

April 27, 2020

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

RE: Phase IV Tentative Implementation Order
Docket Number M-2020-3015228

Dear Secretary Chiavetta:

On March 12, 2020, the Public Utilities Commission issued a tentative Phase IV Implementation Order and requested comments. Please find Oracle Utilities' comments enclosed for your consideration.

If we can provide any additional information, please do not hesitate to contact me at mary.sprayregen@oracle.com or 571-227-9761.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Sprayregen". The signature is fluid and cursive, with a long horizontal flourish at the end.

Mary Sprayregen
Director, Regulatory Affairs & Market Development

Behavioral energy efficiency

For more than a decade, Oracle Utilities (through the Opower platform) has reliably delivered behavioral energy efficiency at scale. Opower's solutions were founded by a desire to target wasted energy through behavioral science. One of the greatest attributes of our programs is the rigor that we bring to measuring and verifying savings using a Randomized Control Trial (RCT). According to the U.S Department of Energy, the RCT is the most rigorous approach to measuring and verifying energy savings.¹

In Pennsylvania, more than 2 million residents have received an Opower Home Energy Report (HER), delivering nearly 2 TWh of electricity savings. *That's enough electricity to power over 190,000 Pennsylvania homes for a year.*

In addition to our work in Pennsylvania, behavioral energy efficiency programs have been adopted in more than 30 U.S. states and 3 Canadian provinces as a proven way to drive equitable, large scale energy savings across the residential sector. This is reflected in numerous efficiency potential studies over the last 10+ years. Behavioral programs have been running in places such as California and Massachusetts for more than 10 years and still there remains a significant amount of behavioral savings per recent potential studies.

Customer equity and experience matters

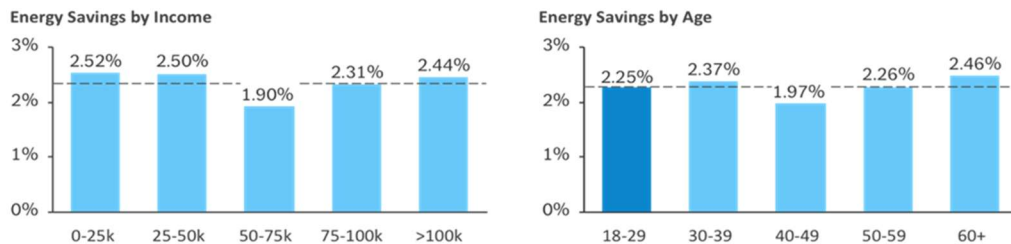
During the uncertain time of a global pandemic, when energy use is rising for many residents, programs that can help customers understand their energy use and how they can manage it are critical. Historically, residential lighting programs have served the primary role of delivering value to all classes of customers at all income levels. But as lighting phases out of portfolios, utilities will need to fill that gap and continue to provide value to consumers, particularly those with a limited income. Non-lighting residential programs

¹ DOE, *SEE Action Guide for States: Guidance on Establishing and Maintaining Technical Reference Manuals for Energy Efficiency Measures Evaluation, Measurement, and Verification Working Group* (June 2017).

such as whole-home retrofits typically have annual participation rates of <3%. Behavioral efficiency on the other hand offers something very few others can:

- **Flexibility:** Solutions that can mitigate other program uptake risk (due to opt-out design).
- **Equitable Scalability:** Over 24 TWh saved with low- and moderate-income HHs saving at the same rate as full population. And a 99% participation rate (only 1% chose to opt-out).
- **Cost-Effectiveness:** Incremental energy savings by layering-on digital solutions and driving program uplift.
- **Rapid Time to Value:** Opower ramps up quickly and employs targeted engagement tools to deliver reliable savings.

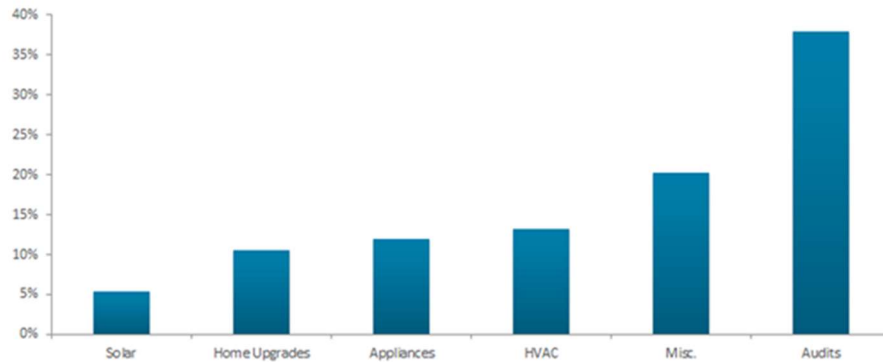
HERs deliver savings to all customers equally, regardless of income and age



Continuous energy feedback can be used to drive deeper savings

Behavioral engagement is an effective tool for driving participation in other, long-lived measures. When a specific program is promoted within an HER, recipients are 32% more likely to participate. In one New York promotion, we saw a 61% increase in adoption of smart thermostats.

HERs drive participation across different EE program types



Home Energy Reports should be exempt from the 50/50 split of portfolio incentives vs. non-incentive costs

Home Energy Reports are inherently different from other efficiency measures. Recipients can generate savings without any participant cost (or rebated incentive). As a result, it’s possible that the entire program cost could be lumped into “administration” for this purpose. In many states, behavioral engagement is included in another category, either technical assistance or vendor costs (not administration). We recommend that the program cost for behavioral engagement be exempt from a portfolio’s 50/50 calculation, or at a minimum, be divided between the incentive and non-incentive classifications.

Conclusion

The energy industry is in a place where utility efficiency savings potential and program scale and equity are increasingly at risk (rising residential energy burden due to COVID-19, new appliance standards, pressures on funding, changing lighting standards, etc.). Rather than limiting options, we recommend maximizing the potential of reliable, scalable, equitable and low-risk savings, such as Home Energy Reports.