



April 22, 2025

Submitted Via E-Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Energy Efficiency and Conservation Program Tentative Implementation
Order for Phase V, Docket No. M-2025-3052826**

Dear Secretary Homsher:

Keystone Energy Efficiency Alliance submits the following reply comments regarding the Pennsylvania Public Utility Commission's ("Commission" or "PUC") 2026 Tentative Implementation Order ("TO").

On February 20, 2025, the Commission issued a Tentative Implementation Order for Phase V of Act 129 Energy Efficiency and Conservation Program. Notice of the Order was posted in the Pennsylvania Bulletin on March 8, 2025, and Comments were due within 30 days of publication. The Keystone Energy Efficiency Alliance ("KEEA") filed comments on April 7, 2025. KEEA submits these Reply Comments in response to specific points raised by other parties in the proceeding. The omission of a response to any given points should not be construed as support for those points.

A. Data Sharing Program Between EDCs and State Agencies

We strongly support the Commission's inclusion of enhanced data sharing in Act 129 Phase V as a foundational step toward maximizing program coordination, cost-effectiveness, and equitable access to energy efficiency services. Now is precisely the right time to establish a clear path for data sharing between Electric Distribution Companies ("EDCs") and state agencies administering complementary programs, especially given the influx of federal funding through the Inflation Reduction Act ("IRA"). As NEEP points out in its comments, laying the groundwork for effective and secure data exchange will enable smarter grid management, lower customer energy burdens, and ensure that Act 129 investments are leveraged in tandem with other funding streams for maximum impact. Developing formal statewide policies, through a stakeholder-driven process, will ensure proper privacy protections, cybersecurity protocols, and informed customer consent while enabling better coordination and deeper savings.

Dismissing data sharing as too complex or speculative to address in this proceeding and delaying action risks undermining the very efficiency gains that Act 129 and the IRA aim to deliver. Utilities already maintain much of the data necessary for program alignment; what's needed is the regulatory direction to establish secure, aggregated data sharing protocols and formal collaboration with agencies such as the Department of Environmental Protection ("DEP"), The Department of Community and Economic Development ("DCED"), and the Department of Human Services ("DHS"). Establishing clear third-party eligibility criteria and standardized formats for sharing usage and contact data will reduce duplication, streamline customer outreach, and enable whole-home efficiency upgrades, especially for low-income households served by multiple programs. By embedding these provisions in Phase V planning, the Commission will not only ensure that Act 129 continues to evolve to meet current needs, but also lay the foundation for smarter, more equitable, and more responsive energy systems across Pennsylvania.

B. AEPS Registration

We are encouraged to see the Commission's rationale in encouraging EDC's to support Alternative Energy Portfolio Standards ("AEPS") registration for qualifying energy efficiency projects, particularly those implemented by commercial and industrial ("C&I") customers. Helping participants register their Act 129 projects for Alternative Energy Credits ("AECs") can provide an important supplementary benefit that improves project economics, supports broader clean energy objectives, and potentially reduces overall AEPS compliance costs. While AEPS registration may not produce direct, verifiable energy savings toward Act 129 compliance, it enhances the overall value proposition for customers and can help increase participation in deeper efficiency projects.

EDCs should be encouraged to include AEPS facilitation measures in their EE&C Plans. This could take the form of technical assistance, standardized documentation, or information sharing that simplifies the process for interested customers. EDCs should have the flexibility to design this support in ways that align with their portfolios and customer needs, while the Commission should clarify that such efforts are permissible uses of administrative or support funding within Act 129. This compromise would advance customer value and participation without imposing a rigid mandate on utilities.

C. Co-Funding for IRA-Required Audits

KEEA reiterates its support for the Commission's proposal that Act 129 EDCs co-fund ASHRAE Level 2 audits or similar technical scoping studies for properties with high potential for energy savings.

The Commission's approach offers EDCs the discretion to strategically invest in audits where there is a high likelihood of achieving energy savings, audits that are a required prerequisite to

unlocking substantial federal rebate funding under the IRA Home Efficiency Rebate (“HER”) program. This alignment of state and federal objectives enhance the EDC flexibility and allows Pennsylvania ratepayers to benefit from coordinated, multi-leveraged funding.

The Pennsylvania DEP offers unequivocal support for the proposed \$5 million allocation toward ASHRAE Level 2 audits for multifamily buildings. DEP states: “In the strongest possible terms, DEP supports the proposed \$5M allocation for ASHRAE Level 2 energy audits for multi-family buildings. These funds will help implement deep energy retrofits for low-income multifamily housing through the HER program.” DEP further emphasizes that these audits are essential for participation in the HER program, which it plans to focus on multifamily low-income housing—ensuring that Act 129 funding can directly benefit some of the Commonwealth’s most vulnerable residents.

To qualify for HER rebates, multifamily housing projects must achieve at least 20% in modeled energy savings through a suite of improvements identified by an ASHRAE Level 2 audit. Larger rebates are available for savings that exceed 35%. DEP also notes the complementary role of the Home Electrification and Appliance Rebate (“HEAR”) Program, which can provide additional incentives for households transitioning from electric resistance heating to heat pumps. Together, the HER and HEAR programs represent \$258 million in federal investment into the residential sector—investment that can and should be amplified through EDC collaboration, including strategic co-funding of audits.

The Statewide Evaluator’s Potential Study reinforces this case. While a \$5 million investment in ASHRAE Level 2 audits may result in a marginal reduction in standalone Act 129 savings, the overall statewide savings potential increases due to the influx of federal HER and HEAR funding. The Commission rightly concludes that the incremental energy savings enabled by this external funding will more than offset any budget reallocation necessary to support the audits.

EDCs that co-fund audits are entitled under the Commission’s proposal to claim all eligible electric savings toward Phase V targets—creating a clear and direct incentive for participation. Far from being a risk, this proposal represents a high-leverage, cost-effective opportunity to integrate state and federal efficiency efforts, deliver deeper savings to Pennsylvania households, and stretch limited ratepayer dollars farther.

Given the extraordinary scale of federal funding now available, it would be a missed opportunity not to align Act 129 implementation strategies with programs like HER and HEAR. The proposed \$5 million allocation for ASHRAE Level 2 audits is a measured, thoughtful step that will ensure Pennsylvania maximizes its clean energy investments while advancing equitable access to energy savings.

Additionally, low-income multifamily buildings need particular support right now, as rising PJM prices hit these residences particularly hard. Less visibly, the rules governing subsidized housing mean that higher utility costs often reduce allowable rent, leaving landlords with fewer resources to invest in energy-saving upgrades. This creates a greater reliance on Act 129 and complementary programs like the HER program to fund critical improvements. Coordinated support across these initiatives is essential to ensure these buildings can achieve deep energy retrofits that benefit both tenants and long-term housing stability.

D. Coordinated Marketing Campaigns

Coordinated marketing, while not producing direct measure-level savings, is a critical component of the infrastructure that enables successful energy efficiency outcomes. Marketing and outreach play a foundational role in driving participation, especially when customers must navigate multiple programs with differing eligibility criteria and incentives. The Commission's encouragement of joint marketing efforts under Act 129 is a forward-thinking approach that recognizes how unified messaging can increase program visibility, reduce consumer confusion, and ensure that residents—particularly those in underserved or low-income communities—are aware of and able to access all available benefits across state, utility, and federal initiatives. When customers understand how programs intersect and where to begin, they are more likely to take action, which in turn leads to measurable increases in the installation of qualifying energy-saving measures.

Rather than viewing marketing as a cost without return, the Commission and program administrators should understand it as a strategic investment that improves cost-effectiveness by maximizing the reach and impact of energy efficiency offerings. As federal funding opportunities such as those available through the Inflation Reduction Act roll out, the need for clear, coordinated messaging across programs becomes even more urgent. Fragmented or inconsistent communication risks leaving substantial savings untapped and further marginalizing communities already facing energy burdens. By allocating a modest portion of Act 129 budgets to joint outreach strategies, utilities and state partners can avoid duplicative efforts, streamline customer engagement, and improve program alignment and delivery. We strongly support the Commission's position and urge that coordinated marketing remain a recommended and encouraged activity in Phase V EE&C Plans.

E. Conclusion

KEEA appreciates the Commission's continued commitment to Act 129 energy efficiency programs during these extraordinary times. We hope these Reply Comments provide helpful perspective for the Commission as it develops Phase V of Act 129 to deliver lasting energy savings to Pennsylvania electric customers.

Sincerely,

Jeaneen Zappa
Executive Director
Keystone Energy Efficiency Alliance