

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 8, 2020

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

Re: Petition to Amend the Commission's
June 19, 2015 Implementation Order
Docket No. M-2014-2424864

Dear Secretary Chiavetta:

Enclosed please find the Answer of the Office of Consumer Advocate to the Petition of the Energy Association of Pennsylvania in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Darryl A. Lawrence
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Enclosures:

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Paul Diskin, Director, Bureau of Technical Utility Services (**email only**)
Darren Gill, Deputy Director, Bureau of Technical Utility Services (**email only**)
Certificate of Service

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CERTIFICATE OF SERVICE

Re: Petition to Amend the Commission's : Docket No. M-2014-2424864
June 19, 2015 Implementation Order :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to the Petition of the Energy Association of Pennsylvania, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 8th day of May 2020.

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Dated: May 8, 2020
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition to Amend the Commission’s : Docket No. M-2014-2424864
June 19, 2015 Implementation Order :

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF THE
ENERGY ASSOCIATION OF PENNSYLVANIA

The Office of Consumer Advocate (OCA) is in receipt of the Petition of the Energy Association of Pennsylvania to Amend the Commission’s June 19, 2015 Implementation Order (Petition). Through this Petition, the Energy Association of Pennsylvania (EAP) seeks an amendment to the Commission’s Act 129 Phase III Implementation Order at Docket No. M-2014-2424864 concerning the Phase III peak demand reduction targets. EAP requests that the Commission modify the Phase III Implementation Order so as to measure compliance with the peak demand reduction targets based on an EDC’s performance during the second, third and fourth program years of Phase III which encompasses the time period from June 1, 2017 through May 31, 2020. Petition at 1-2. EAP also requests that the EDCs be permitted to implement the approved DR programs on a voluntary basis for the fifth and final program year of June 1, 2020 through May 31, 2021. EAP seeks this amendment due to the impacts of the COVID-19 pandemic, particularly the impacts on many of the businesses that participate in the program and are called on to reduce demand. Petition at 2.

As EAP correctly notes in its Petition, the COVID-19 pandemic, the Governor’s closure of non-life sustaining businesses, and new health and safety measures have resulted in deep and broad

impacts for communities and businesses that will last into the fifth and final year of Phase III. Petition at 6-7. The OCA agrees with EAP that the COVID-19 related impacts on Pennsylvania businesses that provide a significant portion of the peak demand reductions under the Phase III programs will impair the ability of the EDCs to meet the Phase III DR targets. With the current closures of businesses and industries, PJM has reported a decline in weekday demand of between 8% and 10%. Petition at 7. EAP further points out that even if businesses are able to reopen, they may be unable or unwilling to curtail load as they make up for lost production and lost earnings during the COVID-19 closures. Petition at 7.

The OCA recognizes the significant challenges presented by COVID-19, particularly as it concerns the peak demand reduction targets for Phase III.¹ The OCA concurs with EAP's requested relief as it provides a reasonably balanced means to addressing the current crisis. The OCA particularly supports EAP's request that the EDCs be permitted to proceed with voluntary demand response programs in Program Year 5. Many EDCs have invested in demand response programs and may be able to continue those programs, even if participation is somewhat reduced. As EAP notes, voluntarily continuing the demand response programs would provide benefits to customers who are able to continue to participate and curtail load as well as to conservation service providers who provide the programs. Petition at 9. Keeping the programs from "going dark" may also help to avoid the cost of restarting the programs at a later date. The OCA would also note that demand response may still be able to provide benefits to the system as we face new system conditions.

¹ The OCA would distinguish the Phase III peak demand reduction targets being addressed here from the Phase III consumption reduction targets. The peak demand reduction programs are based on a specified number of events under peak demand conditions. Businesses are typically operating at significant capacity at the time of the peak event and with curtailment, can provide the peak demand reduction that is required.

As such, the OCA concurs with EAP's request to amend the Phase III Implementation Order. The OCA would, however, encourage EDCs to continue with the peak demand reduction programs in Program Year 5 to the extent that the programs can gain participants and provide benefits.

Respectfully Submitted,

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