measures on behalf of customers that have been placed on hold by the current pandemic, or these EDCs may have planned such measures or projects in the immediate

future that have similarly been postponed. The impact of this has been the postponement of tangible benefits to individual customers, the EDCs (in the form of planned savings necessary to meet Phase III requirements), and to the Pennsylvania public.

For all of these reasons, and in the mutual interest of both the utilities and every customer, regardless of class, there is also an immediate and pressing need for relief related to the ongoing Phase III EE&C programs and costs. Because IECPA has requested that the implementation and requirements of the Phase IV process be suspended for a 270-day period, IECPA also believes that an extension of the current Phase III programs and compliance periods should likewise be extended for a commensurate period of time. Although a full suspension of the Phase III programs -- including the collection of all related expenses through EE&C surcharges -- should arguably be required without additional provisions, IECPA understands that there are risks and costs associated with a full cessation of the programs and potential re-starting of those measures at a future date. Accordingly, in coordination with the proposed 270-day extension of the Phase III programs, IECPA offers the following caveats as additional recommendations that will provide meaningful protections for the interim period.

2. The Commission Should Mandate an Immediate Reduction in the EE&C Surcharges Imposed on Customers by at Least Fifty Percent for the Duration of the Phase III Programs.

As explained above, and without belaboring the point, all customers subject to the current EE&C charges imposed by EDCs are facing both uncertain and challenging economic conditions as well as charges for EE&C programs that are no longer reasonably or meaningfully related to actual consumption and peak demand or utility-specific data that informed the evaluation and development of the Phase III programs. While it would be reasonable for the Commission to suspend all such charges until recovery from the current pandemic is reasonably underway and/or better data is available to support their continuation, IECPA understands that some components of

the EE&C programs are continuing, at cost to the EDCs, and that it may be difficult or more costly to EDCs and their customers to later re-institute programs and measures that have been on hiatus for an extended period of time.

Therefore, in acknowledgement of those factors, but also as a measure to provide immediate relief to customers from charges that are in all likelihood no longer fully just or reasonable, IECPA respectfully requests that the Commission require all EDCs subject to Act 129 requirements to immediately reduce all current EE&C surcharges by at least 50 percent for the duration of the Phase III programs, including the 270-day extension period. At the end of the original Phase III period (i.e., May 31, 2021), and when pandemic recovery is hopefully cemented and better data is available to the Commission, utilities, and stakeholders, IECPA further recommends that the EDCs may then file to reconcile actual Phase III expenditures against overor under-recoveries from customers, per normal reconciliation procedures for such costs. To the extent available data after the initial 270-day period indicates that a further interim decrease, or increase, in EE&C expenditures may be warranted over the remaining period of the Phase III programs, then the EDCs should be required to file for such adjustments, with corresponding adjustments to the applicable surcharges with all final expenses and revenues (not to exceed the expenses and revenues anticipated by the initial implementation of Phase III) to be reconciled at the termination of the Phase III program period.⁴ This would protect an important revenue stream for utilities for costs incurred in pursuit of the Phase III targets during the extension period while also providing certain and meaningful economic relief to ratepayers.

_

⁴ The intent of this provision, in addition to providing immediate relief for ratepayers, is to permit utilities to collect any near term reduction in charges over the full term of the Phase III programs, including the extension period, by tying ongoing and reduced Phase III surcharge revenues to reduced EE&C expenditures.

3. The Commission Should Mandate That Any Current or Planned Energy Efficiency and Demand Reduction Projects Intended for the Benefit of Customers Continue or Start as Soon as is Feasibly Possible.

IECPA understands that any reduction in revenues resulting from a 50 percent reduction in EE&C charges of the Phase III programs necessarily means a decline in energy efficiency and peak demand reduction investments (to the extent such reductions have not already taken place). This, in turn, may lead to unintended consequences that might include the elimination of important energy efficiency and peak demand reduction projects that both EDCs and individual customers either have in progress or may have planned for the immediate future but which may also be on temporary hold due to the pandemic.

In order to prevent this consequence, and to continue to promote the important savings that such projects would contribute to customers and EDCs, IECPA respectfully requests that the Commission further mandate that any such projects that are either in progress or have been planned for implementation in the future, but are on hold due to the novel-coronavirus and COVID-19 pandemic, be continued, or commence, at such time that it is feasibly possible for the customer, EDC, and/or subcontractors responsible for the project's completion to continue or begin work. In other words, IECPA recommends that priority for the extension of the Phase III programs and reduced collection of EE&C surcharge revenue be given to those EE&C projects that have already been scheduled for completion. Upon completion of those in-progress or scheduled projects, the EDCs should invest ratepayer contributions toward remaining Phase III programs and savings targets at their discretion.

4. The Commission Should Suspend or Waive All Penalties Applicable to an EDC's Failure to Meet Specified Energy or Peak Demand Reductions for the Duration of the Phase III Programs.

One of the important elements of Act 129 is the potential imposition of penalties to EDCs for failure to achieve specified reductions in consumption. *See* 66 Pa. C.S. § 2806.1(f). While

these penalties may provide an incentive for EDCs to aggressively pursue energy efficiency and peak demand reductions, they are also severe. Furthermore, these penalties do not contemplate extraordinary circumstances, such as the present novel-coronavirus and COVID-19 pandemic, that may make such objectives impossible for EDCs to satisfy. IECPA acknowledges that any extension of the current Phase III EE&C programs necessarily means that EDCs subject to this provision may not meet those energy and peak demand targets on the schedule set by the Commission in the Phase III proceeding. Given the conditions of the pandemic, IECPA believes that the EDCs are not likely to meet those targets, anyway. For these reasons, IECPA respectfully recommends and requests that the Commission also suspend or waive the penalties for any EDC's failure to achieve the mandated energy and peak demand reductions.

The Commission, with the issuance of the Emergency Order on March 20, 2020, asserted, and delegated to its various bureaus, the authority to take this action. Specifically, the Emergency Order states: "[W]e now delegate the authority to determine the suspension, extension, waiver or change of any regulatory, statutory, or procedural deadlines to individual Commission Bureau Directors whose bureaus are tasked with matters before the Commission." Emergency Order, p. 2. Because the penalties contemplated by Act 129 are specifically tied to energy and peak demand targets established by the Commission for each phase of Act 129 programs, these penalties are, by nature, deadlines that EDCs must meet. Accordingly, these deadlines and penalties constitute both regulatory and statutory deadlines that the Commission has indicated may now be modified, extended, waived, or changed. IECPA requests that the Commission exercise this authority and suspend these penalties for the remaining duration of the Phase III EE&C programs.

As noted above, it is entirely possible under the current pandemic circumstances and the unknown economic future of Pennsylvania that, even with a 270-day extension of the Phase III

programs, EDCs may not be able to achieve the energy and peak demand reductions required by the Commission at the outset of Phase III. If this proves to be the case, after assessment and evaluation by the Commission at the terminus of the extended Phase III period based on the evidence available at that time, then IECPA recommends that the Commission further exercise its authority, as it deems appropriate, to then modify, waive, change, or eliminate the penalty requirement of Phase III.

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully requests that the Pennsylvania Public Utility Commission issue an Order:

- (1) Immediately suspending the requirements and implementation of Phase IV EE&C programs for 270 days, or for such period as the Commission determines is necessary, in order to permit the Commission, the subject Electric Distribution Companies, electricity ratepayers, and the Pennsylvania public to recover from the impacts of the current novel-coronavirus and COVID-19 pandemic before additional mandates of energy and peak demand reductions and the incurrence of the substantial costs necessary to achieve those savings, are imposed, and to otherwise re-evaluate Phase IV goals in light of the future energy impacts of the current novel-coronavirus and COVID-19 pandemic and recovery;
- (2) Immediately, and commensurate with the suspension of the Phase IV implementation, extending the term of the current Phase III EE&C Programs implemented by the subject Electric Distribution Companies for 270 days, or for such period as the Commission determines is necessary, in order to provide an opportunity for Electric Distribution Companies, electricity ratepayers, and the Pennsylvania public to recover from the impacts of the current novel-coronavirus and COVID-19 pandemic before the mandated Phase III energy and peak demand targets must be met;
- (3) Requiring Act 129-subject Electric Distribution Companies to immediately, and in conjunction with the extension of Phase III EE&C programs, reduce all EE&C surcharges imposed on customers by a minimum of fifty percent for the duration of the Phase III programs, including the 270-day extension. At the end of the original Phase III period (i.e., May 31, 2021), and when pandemic recovery is hopefully cemented and better data is available to the Commission, utilities, and stakeholders, IECPA further recommends that the Electric Distribution Companies may then file to reconcile actual Phase III expenditures against over- or under-recoveries from customers, per normal reconciliation procedures for such costs. To the extent available data after the initial 270-day period indicates that a further decrease, or increase, in EE&C expenditures may be warranted over the remaining period of the Phase III programs, then the Electric Distribution Companies should be required to file for such adjustments, with corresponding adjustments to the applicable surcharges with all final expenses and revenues (not to exceed the expenses and revenues anticipated by the initial implementation of Phase III) to be reconciled at the termination of the Phase III program period;
- (4) Mandating that all Phase III projects under progress or planned for future implementation on behalf of individual customers be completed or commences as soon as is feasible under each Electric Distribution Company's existing Phase III program; and,

(5) Immediately suspending the penalties applicable to all Act 129-subject Electric Distribution Companies for failure to achieve the Phase III energy and peak demand targets through the duration of the extended Phase III programs, subject to future modification, change, or waiver by the Commission, at its discretion, at the end of the Phase III program period.

Respectfully submitted,

By

Derrick Price Williamson (I.D. No. 69274)

Barry A. Naum (I.D. No. 204869)

SPILMAN, THOMAS & BATTLE, PLLC

1100 Bent Creek Boulevard, Suite 101

Mechanicsburg, PA 17050

Phone: (717) 795-2740 Fax: (717) 795-2743

dwilliamson@spilmanlaw.com

bnaum@spilmanlaw.com

Counsel to Industrial Energy Consumers of Pennsylvania

Dated: April 22, 2020

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency and Conservation

Docket No. M-2020-3015228

Program

•

Suspension of Regulatory and Statutory

Deadlines; Modifications to Filing and

Docket No. M-2020-3019262

Service Requirements

VERIFICATION

I, Rod Williamson, hereby state that the facts contained in the Petition of the Industrial Energy Consumers of Pennsylvania to Suspend Implementation of the Act 129 Phase IV Requirements and for Other Relief, served on the parties on April 22, 2020, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at any hearing held in this matter. I understand the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to falsification to authorities).

Date: HOPI 22, 2020

Rod Williamson

Industrial Energy Consumers of Pennsylvania