



April 7, 2025

VIA E-File

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, Filing Room
Harrisburg, PA 17120

**RE: Act 129 Energy Efficiency and Conservation Program Phase V
Docket No. M-2025-3052826**

***Joint Comments of the Coalition for Equitable Energy and Housing in Pennsylvania
(CEEH-PA)***

Dear Secretary Chiavetta,

Please find the **Joint Comments of the Coalition for Equitable Energy and Housing in PA (CEEH-PA)**, filed on behalf of ACTION Housing, Inc., the Housing Alliance of Pennsylvania, National Housing Trust, New Ecology, Inc., the Pennsylvania Utility Law Project, and Regional Housing Legal Services for consideration in the above-referenced docket. An electronic copy will be provided to Commission Staff, as indicated below.

Please contact me or any of the undersigned coalition representatives with any questions.

Respectfully Submitted,



Elizabeth R. Marx, Esq.
Pennsylvania Utility Law Project
emarx@pautilitylawproject.org

CC: Joseph Sherrick, Bureau of Technical Utility Services, josherrick@pa.gov
Tiffany Tran, Law Bureau, tiftran@pa.gov

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Act 129 Energy Efficiency and Conservation Program Phase V : **Docket No. M-2025-3052826**
:

**JOINT COMMENTS OF THE COALITION FOR
EQUITABLE ENERGY AND HOUSING IN
PENNSYLVANIA (CEEH-PA)**

**ACTION HOUSING, INC.
HOUSING ALLIANCE OF PENNSYLVANIA
NATIONAL HOUSING TRUST
NEW ECOLOGY, INC.
PENNSYLVANIA UTILITY LAW PROJECT
REGIONAL HOUSING LEGAL SERVICES**

TABLE OF CONTENTS

I.	INTRODUCTION.....	3
II.	BACKGROUND.....	6
	A. A Substantial Number of Low Income Families Reside in Multifamily Units	7
	B. Act 129 Offers a Critical Tool to Address the Affordable Housing Crisis....	9
	C. Act 129 Policies Have Not Evolved to Equitably Serve Multifamily Sector	10
	i. Phase II (2013 – 2016).....	11
	ii. Phase III (2016 – 2021).....	13
	iii. Phase IV (2021 – 2026)	15
	iv. Phase V (2026 – 2031).....	16
III.	COMMENTS	17
	A. Increase Savings from Affordable Multifamily Buildings	17
	i. Strengthen the Overall Low Income Savings Target.....	21
	ii. Increase the Focus on Durable, Building Shell Measures	21
	iii. Improve Multifamily Data Requirements, and Require Separate Tracking and Reporting by Meter Type.....	22
	iv. Phase V SWE Analysis	23
	v. Reconvene the Multifamily Housing Working Group.....	24
	B. Leverage Other Funding and Programs to Increase Impact for Affordable Multifamily Programs.....	25
	i. Encourage the Use of Common Contractors	27
	ii. Require EDCs to Develop a Detailed Coordination Plan	28
	iii. Utilize the Multifamily Housing Working Group to Advance Coordination	29
	iv. Amend the Criteria for ASHRAE Level 2 Audits	30
	v. Develop Standardized Templates to Streamline Key Features.....	32
IV.	CONCLUSION	33

I. INTRODUCTION

On February 20, 2025, the Pennsylvania Public Utility Commission (“Commission”) issued a Tentative Implementation Order (hereinafter TIO) for Phase V of the Act 129 Energy Efficiency and Conservation Program. Notice of the Tentative Implementation Order was published in the Pennsylvania Bulletin on March 8, 2025.¹ Comments on the TIO are due within 30 days of publication, with reply comments due 15 days thereafter.

The following comments are respectfully submitted in response to the TIO by the above-named organizations, collectively the Coalition for Equitable Energy and Housing in Pennsylvania (hereinafter, CEEH-PA or coalition).² The coalition shares a common goal of ensuring that low

¹ 55 Pa.B. 2032

² Since 1985, **ACTION-Housing** has developed or assisted in the development of over 4,500 units of housing, both single family and multifamily, for the elderly, people with disabilities, the homeless, veterans, young people who have aged out of foster care and families and individuals with low incomes. They also provide programs for single-family home weatherization, in-home accessibility, mortgage and foreclosure assistance, youth aging out of the foster care system, and homeless families.

The **Housing Alliance of Pennsylvania** is a statewide coalition working to provide leadership and a common voice for policies, practices and resources to ensure that all Pennsylvanians, especially those with low incomes, have access to safe, decent and affordable homes.

The **National Housing Trust** NHT equips communities for a sustainable, equitable future by preserving and modernizing existing homes—and building new homes that stand the test of time. NHT’s team of passionate experts and advocates brings resident services, lending, policy, sustainability, and development under one roof, giving us the tools to make real change possible for the people we serve. We believe in the power of learning and creating with the communities around us. For over 30 years, we’ve partnered with residents, local experts, and national leaders to find the solutions that work. Because we want everyone—everywhere—to be proud of where they live.

New Ecology, Inc., a non-profit consulting firm, seeks to achieve high performing, healthy, resilient housing and communities that are affordable and sustainable and, through its work, support good jobs and wealth creation, with a focus on equity. New Ecology works to tackle climate change through mitigation, resilience, adaptation, and regeneration best practices and to address environmental, housing, health, and wealth equity gaps in low-income communities.

The **Pennsylvania Utility Law Project** (PULP) is a specialty legal services program in Pennsylvania whose mission is to secure just and equitable access to safe and affordable utility services for Pennsylvanians experiencing poverty. PULP works to achieve this mission by empowering individuals and communities through representation, advocacy, education, and support.

Regional Housing Legal Services (RHLS) is a nonprofit law firm with unique expertise in affordable, sustainable housing and its related components — community and economic development, utility matters and preservation of home ownership. RHLS provides innovative project and policy solutions that help create sustainable communities offering decent, safe and affordable housing for lower-income Pennsylvanians.

income individuals and families who reside in multifamily buildings have access to energy efficiency services to reduce their energy consumption, making their utility bills more affordable and improving home health, safety, and comfort.

Utilities are a vital component of safe, healthy housing. When basic energy and water services are unaffordable, the results are devastating for individual families, as it erodes the availability of decent affordable housing, and can destabilize entire communities. CEEH-PA members have first-hand experience with the strain of high utility costs on low income multifamily housing providers and the tenants who reside in those properties.

In past phases, CEEH-PA members have provided comments and recommendations to improve Act 129 programming for affordable multifamily housing.³ Through our prior comments, we highlighted the fact that a substantial number of low income families reside in multifamily buildings, and that those multifamily buildings have a high potential for energy savings, yet remain largely unserved by Act 129 programming. The multifamily sector is difficult to reach with traditional energy efficiency programs. Varied metering configurations, complicated finance structures, and split incentive issues between building owners and tenants present unique policy challenges that require flexible solutions and targeted programming. While the Commission has made incremental progress to clarify policies promoting services for affordable multifamily buildings, we are deeply concerned that the programs are still not providing an equitable or proportional level of efficiency services for this unique building sector.

³ See Phase II Act 129 Energy Efficiency and Conservation Program, Final Implementation Order (hereinafter, Phase II Final Order), Docket No. M-2012-2289411, pages 8-9 (entered August 2, 2012). Available online at <https://www.puc.pa.gov/pcdocs/1186974.doc>.

See Phase III Act 129 Energy Efficiency and Conservation Program, Final Implementation Order (hereinafter, Phase III Final Order), Docket No. M-2014-2424864, pages 9-10 (entered June 19, 2015). Available online at:

<https://www.puc.pa.gov/pcdocs/1367313.doc>

See Phase IV Act 129 Energy Efficiency and Conservation Program, Final Implementation Order (hereinafter Phase IV Final Order), Docket No. M-2020-3015228, pages 5-6 (entered June 18, 2020). Available online at:

<https://www.puc.pa.gov/pcdocs/1666981.docx>.

Comprehensive energy efficiency upgrades that produce durable, long-term energy savings in multifamily buildings have the potential to drive a multitude of benefits for individuals and communities – reducing energy costs for economically vulnerable households, increasing comfort, improving the availability of quality affordable housing, and helping preserve affordable housing stock. Energy Efficiency programs focused on affordable multifamily buildings can also help reduce collections and universal service program costs in individually metered buildings, driving benefits for all ratepayers. These important benefits have consistently been recognized by the Commission in its Orders establishing low income program requirements for the Electric Distribution Companies (EDCs).⁴ However, to date, the Commission has not made adequate strides to expand Act 129 programming to serve this critically important and underserved sector.

To maximize the potential of Act 129 programming to serve multifamily housing, we recommend the Commission revise its low income savings target, increasing the required savings to better account for multifamily housing and to ensure low income households – regardless of housing type - are equitably served. We recommend improving the overall focus on durable building envelope measures in Act 129 programming that help meaningfully and sustainably reduce heating and cooling costs. We also recommend further policies to support effective braiding and leveraging of other local, state, and federal funding and programs to better meet the needs of multifamily tenants and make recommendations to improve program coordination, including encouraging the use of common contractors, improving reporting related to multifamily housing, requiring the development of an EDC coordination plan, and standardizing templates, forms, and online accessibility to streamline program administration. Finally, we note our strong support for the comments and recommendations set forth by the Coalition for Affordable Utility Services and

⁴ See Phase II Final Order at 54; Phase III Final Order at 69–70, & Phase IV Final Order at 28.

Energy Efficiency in Pennsylvania (CAUSE-PA) and the Tenant Union Representative Network (TURN) (collectively, the Low Income Advocates), as those comments also support robust and expanded multifamily Act 129 programming.

II. BACKGROUND

Energy is increasingly unaffordable for low income Pennsylvanians, who regularly pay as much as 30% of their income on energy costs alone.⁵ Over the last few months, the Commission has approved hundreds of millions of dollars in distribution rate increases across the state.⁶ At the same time, as a result of capacity market failures, commodity costs are also poised to increase dramatically in the coming months.⁷ Transmission costs are also on the rise to support the introduction of hyperscale data centers.⁸ This immense pressure on every component of the electricity bill is pricing many low income families out of the market for home energy services and threatening the viability of affordable housing across the state – straining razor thin operating budgets and contributing to the growing affordable housing crisis.

Act 129 efficiency and conservation programs offer a critical tool to help combat rising costs and ensure that even the most vulnerable households will be able to maintain life-sustaining energy services to their home. But for the programs to be effective at reaching the most vulnerable households, the Commission must set clear policies requiring utilities to design accessible programs capable of driving meaningful and durable energy savings for low income families

⁵ Fisher, Sheehan, & Colton, The Home Energy Affordability Gap: 2022 (April 2023), Available online at http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

For comparison, non-low income residential households in Pennsylvania have an average energy burden of 4%. Pennsylvania Public Utility Commission, Home Energy Affordability for Low-Income Customers in Pennsylvania, Docket No. M-2017-2587711, at 6 (January 2019).

⁶ See PECO Electric, Docket R-2024-3046931; Duquesne Light Co., Docket R-2024-3046523; FirstEnergy Pa., Docket No. R-2024-3047068; PPL Electric, Docket No. P-2024-3048732.

⁷ See Shapiro vs. PJM Interconnection, LLC, Complaint of Governor Josh Shapiro and the Commonwealth of Pennsylvania, FERC Docket No. EL25-46-000 (filed Dec. 30, 2024).

⁸ Eliza Martin & Ari Peskoe, Environmental & Energy Law Program, Harvard Law School, Extracting Profits from the Public: How Utility Ratepayers are Paying for Big Tech's Power (March 2025), <https://eelp.law.harvard.edu/wp-content/uploads/2025/03/Harvard-ELI-Extracting-Profits-from-the-Public.pdf>.

across the Commonwealth – regardless of housing type.

It is well established that low income households already struggle to pay for the most basic needs, and do not have discretionary income to invest in energy efficiency measures. In its TIO, the Commission recognizes the need for enhanced, no-cost efficiency programs for low income households. The Commission explains that “energy costs represent a larger share of annual income for low-income households,” and notes that “all residential customers pay into Act 129 programs under the proposed cost recovery mechanism.”⁹ The Commission goes on to reason: “Absent a low-income specific target, Act 129 programs could become regressive, with low-income households receiving disproportionately fewer benefits due to lack of available capital to invest in efficiency.”¹⁰

As energy costs rise, the need for advanced policy is critical to ensure Act 129 programming is equitably designed to provide comprehensive and durable energy and bill savings for low income families in all housing types.

A. A Substantial Number of Low Income Families Reside in Multifamily Units

In Pennsylvania, 20.9 percent of the housing stock (1,205,394 housing units) is multifamily housing.¹¹ Of all the multifamily housing, 78.8 percent are rentals (950,060 housing units).¹² Families living in multifamily housing have lower incomes than families living in single family housing. For example, the average household income for those living in detached single-family homes statewide in 2023 was \$97,098, compared to just \$46,705 for households living in 10–19-

⁹ Phase V Act 129 Energy Efficiency and Conservation Program, Tentative Implementation Order (hereinafter Phase V TIO) Docket No. M-2025-3052826, page 22 (entered February 20, 2025).

¹⁰ Phase V TIO at 22.

¹¹ U.S. Census Bureau, Tenure by units in structure [Table B25032], American Community Survey 5-Year Estimates, 2019–2023 (2023), <https://data.census.gov/cedsci/table?q=B25032>

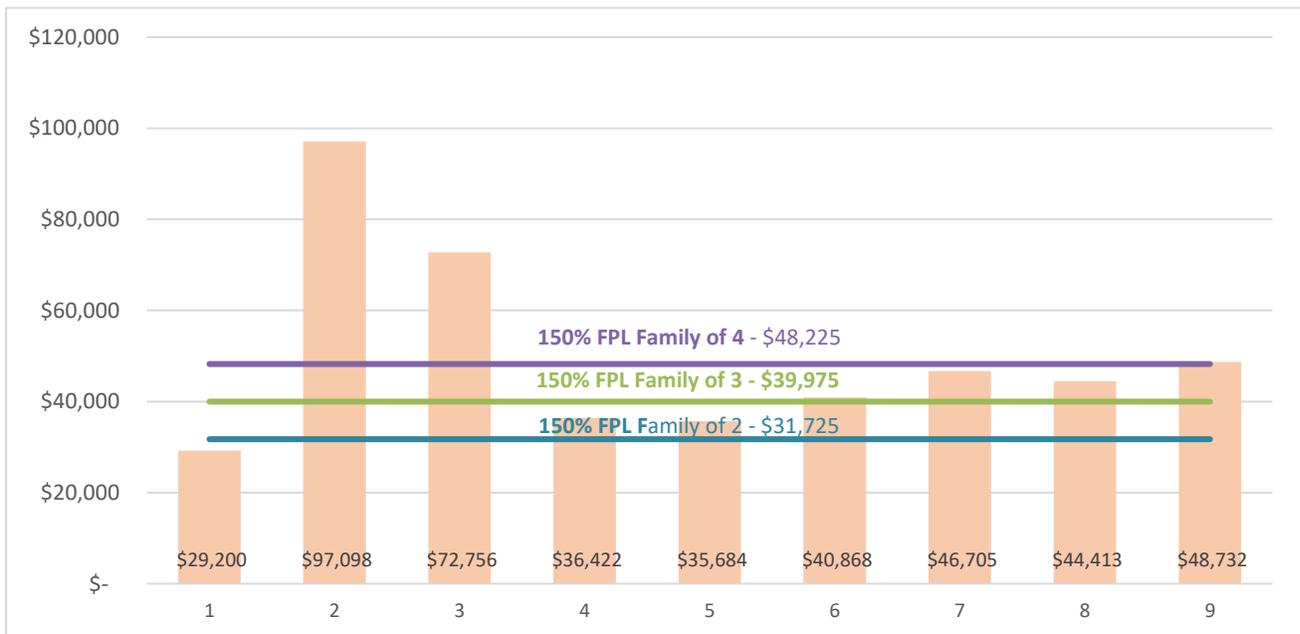
¹² U.S. Census Bureau, Units in structure [Table B25024], American Community Survey 5-Year Estimates, 2019–2023 (2023), <https://data.census.gov/cedsci/table?q=B25024>

unit apartment buildings.¹³

As highlighted in Table 1, the highest income group by number of units, made up of families living in 50+ unit buildings (\$48,732), is still tens of thousands of dollars below that \$97,098 average in single family detached homes and \$72,756 in single family attached homes. The lowest average household income is in buildings with three to four apartments at \$35,684. These apartments meet the EE&C plans' low income definition for families of two or more (\$31,725). All of the multifamily units meet the definition of low income for families of four or more (\$48,225).

Table 1, below, provides a breakdown by multifamily building type and income.

Table 1: Average Household Income by Number of Units in Building Compared to 150% Federal Poverty Level (FPL) by Family Size



Source: U.S. Census, PUMS Beta Microdata Sets, 2019-2023 American Community Survey Five Year Average; U.S. Department of Health and Human Services (2025)

¹³ U.S. Census, PUMS Beta Microdata Sets, 2019-2023 American Community Survey Five Year Average; U.S. Department of Health and Human Services (2025)

B. Act 129 Offers a Critical Tool to Address the Affordable Housing Crisis

Across Pennsylvania, there is a significant shortage of rental homes that are affordable and available to “extremely low-income” (ELI) households—a term of art in housing which includes those earning at or below the federal poverty level (100% FPL) or 30% of the area median income (AMI). These households represent 26% of all renters in Pennsylvania, yet there are 253,422 fewer affordable rental homes available to them than are needed.¹⁴ The average income limit for a four-person ELI household is just \$31,090, far below the \$54,614 needed to afford a modest two-bedroom apartment at HUD’s Fair Market Rent.¹⁵ As a result, 71% of ELI renters are severely cost burdened, spending more than half their income on housing and often forced to sacrifice essentials like food, healthcare, and stability to pay rent.¹⁶ Preservation and expansion of affordable housing is therefore critical, and one powerful tool in that effort is improving energy efficiency. Energy-efficient upgrades can help lower utility costs for tenants and operating costs for landlords, keeping units affordable and financially viable in the long term.

Achieving greater energy efficiency in multifamily housing and bringing down utility costs is as important for renters as it is for landlords and property owners. As shown in a 2021 survey conducted by the National Apartment Association, utilities are often one of the biggest categories of operating expenses for multifamily housing providers, especially in properties where the utilities are master-metered.¹⁷ In 2023, the Housing Alliance conducted a survey of 660 landlords to better understand the challenges they face in operating rental properties. When asked where they were experiencing increases in their typical business costs, 84.62% of landlords cited rising utility

¹⁴ National Low Income Housing Coalition. (n.d.). Housing needs by state: Pennsylvania. <https://nlihc.org/housing-needs-by-state/pennsylvania>

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ National Apartment Association. (2021). *NAA 2021 survey of operating income & expenses in rental apartment communities*. <https://naahq.org/naa-2021-survey-operating-income-expenses-rental-apartment-communities>

costs.¹⁸ As utility costs rise, landlords have increasingly shifted utility costs to renters – further exacerbating the affordable housing crisis.

Housers who pursue energy efficiency realize significant utility savings over time, demonstrating the importance of upgrading existing multifamily properties and building new ones to a high standard. The U.S. Department of Energy sites the St. Joseph Village affordable multifamily development in Tennessee as a great example of this. After implementing a number of comprehensive upgrades, such as installing ENERGY STAR appliances, heat pumps, and low-flow toilets and showerheads, the operator of the property – Wesley Housing – realized a 40% reduction in their utility bills.¹⁹

C. Act 129 Policies Have Not Evolved to Equitably Serve Multifamily Sector

The Commission notes in its TIO that all phases of Act 129 have included requirements for EDC energy efficiency and conservation (EE&C) plans to include low income measures, and established a percentage for said measures that must be offered “in proportion to that sector’s share of the total energy usage in the EDC’s service territory.”²⁰ Beginning with Phase II and all phases after, the Commission included a low income energy consumption reduction carveout that requires EDCs to achieve a minimum percentage of saving from the low income sector.²¹ In Phase II, the Commission clarified that the low income sector carve-out is inclusive of low income customers or low income verified participants in multifamily housing programs.²²

¹⁸ Housing Alliance of Pennsylvania. (2023). Landlord attitudes on homelessness assistance services [Unpublished manuscript].

¹⁹ Better Buildings, U.S. Department of Energy. (n.d.). *Wesley Housing, St. Joseph’s Village*. <https://betterbuildingssolutioncenter.energy.gov/showcase-projects/wesley-housing-st-joseph-village>

²⁰ Phase V TIO at 25.

²¹ *Id.* at 25.

²² Phase II Final Order at 49.

The discussion about whether and how to include affordable multifamily housing as part of Act 129 EE&C implementation has been ongoing since Phase II planning in 2012. Commenters have consistently noted that this is an underserved sector and have consistently proposed recommendations to improve analysis of sector savings potential and the accessibility of program services. However, the sector remains underserved, and the limited guidance and policy parameters issued to date by the Commission has not resolved critical barriers to serving buildings that cross between the residential and commercial classes.

Below, we provide a summary of the policy guidance issued to date regarding multifamily buildings and the significant stakeholder engagement and interest around this issue.

i. Phase II (2013 – 2016)

For Phase II, the Commission proposed in its TIO that the EDCs give special consideration to multifamily housing within the then existing government/educational/nonprofit (G/E/NP) sector carveout. The energy savings target for the G/E/NP sector was set at 10% for Phase II, yet there was no specific savings target proposed for multifamily housing. Rather, EDCs were encouraged to “recognize the available potential for energy savings in multifamily housing and develop strategies and programs to sufficiently address this opportunity within their Phase II EE&C plans.”²³ The Commission firmly stated that it believed multifamily housing provided significant energy savings potential, the potential to address aging multifamily housing stock in Pennsylvania, and that EDCs should work with the PA Housing Finance Authority (PHFA) to develop programs for affordable multifamily buildings. The Commission additionally stated its belief that

²³ Phase II Final Order at 49.

multifamily housing had been “underserved due to barriers and issues with metering classification.”²⁴

Stakeholders responding to the Commission’s multifamily proposal were largely supportive, but noted concern that true savings may not materialize absent a specific savings target for multifamily housing. The Pennsylvania Housing Finance Agency, together with the National Housing Trust and the Pennsylvania Utility Law Project, explained through comments that multifamily housing has a unique mixture of metering configurations that straddle the residential and commercial classes, and urged the Commission to provide further direction for how EDCs should build programs to bridge the rate class divide.²⁵ Rather than providing guidance as to how to attribute savings across classes, the Commission directed stakeholders to raise the issue in the EDCs’ EE&C Plan proceedings.²⁶

Additionally in Phase II, the Commission proposed a separate low income energy savings target of 4.5% within the low income residential sector.²⁷ In response to comments requesting clarification about inclusion of low income multifamily within the low income carve-out, the Commission clarified that EDCs were permitted to count savings achieved from low income multifamily buildings toward this low income savings target, up to the percentage of tenants with incomes at or below 150% of the federal poverty level (FPL).²⁸ The Commission explicitly acknowledged that “*the multifamily housing sector has the potential to provide significant energy savings and to address aging multifamily housing stock within the state.*”²⁹ Nevertheless, the Commission maintained the proposed 4.5% low income savings target - without any upward

²⁴ Phase II Final Order at 51.

²⁵ Id. at 112.

²⁶ Id. at 114.

²⁷ Id. at 54.

²⁸ Id. at 54.

²⁹ Id. at 50-51.

adjustment to account for inclusion of low income multifamily buildings.³⁰ Energy savings from multifamily housing could be attributed to the low income savings target *or* the G/E/NP target.³¹

ii. Phase III (2016 – 2021)

In Phase III of Act 129, the Commission approved a modest 1% increase in the low income savings target as a percentage of overall portfolio savings (from 4.5% to 5.5%), and maintained inclusion of low income multifamily housing as part of that target.³² The Commission had proposed in its Tentative Implementation Order for Phase III, a 2% direct-install target within the low income sector target, meaning 2% of the low income savings target would need to be met by installing more comprehensive and durable efficiency measures to be directly installed in low income homes. As we discuss in Section A of these comments, deeper and more durable energy savings are achieved from direct installation of comprehensive measures. Unfortunately, the Commission rejected the 2% direct installation savings requirement within the low income savings target.³³

The Commission additionally maintained inclusion of multifamily housing in the G/E/NP target, though that G/E/NP target was dramatically reduced from 10% to 3.5%.³⁴ The SWE determined that multifamily housing represented 11.8%³⁵ of the base achievable savings within the residential sector, though the Commission still declined to set a separate target for multifamily buildings. The Commission explained “that there was not sufficient detailed analysis performed

³⁰ *Id.* at 50-51.

³¹ *Id.* at 50. In addition to properties owned by a nonprofit or government entity, the Commission permitted properties owned by other entities to qualify under the G/E/NP sector, provided they were financed under a federal or state affordable housing program and had long-term use restrictions in place.

³² See Phase III Final Order at 69.

³³ *Id.* at 61-70.

³⁴ *Id.* at 72.

³⁵ *Id.* at 76.

by the SWE to confidently portray the potential for multifamily housing at the EDC service territory level.”³⁶

The Commission further allowed savings to be included from any program that was directly targeted to low-income customers. This includes all weatherization programs, energy efficiency kits and home energy report programs, and CFL and LED give-away programs.³⁷ A small target with broad allowances dilutes savings and disincentivizes installation of more comprehensive direct-install measures in any low income dwelling.

In Phase III, multiple stakeholders across the housing, weatherization, consumer, and environmental sectors urged the Commission to establish further guidance and policies to ensure equitable programming for multifamily housing.³⁸ They urged the Commission to require inclusion of targeted multifamily efficiency programs and to clarify how costs and savings should be attributed across the residential and commercial classes.³⁹ CAUSE-PA additionally noted concern with the substantial reduction in the G/E/NP target, arguing that the reduction would undermine incentives for utilities to serve multifamily buildings.⁴⁰ Multiple commenters proposed inclusion of additional reporting requirements designed to improve the Commission’s ability to assess the savings potential within the multifamily sector. The same commenters also requested the creation of a multifamily housing working group (MHWG).⁴¹

³⁶ *Id.* at 80

³⁷ *Id.* at 85

³⁸ Phase III Final Order at 77-78; Commenters included the PA Weatherization Task Force (PWTF), the Natural Resources Defense Council (NRDC) and the Environmental Defense Fund (EDF)(together known as the Joint Commenters), the Northeast Energy Efficiency Project (NEEP), Regional Housing Legal Services/PWCC (RHLS/PWCC), and CAUSE-PA

³⁹ Phase III Final Order at 79. PPL requested clarification “on how on how to classify the costs and savings for master-metered multifamily housing with a commercial rate schedule but low-income occupants,” and thought that savings and costs would be assigned to small commercial and industrial customers. *See* Phase III Final Order at 79.

⁴⁰ Phase III Final Order at 78.

⁴¹ *Id.* at 77-78.

In its Final Phase III Implementation Order, the Commission affirmed its proposal to substantially reduce the G/E/NP sector.⁴² The Commission also declined to impose specific multifamily reporting requirements, instead vaguely directing the EDCs to “coordinate with the SWE to track and provide whatever data will be necessary” for an analysis of multifamily potential at the EDC service territory level for future phases.⁴³ The Commission did convene a meeting of the MHWG, one time, in December 2015; however, the recommendations developed at the meeting were non-binding on the EDCs and did not allow for meaningful or ongoing engagement in the process.⁴⁴

iii. Phase IV (2021 – 2026)

As with Phases II and III, the Commission allowed for the inclusion of multifamily housing within the low income carveout savings target, which it increased 0.3% - from 5.5% to 5.8% of overall portfolio savings.⁴⁵ The Commission also made a major change in Phase IV by eliminating the G/E/NP carveout in its entirety. EDCs no longer have to meet a savings target for G/E/NP (referred to in this Phase as Government, Nonprofit, and Institutional Entities or GNI). However, the Commission did require EDCs to report on savings that would have been attributed to that sector.

Commenters for Phase IV recommended additional specificity regarding multifamily programming in Phase IV.⁴⁶ Environmental Stakeholders requested the Commission require one

⁴² *Id.* at 74-75.

⁴³ *Id.* at 80.

⁴⁴ *Id.* at 80

See also Multi-family Housing Stakeholder Meeting, Secretarial Letter, Docket No. M-2014-2424864 (issued November 18, 2015). No report was filed on the docket following the meeting and no subsequent meetings were scheduled.

⁴⁵ Phase IV Final Order at 24-37.

⁴⁶ Commenters noted include the PA Energy Efficiency For All (PA-EEFA), the CEO, CAUSE-PA, the Office of Consumer Advocate (OCA), Housing Alliance of PA, and Environmental Stakeholders. Environmental Stakeholders

percent of EDCs' savings to come from direct install measures in low income multifamily buildings which would count toward the low income savings target.⁴⁷ Others requested the Commission require 20 percent of the low income carveout to come from multifamily measures, stating that the multifamily sector would continue to be underserved absent a specific savings requirement.⁴⁸ The Housing Alliance of PA submitted comments including a detailed report with findings and recommendations for the impact of Act 129 on multifamily housing. Given gaps in available data for their report, they requested more detail and specificity in EDC reporting to support a more comprehensive, layered analysis to be conducted by the SWE. The Commission remained unmoved to make adjustments based on commenter recommendations, other than directing EDCs to include multifamily savings in reporting for the low income carveout and for their portfolio of programs.⁴⁹ This is still shy of the detailed reporting requested by commenters, which continued to make multifamily harder to evaluate potential. Phase IV also did not include an adjusted target for low income to account for multifamily that could no longer be included in a G/E/NP carveout, nor did it include any kind of separate carveout.

iv. Phase V (2026 – 2031)

For Phase V, the Commission is proposing a statewide low income savings target of 7.1%, with individual EDC savings targets ranging from 6.3% for PECO to 7.5% for PPL and FirstEnergy).⁵⁰ Once again, this target is proposed to include savings from multifamily housing,

included Sierra Club, Natural Resources Defense Council, PennFuture, Clean Air Council, Philadelphia Climate Works, POWER, and 350 Philadelphia.

⁴⁷ *Id.* at 30.

⁴⁸ *Id.* at 31.

⁴⁹ *Id.* at 36-37.

⁵⁰ Phase V TIO at 27.

up to the percentage of customers living in the multifamily housing with incomes at or below 150% of the FPL.⁵¹ As with Phase IV, proposed Phase V does not include a G/E/NP carveout.

Notably, while the overall low income savings target is 1.3% higher than the Phase IV target, as a percentage of overall portfolio savings, it represents a reduction in the actual energy saved from this critical sector.⁵² In Phase IV, the low income energy savings targets amounted to 260,179 MWh, while the proposed low income energy savings targets for Phase V amount to 245,980 MWh – a decrease in actual energy savings of roughly 5.5%.

III. COMMENTS

The coalition provides the following comments and recommendations related specifically to how Act 129 multifamily programming can be improved to better reach the disproportionately high number of low income families who reside in multifamily buildings.

A. Increase Savings from Affordable Multifamily Buildings

As explained above, in its Phase V TIO, the Commission proposes a modest increase in the low income savings carveout from 5.8% to 7.1% of overall portfolio savings – though this represents an overall decrease in the actual energy savings proposed to be achieved from the low income sector.⁵³ Beginning with Phase II, the Commission has permitted EDCs to include savings from multifamily housing programs with verified low income tenants.⁵⁴ However, since its inception in Phase II, the Commission has never adjusted the low income savings target to account for the energy savings potential in the multifamily housing sector.

⁵¹ Id. at 26.

⁵² Id. at 22.

⁵³ Phase V TIO at 22.

⁵⁴ Id.

In its TIO, the Commission states that the Energy Efficiency and Peak Demand Response (EEPDR) Market Potential Study “modeled a low-income spending carveout consistent with historical EDC Act 129 spending levels in the low-income sector: approximately 13 percent of EEPDR budgets.”⁵⁵ The Commission asserts that “[t]he proposed budget allocations and associated low-income MWh targets match historical budget allocations.”⁵⁶ However, as noted, this is inaccurate, as the actual low income energy savings target for Phase V represents a 5.5% *decrease* in actual MWh savings.

In a stakeholder presentation held in January 2025, the SWE concluded, “[s]ingle-family savings opportunities are larger than multifamily when examining the low-income sector in isolation, a finding which is consistent with historical low-income programming in EE.”⁵⁷

Notably, it is also unclear to what extent master-metered low income multifamily buildings were included in the SWE’s Residential Baseline Analysis⁵⁸ or the EEPDR Market Potential Study⁵⁹ - despite the fact that savings from upgrades in individual low income tenant units are attributable to the low income savings target without respect to the meter configuration. Apart from a passing note in the baseline study that the SWE evaluated a list of “likely master-metered multifamily sites” identified in the non-residential baseline study pulled from EDC billing records, the SWE’s studies do not otherwise clarify whether and to what extent its evaluation and analysis included low income master-metered buildings that fall within the commercial class.⁶⁰ In the

⁵⁵ Id.

⁵⁶ Phase V TIO at 22 and 26.

⁵⁷ Statewide Evaluator (SWE) Stakeholder Presentation at Slide 26

⁵⁸ SWE 2023 Residential Baseline Study at 32. Available online at <https://www.puc.pa.gov/pdocs/1811000.pdf>

⁵⁹ SWE Energy Efficiency and Peak Demand Response Market Potential Study (EEPDR) at 21. Available online at <https://www.puc.pa.gov/pdocs/1867286.pdf>

⁶⁰ SWE 2023 Residential Baseline Study at 32.

EEPDR study, multifamily buildings are recorded as either multifamily or multifamily low income and are not disaggregated further to determine metering configuration.⁶¹

As explained, multifamily housing straddles the residential and commercial classes and utilities can attribute savings derived from individual low income tenant units toward the low income savings target – without respect to the metering configuration.⁶² However, the SWE’s analysis does not clearly include an analysis of the savings potential in low income master-metered buildings. We are concerned that the SWE has undervalued the savings potential from this important sector – resulting in artificially low savings goals that will undermine the ability to drive deeper, more meaningful savings across the low income sector.

We further note that the SWE’s heavy reliance on historic program performance to set future potential is circular and does not assess true potential or motivate program innovation. Notably, the SWE did not assess the extent to which appropriate leveraging with other local, state, or federal programs would achieve deeper overall savings at a lesser cost – nor did it assess whether past programs were designed to achieve deep and durable measure-based energy savings, as opposed to short-lived behavioral-based savings. As discussed at length in the Background section, above, affordable multifamily buildings are a historically underserved sector. Thus, in setting targets for low income savings based largely on historic performance of EDC low income programs, the Commission is setting up the sector for ongoing underperformance.

Further, we question the SWE’s findings that higher potential for savings exists for single family homes over what savings can be realized through installation of energy efficiency measures

⁶¹ SWE EEPDR at 21.

⁶² For electric service, multifamily buildings are usually either master-metered—meaning that the entire building is on one electric meter paid by the owner, or individually metered—meaning the unit has its own electric meter and (most often) the tenant is responsible for the bill. Individually-metered buildings also have common areas, including hallways, lobbies, parking garages or lots, and laundry rooms for which the landlord is responsible. Master metered buildings and common areas of individually metered buildings are billed at small or medium commercial rates, and are only eligible to participate in commercial energy efficiency programs.

in multifamily homes. While it is true that overall energy usage tends to be lower for multifamily dwellings compared to single family dwellings, older multifamily dwellings often use a higher amount of energy on a square foot basis compared to single family dwellings. A recent multifamily energy efficiency study in the Midwest region found that energy expenditures per square foot in multifamily apartments were 20% higher than single family owner-occupied homes.⁶³ This disparity in energy usage on a square foot basis indicates a substantial potential for energy savings in multifamily residential buildings.

Based on our collective experience working in this sector, as well as available data from national studies and research in other states,⁶⁴ we strongly assert that there is a substantial untapped potential for energy savings within the affordable multifamily sector. As one example, CEEH-PA members held a webinar last summer that drew over 400 individuals from Pennsylvania’s housing industry to learn more about multifamily energy efficiency programming. In our conversations with housing providers and tenants, we repeatedly hear that housing providers are eager to engage but current programs are not meeting the needs of housing providers. Particular frustrations include the lack of adequate incentives to justify the investment of time, the prescriptive and cursory nature of the offered rebates, the mismatch with internal project timelines, the inflexibility

⁶³ Midwest Energy Efficiency for All Alliance, [Multifamily Energy Efficiency Fact Sheet](https://www.mwalliance.org/sites/default/files/meea-research/multifamily_fact_sheet.pdf) (April 2023). Available online at https://www.mwalliance.org/sites/default/files/meea-research/multifamily_fact_sheet.pdf.

⁶⁴ See American Council for an Energy-Efficient Economy (ACEEE), [Understanding Multifamily Home Potential](https://www.aceee.org/sites/default/files/pdfs/Multifamily%20Home%20Energy%20Efficiency%20Potential%20final%201-22-21.pdf) (Oct. 2020). Available online at <https://www.aceee.org/sites/default/files/pdfs/Multifamily%20Home%20Energy%20Efficiency%20Potential%20final%201-22-21.pdf>

See also ACEEE, [Topic Brief: Best Practices for Utilities for Affordable Multifamily Programs](https://www.aceee.org/sites/default/files/pdfs/affordable_multifamily_programs_final_9-14-21.pdf) (September 2021). Available online at https://www.aceee.org/sites/default/files/pdfs/affordable_multifamily_programs_final_9-14-21.pdf

See also Midwest Alliance shows that “energy expenditures per square foot in rented multifamily apartments are 20% higher on average than in owner-occupied single-family homes.” Midwest Energy Efficiency for All Alliance, [Multifamily Energy Efficiency Fact Sheet](https://www.mwalliance.org/sites/default/files/meea-research/multifamily_fact_sheet.pdf) (April 2023). Available online at https://www.mwalliance.org/sites/default/files/meea-research/multifamily_fact_sheet.pdf.

in program design, the complicated enrollment process, the lack of program transparency, and the inability to align Act 129 program incentives with other project funding.

Based on the foregoing, we recommend the following reforms to improve Phase V low income multifamily efficiency programming to improve services in this critical sector:

i. Strengthen the Overall Low Income Savings Target

As explained, CEEH-PA is concerned that the Commission has consistently undercounted and undervalued the savings potential for multifamily buildings, which serves to erode the equitable availability of proportional programs for low income consumers who reside in single family and multifamily homes. We support the recommendations of the Low Income Advocates (CAUSE-PA and TURN) to strengthen the low income carve-out, increase the comprehensiveness of program services, and improve the delivery of meaningful and durable energy and bill savings. We further join their recommendation to establish subcategories within the low income carveout for single family, individually metered multifamily, and master-metered multifamily tenant units. As discussed below, at minimum, these subcategories should be tracked and reported separately to better understand how these different segments of the low income sector are served and to facilitate further policy advancements in subsequent phases.

ii. Increase the Focus on Durable, Building Shell Measures

CEEH-PA again supports the Low Income Advocates' recommendation that the Commission set policies and establish guidelines requiring EDCs to focus on delivering comprehensive building-envelope measures that drive deeper, longer term energy and cost-savings – helping to reduce peak demand in both the summer and winter months. The Commission's emphasis in the Phase V TIO on energy efficiency measures beyond what has been implemented

in the past, such as LED lighting improvements, is a critical recognition of the need to drive adoption of more comprehensive, durable efficiency measures to drive deeper long-lasting savings.

As we face more extreme high temperatures as a result of climate change, the need for efficient home cooling is increasingly recognized as a necessity for tenant health and safety. Although building envelope improvements have often focused on the efficiency gains for home heating, the increased reliance on home cooling equipment merits a focus on building envelope measures paired with efficient home cooling. Indeed, a focus on building shell measures – and other cooling efficiency measures – is critical to support peak demand reduction in the hottest summer months. Notably, it is especially critical to ensure that building envelope measures are delivered alongside home electrification programs (such as the Home Electrification Appliance Rebate Program (HEAR)) to reduce the potential for increased electricity usage due to the introduction of new cooling capabilities. Improvements in building envelope measures will help to reduce electric demand reduction, now and in the future.

iii. Improve Multifamily Data Requirements, and Require Separate Tracking and Reporting by Meter Type

Despite the Commission’s repeated acknowledgement of shortcomings in the available multifamily data and analysis of multifamily savings potential, discussed above, the Commission has not taken adequate steps to improve its analysis of the potential savings this sector could achieve. The inadequate data for this sector is particularly troubling because the SWE is heavily reliant on historical performance to assess future potential. Unless and until we begin accurately tracking and assessing multifamily buildings, and the share of multifamily savings achieved within the low-income savings target, we will not understand the breadth of multifamily savings. As it stands, EDCs do not have a uniform method for reporting and tracking low income multifamily

savings data, which hinders the ability to create meaningful savings targets.

In its Phase IV Final Implementation Order, the Commission directed EDCs to “report savings achieved in multifamily housing, both for the low-income carve-out and for their portfolio of programs.”⁶⁵ While this is a helpful step forward to obtaining data necessary to evaluate the true potential of multifamily energy efficiency, it lacks clear direction and specificity.

To set the stage for future phases and ensure proper accounting of low income savings from both individually metered and master-metered low income buildings, CEEH-PA recommends that the Commission require EDCs to separately report on the number of dwellings/units served and the savings achieved from single family dwellings, individually metered multifamily dwelling units, and master-metered multifamily dwelling units.

Transparent and consistent reporting will allow for a clearer picture of the energy savings attributable to multifamily housing, and will in turn facilitate a more precise evaluation, resulting in more accurate accounting of potential energy savings from the low income multifamily sector.

iv. Phase V SWE Analysis

As noted previously, the Commission bases its determinations for energy savings targets on the SWE’s market potential studies – and it was unclear whether and to what extent the analysis included master-metered multifamily buildings that would fall within the commercial class.⁶⁶ The SWE needs to consider barriers to participation in multifamily housing programming and review the market potential for the savings that could be achieved in the future if programs were designed to meet the specific needs of multifamily housing energy efficiency.

We believe that if the Commission directs EDCs to report multifamily housing data as

⁶⁵ Phase IV Final Order at 37.

⁶⁶ See SWE EEPDR at 21, “Owing primarily to housing demographics, the SWE team found greater potential in single-family building types than in multifamily”

described above, this will allow the SWE to conduct a more holistic evaluation of the multifamily housing energy savings potential – across meter types. Additionally, CEEH-PA urges the Commission to direct that the SWE identify an achievable savings target for multifamily housing in its Phase VI EEPDR potential study.

v. *Reconvene the Multifamily Housing Working Group*

After over a decade of Act 129 programming, the affordable multifamily sector remains largely unserved or underserved – leaving substantial potential for efficiency across this critical sector. To help identify remaining barriers and design more effective programming, we recommend that the Commission reconvene the Multifamily Housing Working Group, which previously met just once in 2015. The Working Group should be tasked with identifying the policy and programmatic barriers to low income multifamily participation in existing programs; developing common metrics that can be tracked uniformly through Phase V – allowing the SWE to improve its analysis for Phase VI; and improving coordination of Act 129 with other utility and local, state, and federal multifamily housing, efficiency, electrification, health/safety, and renewable energy programs. In turn, the Working Group should identify best practices from successful programs to help ensure that lessons learned in how to effectively reach this critical sector are shared across the state. The Working Group should be convened for an initial meeting within 60 days of the Commission’s final implementation order and should be tasked with developing informal written recommendations and a summary of activities no later than October 1, 2025 – allowing at least 30 days for utilities to consider integration of the Working Group’s recommendations. Thereafter, the Working Group should reconvene at least every 6 months to help identify and resolve barriers that arise through the implementation of Phase V multifamily programs and to facilitate cross-sector and cross-program collaboration. The Working Group

should be required to file a written summary of each meeting, including the activities, issues, identified, discussions, and recommended actions – as well as information about when the next meeting will be held.

B. Leverage Other Funding and Programs to Increase Impact for Affordable Multifamily Programs

If properly leveraged and coordinated with other local, state, and federal energy efficiency and home repair programs, Act 129 programs have the potential to deliver deeper and more durable energy savings, greatly improving program efficacy and resulting in reduced energy burdens and other critical benefits to participating consumers. However, the failure to properly leverage and coordinate programs could at the same time serve to erode achievable savings – allowing utilities act as “free riders” on energy savings derived from other local, state, and federal programs.

In its TIO, the Commission recognized the potential for deeper savings by stacking measures from other programs. The Commission notes that the new Inflation Reduction Act programs offer a new avenue for coordination but recognizes the need to also coordinate with other key programs outside the new suite of IRA programs. Notably, the Commission does not include the Weatherization Assistance Program (WAP) – or the recently launched WAP Multifamily (WAPM) Program. Home repair, lead abatement, and other crucial health and safety programs are also missing from the Commission’s coordination discussion – though these types of complimentary programs provide a critical opportunity to reduce costly deferrals when health and safety issues prevent the completion of efficiency projects. Coordination of low income and affordable multifamily EE&C programs with weatherization, home repair, and health and safety programming is critical to serving the complex needs of low income communities.

The Commission notes the importance of braiding EE&C funds with other programs to

“collaborate rather than compete with other program administrators” and affirms its decision in the 2026 Total Resource Cost Test proceeding to allow utilities to claim 100% savings attribution from any coordinated project.⁶⁷ The Commission explains that the SWE “estimated an increase in aggregate electric savings due to the availability of external funding” – with much of that increase attributed to low income programs.⁶⁸ The Commission notes that external programs will reduce participating customer costs, and explains that it reduced the incremental measure costs.⁶⁹ To help track coordination, the Commission proposes to require that EDCs “track and report all outside funding by source, as well as the leverage ratio for each of their EE&C programs and the portfolio as a whole.”⁷⁰

CEEH-PA strongly agrees with the Commission that effective program coordination is crucial and provides a variety of benefits to program participants and the broader community. Coordination makes programs more accessible, helps address multifamily housing provider capacity constraints, allows for more measures to be integrated into multifamily construction/retrofit timelines, and ensures necessary energy efficiency measures can be integrated into projects’ scope of work.

In particular, stacking and integration of EE&C programs for affordable multifamily buildings with the federal Home Efficiency Rebates (HER) and the Multifamily Weatherization Assistance Program (WAPM) will help to fill the gap in contribution costs for deeper, more durable energy measures. Stacking funding and coordinating program resources will help prevent out-of-pocket expenses for economically vulnerable households and building owners, reduce energy burdens for low income tenants, and help ensure whole home, comprehensive projects are

⁶⁷ Phase V TIO at 54-55.

⁶⁸ Phase V TIO at 55.

⁶⁹ Id.

⁷⁰ Id.

completed. Coordination among weatherization, energy efficiency, and home repair programs has the potential to help fill in project funding gaps and mitigate unanticipated costs.

The Commission issued specific guidance indicating that, as a matter of policy, “it is reasonable for the EDCs to co-fund ASHRAE Level 2 audits or other technical scoping studies for sites they believe are likely to provide a return on the upfront investment.”⁷¹ As discussed below, we are supportive of this policy pronouncement (with minor amendment), as audit and scoping costs present a threshold barrier and burden for affordable multifamily building owners to adopt efficiency projects.

Notwithstanding our support for these aspects of the Commission’s TIO, we question the efficacy of the Commission’s decision to allow 100% attribution of savings for any leveraged project – regardless of contribution level. We are also concerned that the Commission has not adequately adjusted energy savings requirements to account for the hundreds of millions of dollars in leveraged funding available through other programs – permitting utilities to reach their targets without meaningful investment. We support the Commission’s proposal to require EDCs to track and report on leveraged funding and calculate the “leverage ratio” to better understand the impact of an EDC’s coordination efforts, but reporting alone will not prevent utilities from underinvesting in shared projects – artificially inflating achieved savings.

We recommend a number of additional policy adjustments to help ensure EDCs effectively leverage other available programs.

i. Encourage the Use of Common Contractors

CEEH-PA notes that to meaningfully braid and stack program funding, programs must be coordinated among contractors installing the measures. Particularly with respect to low income

⁷¹ Phase V TIO at 59.

programs, contractors that deliver the utility-run Low Income Usage Reduction Program (LIURP) programming, LIHEAP emergency furnace repair services, WAP / WAPM, and low income home repair programs (such as the Whole Home Repairs Program) are the best suited to serve the unique needs of low income families in their community and have the ability and experience to stack program funding - ensuring that comprehensive projects are completed and at no cost to low income households. Programs operating in isolation result in fragmented services to a single home in a short period of time, failing to achieve a comprehensive result.

Coordinating contractors will help eliminate redundant administrative structures, helping save ratepayer dollars and maximizing the benefit of all who receive Act 129, HER, LIURP, and WAP / WAPM services. It will also help reduce the cost of direct installation programs, as it would allow contractors to install Act 129 measures at the same time as they are performing weatherization services, conducting home repairs, or installing other equipment.

Providing customers with a single service delivery that provides efficiency measures in a single interaction would dramatically reduce confusion and fatigue among customers, increasing willingness of households and landlords to participate in the programs.

ii. Require EDCs to Develop a Detailed Coordination Plan

CEEH-PA recommends the Commission direct EDCs to include a program coordination plan within their EE&C Plan that details how the EDC will work with contractors to ensure effective coordination of affordable multifamily projects and other low income program services from energy audit through quality evaluation. The plan should include the following elements:

- Identification of key energy efficiency, home repair, electrification, renewable energy, and health and safety programming that it will seek to braid with Act 129 programs, and how it intends to coordinate with the administrators of those programs.
- Details for how the EDC intends to coordinate energy audits and/or share data with other

program administrators.

- An explanation for how building health and safety needs will be addressed to prevent deferrals.
- A planning worksheet to assist contractors with resource stacking.
- A community engagement strategy that details how the EDC and its CSP will work to build relationships with the housing community and other key stakeholders.

Currently, and proposed to continue in Phase V, Conservation Service Providers (CSPs) must engage in a competitive bidding process to have contracts approved to implement EDCs' Act 129 EE&C plans.⁷² The Act provides that CSPs can perform some or all of the functions of an EE&C plan, including managing the whole plan. One of the required selection criteria for CSPs that they must address when bidding to provide services is a “proposed plan to coordinate with other program administrators in the Commonwealth and leverage external funding sources.”⁷³ We are concerned this policy allows too much deference to CSPs to develop paths to coordination and complicates the Commission’s oversight of this crucial aspect of Act 129 programming.

To better ensure that utilities are active in developing and directing coordination activities, and to improve Commission oversight of this important program aspect, we recommend a slight change to the CSP bidding criteria – requiring them to establish, with appropriate level of detail, *how* they would propose to *implement* the EDC’s coordination plan. CEEH-PA therefore recommends the Commission make this adjustment, directing EDCs to create a coordination plan and adjusting the CSP bidding and selection criteria appropriately.

iii. Utilize the Multifamily Housing Working Group to Advance Coordination

Through our collective experience, we have found that establishing ongoing working relationships with community leaders and organizations is the most effective manner by which to

⁷² Phase V TIO at 79-80.

⁷³ *Id.* at 81-82.

coordinate efforts, especially for larger community projects including treating multifamily housing with energy efficiency upgrades and services. This aspect of program operation is difficult to quantify or regulate. However, it is critical for EDCs and their program administrators to build relationships with housing providers, landlord associations, and other key leaders and stakeholders across the housing community to build trust and support based on regular communication and tracking of progress toward multifamily housing goals.⁷⁴ Relationship building of this nature will help to identify and remediate common program barriers and improve the reach of program services into underserved areas.

As noted in the previous section of our comments, we strongly urge the Commission to reconstitute the Multifamily Housing Working Group within 60 days of the final implementation order, before the EDC Plans are filed, to help identify best practices and share strategies for coordination that can be included in each of the EDCs Plans. The Working Group should meet periodically throughout Phase V to help connect EDCs to housing providers and to improve the identification and resolution of program and policy barriers that arise.

iv. Amend the Criteria for ASHRAE Level 2 Audits

As noted above, CEEH-PA supports the Commission’s proposal to allow EDCs to “co-fund ASHRAE Level 2 audits or other technical scoping studies for sites they believe are likely to provide a return on the upfront investment.”⁷⁵ We believe this provision is an important approach to encourage program coordination – helping to ease the prohibitive upfront costs that often prevent affordable multifamily building owners and operators from engaging in efficiency

⁷⁴ Ross, L., Jarrett, M., and York, D., ACEEE, Reaching More Residents: Opportunities for Increasing Participation in Multifamily Energy Efficiency Programs, (May 2016), <https://www.aceee.org/sites/default/files/publications/researchreports/u1603.pdf>

⁷⁵ Phase V TIO at 59.

programs. We are optimistic that this policy pronouncement will help bridge the gap for public housing authorities and non-profit housing providers with the greatest resource constraints, helping reduce historic disparities in energy burdens faced by the lowest income families.

Notwithstanding this strong support, we are concerned with the criteria the Commission lists for determining whether to support an ASHRAE Level 2 audit. Specifically, the Phase V TIO lists the “historic propensity of certain customer types to participate in programs” as one of the criteria to determine the return on investment.⁷⁶ Allowing EDCs and their program administrators to make a subjective determination about the “historic propensity” of a housing provider to participate is highly problematic, and will reduce the ability of the EDCs to support the participation of first-time Act 129 program participants. It may also undermine the goal of HER, WAPM, and other programs to reach underserved areas, underserved housing types, and underserved populations. Affordable multifamily housing is unique and difficulties serving these buildings are well documented.⁷⁷

CEEH-PA recommends that the historic participation be removed as a criterion for determining return on investment. However, we recognize and understand that EDCs will want some certainty that the building owner will follow through with installing energy efficiency measures an audit finds necessary. We therefore recommend that the Commission replace the historic participation criterion with the consumer’s likelihood of program participation following completion of an ASHRAE Level 2 audit. The amended language would read: “These criteria could be based on available electric consumption at the facility, ~~historic propensity of certain customer types to participate in programs,~~ likelihood of consumer participation in new programs”

⁷⁶ Id.

⁷⁷ U.S. Dept of Energy, *Serving Affordable Multifamily Buildings with Home Energy Rebates*, Available online at <https://www.energy.gov/scep/slsc/home-energy-rebates-program/serving-affordable-multifamily-buildings-home-energy-rebates>

(such as, but not limited to HER), or other characteristics identified by the EDC and its CSPs.”⁷⁸

The likelihood of participation would be measured by evaluating other data markers unrelated to historic participation. These may include things like property characteristics, tenant demographics, and program incentives.

CEEH-PA appreciates the Commission’s proposal for cost sharing of the audits, as allowing EDCs to claim savings towards Phase V targets when sharing costs for the upfront audits is an important mechanism to encourage such cost sharing and program coordination. While we understand the Commission has issued its decision through its Total Resource Cost Test Final Order related to savings attribution, we would be remiss to not raise our concern in these comments that allowing EDCs to claim full savings of all improvements, which may be paid for by other new conservation programs, could have the adverse effect of disincentivizing robust and creative application of rebates. We believe a negotiated energy savings attribution framework would be preferable.⁷⁹

v. *Develop Standardized Templates to Streamline Key Features*

As a final recommendation, CEEH-PA recommends that the Commission develop standardized policies and templates to promote effective cross-program data sharing and streamline application processes. One of the biggest barriers to program coordination is the practical fact that each program has different forms and processes that complicate cross-collaboration. Data sharing agreements are helpful but are not alone sufficient to overcome these practical barriers when the data points do not line up.

⁷⁸ Phase V TIO at 59.

⁷⁹ Northeast Energy Efficiency Partnership (NEEP), [Expanding the Energy Savings Pie: Attribution Frameworks to Align IRA Home Energy Rebates and State Programs](https://neep.org/sites/default/files/media-files/neep_attribution_frameworks_ira_final.pdf), at 19-22 (July 2024). Available online at https://neep.org/sites/default/files/media-files/neep_attribution_frameworks_ira_final.pdf

We recommend that the Commission develop a standardized common application and audit form and data sharing principles that can be adopted by each of the EDCs. In turn, the Commission should work to develop a standardized data sharing agreement that would allow the utilities to more easily share data with local and state program administrators – and vice versa – while ensuring strong consumer protections and data integrity protocols are in place. The Commission should also build a common website that could serve as a “one stop” for EE&C program information – as well as a referral source for related programs. We note that the Commission has already embarked on some of this work through its Universal Service Working Group, and we encourage further expansion of that critical work to help streamline access to and knowledge about EE&C programs.

IV. CONCLUSION

Act 129 EE&C programs provide a critical tool to help reduce energy consumption, control rising demand, and combat rising energy prices. These programs are especially important for low income families, which routinely face disproportionately higher average energy costs yet are most often without the resources to invest in comprehensive home efficiency. Regardless of housing type, low income families across the state must have access to comprehensive, durable efficiency services to help reduce disparities in energy burden, improve energy insecurity, and improve the availability of safe and affordable housing options.

As discussed in these comments, CEEH-PA respectfully recommends that the Commission:

- Increase its low income savings target to better account for inclusion of low income multifamily housing and to improve the accessibility of services for low income Pennsylvanians – regardless of housing type.
- Improve the overall focus on durable building envelope measures that help reduce heating and cooling costs.

- Require transparent and consistent affordable multifamily housing EDC reporting allowing the SWE to more holistically evaluate the impact and savings potential.
- Reconvene the Multifamily Housing Working Group.
- Require the use of common contractors and standardized audits.
- Require EDCs to develop coordination plans as part of their EE&C plan.
- Remove historic participation as a criterion for determining the return on investment for contribution to ASHRAE Level 2 Audits.
- Develop standardized templates, common forms, and consolidated website to streamline program administration.

CEEH-PA encourages adoption of our recommendations to maximize the benefits of Act 129 for low income families across the state, regardless of housing type.

Respectfully submitted,

/s/Sarah Ralich

Sarah Ralich
Senior Energy and Construction Manager
ACTION-Housing, Inc.
611 William Penn Place, Suite 800
Pittsburgh, PA 15219-6927
sralich@actionhousing.org

/s/Patrick Coleman

Patrick Coleman
Principal Director, Climate Smart
Communities
New Ecology, Inc.
294 Washington Street, Suite 830
Boston, MA 02108
pat.coleman@newecology.org

/s/Gale Schwartz

Gale Schwartz
Director of Programs and Outreach
Housing Alliance of Pennsylvania
1501 Cherry Street
Philadelphia, PA 19102
Gale@housingalliancepa.org

/s/ Elizabeth R. Marx

Elizabeth R. Marx, Esq.
Executive Director
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17111
emarx@pautilitylawproject.org

/s/Todd Nedwick

Todd Nedwick
Senior Director of Sustainable Policy
National Housing Trust
1101 Connecticut Ave NW, Suite 700
Washington, DC 20036
tnedwick@nhtinc.org

/s/Dina Schlossberg

Dina Schlossberg
Executive Director
Regional Housing Legal Services
123 S. Broad Street, Suite 1330
Philadelphia, PA 19109
dina.schlossberg@rhls.org