



COMMONWEALTH OF PENNSYLVANIA

August 17, 2020

E-FILED

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

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

Dear Secretary Chiavetta:

Enclosed please find the Comments, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

An electronic copy will be served on the parties indicated below.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Erin K. Fure

Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245

Enclosures

cc: Joseph Sherrick, josherrick@pa.gov
Adam Young, adyoung@pa.gov

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

**Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245**

**For: John R. Evans
Small Business Advocate**

**Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101**

Date: August 17, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS OF THE OFFICE OF SMALL BUSINESS ADVOCATE
TO THE PROPOSED PHASE IV ENERGY EFFICIENCY AND CONSERVATION
PLAN FILING TEMPLATE**

I. INTRODUCTION

On June 18, 2020, the Pennsylvania Public Utility Commission (“Commission”) issued an *Implementation Order* directing that Phase IV of the energy efficiency and conservation (“EE&C”) program would operate from June 1, 2021 through May 31, 2026. The *Implementation Order* directed electric distribution companies (“EDCs”) to file Phase IV EE&C plans by November 30, 2020. A Secretarial Letter was issued on July 27, 2020 directed that comments from interested parties to the proposed Phase IV EE&C Plan template be filed by August 17, 2020. The Office of Small Business Advocate (“OSBA”) submits the following comments pursuant to the July 27, 2020 Secretarial Letter.

II. COMMENTS

The OSBA submits that the Commission’s proposed template for Phase IV EDC EE&C plans provides for a thorough set of plan requirements. The OSBA respectfully requests that certain minor modifications be adopted that will assist the OSBA’s evaluation of the EE&C programs. In particular, these changes will facilitate a review as to whether the costs of the programs are reasonably shared between program participants and the ratepayers who must provide the program subsidies.

Pennsylvania law requires that EDC EE&C plans pass a Total Resource Cost (“TRC”) Test, which compares the net present value of plan benefits to the net present value of plan costs. The Commission evaluates TRC Tests at the program and portfolio/sector levels. For Phase IV, program benefits will include avoided capacity costs, avoided energy costs, fossil fuel and water benefits, and O&M benefits. Costs include incremental measure costs and program administrative costs, exclusive of any costs identifiably funded by third parties.¹ Incremental measure costs include costs incurred by program participants, and costs incurred by the EDC in the form of incentives and other direct program costs.

While the template requires that EDCs provide significant detail regarding the magnitude of the costs incurred by EDCs for both incentives, administration and overhead costs (see Tables 4, 6, 9, 10, 11, and 12), the OSBA observes that the level of costs incurred by program beneficiaries is less obvious. The OSBA acknowledges that Section 3.2 of the template requires that EDCs address the issue of anticipated costs to participating customers, but there is no obvious reporting requirement in the tables. In reviewing EE&C plans in the past, the OSBA observes that this information is usually available. However, in some cases, it has been difficult to tease out the share of costs borne by program beneficiaries. Also, again in some cases, it has not been clear how an EDC has identified the correct level of incentives to offer, and thus how it proposes to share the costs for the programs between beneficiaries and other ratepayers.

To address those issues, the OSBA respectfully offers the following proposed changes to the template:

1. That the program detail required in Section 3.2 be modified to include the following:

¹ Final Order, Docket No. M-2019-3006868, Order entered December 19, 2019, at 27-29.

- Basis for the proposed level of incentives and the sharing of incremental program costs between participant and the EDC;
2. That Table 13 be modified to segregate “incremental measure cost” into “participant” and “EDC” categories.

III. CONCLUSION

In view of the foregoing, the OSBA respectfully submits its comments for consideration by the Commission.

Respectfully submitted,

/s/ Erin K. Fure

Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245

For:

John R. Evans
Small Business Advocate

Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831

Dated: August 17, 2020