



COMMONWEALTH OF PENNSYLVANIA

June 27, 2025

E-FILED

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

**Re: Petition of UGI Utilities, Inc. – Gas Division for Approval of Phase II of its
Energy Efficiency and Conservation Plan / Docket No. M-2024-3048418**

Dear Secretary Homsher:

Pursuant to the Recommended Decision, dated June 20, 2025, granting the admission of testimony and exhibits issued in the above referenced matter, and consistent with 52 Pa. Code Section 5.412a of the Commission’s regulations which requires the electronic submission of preserved testimony, the Office of Small Business Advocate (“OSBA”) is filing its admitted preserved testimony and exhibits.

- Direct Testimony and Exhibits of Angela Vitulli, labeled OSBA Statement No.1, and associated Exhibits IEC-1 and IEC-2, along with a Verification.
- Surrebuttal Testimony of Angela Vitulli, labeled OSBA Statement No. 1-SR, along with a Verification.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Angela Vitulli
Emma Grazier
Parties of Record



COMMONWEALTH OF PENNSYLVANIA

February 11, 2025

The Honorable Steven Haas
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Petition of UGI Utilities, Inc. – Gas Division for Approval of Phase II of its
Energy Efficiency and Conservation Plan / Docket No. M-2024-3048418**

Dear Judge Haas:

Enclosed please find the Direct Testimony and Exhibits of Angela Vitulli, labelled OSBA Statement No. 1 and associated Exhibits IEC-1 and IEC-2, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: PA PUC Secretary Rosemary Chiavetta (Cover Letter & Certificate of Service only)
Angela Vitulli
Emma Grazier
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : Docket No. M-2024-3048418
Division for Approval of Phase II of its :
Energy Efficiency and Conservation :
Plan :

Direct Testimony and Exhibits

of

ANGELA J. VITULLI

On Behalf of the

Pennsylvania Office of Small Business Advocate

Topics:

**Cost-effectiveness
Reporting and evaluation**

Date Served: February 11, 2025

Date Submitted for the Record: _____

DIRECT TESTIMONY OF ANGELA J. VITULLI

1 **1. INTRODUCTION AND OVERVIEW**

2 **Q. Ms. Vitulli, please state your name and briefly describe your qualifications.**

3 A. My name is Angela Vitulli and I am a Principal at Industrial Economics, Incorporated
4 ("IEc"), a consulting firm located at 2067 Massachusetts Avenue, Cambridge, MA 02140.
5 I am appearing in this proceeding on behalf of the Pennsylvania Office of Small Business
6 Advocate ("OSBA").

7 I have over fifteen years of experience in energy efficiency and clean energy program
8 design and evaluation. In addition to evaluating traditional demand side management
9 ("DSM") portfolios, I specialize in designing and evaluating technology demonstration and
10 pilot programs, and market transformation programs. I have served as a principal
11 investigator and contract manager for relevant contracts for the Department of Energy
12 ("DOE"), and the New York State Energy Research and Development Authority
13 ("NYSERDA"), the California Energy Commission, and the California Air Resources
14 Board. I am currently working on market evaluations of multiple heat pump programs for
15 NYSERDA.

16 I recently testified as an expert witness on behalf of OSBA in the Philadelphia Gas Works
17 Demand-Side Management Plan Phase IV case and the Columbia Gas Works Green Path
18 Rider case, and I am engaged in similar ongoing cases with the New Mexico Public
19 Regulation Commission. I have previously served as a DSM program design expert witness
20 for the Public Intervenor of the Province of New Brunswick. I have also served as an expert
21 program evaluation advisor to Eversource in Massachusetts, helping the utility with
22 structuring evaluation projects for both electric and gas DSM programs, and reviewing
23 results and deliverables. Finally, I provide greenhouse gas ("GHG") inventory and strategy
24 services to several private sector and NGO clients. This work entails analyzing GHG
25 impacts of organizations, and the cost-effectiveness and feasibility of energy efficiency,
26 fuel switching, and renewable energy options.

27 I obtained a B.A. degree in Tulane University in Political Science in 1996, *Phi Beta Kappa*,
28 and an M.A. degree Urban and Environmental Policy in 1999, with a concentration in
29 economics. My resume is contained in the Exhibit IEc-1.

1 **Q. Have you previously testified before the Commission?**

2 **A.** Yes, I testified on behalf of OSBA in the recent Philadelphia Gas Works Demand-Side
3 Management Plan Phase IV case and the Columbia Gas Green Path Rider matter.

4 **Q. What is the purpose of this testimony?**

5 **A.** I was retained by the OSBA to review the Phase II Energy Efficiency and Conservation
6 Plan (“Phase II EE&C Plan” or “Phase II Plan”) proposed by the UGI Utilities, Inc. – Gas
7 Division (“UGI Gas” or the “Company”), and to evaluate whether the Company’s program
8 design is consistent with sound regulatory and economic principles, and would be
9 beneficial, on net, to small business customers.

10 **Q. Summarize your current conclusions and recommendations.**

11 **A.** I recommend that the Commission approve the proposed Phase II EE&C Plan with the
12 addition of the following improvements related to reporting, program evaluation, and the
13 commercial gas heat pump measure:

14

- **The Commission should mandate that UGI Gas provide more detailed**
15 **reporting on Phase II Plan implementation.** At minimum, UGI Gas should track
16 and report (at annual stakeholder meetings and in annual reports) each program’s
17 (1) number of unique participants by rate class and (2) total rebates issued by rate
18 class. In addition, UGI Gas should also track and report program participation by
19 other customer categories including but not limited to small business and low-
20 income. This more detailed approach to tracking and reporting will increase
21 transparency, enable the Company and its stakeholders to assess how program costs
22 and benefits are distributed across rate classes and customer categories, and allow
23 the Company and its stakeholders to identify opportunities for improvement.

24

- **The Commission should mandate that UGI Gas file and serve the Company’s**
25 **program evaluations to the parties to this docket.** Acting on program evaluation
26 insights may be critical for increasing customer participation in Phase II and
27 ensuring the Plan achieves its predicted level of benefits. The Company could
28 increase transparency around evaluation insights by regularly filing and serving its
29 completed program evaluations to the parties to this docket. Alternatively, the
30 Company could post the evaluations publicly.

- 1 • **The Commission should mandate that UGI Gas conduct an energy savings and**
2 **cost-effectiveness analysis before offering incentives for commercial gas heat**
3 **pumps.** This study should estimate the emerging technology’s lifecycle energy
4 savings, customer costs (including installation, billing, and maintenance costs), and
5 cost-effectiveness for a hypothetical, generic commercial building within the
6 Company’s service territory. UGI Gas should file and serve this analysis to the
7 parties to this docket.
- 8 • **The Commission should mandate that UGI Gas file and serve a one-time**
9 **informational letter to the parties to this docket if the Company begins offering**
10 **a commercial gas heat pump measure.** The filing should detail the level of the
11 incentive, the forecasted number of measures to be rebated per year, and any
12 impacts to the Plan’s overall budgets.

13 **Q. How is your testimony organized?**

14 A. My testimony is organized in three parts:

- 15 • First, I summarize the design of the proposed Phase II EE&C Plan.
- 16 • Second, I summarize the costs and benefits to ratepayers (particularly small business
17 customers) of the proposed Phase II EE&C Plan.
- 18 • Third, I discuss concerns with aspects of program design, implementation, and
19 reporting.

20 **2. PROPOSED PHASE II EE&C PLAN DESIGN**

21 **Q. Provide an overview of the proposed UGI Gas Phase II EE&C Plan design, and in**
22 **particular, the components that serve small businesses.**

23 A. UGI Gas’ voluntary EE&C program is a portfolio of energy efficiency initiatives designed
24 to help the Company’s customers reduce their energy consumption in a cost-effective
25 manner. UGI Gas’ current EE&C Plan (“Phase I Plan”) was approved by the Pennsylvania
26 Public Utility Commission (“Commission”) in 2019 and includes five natural gas

1 efficiency programs (three residential and two commercial) and one combined heat and
2 power (“CHP”) program.¹ The Phase I Plan will end on September 30, 2025.

3 UGI Gas proposes to implement a second phase of its EE&C Plan (“Phase II Plan”) over
4 the five-year period beginning October 1, 2025 through September 30, 2030.² The Phase
5 II Plan builds on the current Phase I Plan, with updated projections and incentives, added
6 measures, and a consolidation of the two existing commercial programs into a single
7 program with two pathways (prescriptive and custom).

8 UGI Gas’ small business customers (included in the Nonresidential or “N” rate class) are
9 eligible to participate in two of the five Phase II Plan programs: the Residential Prescriptive
10 (“RP”) program and the Nonresidential (“NR”) program. The RP program offers rebates
11 for qualifying residential-sized, high-efficiency space and water heating equipment,
12 including but not limited to smart thermostats, furnaces, boilers, and fireplace inserts. The
13 proposed NR program will be split into two pathways: a prescriptive pathway with preset
14 rebates for qualifying commercial-sized space heating, water heating, and kitchen
15 equipment (e.g., boilers, steam traps, dishwashers, etc.), and a custom pathway wherein a
16 technical assistance provider will develop a custom package of measures and incentives
17 for a specific commercial project (update or new construction). Prescriptive pathway
18 incentives are designed to offset approximately one-half of the incremental cost to install
19 high-efficiency equipment. Custom pathway incentives will be based on each project’s
20 unique financial characteristics and will be capped at the lesser of the project’s gas benefits,
21 incremental cost, or \$100,000.

22 **3. PROGRAM COSTS AND BENEFITS**

23 **Q. Is the proposed Phase II EE&C Plan cost-effective?**

24 A. Yes, the Phase II Plan’s projected portfolio-wide benefit cost ratio (BCR) of 1.57 indicates
25 it is cost-effective.

¹ See *Pa. PUC v. UGI Utilities, Inc.*, Docket No. R-2018-3006814 (Order entered Oct. 4, 2019) (“2019 Rate Case Order”). The current EE&C Plan is referred to as the Consolidated EE&C Plan or Phase I EE&C Plan.

² See *Petition of UGI Utilities, Inc. – Gas Division for Approval of Phase II of its Energy Efficiency and Conservation Plan*, Docket No. M-2024-3048418, (Petition entered April 15, 2024).

1 **Q. How could participating small business customers benefit from the Phase II Plan?**

2 A. The Phase II Plan does not include programming specifically designated for small business
3 customers. However, all members of the Nonresidential rate class (which includes small
4 businesses) are eligible to participate in the RP and NR programs. This structure provides
5 small businesses with the flexibility to participate in the program that best serves their
6 needs. For example, a small business with residential-sized equipment could receive a
7 rebate under the RP program, while a small business wanting to upgrade its commercial
8 kitchen could opt for the custom pathway under the NR program.³

9 **Q. Are you confident that the Phase II Nonresidential (NR) program will yield the**
10 **benefits that UGI Gas predicts?**

11 A. I am cautiously optimistic that the Phase II NR program will yield the benefits that UGI
12 Gas predicts, pending the success of the Company’s new outreach strategy. In its FY23
13 Annual Report, UGI Gas noted that its Phase I Nonresidential Prescriptive (NP) program
14 “continues to perform well below projections, despite additional marketing, reflecting
15 persistent challenges in reaching this market.”⁴ In response to an OSBA IR, the Company
16 provided more detail on its strategy for addressing the challenges in reaching the
17 nonresidential market and how its Phase II targeted outreach will differ from and/or build
18 upon its Phase I efforts. Specifically, the Company will outsource outreach for the NR
19 program to a Conservation Service Provider (CSP), who will “devote greater resources to
20 outreach and trade ally development” and allow for “a greater emphasis on in-person
21 communication, attendance at events, outreach to local chambers of commerce, and an
22 overall greater physical presence in the territory.”⁵ I concur with UGI Gas that the
23 development of trade ally relationships is a successful pathway for improving participation
24 in utility energy efficiency programs (both residential and commercial) and I support the
25 Company’s decision to direct additional, targeted resources toward this strategy.

26 **Q. Are the administrative costs of the proposed Nonresidential (NR) program reasonable**
27 **and fully explained?**

³ See *UGI Gas Statement No. 1. – Testimony of Theodore M. Love*, pg. 11, “How are small business customers served in UGI Gas’s Phase II EE&C Plan?”

⁴ See *UGI Gas Phase I EE&C Plan Annual Report FY 23*, pgs. 14-15.

⁵ See *UGI Gas to OSBA-I-2(b)*.

A. Yes, the administrative costs of the proposed NR program are reasonable and fully explained. As described above, the Phase II Plan proposes to combine the existing Nonresidential Prescriptive (NP) and Nonresidential Custom (NC) programs into a single Nonresidential (NR) program. In addition, the Company will outsource outreach for the NR program to a Conservation Service Provider (CSP). As a result of these changes, the NR program’s administrative costs are projected to increase by 81% as compared to Phase I, while the total budget is projected to increase by only 10% (see **Table 1**).⁶ The ratio of administrative costs to the total NR program budget is projected to increase from 17% to 28% in Phase II, which is larger but still reasonable.

Table 1. Comparison of Phase I & II Nonresidential Program Administrative Costs

	Phase I			Phase II	Percent Increase
	NP	NC	Total (NP + NC)	NR	
NR Admin Costs	\$384,000	\$1,646,000	\$2,030,000	\$ 3,664,782	+81%
NR Total Budget	\$4,903,900	\$6,930,400	\$11,834,300	\$13,013,412	+10%
Ratio	8%	24%	17%	28%	+11%

In response to an OSBA IR on the matter, UGI Gas explained that the increase in administrative costs is driven by the shift towards outsourcing program outreach to a CSP.⁷ Given the potential benefits to program participation that the CSP could generate through additional trade ally outreach, I believe that the increase in administrative costs is justified and remain cautiously optimistic that future annual reports will validate this assertion.

4. PROGRAM DESIGN, IMPLEMENTATION, AND REPORTING CONCERNS

Q. What is UGI Gas’ track record in serving small businesses with its EE&C Plan?

A. Lack of available data makes it difficult to determine UGI Gas’ track record in serving small businesses with its EE&C Plan. The Company reports annually on Plan participation (e.g., number of rebates issued, spending, etc.) by program. In response to an OSBA IR, the Company indicated that it “does not specifically track small business customer participation” but that it does track participation by rate class.⁸ The Company noted that

⁶ See *UGI Gas Phase I EE&C Plan*, pgs. 47-57 and *UGI Gas Phase II EE&C Plan*, pgs. 46-55.

⁷ See *UGI Gas to OSBA-I-3(b)*.

⁸ *UGI Gas to OSBA-I-1* indicates that Rate N customers were granted 1,247 total Phase I rebates as of April 30, 2024. Of these

1 “Rate N also includes a variety of other customer types, such as schools, government
2 offices, multi-family complexes, and larger businesses with non-contract gas service,” and
3 that small business participation cannot be broken out of these numbers.⁹ However, in a
4 January 2024 presentation to OSBA, UGI Gas shared that 69 small business customer
5 projects had been completed to date under the Phase I Nonresidential Custom (NC)
6 program (through September 30, 2023), indicating that the Company has tracked
7 participation by business size for at least one program.¹⁰ At minimum, UGI Gas should
8 break down program participation by rate class in its annual reports to increase
9 transparency, enable the Company and its stakeholders to assess how program costs and
10 benefits are distributed across rate classes, and identify opportunities for improvement. In
11 addition, UGI Gas should also track and report program participation by other customer
12 categories including but not limited to small business and low-income.

13 **Q. What is UGI Gas’ track record in evaluating the performance of its EE&C programs?**

14 **A.** UGI Gas has conducted only two evaluations of its Phase I Plan programs to date.¹¹ The
15 Company’s strategy is to evaluate each of its programs once “adequate participation levels”
16 have been reached and a full 12 months of post-participation billing data has been collected,
17 and then again after another two years have passed.^{12,13} Beyond verifying energy savings
18 and associated costs, the Company’s evaluation objectives include “assessing market
19 attitudes towards the program, including contractors, customers, and efficient equipment
20 suppliers” and “measuring the effectiveness of current program design, marketing, and
21 service delivery.” In my opinion, acting on insights from these program evaluation topics
22 may be especially critical for increasing customer participation and ensuring the Phase II
23 Plan achieves its predicted level of benefits. The Company could increase transparency
24 around evaluation insights by regularly filing and serving its completed program

rate N rebates, 83 were for Nonresidential Custom projects, 261 were Nonresidential Prescriptive, and 903 were Residential Prescriptive.

⁹ Ibid.

¹⁰ *UGI Gas EE&C Presentation to OSBA*, January 25, 2024, Slide 3.

¹¹ See HIGHLY CONFIDENTIAL Attachments *OSBA-I-4(b).1* and *OSBA-I-4(b).2*.

¹² *UGI Gas Phase II EE&C Plan*, pg. 22.

¹³ In *UGI Gas to OSBA-I-4(a)*, UGI Gas notes that “adequate participation levels would be dependent on having a large enough sample of projects to gauge market attitudes toward the program and to measure the effectiveness of current program design, marketing, and service delivery while also getting a statistically significant level of participation for savings evaluation.”

1 evaluations to the parties to this docket. Alternatively, the Company could post the
2 evaluations publicly.

3 **Q. Are commercial gas heat pumps a proven technology widely demonstrated to be**
4 **efficient and cost effective?**

5 **A.** No, commercial gas heat pumps (“gas heat pumps”) are not a proven technology widely
6 demonstrated to be efficient and cost effective. Although the market for electric heat pumps
7 is growing, gas heat pumps are an emerging technology with little widespread market
8 adoption. A 2022 analysis of the global market for heat pumps in the academic journal
9 Nature Energy makes no mention of gas heat pump technology.¹⁴ Additionally,
10 commercial market research reports on heat pumps also make no mention of gas heat
11 pumps, indicating the deployment of this technology is very limited.¹⁵ A 2019 industry
12 white paper by the Gas Technology Institute indicates a “weak business case” for gas heat
13 pumps due to lack of available evidence to support investment into the technology.¹⁶

14 **Q. Is it typical for utility EE&C programs to incentivize customers to invest in emerging**
15 **technologies like commercial gas heat pumps?**

16 **A.** No, EE&C programs are “deployment” programs designed to achieve widespread market
17 adoption of proven energy efficiency technologies. Typically, emerging technologies like
18 commercial gas heat pumps are relegated to testing in the context of smaller pilot programs,
19 which are not open to entire customer classes. The role of pilot programs is to gather
20 evidence that a technology is reliable and cost-effective, prior to widespread
21 incentivization and deployment.

22 UGI Gas proposes to include commercial gas heat pumps as a prescriptive measure in its
23 Phase II Plan but will withhold specific projections or a set rebate.¹⁷ In response to an
24 OSBA IR on the matter, UGI Gas indicated that the inclusion of gas heat pumps would
25 allow the Company to “adapt to rapidly changing market conditions without the need to

¹⁴ Nature Energy (2022), *Heating Up the Global Heat Pump Market*, available at: <https://www.nature.com/articles/s41560-022-01104-8>

¹⁵ See reports from [Global Market Insights](#) and [Market Research Future](#) for examples.

¹⁶ Gas Technology Institute (2019), *The Gas Heat Pump Technology and Market Roadmap*, Available at: https://www.gti.energy/wp-content/uploads/2020/09/Gas-Heat-Pump-Roadmap-Industry-White-Paper_Nov2019.pdf

¹⁷ UGI Gas Phase II EE&C Plan, pgs. 46-55.

1 file a plan update.”¹⁸ In my opinion, including gas heat pumps without specific projections
2 “just in case” the technology becomes more readily available in the future is unusual and
3 is not an adequate substitute for a comprehensive pilot study. However, the Company’s
4 current proposal *is* preferable to including the technology as a full measure.

5 If a full commercial gas heat pump pilot is not feasible, I would recommend the
6 Commission mandate, at minimum, that UGI Gas conduct a study of a hypothetical,
7 generic commercial building in the Company’s service territory prior to offering gas heat
8 pump incentives. This study should estimate technology’s lifecycle energy savings,
9 customer costs (including installation, billing, and maintenance costs), and cost-
10 effectiveness. UGI Gas should provide this analysis to the parties to this docket and should
11 also notify the parties if the Company begins offering gas heat pumps as an incentivized
12 measure. This notice should detail the level of the incentive, the forecasted number of
13 measures to be rebated throughout the Plan period, and any impacts to the Plan’s budgets.

14 **Q. Does this conclude your testimony?**

15 **A. Yes, it does.**

¹⁸ UGI Gas to OSBA-I-5(b).

EXHIBIT IEc-1

RESUME FOR

ANGELA J. VITULLI

Ms. Vitulli has over twenty years of experience in energy and climate impact measurement. Ms. Vitulli has consulted on decarbonization and climate policy design and impact measurement for clients including UNEP, the World Bank, U.S. Department of Energy, California Energy Commission, and NYSERDA. She has managed multi-year, multi-million-dollar contracts to evaluate the impacts of energy efficiency and clean energy technology, demonstration, and market facilitation programs. She has testified as an expert witness in utility energy efficiency programs in rate cases, and she provides energy evaluation peer review and oversight services to utility and NGO clients. Currently, Ms. Vitulli manages long-term GHG accounting and strategy projects for several corporate and nonprofit clients. She regularly oversees footprinting analyses (Scope 1, 2, and 3), as well as the development and implementation of cost-effective carbon mitigation. She has given keynote addresses at events including *Sustainable Brands – New Metrics* and serves as a reoccurring expert panelist for the Practicing Law Institute’s annual program *ESG: What It Means for Boards, Management, and Counsel*.

Education

Master of Arts in Urban and Environmental Policy, Tufts University

Bachelor of Arts in Political Science, Tulane University, *Phi Beta Kappa*

Select Experience

For the **PENNSYLVANIA OFFICE OF THE SMALL BUSINESS ADVOCATE**, the State agency charged with representing the interests of small businesses in utility rate case proceedings, providing expert witness services addressing energy efficiency, electrification, and renewable gas programming. This work includes review and analysis of proposed program plans and changes to plan, preparation of testimony and pre-testimony materials, and testifying at utility commission hearings. Recently served as an expert witness in the matter of the Columbia Gas’ proposed Green Path Rider, a proposed program that relied heavily on carbon offsets to reduce greenhouse gas (GHG) emissions associated with gas usage. Assisted OSBA in renewing and analyzing evidence provided by other intervenors. Analyzed the economic and regulatory considerations of the proposed tariff. Provided an expert report and testimony that explained the challenges of using carbon offsets as proposed, and recommendations to bolster safeguards and ensure transparency. Ultimately, the PA PUC rejected the program.

For the **COALITION FOR CLEAN AFFORDABLE ENERGY**, serving as an expert witness in a case before the New Mexico Public Regulation Commission on the proposed acquisition of the New Mexico Gas Company by Bernhard Capital Partners, a private equity firm. Conducting an analysis of the greenhouse gas impacts of the proposed transaction and likely subsequent expansion of gas company infrastructure and customer base, and the implications of the proposed transaction for the ability of State of New Mexico to meet its economy-wide GHG mitigation targets.

For the **NEW BRUNSWICK OFFICE OF THE ATTORNEY GENERAL, PUBLIC INTERVENOR’S OFFICE**, provided expert testimony on Demand Side Management (DSM) investments proposed by the local utility (NB Power) within their general rate application. Conducted analyses of cost-effectiveness and feasibility of the proposed portfolio of residential, commercial, and demand response programming, including comparisons with past performance and benchmarking to similar programs. This included extensive analysis of the customer reach

and cost-effectiveness NB Power's dedicated heat pump program and LMI offerings using TRC, a modified societal TRC, and PACT tests. Developed an expert report and testified on behalf of the Public Intervenor's Office at utility commission hearings. Also assisted the Public Intervenor in renewing and analyzing evidence provided by other stakeholders.

For the **CALIFORNIA ENERGY COMMISSION**, managed a multi-year project to develop initial analyses and user-friendly tools to allow the Commission to readily updated analysis of the benefits of the state's large portfolio of energy R&D, demonstration, and deployment grants that are funded by the State's electricity program investment charge (EPIC). Ms. Vitulli was the overall contract manager, as well as the PI for the Advanced Buildings area. Ms. Vitulli managed a Delphi Panel to forecast market uptake of select building energy efficiency technologies in specific building sectors, which allowed us to forecast energy savings, GHG reductions, on-bill savings, and health impacts associated with these investments. At the contract management level, Ms. Vitulli oversaw all of IEc's work to develop a myriad of non-energy benefits methods and tools for EPIC's use, including tools that facilitate analysis of electricity system benefits, public safety benefits, avoided interruption benefits, and health and comfort benefits. IEc worked with the Commission to prepare and package analyses, including non-energy benefits, for inclusion in the program's reauthorization docket and for presentation to stakeholders including regulators, ratepayers, utilities, and the environmental advocacy community. The EPIC program was subsequently reauthorized for five years.

For **EVERSOURCE**, providing energy efficiency program evaluation oversight and review, including reviewing work plans, methods, and deliverables for market and impact evaluations, with a particular emphasis on methods for non-energy benefits. IEc is providing recommendations to Eversource's evaluation contractors, to improve the technical quality of evaluation designs as well as the communications of evaluation results. Currently, working with evaluation contractors to adopt a formal evidence assessment approach for assessing usability of existing literature for analyzing NEIs, enhancing the rigor and usability of previous literature review approach used for these studies.

For the **NYSERDA'S PERFORMANCE MANAGEMENT AND EVALUATION DEPARTMENT**, managed a four year contract to evaluate programs within NYSERDA's Technology and Market Development (T&MD) portfolio, which included R&D, demonstration, and market facilitation programs for advanced buildings, smart grid, battery storage, combined heat and power, transportation, and solar diffusion programs. Under this contract, managed evaluations of the Advanced Buildings Program, which funds applied R&D and demonstration projects to help commercialize building level energy efficiency innovations such as next generation HVAC technologies, expansion of LED applications, and integration of controls with HVAC and lighting.

For the **NYSERDA PERFORMANCE MANAGEMENT AND EVALUATION**, managing evaluations and development of case studies of deep energy retrofit and electrification programs and pilots, including programs designed to serve low income and disadvantaged populations. These include evaluations NYSERDA's Innovation Market Strategies, Buildings of Excellence, and Comfort Homes programs. These programs are designed to test models for cost-effective electrification, including electrification of multi-family housing. The evaluations and case studies examine and communicate energy use savings, GHG benefits, comfort and IAQ benefits, and other non-energy benefits that accrue to residents and property owners, as well as evaluating economic performance, replicability, and lessons learned to apply to future programming.

For **CALIFORNIA AIR RESOURCES BOARD (CARB)**, conducted an evaluation of economic innovations resulting from AB 32, the State's Global Warming Solutions Act, passed in 2006. The study's purpose is to analyze technology innovation and deployment benefits spurred by key policies and programs enacted in response to AB 32. These include an array of low carbon/electrified transportation, building energy efficiency, industrial decarbonization, and other policies and incentive programs. IEc is investigating how these policies

contributed to innovations in varied areas such as development of markets for renewable fuels, electrified buses and trucks, home energy storage, and carbon capture and sequestration.

For **THE PAN AMERICAN HEALTH ORGANIZATION (PAHO)**, conducting a scope 1 and 2 GHG inventory, and measuring select Scope 3 categories, including employee commuting and travel. Previously, conducted a peer review of methodology and modeling for analyzing the GHG footprint from shipping products from suppliers to PAHO member states. Also currently working with PAHO to improve environmental sustainability within the organization's technical cooperation projects and facilitate measurement of environmental impacts. Developed a taxonomy and general framework for measuring the environmental impacts of PAHO technical cooperation activities, based on a review of relevant frameworks and using a crosswalk with UN SDGs. Developing metrics and methods for measuring environmental impacts, and piloting them with proof-of-concept projects.

For **DAIRY MANAGEMENT INC**, US dairy's trade association, Ms. Vitulli is leading a project to develop a strategy and roadmap to move the dairy industry towards carbon neutrality by 2050. IEc's subcontractor, LEIF, developed spatially explicit process-LCA model that estimates baseline GHG emissions at the industry level from cradle-to-processor, and examines spatially explicit opportunities for GHG mitigation/decarbonization across key inputs and strategies. Ms. Vitulli developed cost-effectiveness modeling for upwards of 30 specific strategies targeting enteric emissions and emissions from feed production, manure management, on-farm energy use, processing, and transportation, factoring in national subsidies and incentives. We synthesized GHG mitigation potential and economic modeling findings to develop a GHG reduction roadmap communicating a recommended suite of strategies to reduce emissions and improve sustainability within the dairy industry.

For **AEA INVESTORS**, a private equity leader, managing measuring and reporting the GHG footprint and related measures of their mid-market investment portfolio, which includes portfolio companies (portcos) with facilities in over 30 countries. IEc measures their Scope 1 and 2 GHG footprint annually, and developed an auditable process map of each portco's GHG accounting process. Ms. Vitulli is also managing a standardized process to assist portcos with identifying and analyzing potential GHG mitigation options, including estimating typical GHG mitigation potential, cost-effectiveness, and feasibility.

For **PLANET FITNESS**, manages annual GHG (scope 1, 2, and 3), energy, water, and waste footprinting, and prepares company disclosures for CDP and its ESG report. IEc collects data from corporate-owned clubs and a statistical sample of franchised clubs, and uses statistical analysis to estimate energy, waste, and water consumed from non-reporting facilities. Develops presentations for the sustainability team at Planet Fitness to use to communicate the environmental footprint to company employees and the executive leadership team, and has conducted GHG mitigation analysis to inform the company's sustainability strategy.

EXHIBIT IEc-2

REFERENCED INTERROGATORY RESPONSES

EXHIBIT IEc-2

REFERENCED INTERROGATORY RESPONSES

- 1 OSBA-I-1
- 2 OSBA-I-2(b)
- 3 OSBA-I-3(b)
- 4 OSBA-I-4(a)
- 5 OSBA-I-4(b).1**
- 6 OSBA-I-4(b).2**
- 7 OSBA-I-5(b)

****THE ABOVE-REFERENCED INTERROGATORIES ARE HIGHLY
CONFIDENTIAL; THEREFORE, ARE NOT CONTAINED WITHIN THIS
DIRECT TESTIMONY; IF ANY PARTY WISHES TO REQUEST THE ABOVE-
REFERENCED HIGHLY CONFIDENTIAL INTERROGATORIES, PLEASE
CONTACT STEVEN C. GRAY AT sgray@pa.gov ****

UGI Utilities, Inc. - Gas Division
Docket No. M-2024-3048418
Phase II EE&C Approval
Responses to OSBA Set I (1-8)
Delivered on June 12, 2024

OSBA-I-1

Request:

(References: UGI Gas Phase I EE&C Plan Annual Reports – FY20, FY21, FY22, and FY23; UGI Gas EE&C Presentation to OSBA – January 25, 2024, Slide 3): UGI reports annually on EE&C Plan participation (e.g., number of rebates issued, spending, etc.) by program. In some instances, UGI also tracks and reports on specific stakeholder subsets such as multi-family building participants. Although UGI shared in a presentation to OSBA that 69 small business customer projects were completed to date under the Phase I Nonresidential Custom Program, UGI does not include metrics on small business participation by program in its annual reports.

- a. Does UGI track data on small business participation across all small business-eligible programs?
 - i. If yes, what is the total number of rebates or custom incentives issued to small businesses across all Phase I programs to-date?
- b. Does UGI have any quantitative goals for small business participation under Phase II?

Response:

- a. No. UGI tracks customer participation by rate class, not by the size of the business. The majority of UGI's nonresidential customers are categorized as Rate "N" customers, of which small businesses are a subset. However, Rate N also includes a variety of other customer types, such as schools, government offices, multi-family complexes, and larger businesses with non-contract gas service.
 - i. Please see the response to (a.). Although the Company does not specifically track small business customer participation, Rate N customers have received a total of 1,247 rebates to date in Phase I (10/01/19-04/30/24). This includes 83 Nonresidential Custom rebates, 261 Nonresidential Prescriptive rebates, and 903 Residential Prescriptive rebates. (Rate N customers qualify for Residential Prescriptive rebates if they install residential sized equipment.)
- b. No. The Company does not have quantitative goals for small business participation. However, during the process of formulating the Phase II plan, projections for participation by rate class were used to develop overall budgets. These projections were not intended to be formal goals for Phase II, but rather projections for planning purposes.

UGI Utilities, Inc. - Gas Division
Docket No. M-2024-3048418
Phase II EE&C Approval
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OSBA-I-2

Request:

(References: UGI Gas Phase I EE&C Plan Annual Report FY23, pgs. 14-15; UGI Gas Phase II EE&C Plan, pgs. 19, 52; UGI Gas Phase I EE&C Plan, pg. 51): In its FY23 Annual Report, UGI notes that the Nonresidential Prescriptive (NP) program “continues to perform well below projections, despite additional marketing, reflecting persistent challenges in reaching this market.” UGI’s marketing approach for its nonresidential programs remains nearly identical between Phases I & II and focuses on “targeted outreach to trade allies” such as HVAC contractors, heating suppliers, kitchen equipment suppliers, and local business organizations.

- a. How will UGI address the challenges encountered in reaching the nonresidential market?
- b. Can UGI provide more detail on how its Phase II strategies for targeted outreach differ and/or build upon its Phase I efforts, especially regarding partnerships with local business organizations?

Response:

- a. The Company has built a small network of active trade allies for the Nonresidential Custom Program, as well as a large and productive trade ally network for residential programs. Both networks cross over into the small commercial market, with 83 Rate N custom projects and 903 Rate N Residential Prescriptive rebates in Phase I to date. There are additional types of trade allies, notably manufacturers, that will benefit from more consistent, aggressive outreach. Direct marketing to Rate N customers, primarily through email, will also be a regular component of the commercial program outreach, along with participation at trade events. UGI will also continue to explore opportunities for segmented customer and regional chamber marketing.
- b. As noted above, the outreach strategy for Phase II will continue to be the development of trade ally relationships, since that approach has proven to be the most successful in multiple utility rebate programs. However, in Phase II, outreach for the Nonresidential Prescriptive Program will be combined with that of the Custom Program and outsourced to a Conservation Service Provider (CSP). This alignment will devote greater resources to outreach and trade ally development, which will result in more aggressive and consistent contact with trade allies. There will also be a greater emphasis on in-person communication, attendance at events, outreach to local chambers of commerce, and an overall greater physical presence in the territory.

UGI Utilities, Inc. - Gas Division
Docket No. M-2024-3048418
Phase II EE&C Approval
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OSBA-I-3

Request:

(References: Testimony of Theodore M. Love, pg. 17; UGI Gas Phase I EE&C Plan, pgs. 47-57; UGI Gas Phase II EE&C Plan, pg. 46-55; UGI Gas Phase I EE&C Plan Annual Reports – FY20, FY21, FY22, and FY23): In Phase II, UGI proposes to combine its Phase I Nonresidential Prescriptive (NP) and Nonresidential Custom (NC) programs into a single Nonresidential (NR) program with a Prescriptive Pathway and a Custom Pathway. As described in the testimony of Theodore Love, this streamlined program design is beneficial because it will lead to “increased trade ally satisfaction, customer satisfaction and participation, as well as operational efficiency for UGI Gas.”

- a. Despite the above assertion that the consolidated NR program will lead to increased customer participation, UGI has reduced its Phase II projections for NR program participation by 71% as compared to Phase I (see Table 1). Please explain this disconnect.

Table 1. Comparison of Projected Phase I & II Nonresidential Program Participation

	Phase I Projected	Phase II Projected	Percent Change Phase I to II
Prescriptive	4,133	973	-76%
Custom	448	374	-17%
Total	4,581	1,347	-71%

- b. If the consolidated NR program “increases operational efficiency” as compared to Phase I, it follows that the program’s administrative costs as a percent of total budget would decrease (especially given that projected participation is reduced by 71%). However, the NR program’s administrative costs are projected to increase by 81% in Phase II, while the total budget is projected to increase by only 10% (see Table 2). The ratio of administrative costs to the total NR program budget was 17% in Phase I and is projected to increase to 28% for Phase II.
 - i. What is driving this large percentage increase in NR program administrative costs?
 - ii. How does UGI reconcile this increase with the assertion that a streamlined NR program will lead to improved operational efficiency?

UGI Utilities, Inc. - Gas Division
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OSBA-I-3 (Continued)

Table 2. Comparison of Phase I & II Nonresidential Program Administrative Costs

	Phase I			Phase II	
	NP	NC	Total (NP+NC)	NR	Percent Increase
NR Admin Costs	\$384,000	\$1,646,000	\$2,030,000	\$3,664,782	81%
NR Total Budget	\$4,903,900	\$6,930,400	\$11,834,300	\$13,013,412	10%
Ratio Admin:Total	8%	24%	17%	28%	11%

Response:

- a. It is accurate that the Phase II projections were decreased from the Phase I projections. However, the Phase II projections were made using actual participation data from Phase I. The anticipated increase in customer participation from the enhanced program design is demonstrated in the table provided as Attachment OSBA-I-3(a), which compares Phase I Proforma participation with Phase II projected participation. This shows an increase in participation of 51% in Phase II projections over Phase I Proforma.

- b. i. The largest driver of an increase in administrative costs for the consolidated NR Program is shifting the Prescriptive Pathway to a CSP model. This will enable more resources to provide the trade ally and customer outreach to identify and guide projects to the appropriate pathway.

- b. ii. As explained in the response above, shifting to a CSP model for both the Prescriptive and Custom Pathways within the NR Program will lead to uniform trade ally and customer outreach and will enable a project to be guided to the appropriate pathway. The current operational model of utilizing a simple rebate processing vendor requires a customer or contractor to be made aware of the prescriptive rebates through traditional marketing efforts or their own research and to apply for the programs separately. Combining the efforts of trade ally and customer outreach for all nonresidential trade allies and customers will enable broader outreach to ensure that projects are being identified and directed to the most applicable pathway.

UGI UTILITIES, INC. - GAS DIVISION
PHASE I VS PHASE II COMPARISON
OCTOBER 1, 2019 - SEPTEMBER 30, 2030

	Phase I Proforma*	Phase II Projected	Percent Change
Prescriptive	503	973	52%
Custom	182	374	49%
Total	685	1,347	51%

***Phase I Proforma represents FY20-FY23 actual plus FY24 forecast.**

OSBA-I-4

Request:

(References: UGI Gas Phase I EE&C Plan, pg. 24; UGI Gas Phase II EE&C Plan, pg. 22): Both the Phase I and Phase II plans provide information on UGI's strategy for program evaluation, measurement, and verification. UGI states, "UGI Gas will evaluate each of its programs once adequate participation levels have been reached and after a full 12 months of post-participation billing data has been collected. The programs will be evaluated again after another two years have passed." Beyond verifying energy savings and associated costs, UGI states that evaluation objectives include "assessing market attitudes towards the program, including contractors, customers, and efficient equipment suppliers" and "measuring the effectiveness of current program design, marketing, and service delivery."

a. What number of participants constitutes "adequate participation levels" for the RP, NP & NC (Phase I), and NR (Phase II) programs to be evaluated?

b. [REDACTED]

Response:

a. For effective evaluation results a statistically significant level of participation must be reached. Adequate participation levels for the NR Program in Phase II would be dependent on having a large enough sample of projects to gauge market attitudes toward the program and to measure the effectiveness of current program design, marketing, and service delivery while also getting a statistically significant level of participation for savings evaluation.

OSBA-I-4 (Continued)

b.

[REDACTED]

i.

[REDACTED]

Prepared by or under the supervision of: Theodore M. Love

UGI Utilities, Inc. - Gas Division
Docket No. M-2024-3048418
Phase II EE&C Approval
Responses to OSBA Set I (1-8)
Delivered on June 12, 2024

OSBA-I-5

Request:

(Reference: UGI Gas Phase II EE&C Plan, pgs. 46-55): The Phase II Plan lists 17 specific qualifying measures under the NR program's Prescriptive Pathway, but UGI reserves the right to add new measures as needed, stating it will "continue to examine other equipment for potential inclusion in the program." UGI also anticipates that the Custom Pathway will serve as a "source for identifying potential technologies to include as prescriptive rebates." As an example, UGI "screened Commercial Gas Heat Pumps for cost effectiveness" and is including the technology as a prescriptive measure without projections or a specific rebate until it "becomes more available in the marketplace."

- a. Does UGI have a specific list of other measures it is examining for potential inclusion in the NR Prescriptive Pathway? If yes, what are the measures?
- b. Did UGI's decision to include Commercial Gas Heat Pumps as a new measure result from customers requesting the technology under Phase I's custom program?
 - i. If yes, how many customers requested Commercial Gas Heat Pumps as a custom measure?
 - ii. If no, beyond screening for cost effectiveness, why was this technology chosen for inclusion as a prescriptive measure in Phase II?
- c. Has UGI conducted any case studies on the deployment of Commercial Gas Heat Pumps, especially in the small commercial context?
 - i. If yes, please share the results of those case studies.

Response:

- a. UGI is considering a few measures for inclusion in the Prescriptive Pathway. Those measures include Air Curtains, Ozone Laundry, and Door Dock Seals. Ultimately, these measures had uncertain participation levels in the marketplace to justify a budget allocation. It was decided to offer incentives for these measures as part of the Custom Pathway. Should participation for these measures within the Custom Pathway become consistent, UGI will consider adding them as prescriptive offerings.

UGI Utilities, Inc. - Gas Division
Docket No. M-2024-3048418
Phase II EE&C Approval
Responses to OSBA Set I (1-8)
Delivered on June 12, 2024

OSBA-I-5 (Continued)

- b. No. The inclusion of gas heat pumps was to give UGI the ability to adapt to rapidly changing market conditions without the need to file a plan update. At the time of this filing, gas heat pumps were available in the market but have not been widely adopted due to high costs and limited manufacturer availability. Due to this technology being adopted by other utility energy efficiency portfolios across the country, it is possible that over the 5-year term of this plan, gas heat pumps will become more readily available in the market.
 - i. Please see the response to 5.b.
 - ii. Please see the response to 5.b.

- c. No. UGI has not conducted any case studies on the deployment of commercial gas heat pumps. However, commercial gas heat pumps were recently approved in the Energy Efficiency DSM Phase IV filing for Philadelphia Gas Works (PGW) and gas heat pumps are recognized in multiple utility energy efficiency programs and TRMs throughout the United States from Colorado to Iowa and Illinois.
 - i. Please see response to 5.c.

Prepared by or under the supervision of: Theodore M. Love

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : **Docket No. M-2024-3048418**
Division for Approval of Phase II of its :
Energy Efficiency and Conservation :
Plan :

VERIFICATION

I, Angela J. Vitulli, hereby state that the facts set forth in the Direct Testimony labelled OSBA Statement No. 1 and associated Exhibits IEc-1 and IEc-2 are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: February 7, 2025

AVitulli

Angela J. Vitulli

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : **Docket No. M-2024-3048418**
Division for Approval of Phase II of its :
Energy Efficiency and Conservation :
Plan :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Steven Haas
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
sthaas@pa.gov

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
Sgranger@pa.gov

Darryl A. Lawrence, Esquire
Melanie Joy El Atieh, Esquire
Ryan Morden, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
OCAUGIGASEEC2024@paoca.org

Michael S. Swerling, Esquire
Lindsay A. Berkstresser, Esquire
UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
swerlingm@ugicorp.com
berkstresserl@ugicorp.com

Megan E. Rulli, Esquire
Post & Schell, P.C.
17 North Second St., 12th Floor
Harrisburg, PA 17101-1601
mrulli@postschell.com

Devin T. Ryan, Esquire
Post & Schell, P.C.
One Oxford Centre
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
dryan@postschell.com

Elizabeth R Marx, Esquire
John W Sweet, Esquire
Ria M Pereira, Esquire
Lauren N Berman, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA17101
pulp@putilitylawproject.org

DATE: February 11, 2025

/s/ Steven C. Gray _____
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538



COMMONWEALTH OF PENNSYLVANIA

March 25, 2025

The Honorable Steven Haas
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Petition of UGI Utilities, Inc. – Gas Division for Approval of Phase II of its
Energy Efficiency and Conservation Plan / Docket No. M-2024-3048418**

Dear Judge Brady:

Enclosed please find the Surrebuttal Testimony of Angela Vitulli, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: PA PUC Secretary Rosemary Chiavetta (Cover Letter & Certificate of Service)
Angela Vitulli
Emma Grazier
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : Docket No. M-2024-3048418
Division for Approval of Phase II of its :
Energy Efficiency and Conservation :
Plan :

**SURREBUTTAL TESTIMONY
OF
ANGELA J. VITULLI**

**On Behalf of the
Pennsylvania Office of the Small Business Advocate**

**Topics:
Commercial Gas Heat Pumps
Reporting**

Date Served: March 25, 2025

Date Submitted for the Record: _____

1 **I. INTRODUCTION**

2 **Q: PLEASE STATE YOUR NAME AND POSITION FOR THE RECORD.**

3 A: My name is Angela Vitulli, and I am a Principal at Industrial Economics, Incorporated (“IEc”), a
4 consulting firm located at 2067 Massachusetts Avenue, Cambridge, MA 02140. I am appearing in
5 this proceeding on behalf of the Pennsylvania Office of Small Business Advocate (“OSBA”).

6 **Q: WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

7 A: The purpose of my Surrebittal Testimony is to respond to the Rebuttal Testimony of UGI Gas
8 witness Theodore M. Love (UGI Gas Statement No. 1-R).

9 **II. RESPONSE TO UGI GAS WITNESS THEODORE LOVE’S REBUTTAL TESTIMONY**
10 **RELATED TO COMMERCIAL GAS HEAT PUMPS**

11 **Q: HAS UGI GAS PROPOSED A COMMERCIAL GAS HEAT PUMP TECHNOLOGY**
12 **DEMONSTRATION OR PILOT PROGRAM IN ITS PHASE II EE&C PLAN?**

13 A: No, UGI Gas has not proposed a commercial gas heat pump technology demonstration or pilot
14 program in its Phase II Plan. The Company includes commercial gas heat pumps as a
15 Nonresidential Program measure, but declines to assign the measure a specific projection or
16 rebate until it “becomes more available in the marketplace.”¹

17 **Q: IS INCLUDING AN EMERGING TECHNOLOGY IN AN EE&C PLAN AS A**
18 **PLACEHOLDER MEASURE WITHOUT PRE-ESTABLISHED PROJECTIONS,**
19 **REBATES, OR OTHER SUCCESS METRICS EQUIVALENT TO A TYPICAL**
20 **RATEPAYER-FUNDED MARKET TRANSFORMATION PROGRAM?**

21 A: No, it is not. Mr. Love points out that I specialize in evaluating technology demonstration and
22 pilot programs (which, he notes, “are presumably paid for through ratepayer funded energy
23 efficiency surcharges”) and likens the Company’s inclusion of commercial gas heat pumps in its

¹ UGI Gas Proposed Phase II EE&C Plan, pg. 49.

24 own ratepayer-funded proposed plan to such a demonstration or pilot (UGI Gas Statement No. 1-
25 R, pg. 8). In my experience, a market transformation program to test an emerging technology
26 usually has a formal work plan and evaluation plan with clear, pre-determined measures of
27 success. And testing includes carefully selected multi-site demonstration projects to test the
28 technology over time in a variety of real-world conditions. Also, implementation of market
29 transformation programs for emerging technologies are often sponsored by or coordinated state
30 energy agencies, although they are often implemented by utilities.

31 **Q: MR. LOVE STATES THAT “NOT ALLOWING UGI GAS’S EE&C PROGRAMS TO**
32 **INVEST IN NEW AND EMERGING TECHNOLOGY WILL KEEP THE COMPANY’S**
33 **CUSTOMERS IN THE BACK SEAT AS [THE BUILDING ENERGY EFFICIENCY]**
34 **TRANSITION GETS GOING.”² DO YOU AGREE WITH THIS STATEMENT?**

35 **A:** No, I do not. Mr. Love appears to conflate my direct testimony’s caution that it is atypical for
36 utilities to incentivize emerging technologies without pre-established projections or rebates with
37 “not allowing” UGI GAS’s EE&C programs to invest in new and emerging technologies. I do not
38 agree that asking UGI Gas for more specificity and evidence-building around its commercial gas
39 heat pump measure (be that an energy savings and cost-effectiveness analysis (as in my
40 recommendation), a wider-scale pilot study, or even a review of other utilities’ gas heat pump
41 pilot study results) would present a significant or detrimental setback to the Company’s efforts to
42 offer customers cutting-edge energy efficiency opportunities.

43 **III. RESPONSE TO UGI GAS WITNESS THEODORE LOVE’S REBUTTAL TESTIMONY**
44 **RELATED TO TRACKING & REPORTING**

45 **Q: MR. LOVE STATES THAT THERE IS “NO DEFINITION OR CONSENSUS USED BY**
46 **UGI GAS FOR WHAT CONSUMPTION LEVEL DEFINES A ‘SMALL BUSINESS’**
47 **CUSTOMER.”³ FOR THIS REASON, UGI GAS CANNOT REPORT ON SMALL**

² UGI Gas Statement No. 1-R, pg. 9.

³ Ibid, pg. 39.

48 **BUSINESS CUSTOMER PARTICIPATION. IS THE COMPANY’S LACK OF**
49 **CONSENSUS ON THE DEFINITION OF ‘SMALL BUSINESS’ A REASONABLE**
50 **EXPLANATION FOR DECLINING TO PROVIDE THIS TYPE OF REPORTING?**

51 A: No, it is not. As detailed in both my direct testimony and my response to the Company’s IRs on
52 that testimony, it appears that UGI Gas already collects information on Nonresidential
53 participants’ small business status, whether the Company has an official consumption-based
54 definition or not.^{4,5} It is also worth mentioning again that small business reporting has precedent
55 in voluntary Act 129 programs in Pennsylvania: Philadelphia Gas Works (PGW) reports
56 participation in its Commercial Equipment Rebates program by business size classification
57 (“small business” and “non-small business”).⁶

58 **IV. CONCLUSION**

59 **Q: DOES THAT COMPLETE YOUR SURREBUTTAL TESTIMONY?**

60 A: Yes.

⁴ OSBA Statement No. 1, pg. 7

⁵ UGI Gas EE&C Plan Presentation to OSBA – January 25, 2024, Slide 3

⁶ PGW DSM Program Annual Report FY 2024, pg. 10.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : **Docket No. M-2024-3048418**
Division for Approval of Phase II of its :
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VERIFICATION

I, Angela J. Vitulli, hereby state that the facts set forth in the Surrebuttal Testimony, labelled OSBA Statement No. 1-SR are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 24, 2025



Angela J. Vitulli

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : **Docket No. M-2024-3048418**
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UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
swerlingm@ugicorp.com
berkstresserl@ugicorp.com

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Post & Schell, P.C.
17 North Second St., 12th Floor
Harrisburg, PA 17101-1601
mrulli@postschell.com

Devin T. Ryan, Esquire
Post & Schell, P.C.
One Oxford Centre
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
dryan@postschell.com

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John W Sweet, Esquire
Ria M Pereira, Esquire
Lauren N Berman, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA17101
pulp@putilitylawproject.org

DATE: March 25, 2025

/s/ Steven C. Gray _____
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas : **Docket No. M-2024-3048418**
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sthaas@pa.gov

Michael S. Swerling, Esquire
Lindsay A. Berkstresser, Esquire
UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
swerlingm@ugicorp.com
berkstresserl@ugicorp.com

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
Sgranger@pa.gov

Megan E. Rulli, Esquire
Post & Schell, P.C.
17 North Second St., 12th Floor
Harrisburg, PA 17101-1601
mrulli@postschell.com

Darryl A. Lawrence, Esquire
Melanie Joy El Atieh, Esquire
Ryan Morden, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
OCAUGIGASEEC2024@paoca.org

Devin T. Ryan, Esquire
Post & Schell, P.C.
One Oxford Centre
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
dryan@postschell.com

Elizabeth R Marx, Esquire
John W Sweet, Esquire
Ria M Pereira, Esquire
Lauren N Berman, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA17101
pulp@putilitylawproject.org

DATE: June 27, 2025

/s/ Steven C. Gray _____
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538