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August 26, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of UGI Utilities, Inc. - Electric Division for Approval of Phase III of its Energy Efficiency and Conservation Plan - Docket No. M-2018-3004144

Dear Secretary Chiavetta:

Enclosed for filing on behalf of UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) is the Report for UGI Electric’s Program Year 12 (June 1, 2023 through May 31, 2024) of its Phase III Energy Efficiency and Conservation Plan.

Copies of this filing will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/skr
Attachment

cc: Cornelia Schneck, Bureau of Technical Utility Services
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL ONLY

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Date: August 26, 2024



Devin T. Ryan

Report to the Pennsylvania Public Utility Commission

**UGI Utilities, Inc. – Electric Division
Energy Efficiency and Conservation Plan Program Year 12
(June 1, 2023-May 31, 2024)**

Prepared by UGI Electric
Filing Date: August 26, 2024

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1 INTRODUCTION

Act 129 of 2008, P.L. 1592 (“Act 129”) amended the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 101 et seq., to, *inter alia*, require the Pennsylvania Public Utility Commission (“PUC” or “Commission”) to develop and adopt an Energy Efficiency and Conservation (“EE&C”) program by January 15, 2009. The Commission’s EE&C program requires electric distribution companies (“EDCs”) serving at least 100,000 customers to adopt and implement cost-effective EE&C Plans, which reduce energy demand and energy consumption according to specific targets¹ within the service territory of each EDC. UGI Electric, which serves approximately 62,000 electric customers, is not mandated under Act 129 to implement an EE&C Plan.

In December 2009, a Secretarial Letter was issued by the PUC at Docket No. M-2009-2142851 directing EDCs with fewer than 100,000 customers to consider the voluntary adoption of EE&C Plans similar to those mandated by Act 129 (“EE&C Secretarial Letter”). In November 2010, UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) filed a voluntary Phase I EE&C Plan with the PUC in response to the EE&C Secretarial Letter. Because UGI Electric’s EE&C Plan was voluntary, it was not subject to Act 129’s energy and demand savings requirements. However, UGI Electric did use the Act 129 requirements as a guide when developing its Phase I EE&C Plan.

On April 9, 2015, UGI Electric filed a Petition at Docket No. M-2010-2210316 to continue its Phase I EE&C Plan until its Phase II EE&C Plan was approved (“Phase I Continuation Petition”). On April 16, 2015, UGI Electric filed its Phase II EE&C Plan for approval by the PUC at Docket No. M-2015-2477174. The Commission approved the Company’s Phase II EE&C Plan (as amended by settlement in the proceeding) by Order entered June 9, 2016. UGI Electric filed its Phase II EE&C Compliance Plan with the PUC on August 9, 2016.

On March 21, 2017, UGI Electric filed a Petition to extend its Phase II EE&C Plan for one year (“Extension Petition”).² There were no changes to the overall or Residential and Commercial/Industrial budget caps. However, UGI Electric proposed to move funding between programs within the same customer class based on participation levels. The PUC approved the Extension Petition on May 4, 2017. Accordingly, UGI Electric’s Phase II EE&C Plan ran from June 1, 2016, to May 31, 2019.³

On August 21, 2018, UGI Electric filed a Petition at Docket No. M-2018-3004144 for approval of its voluntary Phase III EE&C Plan, effective from June 1, 2019, through May 31, 2024. On January 31, 2019, a Joint Petition for Approval of Settlement was filed. On March 14, 2019, the PUC entered an Order approving the Company’s Phase III EE&C Plan (as modified by the settlement). UGI Electric filed its Phase III EE&C Compliance Plan with the PUC on April 12, 2019.

¹ 66 Pa. C.S. § 2806.1(c) and (d).

² UGI Electric filed the Extension Petition because the Phase II EE&C Plan began in earnest much later than originally anticipated. Phase II was slated to begin on June 1, 2015, but the Phase II EE&C Plan was not formally approved until June 9, 2016. This effectively reduced the Phase II EE&C Plan’s term from three years to about two years. As a result, the Extension Petition sought to restore the three-year term of the Phase II EE&C Plan and allow the Company’s Phase II EE&C programs to ramp up fully.

³In approving the Company’s petition to extend Phase I of the EE&C Plan, the Commission approved the Company’s proposal to count the costs of continuing the Phase I EE&C programs toward the budgets established for Plan Year 1 of the Company’s Phase II EE&C Plan.

On February 22, 2022, UGI Electric filed a Petition at Docket No. M-2018-3004144 to increase the budget for the Commercial & Industrial (“C&I”) Custom Program by approximately \$1.63 million due to average project size being higher than anticipated. On June 16, 2022, the PUC entered an Order approving this Petition, which increased the overall Phase III EE&C Plan by the requested amount, from \$6,386,894 to \$8,015,241.

On September 21, 2023, UGI Electric filed a Petition at Docket No. M-2023-3043230 seeking approval for its voluntary Phase IV EE&C Plan, effective from June 1, 2024, through May 31, 2029. On January 31, 2019, a Joint Petition for Approval of Settlement was filed. On April 25, 2024, the PUC entered an Order approving the Company’s Phase IV EE&C Plan (as modified by the settlement). UGI Electric filed its Phase IV EE&C Compliance Plan with the PUC on May 16, 2024.

UGI Electric respectfully submits this report documenting the results of its EE&C Plan for Program Year 12 (June 1, 2023, through May 31, 2024, “PY12”), which is also the fifth and final year of the Phase III EE&C Plan. The results set forth below represent a portfolio of cost-effective energy efficiency programs that benefit customers through decreased energy costs while maintaining a cost-effective Total Resource Cost (“TRC”) Benefit to Cost Ratio (“BCR”). The programs’ performance in PY12 resulted in a BCR value of 3.78 for residential customers and 2.32 for Commercial/Industrial customers. When accounting for administrative overhead, the overall portfolio BCR value was 2.40.

1.1 Program Year Highlights

UGI Electric spent 61% of its PY12 budget but achieved a cost-effective portfolio and reached 57% of its PY12 savings goal. Strong performance by the School Energy Education Program and the Appliance Rebate programs helped drive savings. Specific highlights include:

- The School Energy Education Program facilitated virtual and in person presentations and achieved 165% of its energy savings goal.
- The Appliance Rebate Program achieved 181% of its annual savings projections and continued to see strong demand for ductless mini split heat pumps, which were the highest performing measure in the program.
- The C&I Custom Incentive Program generated 2,491 MWh of first-year savings, which was 43% of goal. However, the goal for PY12 was adjusted upward as a result of program overperformance in PY8 and PY9, which necessitated a Petition for additional funding in 2022.⁴ The additional MWh savings were added to the goals for PY10-PY12 in order to balance out the overall five-year plan. (The MWh savings would have been 126% of the original C&I Custom Incentive Program goal for PY12.)
- In August 2023, ARCA Recycling, the CSP for the appliance recycling program, paused operations due to financial difficulty. Despite this challenge, UGI Electric was able to contract with a new CSP, CLEAResult, who resumed customer pickups at the end of PY12. As such,

⁴ See *Petition of UGI Utils., Inc. – Elec. Div. for Approval of a Modification to its Phase III Energy Efficiency and Conserv. Plan*, Docket No. M-2018-3004144, pp. 11-13 (Order entered June 16, 2022).

UGI Electric’s appliance recycling program was paused from August 2023 through March 2024, and resulted in 14% of the savings goal for PY12 being achieved and a TRC BCR of 0.72.

2 OVERVIEW

UGI Electric constructed its Phase III EE&C Plan in accordance with the EE&C Secretarial Letter. The Company’s Phase III EE&C Plan included a portfolio of energy efficiency, conservation, and consumption reduction measures, programs, and education initiatives. During PY12, the Company’s EE&C portfolio included the following programs:

1. Appliance Rebate Program (Residential/Low Income Customers)
2. School Energy Education Program (Residential/Low Income Customers)
3. Residential Low-Income Program (Low Income Customers)
4. Appliance Recycling Program (Residential/Low Income Customers)
5. CBO Marketing Program (Residential/Low Income Customers)
6. C&I Custom Incentive Program (Commercial/Industrial/Governmental Customers)

These six programs were designed to meet the goals and guidelines established in the EE&C Secretarial Letter. All the EE&C programs were voluntary and offered UGI Electric customers a wide range of EE&C measures to decrease electric consumption and, in turn, their annual energy costs.

2.1 Portfolio Summary

2.1.1 Program Year 12 Portfolio Summary

In summary, UGI Electric offered six energy efficiency programs to approximately 62,000 customers within its service territory. The combined portfolio of programs had TRC Net Benefits of \$1,605,581, with a TRC BCR of 2.40 and total direct utility costs of \$1,099,661 (as shown in Tables 1-3 below).

Table 1. Portfolio Savings and Costs:

Benefits/Cost Component (2018\$)	Residential	Commercial/Industrial	Portfolio Wide	Portfolio Total
Savings (MWh)	1,671	2,491	N/A	4,162
Capacity Savings (MW)	0.129	0.395	N/A	0.524
Total Resource Cost	\$ 443,038	\$ 1,041,137	\$ 232,445	\$ 1,716,620
Direct Participant Costs	\$ 70,069	\$ 546,889	\$ 0	\$ 616,958
Direct Utility Costs	\$ 372,969	\$ 494,247	\$ 232,445	\$ 1,099,661
Customer Incentives	\$ 235,822	\$ 152,927	\$ 0	\$ 388,748
Marketing	\$ 56,203	\$ 0	\$ 0	\$ 56,203
Administration	\$ 80,945	\$ 341,321	\$ 232,445	\$ 654,710

Table 2. Program Year Performance to Plan:

Program	PY12 Spending (\$000)			PY12 First Year Savings (MWh)		
	Actual	Goal	% of Goal	Actual	Goal	% of Goal
Appliance Rebate Program	\$188	\$247	76%	1,169	645	181%
School Energy Education Program	\$124	\$125	99%	405	246	165%
Appliance Recycling Program	\$39	\$140	28%	89	635	14%
Low-Income Program	\$12	\$35	35%	9	31	29%
CBO Marketing Program	\$10	\$10	100%	0	0	0%
Residential Total	\$373	\$557	67%	1,671	1,557	107%
C&I Custom Incentive	\$494	\$974	51%	2,491	5,760	43%
C&I Total	\$494	\$974	51%	2,491	5,760	43%
Portfolio-wide Costs ⁵	\$232	\$270	86%	0	0	0%
Portfolio Total	\$1,100	\$1,801	61%	4,162	7,317	57%

Table 3. Portfolio Cost-Effectiveness:

Benefits/Cost Component (2018\$)	Residential	Commercial/Industrial	Portfolio Wide	Portfolio Total
TRC NPV Benefits	\$ 1,128,742	\$ 1,625,612	\$ 0	\$ 2,754,354
TRC NPV Costs	\$ 298,362	\$ 700,131	\$ 150,280	\$ 1,148,772
TRC Net Benefits	\$ 830,380	\$ 925,481	(150,280)	\$ 1,605,581
TRC Benefit/Cost Ratio	3.78	2.32	0.00	2.40

2.1.2 Phase III Portfolio Summary (Inception to Date)

Table 4 summarizes the Phase III spending and first year savings (MWh) to date (PY8-PY12) compared to overall Phase III goals. When comparing actual results against budget for Phase III, UGI Electric has spent approximately 80% of the budget while achieving approximately 97% of the first-year MWh savings goals.

Residential programs achieved 101% of Phase III goals, driven by strong performance from the Appliance Rebate (121%) and School Energy Education (170%) programs.

The C&I Custom Incentive Program, after petitioning for additional funding in 2022, ended Phase III at 96% of the revised savings goal and 82% of the revised spending goal.

⁵ Includes administrative costs to manage the UGI Electric EE&C Plan.

Table 4. Phase III Performance to Plan:

Program	Cumulative Spending (\$000)			Cumulative First Year Savings (MWh)		
	Actual	Phase Goal	% of Goal	Actual	Phase Goal	% of Goal
Appliance Rebate Program	\$799	\$1,244	64%	3,934	3,258	121%
School Energy Education Program	\$609	\$638	95%	2,306	1,355	170%
Energy Efficient Lighting Program	\$255	\$141	180%	2,246	1,423	158%
Appliance Recycling Program	\$280	\$702	40%	896	3,174	28%
Low-Income Program	\$68	\$140	48%	50	125	40%
CBO Marketing Program	\$48	\$50	97%	0	0	0%
Residential Total	\$2,059	\$2,916	71%	9,433	9,336	101%
C&I Custom Incentive	\$2,860	\$3,499	82%	19,384	20,250	96%
C&I Total	\$2,860	\$3,499	82%	19,384	20,250	96%
Portfolio-wide Costs	\$1,518	\$1,600	95%	0	0	0%
Portfolio Total	\$6,437	\$8,015	80%	28,818	29,586	97%

2.2 Residential Program Summary

During PY12, the UGI Electric EE&C Portfolio offered five different programs to residential and low-income customers. As outlined below (in Tables 5-7), UGI Electric's residential sector programs were cost-effective, with a TRC BCR of 3.78 and \$830,380 in net benefits.

Spending on the residential portfolio was \$372,969, which was 67% of budget, while savings were 1,671 MWh, which was 107% of budget.

Table 5. Residential Program Participation and Energy Savings:

Program	Participation	Energy Savings MWh	NPV Benefits (2018\$)	NPV Costs (2018\$)	TRC BCR
Appliance Rebate Program	855	1,169	\$ 582,658	\$ 176,657	3.30
School Energy Education Program	1,488	405	\$ 515,401	\$ 80,882	6.37
Appliance Recycling Program	167	89	\$ 18,698	\$ 25,899	0.72
Low-Income Program	4	9	\$ 11,984	\$ 8,470	1.41
CBO Marketing Program	N/A	N/A	N/A	\$6,455	N/A
TOTAL	2,514	1,671	\$ 1,128,742	\$ 298,362	3.78

Table 6. Residential Program Savings and Costs:

Benefits/Cost Component (2018\$)	Appliance Rebate	School Energy Education	Appliance Recycling	Low Income	CBO Marketing	Residential Total
Savings (MWh)	1,169	405	89	9	N/A	1,671
Capacity Savings (MW)	0.063	0.043	0.016	0.007	N/A	0.129
Total Resource Cost	\$ 258,188	\$ 123,528	\$ 38,938	\$ 12,400	\$ 9,984	\$ 443,038
Direct Participant Costs	\$ 70,069	\$ 0	\$ 0	\$ 0	N/A	\$ 70,069
Direct Utility Costs	\$ 188,119	\$ 123,528	\$ 38,938	\$ 12,400	\$ 9,984	\$ 372,969
Customer Incentives	\$ 116,120	\$ 96,352	\$ 10,950	\$ 12,400	N/A	\$ 235,822
Marketing	\$ 32,370	\$ 2,471	\$ 11,378	\$ 0	\$ 9,984	\$ 56,203
Administration	\$ 39,629	\$ 24,706	\$ 16,610	\$ 0	N/A	\$ 80,945

Table 7. Residential Program Cost-Effectiveness:

Benefits/Cost Component (2018\$)	PY12 Actual
TRC NPV Benefits	\$ 1,128,742
TRC NPV Costs	\$ 298,362
TRC Net Benefits	\$ 830,380
TRC Benefit/Cost Ratio	3.78

2.3 Commercial/Industrial Program Summary

During PY12, the UGI Electric EE&C portfolio offered the C&I Custom Incentive Program to commercial and industrial customers. As outlined in tables 8-10, this program was cost-effective, with a TRC BCR of 2.32 and \$925,481 in net benefits.

Spending on the commercial portfolio was \$494,247, which was 51% of budget, while savings were 2,491 MWh, which was 43% of budget.

Table 8. Commercial/Industrial Program Actuals:

Program	Projects	Energy Savings MWh	NPV Benefits (2018\$)	NPV Costs (2018\$)	TRC Value
C&I Custom Incentive	25	2,491	\$ 1,625,612	\$ 700,131	2.32
Total	25	2,491	\$ 1,625,612	\$ 700,131	2.32

Table 9. Commercial Savings and Program Costs:

Benefits/Cost Component (2018\$)	C&I Custom Incentive
Savings (MWh)	2,491
Capacity Savings (MW)	0.395
Total Resource Cost	\$ 1,041,137
Direct Participant Costs	\$ 546,889
Direct Utility Costs	\$ 494,247
Customer Incentives	\$ 152,927
Marketing	\$ 0
Administration	\$ 341,321

Table 10. Commercial/Industrial Program Cost-Effectiveness:

Benefits/Cost Component (2018\$)	C&I Custom Incentive
TRC NPV Benefits	\$ 1,625,612
TRC NPV Costs	\$ 700,131
TRC Net Benefits	\$ 925,481
TRC Benefit/Cost Ratio	2.32

3 RESIDENTIAL PROGRAMS

3.1 Appliance Rebate Program

(Residential/Low Income Customers)

Program Objectives:

The objectives of the Residential Appliance Rebate Program included:

1. Providing customers with opportunities to reduce their energy costs and increase their energy efficiency.
2. Encouraging customers to install high-efficiency HVAC and electric appliances or to switch from less efficient electric appliances to more efficient natural gas appliances.
3. Encouraging the use of high-efficiency/ENERGY STAR-rated equipment.
4. Promoting strategies that encourage and support market transformation for high-efficiency appliances and equipment.
5. Achieving 5,579 installed measures through May 2024, with total savings of approximately 3,258 MWh.

Program Description:

The Appliance Rebate Program promoted the purchase and installation of a wide range of ENERGY STAR equipment and provided customers with financial incentives to offset the higher purchase costs of energy-efficient equipment. Targeted equipment included electric heating, cooling, and various other appliances.

Program Review:

As part of this program, customers were required to submit an application with documentation of the equipment purchase(s) and installation(s) for verification and rebate processing. UGI Electric provided overall strategic direction and program management for the program, as well as promotional, educational, trade ally support, and other administrative functions.

Marketing to residential customers was managed through various marketing channels to increase customer awareness in targeted areas. UGI Electric utilized email, bill inserts and social media to encourage residential customers to purchase energy efficient appliances. The Appliance Rebate Program achieved a TRC BCR of 3.30 and provided \$406,002 in net benefits in PY12 (as shown in Tables 11-13 below).

Table 11. Program Participation:

Total Measures		
Measure	PY12 Actual	PY12 Budget
Ductless Mini-Split Heat Pumps	265	85
Refrigerators	159	247
Smart Thermostat	142	100
Dishwashers	88	182
Dehumidifier	87	82
Clothes Washer	72	178
Room Air Conditioners	32	178
Central Air Conditioner	5	37
Fuel Switching (from electric heating)	5	20
Total	855	1,109

Table 12. Program Savings and Costs:

Benefits/Cost Component	PY12 Actual	PY12 Budget
Savings (MWh)	1,169	645
Capacity Savings (MW)	0.063	0.044
Total Resource Cost	\$258,188	\$367,884
Direct Participant Costs	\$70,069	\$121,034
Direct Utility Costs	\$188,119	\$246,850
Customer Incentives	\$116,120	\$84,750
Marketing	\$32,370	\$24,000
Administration	\$39,629	\$138,100

Table 13. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$582,658
TRC NPV Costs	\$176,656
TRC Net Benefits	\$406,002
TRC Benefit/Cost Ratio	3.30

3.2 School Energy Education Program

(Residential/Low Income Customers)

Program Objectives:

The objectives of the School Energy Education Program included:

1. Educating students on various energy types, generation and consumption, home energy use, and ways to increase energy efficiency in a home.
2. Providing customers with opportunities to reduce their energy costs and increase their energy efficiency.
3. Encouraging customers to improve the efficiency of their homes by providing an energy efficiency toolkit.
4. Obtaining participation of approximately 7,250 students, teachers, and families through May 2024, with a total reduction of approximately 1,355 MWh.

Program Description:

The School Energy Education Program was designed to educate 4th through 12th grade students on various energy types, energy consumption and generation, home energy use, and ways to save energy.

The School Energy Education Program is delivered through school presentations. Teachers and schools were recruited throughout UGI Electric's service territory. In consultation with the Pennsylvania Department of Education, presentations were scheduled to avoid testing schedule conflicts, vacation periods and other school activities.

Students and teachers attended a one-hour presentation on energy efficiency. Under the direction of two National Energy Foundation ("NEF") professional instructors, students learned how to "Think!" about energy, then "Talk" with others about what they have learned, and ultimately "Take Action!" in their own homes to use energy more efficiently. A customized PowerPoint presentation guided the discussion, and hands-on learning activities were employed to build understanding among students.

Program Review:

The CSP for this program registered participating schools, facilitated a presentation to students, and distributed energy efficiency toolkits that contained various energy efficient measures. All participating students were asked to return a *Household Report Card* providing data on household behaviors and device installations. NEF compiled the information from the Household Report Card Scantron forms or online Report Card submissions to create a customized report with program results for UGI Electric.

For Phase III, NEF expanded the program offering to high school students partnering with 44 teachers, while presenting to eleven different schools (grades 4th-12th) within the UGI Electric territory. Once the presentations were completed, 1,474 energy efficiency toolkits were distributed to the students, including students who participated virtually. The School Energy Education Program continued to be very cost-effective with a TRC BCR of 6.37 and net benefits of \$434,520, including gas and water savings in addition to the electric savings.

Table 14. Program Participation:

Total Measures		
Measure	PY12 Actual	PY12 Budget
Innovation Kit (High School)	479	450
Take Action Kit (Middle School)	995	1,000
Total Kits	1,474	1,450

Table 15. Program Savings and Costs:

Benefits/Cost Component	School Energy Education Program	
	PY12 Actual	PY12 Budget
Savings (MWh)	405	246
Capacity Savings (MW)	0.043	0.031
Total Resource Cost	\$123,528	\$124,850
Direct Participant Costs	\$0	\$0
Direct Utility Costs	\$123,528	\$124,850
Customer Incentives	\$96,352	\$94,850
Marketing	\$2,471	\$5,000
Administration	\$24,706	\$25,000

Table 16. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$515,401
TRC NPV Costs	\$80,882
TRC Net Benefits	\$434,520
TRC Benefit/Cost Ratio	6.37

3.3 Residential Low-Income Program

(Low-Income Customers)

Program Objectives:

The objectives of the Residential Low-Income Program included:

1. Providing UGI Electric’s confirmed low-income customers with an array of no-cost energy-saving equipment and/or education to help reduce their energy costs, such as the direct installation of ENERGY STAR heat pump water heaters (HPWH), ENERGY STAR smart thermostats, and additional and/or different measures than those offered through the Company’s Low-Income Usage Reduction Program (“LIURP”);
2. Achieving high customer satisfaction through impactful program offerings; and
3. Achieving a total reduction in energy use of 124 MWh over the life of the Phase III EE&C Plan.

Program Description:

Through the Residential Low-Income Program, UGI Electric offers direct installation, at no cost to participants, of HPWHs, smart thermostats, and additional and/or different measures than those offered through the Company’s LIURP to eligible low-income customers.

Program Review:

The Residential Low-Income Program launched on June 1, 2020. The UGI Electric EE&C Team partnered with two CBOs, Agency for Community EmPOWERment of Northeastern PA (“ACENEPA”) and the Commission on Economic Opportunity (“CEO”), to identify eligible participants and perform customer installations. The program completed four HPWH installations. The program was cost-effective, as the TRC BCR was 1.41 and net benefits were \$3,514. See Tables 17-19 below.

Table 17. Program Participation:

Total Measures		
Measure	PY12 Actual	PY12 Budget
Heat Pump Water Heater	4	9
Smart Thermostat	0	9
Total	4	18

Table 18. Program Savings and Costs:

Benefits/Cost Component	Residential Low-Income Program	
	PY12 Actual	PY12 Budget
Savings (MWh)	9	31
Capacity Savings (MW)	0.007	0.016
Total Resource Cost	\$12,400	\$35,000
Direct Participant Costs	\$0	\$0
Direct Utility Costs	\$12,400	\$35,000
Customer Incentives	\$12,400	\$31,500
Marketing	\$0	\$1,000
Administration	\$0	\$2,500

Table 19. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$11,984
TRC NPV Costs	\$8,470
TRC Net Benefits	\$3,514
TRC Benefit/Cost Ratio	1.41

3.4 Appliance Recycling Program

(Residential/Low-Income Customers)

Program Objectives:

The objectives of the Appliance Recycling Program included:

1. Encouraging customers to dispose of their existing, inefficient appliances when they purchase a new appliance or eliminate a second unit that may not be needed.
2. Reducing the use of secondary, inefficient appliances.
3. Ensuring appliances are disposed of in an environmentally responsible manner.
4. Decommissioning to ensure appliances are not resold in a secondary market.
5. Recycling approximately 2,725 refrigerators and freezers, 275 window air conditioning units, and 125 dehumidifiers through May 2024, with a total reduction of approximately 3,174 MWh.

Program Description:

This program provided free pick-up and disposal of old, inefficient refrigerators, freezers, dehumidifiers, and room air conditioners. Refrigerators were required to be between 10 and 30 cubic feet, plugged in, and functioning when picked up in order to be eligible. Incentives of \$75 were paid to customers who recycled eligible refrigerators and freezers, and \$50 for eligible room air conditioners and dehumidifiers.

All units were disposed of in an environmentally responsible manner. This involved safely disposing of hazardous materials such as chlorofluorocarbon gases found in foam insulation, preparing refrigerant for reclamation, and recycling other materials such as metal and plastic.

Program Review:

ARCA Recycling, the prior CSP for this program, provided customer intake, eligibility verification, appliance collection, recycling, rebate processing, and participation tracking. In August 2023, UGI Electric was informed that ARCA had discontinued operations due to financial difficulties and could no longer fulfill contract obligations. UGI Electric immediately contacted impacted customers and paused customer scheduling. After searching for a viable alternative, UGI Electric contracted with CLEAResult as the new CSP, and the program was relaunched in April 2024.

Marketing efforts were paused from August 2023 through March 2024 when the program was not accepting customer applications. However, there were increased social media ads starting March 2024 through May 2024 and a customer email was also sent in May to generate awareness that the program was relaunched.

Due to the pause in operations and the effort to re-establish the program in PY12, 167 units were recycled, which was 27% of the goal. As a result, the program was not cost-effective, as the TRC BCR was 0.72 and net benefits were (\$7,201). See Tables 20-22 below.

Table 20. Program Participation:

Total Measures		
Measure	PY12 Actual	PY12 Budget
Fridge Recycling	91	435
Freezer Recycling	13	110
Room AC Recycling	43	55
Dehumidifier Recycling	20	25
Total	167	625

Table 21. Program Savings and Costs:

Benefits/Cost Component	Appliance Recycling Program	
	PY12 Actual	PY12 Budget
Savings (MWh)	89	635
Capacity Savings (MW)	0.016	0.087
Total Resource Cost	\$38,938	\$140,400
Direct Participant Costs	\$0	\$0
Direct Utility Costs	\$38,938	\$140,400
Customer Incentives	\$10,950	\$28,850
Marketing	\$11,378	\$50,000
Administration	\$16,610	\$61,550

Table 22. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$18,698
TRC NPV Costs	\$25,899
TRC Net Benefits	(\$7,201)
TRC Benefit/Cost Ratio	0.72

3.5 Community Based Organization (CBO) Marketing Program

(Residential/Low Income Customers)

Program Objectives:

The objectives of the CBO Marketing Program included:

1. Communicating and cross promoting EE&C programs, such as the Appliance Recycling and Appliance Rebate Programs.
2. Communicating conservation programs and energy-saving tips to UGI Electric customers.
3. Emphasizing that there are many simple low-cost products to help customers' homes become more energy efficient.

Program Description:

This program focused on marketing efforts facilitated by CBOs, who partner with UGI Electric to administer the Company's low-income universal service programs, to cross-promote EE&C programs with the intent of driving increased customer awareness and participation to the communities they serve. The marketing strategy included the CBOs developing and distributing specific UGI Electric EE&C materials and attending various community events and/or trade shows to further promote the availability of EE&C programs.

Program Review:

ACENEPa and CEO were the identified CBOs for this program due to their location within the UGI Electric service territory and their administration of the Company's Universal Service LIURP. The marketing to residential customers was managed through various channels to increase customer awareness in targeted areas, which included attending community events, outbound calls, in-home education, and printing marketing material for customers. In PY12, the CBOs made 242 outbound calls and 20 site visits. The CBO Marketing Program spent \$9,984 on marketing related activities compared to a budget of \$10,000 (as shown in Tables 23 and 24 below).

Table 23. Program Savings and Costs:

Benefits/Cost Component	CBO Marketing Program	
	PY12 Actual	PY12 Budget
Savings (MWh)	0	0
Capacity Savings (MW)	0.000	0.000
Total Resource Cost	\$9,984	\$10,000
Direct Participant Costs	\$0	\$0
Direct Utility Costs	\$9,984	\$10,000
Customer Incentives	\$0	\$0
Marketing	\$9,984	\$10,000
Administration	\$0	\$0

Table 24. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$0
TRC NPV Costs	\$6,455
TRC Net Benefits	(\$6,455)
TRC Benefit/Cost Ratio	0.00

4 COMMERCIAL PROGRAMS

4.1 C&I Custom Incentive Program

(Commercial/Industrial Customers)

Program Objectives:

The objectives of the C&I Custom Incentive Program included:

1. Encouraging the installation of high-efficiency equipment by UGI Electric's C&I customers in new and existing facilities.
2. Encouraging equipment repairs, optimization and operational or process changes that reduce electricity consumption.
3. Encouraging a "whole facility" approach to energy efficiency.
4. Increasing customer awareness of the features and benefits of energy-efficient equipment.
5. Increasing the market penetration of high-efficiency equipment.
6. Supporting emerging technologies and non-typical efficiency solutions in cost-effective applications, including Combined Heat and Power ("CHP") applications.
7. Obtaining approximately 225 projects through May 2024, with a total energy reduction of approximately 20,250 MWh.

Program Description:

The C&I Custom Incentive Program provided a delivery channel and financial incentives to customers installing a variety of custom measures suited to their business needs. To qualify for financial incentives, eligible customers were required to provide documentation that their proposed efficiency upgrades passed the TRC test for cost-effectiveness.

Program Review:

Franklin Energy, the CSP for this program, provided customer intake, eligibility verification, rebate processing, program participation tracking, verification, and auditing of customer projects.

Due to higher-than-anticipated average project size during the first two years of Phase III, the program exhausted all of its Phase III funding in January 2022, approximately halfway through the phase. To prevent program shutdown, UGI Electric filed a petition for additional funding, which was approved by the PUC on June 16, 2022. As a consequence of these events, the program was essentially paused for the last five months of PY10 and the first three months of PY11. Prospective projects were collected on a waitlist, but the program was not actively promoted during this period.

Further, as approved by the PUC, program savings and spending goals were adjusted so that the overperformance in PY8 and PY9 would be accounted for in the PY10, PY11, and PY12 goals. Thus, the PY12 performance of 2,491 MWh saved and \$152,927 in customer incentives represents 43% and 47%, respectively, of the modified goals; however, they would have represented 126% and 77%, respectively, of the program's original goals.

In total, 25 projects were completed in PY12, 13 of them by small C&I customers and 12 by large C&I customers. The program was cost-effective with a TRC BCR of 2.32, and net benefits of \$925,481. None of the custom projects that were completed in PY12 involved CHP.

Finally, in the Phase III Plan, UGI Electric agreed to limit customer incentives to \$100 per first-year MWh saved, and non-incentive spending to \$110 per first-year MWh saved, over the five-year term of Phase III. As indicated in Table 28, the program is well within compliance with these targets.

Table 25. Program Budget and Actuals:

Total Measures		
Projects	PY12 Actual	PY12 Budget
Large C&I Project	12	18
Small C&I Project	13	36
Total	25	54

Table 26. Program Savings and Costs:

Benefits/Cost Component	C&I Custom Incentive Program	
	PY12 Actual	PY12 Budget
Savings (MWh)	2,491	5,760
Capacity Savings (MW)	0.395	0.864
Total Resource Cost	\$1,041,137	\$1,834,153
Direct Participant Costs	\$546,889	\$860,513
Direct Utility Costs	\$494,247	\$973,640
Customer Incentives	\$152,927	\$325,800
Marketing	\$0	\$20,000
Administration	\$341,321	\$627,840

Table 27. Program Cost-Effectiveness:

TRC Test (2018\$)	PY12 Actual
TRC NPV Benefits	\$1,625,612
TRC NPV Costs	\$700,131
TRC Net Benefits	\$925,481
TRC Benefit/Cost Ratio	2.32

Table 28. Program Spending per First-Year MWh Saved:

	PY12	Phase III Cumulative
Incentive Spending/MWh	\$61.39	\$61.63
Non-Incentive Spending/MWh	\$137.02	\$85.92