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VIA ELECTRONIC FILING

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

**Re: Energy Efficiency and Conservation Program
M-2025-3052826**

Dear Secretary Homsher:

Enclosed for filing please find Duquesne Light Company's Comments in the above referenced proceeding.

If you have any questions regarding the information contained in this filing, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "L.A. Baxter".

Lindsay A. Baxter
Senior Manager, Energy Policy and Public Affairs

Enclosure

cc:

Joe Sherrick, josherrick@pa.gov
Tiffany L. Tran, tiftran@pa.gov

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Energy Efficiency and Conservation
Program

:

Docket No. M-2025-3052826

**REPLY COMMENTS OF
DUQUESNE LIGHT COMPANY**

I. INTRODUCTION

Duquesne Light Company (“Duquesne Light” or “Company”) submits the following Reply Comments regarding the *Tentative Implementation Order* (“TIO”) issued February 20, 2025, seeking input on the proposed Phase V of Act 129. The Company filed Comments in this proceeding on April 7, 2025, and submits these Reply Comments to inform the Public Utility Commission (“Commission”) as to the Company’s position on issues raised by other commenters and to further develop the record regarding this matter.

II. COMMENTS

Duquesne Light remains committed to providing impactful, cost-effective energy efficiency programming to its customers. Recent wholesale price increases, particularly in the capacity market, have placed upward pressure on generation rates. Given the existing pricing trends, the Company must ensure that customer dollars are well spent, and that Phase V provides cost-effective programs that can benefit customers through reduced energy usage and lower utility bills.

Duquesne Light has reviewed the twenty-one sets of comments filed by other stakeholders in this docket. These comments covered a wide spectrum of potential issues concerning Phase V. Given the breadth of comments filed, Duquesne Light has limited these Reply Comments to those

items it finds most relevant to the upcoming Energy Efficiency and Conservation (“EE&C”) program phase, as follows:¹

a. Scope of Phase V.

As an initial matter, Duquesne Light notes that some of the parties’ proposals and recommendations appear to be inconsistent with the PUC’s recent Low Income Usage Reduction Program (“LIURP”) rulemaking,² and the stated intent of Act 129 to provide the measures equitably to all classes of customers. For example, parties have recommended a number of reforms to EE&C plans to integrate LIURP with Phase V.³ Specifically, parties recommend the Commission require the use of common contractors and common auditing tools in the delivery of Act 129 and LIURP programming. Further, they assert the most effective path would be to consolidate these programs for delivery by local Weatherization Assistance Program (“WAP”) providers.⁴ Additionally, CAUSE-PA recommends that Act 129 incorporate a variety of “health and safety elements.”⁵

Duquesne Light agrees with using competitively procured common LIURP contractors, when possible. However, the recommendation to use common auditing tools is considerably more challenging and time consuming to implement. LIURP applies the LIURP Codebook focused on participant meter data, billing data and demographics. Savings are determined by pre-and post-measure installation at the customer dwelling. Act 129, on the other hand, implements resource programs with measurement and verification of savings at the measure-level, calculated in a manner consistent with the applicable Technical Reference Manual. Imposing the use of "common

¹ The Company’s silence on any issue should not be construed as agreement. Duquesne Light reserves all rights with respect to such issues in future proceedings.

² Cite Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1—58.18

³ CAUSE-PA at 7, 14; CEEH-PA at 25-33.

⁴ CAUSE-PA at 53.

⁵ CAUSE-PA at 62.

auditing tools" would require parties to first normalize both activity data dictionaries and develop platforms capable of accommodating the composite data. This has not been accomplished by the Universal Service Working Group, is inconsistent with the Commission's LIURP rulemaking, and thus expands the scope of this proceeding to include what is arguably an impermissible collateral attack on the recent LIURP rulemaking.

Duquesne Light is also concerned with recommendations that expand the scope of EE&C plans in a way that threatens cost-effectiveness by overemphasizing measures for certain customer segments. Act 129 assesses cost-effectiveness at the plan level. The extensive program designs laid out in CAUSE-PA's comments, described above, would jeopardize the cost-effectiveness of the overall portfolio. Low-income programs tend to have lower Total Resource Cost test ("TRC") scores, and if increased, may lower the overall cost effectiveness of the portfolio. The Company submits that Phase V measures must be balanced to ensure an overall cost-effective plan.

For all these reasons, the Commission should reject recommendations to expand the scope of the Phase V EE&C Program beyond what was intended by Act 129.

b. Plan Changes.

The Company notes in its comments that technology, energy costs, and the policy landscape can be expected to evolve over the course of the five-year phase. It is imperative that there is flexibility to change course as needed to ensure programs remain effective, relevant, and cost-efficient. Duquesne Light supports the proposed plan change process offered by PECO and agrees that this proposal "would permit EDCs to optimize customer-funded energy efficiency investments in real-time, enable rapid reallocation of monetary resources to the high-impact measures that reduce consumption and peak demand, and streamline a process that currently stifles

program flexibility due to the amount of time it takes to navigate the plan change process.”⁶
Duquesne Light encourages the Commission to adopt PECO’s proposed process for plan changes.

c. Beneficial electrification conversions.

Duquesne Light supports the position of those parties advocating for fossil-fuel to electric beneficial electrification where fuel switching reduces energy use and lowers the customer energy bill.⁷ The plain language purpose of Act 129 is to “reduce energy demand and consumption within the service territory of each electric distribution company in this Commonwealth.” 66 Pa.C.S. §2806.1(a). Duquesne Light supports electric conversions where the customer bill will be reduced and recommends the test for customer “affordability” be the Participant Cost Test, defined in the National Standard Practice Manuals, Appendix E.

d. Demand Response

A number of commenters recommended changes to proposed Demand Response (“DR”) programs and targets. Duquesne Light is a member of the Energy Association of Pennsylvania (“EAP”) and, as such, has participated in the preparation of the EAP’s Reply Comments to be filed at this docket. The Company supports the points made by EAP regarding DR.

e. Potential Forecast “Acquisition Rates”.

Some parties to the proceeding do not agree with the Statewide Evaluator’s EE&DR Potential Forecast acquisition rates that are the basis for the Act 129 Potential forecast and the TIO

⁶ PECO at 27-28.

⁷ CAUSE-PA at 71-72, 73, 75; Advanced Energy at 15; NEEP at 9.

targets.⁸ Duquesne Light agrees the acquisition rates have been reduced, resulting in higher targets.⁹ The Company also agrees with CAUSE-PA that reduced acquisition costs and higher goals will not promote the installation of deeper and more durable energy saving measures.

f. Calculation of savings resulting from “Braided” funding.

The Office of Consumer Advocate (“OCA”) argues that EDCs should track the administrative cost associated with “braiding” outside incentives and report when this amount exceeds 1.5% of annual budgets.¹⁰ Duquesne Light agrees tracking the labor required to braid outside funding is important and further recommends these braided incentive labor costs be characterized as “incentives” in reporting cost-effectiveness, like the treatment of labor for the direct installation of measures. The labor cost, and the outside incentives the labor renders, directly benefit the participating customer by reducing costs and helps to overcome the barriers to efficient equipment adoption.

Parties argue, however, that EDCs should not be allowed to attribute savings from braided funds toward the low-income carve-out.¹¹ Duquesne Light strongly opposes this position and finds no plausible justification for it. If an EDC spends program dollars, tracks those expenditures and obtains outside incentives for a participating customer, it must be able to report the project savings as part of that activity. As the Commission proposes in the Tentative Implementation Order and has recognized in six TRC Orders, EDCs should report full savings for projects that are co-funded using outside incentives.

⁸ CAUSE-PA at 19-20, 32, 55.

⁹ See DLC Comments at Section III.E., at 13.

¹⁰ OCA at 18.

¹¹ OCA at 16; CEEH-PA at 32.

g. Scope of low-income programs.

A number of parties call on the PUC to expand low-income programs. CAUSE-PA argues that low-income savings goals should account for 46% of the program potential.¹² The OCA suggests the Commission increase the Low-Income Carve-out to at least 14% of the budget; proportionally adjust the associated savings targets; and include an income-eligible solar carve-out provision which requires a percentage of installations or savings to be achieved through the installation of solar at income-eligible properties.¹³ Still others recommend establishing a low-income peak demand reduction target for each EDC with a low-income consumption target of approximately 7% of the total goal. Others request specific spending carve-outs for direct install and comprehensive measures.¹⁴

These calls for expansion of low-income programs should be rejected. The EE&C Plan must remain cost-effective. Increasing the dedicated carve-outs and targets for low-income programs threatens the ability to achieve a cost-effective portfolio of programs. Duquesne Light understands that affordability is a challenge and generally supports efforts to aid low-income customers. However, if the Commission decides to pursue a policy agenda that increases low-income program scope and funding, it should assess those programs in isolation, removing them from the portfolio that is subject to penalty. Finally, Duquesne Light reiterates its support for the Tentative Implementation Order's proposed 13% Budget Allocation for the Low-Income EE Portfolio Component *if* the carve-out objective is a spending target *in place of* a savings target.

¹² CAUSE-PA at 14.

¹³ OCA at 7, 10.

¹⁴ CEO and PA Weatherization Task Force at 5.

h. Data sharing.

Numerous parties propose the Commission require extensive EDC data sharing to include customer identifying information, usage records, and program participation activity. Specifically, Keystone Energy Efficiency Alliance (“KEEA”) requests real-time customer information via a standardized application programming interface, or API, for use by energy efficiency firms and other relevant stakeholders.¹⁵

Duquesne Light opposes this requirement and suggests that the parties significantly underestimate the time, expense, and risk entailed by such real-time or centralized access to EDC customer data. At a time of heightened cyber-security threats and constrained budgets, these proposed data requirements should be rejected.

i. Performance-based budgeting.

KEEA proposes the Commission link “program administration funding to meeting spending and energy savings benchmarks.”¹⁶ Duquesne Light opposes this requirement, which represents a significant departure from four phases of precedent. Additionally, linking program spending levels to the reimbursement of legitimately incurred administration expenses would create a perverse incentive where EDCs could be encouraged to seek less cost-effective savings than might otherwise be available. Energy savings and budgets are already inextricably linked by savings mandates, cost-effectiveness requirements, and the threat of punitive penalties, thus additional requirements are not warranted.

¹⁵ KEEA at 11.

¹⁶ KEEA at 3.

III. CONCLUSION

Duquesne Light is dedicated to providing energy efficiency and conservation programs that are cost-effective and impactful. The Company appreciates the opportunity to participate in this proceeding and provide these Reply Comments for Commission consideration.

Respectfully submitted,



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