

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120**

Public Meeting held March 26, 2026

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair, Statement  
Kathryn L. Zerfuss  
John F. Coleman, Jr.  
Ralph V. Yanora

Petition of Duquesne Light Company for  
Approval of its Act 129 Phase V Energy  
Efficiency and Conservation Plan

M-2025-3057325

**OPINION AND ORDER**

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**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition (Petition) of Duquesne Light Company (Duquesne or the Company) for approval of its Act 129 Phase V Energy Efficiency and Conservation (EE&C) Plan (EE&C Plan or Plan),<sup>1</sup> filed on December 1, 2025. Also, before the Commission for consideration and disposition is the Joint Settlement filed by the Company, the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) (collectively, the Joint Petitioners or Settling Parties) on February 13, 2026.<sup>2</sup> Administrative Law Judge (ALJ) Erin L. Gannon certified the record in this proceeding on February 24, 2026. For the reasons fully delineated herein, we will: (1) grant Duquesne’s Petition, in part, and deny it, in part, (2) adopt the Settlement, as modified, and (3) approve the Plan, as modified, consistent with this Opinion and Order.

**I. Background**

**A. Act 129**

On October 15, 2008, Act 129 of 2008 (Act 129 or Act) was signed into law with an effective date of November 14, 2008. Among other requirements, Act 129

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<sup>1</sup> As noted herein, the Company filed a revised Plan on February 23, 2026 to reflect the Joint Petition for Full Settlement of All Issues (Joint Settlement or Settlement) reached in this proceeding. Accordingly, the terms “EE&C Plan,” “Duquesne Plan,” “Phase V Plan” or “Plan” will be used to refer to the Plan, as amended to date, while the plan filed on December 1, 2025 will be referred to as the Initial Plan.

<sup>2</sup> Additionally, Peoples Natural Gas Company LLC (Peoples) and the Keystone Energy and Efficiency Alliance (KEEA) intervened in this proceeding but did not participate in the Settlement. Neither party opposes this Settlement. *See* Settlement at 1, n.1.

directed the Commission to adopt an EE&C Program, under which each of the Commonwealth's largest electric distribution companies (EDCs) was required to implement a cost-effective EE&C plan to reduce energy consumption and demand. Specifically, Act 129 required each EDC with at least 100,000 customers to adopt an EE&C plan to reduce energy demand and consumption within its service territory. Initially, Act 129 required each affected EDC to adopt an EE&C plan to reduce electric consumption by at least 1% of its expected consumption for June 1, 2009 through May 31, 2010, by May 31, 2011. By May 31, 2013, the total annual weather-normalized consumption was to be reduced by a minimum of 3%. Also, by May 31, 2013, peak demand was to be reduced by a minimum of 4.5% of each EDC's annual system peak demand in the 100 hours of highest demand, measured against the EDC's peak demand during the period of June 1, 2007 through May 31, 2008.

The Act required the Commission to develop and adopt an EE&C Program by January 15, 2009 and set forth specific issues the EE&C Program must address. 66 Pa.C.S. § 2806.1(a). The Commission's EE&C Program was to include the following:

- (1) A procedure for approving EE&C plans.
- (2) A process to evaluate and verify the results of each EE&C plan and the EE&C Program as a whole.
- (3) A process to analyze the costs and benefits of each EE&C plan in accordance with a total resource cost (TRC) Test.
- (4) A process to analyze how the EE&C Program as a whole and each EE&C plan will enable the EDCs to meet or exceed their prescribed consumption and peak demand reduction (PDR) requirements.
- (5) Standards to ensure that each EE&C plan uses a variety of measures that are applied equitably to all customer classes.
- (6) A process through which recommendations can be made for the employment of additional measures.

- (7) A procedure to require and approve the competitive bidding of all contracts with conservation service providers (CSPs).
- (8) A procedure through which the Commission will review and modify, if necessary, all contracts with CSPs prior to execution.
- (9) A requirement for the participation of CSPs in the implementation of all or part of an EE&C plan.
- (10) A procedure to ensure compliance with the requirements of Sections 2806.1(c) & (d).
- (11) A cost recovery mechanism to ensure that measures approved are financed by the customer class that directly receives the energy and conservation benefits.

On January 15, 2009, the Commission adopted a Final Implementation Order at Docket No. M-2008-2069887 (*Phase I Implementation Order*), which established the standards each plan must meet, and which provided guidance on the procedures to be followed for submittal, review, and approval of all aspects of the EE&C plans. In addition, the Commission adopted orders implementing specific and essential components of the EE&C Program, to include the establishment of a TRC Test,<sup>3</sup> updates to the Technical Reference Manual (TRM),<sup>4</sup> and the establishment of a Statewide

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<sup>3</sup> See *Implementation of Act 129 of 2008 – Total Resource Cost (TRC) Test Order*, Docket No. M-2009-2108601 (Order entered June 23, 2009). Available online at: <https://www.puc.pa.gov/pcdocs/1057172.docx>. The most recent modification to the TRC test was by the Commission’s Final Order entered on November 7, 2024 at Docket No. M-2024-3048998, providing comprehensive guidance on all aspects of Act 129 benefit-cost calculations for Phase V of Act 129. See *2026 Total Resource Cost (TRC) Test*, Docket No. M-2024-3048998 (Final Order entered November 7, 2024) (*2026 TRC Test Order*). Available online at: <https://www.puc.pa.gov/pcdocs/1855583.pdf>.

<sup>4</sup> See *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual Update Order*, Docket No. M-00051865 (entered June 1, 2009). Available online at: <https://www.puc.pa.gov/pcdocs/1043608.doc>.

Evaluator (SWE). The Commission subsequently approved a Phase I EE&C plan (and, in some cases, modifications to the plan) for each affected EDC.

Another requirement of Act 129 directed the Commission to evaluate the costs and benefits of the Commission's EE&C Program and of the EDCs' approved EE&C plans by November 30, 2013, and every five years thereafter. The Act provided that the Commission must adopt additional incremental reductions in consumption and peak demand if it determines that the benefits of the EE&C Program exceed its costs.

Consistent with the above, on August 3, 2012, the Commission issued a Final Implementation Order at Docket Nos. M-2012-2289411 and M-2008-2069887 (*Phase II Implementation Order*), which established required standards for Phase II EDC EE&C plans (including the additional incremental reductions in consumption that each EDC must meet) and provided guidance on the procedures to be followed for submittal, review, and approval of all aspects of the EDCs' Phase II EE&C plans. Within the *Phase II Implementation Order*, the Commission tentatively adopted EDC-specific consumption reduction targets to be met by May 31, 2016. The Commission subsequently approved a Phase II EE&C plan (and, in some cases, modifications to the plan) for each affected EDC.

The Commission also subsequently issued a Final Implementation Order on June 19, 2015, at Docket No. M-2014-2424864 (*Phase III Implementation Order*) for Phase III of the EE&C Program. The Commission determined in its *Phase III Implementation Order* that additional reductions in consumption and peak demand were cost-effective and therefore prescribed reductions in consumption and peak demand targets to be met by May 31, 2021. The Commission subsequently approved a Phase III EE&C plan (and, in some cases, modifications to the plan) for each affected EDC.

Similarly, the Commission issued a Final Implementation Order on June 18, 2020, at Docket No. M-2020-3015228 (*Phase IV Implementation Order*). Therein, the Commission determined that additional reductions in consumption and peak demand were cost-effective and therefore prescribed reductions in consumption and peak demand targets to be met by May 31, 2026. The targets for peak demand were based on the expected PDRs from energy efficiency (EE) rather than dispatchable demand response (DDR) programs. The Commission subsequently approved a Phase IV EE&C plan (and, in some cases, modifications to the plan) for each affected EDC.

On February 20, 2025, the Commission issued a Tentative Implementation Order (*Phase V Tentative Implementation Order*) at Docket No. M-2025-3052826 for Phase V of the EE&C Program. Following the submittal and review of comments, on June 18, 2025, the Commission issued a Final Implementation Order at that same docket number (*Phase V Implementation Order*). Among other things, the *Phase V Implementation Order* established standards each plan must meet, including consumption reduction and demand reduction targets, and provided guidance on the procedures to be followed for submittal, review, and approval of all aspects of the EDCs' EE&C plans for the period from June 1, 2026 through May 31, 2031. The Commission directed that the EDCs file their Phase V plans by no later than November 30, 2025. *Phase V Implementation Order* at 11, 197-98.<sup>5</sup>

On July 3, 2025, CAUSE-PA and the Tenant Union Representative Network (TURN) (collectively CAUSE-PA/TURN) filed a Petition seeking reconsideration, clarification, and modification of the *Phase V Implementation Order* regarding the process, timeline, and standards for the submittal, review, approval, and any potential changes to the Phase V EE&C plans. On September 4, 2025, the

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<sup>5</sup> Because November 30, 2025 was a Sunday, the actual deadline for the filing of Phase V EE&C plans was on the next business day, Monday December 1, 2025.

Commission entered an Opinion and Order (*September 2025 Order*) which, *inter alia*, granted the Petition of CAUSE-PA/TURN and revised the program planning timeline set forth in the *Phase V Implementation Order*.<sup>6</sup>

## **B. Description of the Company**

Duquesne is a public utility as the term is defined under Section 102 of the Public Utility Code (Code), 66 Pa.C.S. § 102, certificated by the Commission to provide electric service in the City of Pittsburgh and in Allegheny and Beaver Counties in Pennsylvania. Duquesne is also an EDC and a default service provider as those terms are defined under Section 2803 of the Code, 66 Pa.C.S. § 2803. Duquesne provides electric distribution service to more than 600,000 customers in its service territory. Settlement at 2.

## **II. History of the Proceeding**

In the *Phase V Implementation Order*, we adopted an EE&C plan approval process, identical to that set forth in Phases II, III, and IV, that included the publishing of a notice of each proposed plan in the *Pennsylvania Bulletin* within twenty days of the filing of the plan, as well as the posting of each proposed plan on the Commission's website. Answers, along with comments and recommendations, were to be filed within twenty days of the publication of the notice in the *Pennsylvania Bulletin*. We also

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<sup>6</sup> On December 18, 2025, the Commission issued a Secretarial Letter (*December 2025 Secretarial Letter*) to All Parties of Record explaining that although the *September 2025 Order* provided for, *inter alia*, the Commission to publish a notice of each EDC's proposed Phase V EE&C plan in the *Pennsylvania Bulletin* on December 13, 2025, such publication did not occur on this date due to administrative error. Therefore, the Commission explained that such publication would occur on January 3, 2026. As a result of this delay in publication, the Commission revised certain other deadlines previously established in the *September 2025 Order*. *December 2025 Secretarial Letter* at 1-2.

directed each EDC to file its Phase V EE&C plan by November 30, 2025,<sup>7</sup> and further directed that each plan be assigned to an ALJ for an evidentiary hearing within sixty-five days after the plan was filed, after which, the Parties had ten days to file briefs. The EDC then had ten days to submit a revised plan or reply comments, or both. The presiding ALJ was directed to then certify the record to the Commission. We noted that the Commission would approve or reject all or part of each EDC's plan at a public meeting in March 2026, within 120 days of the plan filing. *Phase V Implementation Order* at 191-93, 195, 197-98.

As previously noted, on September 4, 2025, we entered the *September 2025 Order* which, *inter alia*, revised the program planning timeline set forth in the *Phase V Implementation Order*. More specifically, we modified our *Phase V Implementation Order* by:

1. Setting a firm deadline of December 13, 2025 for publishing each EDC's Phase V EE&C plan in the *Pennsylvania Bulletin* in order to provide stakeholders with certainty.
2. Running public comment and litigation tracks concurrently, but separately, consistent with other Commission proceedings.
3. Setting other deadlines and requirements as follows:
  - Thirty (30) days for public comment (to avoid holiday conflicts).
  - Ten (10) days for Answers and Petitions to Intervene.
  - Requiring EDCs to serve plans to stakeholders upon filing.

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<sup>7</sup> As previously noted, because November 30, 2025 was a Sunday, the actual deadline for the filing of Phase V EE&C plans was on the next business day, Monday, December 1, 2025.

- Referring plans immediately to the Office of Administrative Law Judge (OALJ), with Prehearing Conferences by January. 6, 2026.
4. Allowing discovery to begin with Petitions to Intervene (or expedite intervention reviews) and shortening discovery responses to ten (10) calendar days.

*September 2025 Order* at 11-12.

Additionally, as noted above, on December 18, 2025, the Commission issued the *December 2025 Secretarial Letter* to All Parties of Record, explaining that although the *September 2025 Order* provided for, *inter alia*, the Commission to publish a notice of each EDC's proposed Phase V EE&C plan in the *Pennsylvania Bulletin* on December 13, 2025, such publication did not occur on this date due to an administrative error. Therefore, the Commission explained that such publication would occur on January 3, 2026. As a result of this delay in publication, the Commission revised certain other deadlines previously established in the *September 2025 Order*. Namely, we specified that Answers and Petitions to Intervene for each EDC's proposed Phase V EE&C plan, which were originally due on December 23, 2025, were to be filed by no later than January 5, 2026. We also directed that any public comments for each EDC's proposed Phase V EE&C plan, which were originally due on January 12, 2026, were to be submitted by no later than January 20, 2026. We further explained that all other procedures and timelines set forth in the *Phase V Implementation Order*, as revised by the *September 2025 Order*, and not modified above, were to remain as previously established, including, but not limited to, the Prehearing Conferences for each EDC's proposed Phase V EE&C plan, which were to occur by January 6, 2026. *December 2025 Secretarial Letter* at 1-2.

Duquesne timely filed a Petition for approval of its Act 129 Phase V EE&C Plan on December 1, 2025. Notice of the filing was published in the *Pennsylvania Bulletin* on January 3, 2026, at 56 *Pa. B.* 156. Additionally, the Company's Joint Petition and Plan were posted on the Commission's website at <https://www.puc.pa.gov/filing-resources/issues-laws-regulations/act-129/energy-efficiency-and-conservation-eecc-program/>. The Petition and Plan were assigned to ALJ Gannon.

On December 2, 2025, CAUSE-PA filed a Petition to Intervene and Answer.

On December 4, 2025, counsel for the OSBA filed a Notice of Appearance. On the same date, counsel for the OCA filed Notices of Appearance.

On December 9, 2025, Peoples filed a notice of substitution of counsel.

The OCA and the OSBA filed Notices of Intervention and Public Statements on December 12, 2025 and December 19, 2025, respectively.

On December 29, 2025, a Telephonic Prehearing Conference Notice was issued, scheduling a prehearing conference for January 6, 2026.

On December 30, 2025, a Prehearing Conference Order was issued.

On January 5, 2026, the KEEA filed a Petition to Intervene and Answer.

A prehearing conference was held as scheduled on January 6, 2026. Duquesne Light, the OCA, the OSBA, CAUSE-PA, and Peoples were present and represented by counsel.

No party objected to the Petition to Intervene of CAUSE-PA, and the Petition was granted during the prehearing conference.

On January 6, 2026, KEEA filed a Notice of Appearance. On that same date, Peoples filed a Petition to Intervene.

On January 9, 2026, the Commission issued a Secretarial Letter tolling the 45-day deadline to review proposed CSP contracts<sup>8</sup> and requesting Duquesne Light's response to a data request issued on the same date.

A Scheduling Order was issued on January 9, 2026, setting a litigation schedule and discovery rule modifications, and detailing other matters. Also on January 9, 2026, the Commission issued a Hearing Notice scheduling an evidentiary hearing for February 4, 2026.

As no party objected to the Petitions to Intervene of KEEA and Peoples by January 13, 2026, both Petitions were deemed granted, pursuant to the Scheduling Order.

On January 16, 2026, the Coalition for Equitable Energy and Housing in Pennsylvania (CEEH-PA) and a coalition of environmental, energy efficiency, consumer, housing, business, and faith-based organizations (collectively, the Energy Advocates) filed comments on the Phase V Plan. On January 18, 2026, the Rocky Mountain Institute (RMI)<sup>9</sup> and Clean Air Council (CAC) filed comments on the Phase V Plan.

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<sup>8</sup> One CSP contract is contained in Section 13 (Confidential) of Duquesne Light's Initial Phase V Plan filed on December 1, 2025. Petition at ¶ 3. This CSP contract also appears in the Company's Plan, as modified by the Settlement, filed on February 23, 2026.

<sup>9</sup> RMI is an independent, non-partisan, non-profit organization whose mission is to transform the global energy system to secure a clean, prosperous, zero-carbon future for all.

On January 23, 2026, Duquesne filed confidential responses to the Commission's data request.

On February 2, 2026, Duquesne's counsel emailed ALJ Gannon advising that all parties agreed to waive cross-examination.

On February 4, 2026, an evidentiary hearing was convened as scheduled. All parties were present and represented by counsel. Upon motion by Duquesne, the OCA, the OSBA, CAUSE-PA and KEEA, ALJ Gannon admitted the Company's Phase V Plan and all pre-served testimony and exhibits into the record. The Parties were instructed that, if a settlement was reached, the settlement and all appropriate settlement documents should be filed on or before February 13, 2026.

On February 5, 2026, the Commission issued a Secretarial Letter approving the CSP contract between Duquesne and Guidehouse Inc. for Evaluation Measurement and Verification (EM&V) services.

On February 9, 2026, counsel for Duquesne emailed ALJ Gannon advising that the parties had reached an unopposed settlement in principle in this matter.

On February 13, 2026, the Settling Parties filed the instant Joint Settlement. The Settlement includes statements in support by the Settling Parties. As previously noted, the Settling Parties indicated that the other parties to this proceeding, KEEA and Peoples, do not oppose the Settlement. Settlement at ¶ 1, n.1.

On February 23, 2026, Duquesne filed a Revised Phase V Energy Efficiency & Conservation Plan.

On February 24, 2026, the Commission issued ALJ Gannon’s Order Certifying the Record to the Commission (*Certification Order*). The Certification Order included a history of the proceeding (as provided *supra*); delineated the transcripts, statements and exhibits admitted into the record; and certified the record to the Commission for consideration and disposition.<sup>10</sup>

### **III. Description of the Plan and the Joint Settlement**

The Joint Settlement was filed on February 13, 2026, resolving all issues. The Plan, as modified by the Joint Settlement, is summarized below.

#### **A. The Plan**

As discussed in more detail in Section V.A.1, *infra*, the *Phase V Implementation Order* established a Phase V consumption reduction target for Duquesne of 261,583 megawatt hours (MWh) over a five-year period from June 1, 2026 through May 31, 2031, and a PDR target of 46.5 megawatts (MW). *Phase V Implementation Order* at 12. Duquesne provides that its Phase V Plan is designed to achieve 5% more than the requirements outlined in our *Phase V Implementation Order*. Duquesne Plan at 8. In its Phase V Plan, Duquesne explains that existing programs were consolidated, where feasible, to reduce redundancies and streamline administration. Duquesne further explains that affordability for customers and continuous evaluation to ensure cost effective programs were prioritized. Duquesne Plan at 8.

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<sup>10</sup> Pages 5 through 8 of the *Certification Order* provide the complete list of documents that comprise the evidentiary record in this proceeding.

Duquesne also provides the following summary of the proposed programs in its Plan:

**Residential Appliance Recycling Program (RARP)** – The RARP is designed to provide residential customers with the opportunity to recycle older, inefficient appliances in a safe, convenient and environmentally responsible manner. Appliances include refrigerators, freezers, room air conditioners, and dehumidifiers. Incentive amounts are adjusted, as needed, to ensure active participation.

**Residential Online Marketplace Program** – This program will allow eligible residential customers to shop for energy-saving products and apply incentives at checkout. Products include smart thermostats, dehumidifiers, advanced power strips, room air purifiers, weatherization products and more.

**Residential Midstream Incentives Program** – Incentives will be provided to residential customers for HVAC, hot water, and auxiliary equipment through participating distributors to offset the higher cost and increase availability of efficient products in the market.

**Residential Behavioral Energy Efficiency (R-BEEP)** – Direct mail R-BEEP reports will be sent to residential customers. The reports compare the recipient customer's energy use to customers with similar home type and size.

**Residential Low Income Energy Efficiency (LIEEP)** – This is a direct-install program where walk-through and comprehensive audits are performed, energy efficiency education is provided, and energy efficient products and equipment are installed at no cost to income qualified households. Products include high-efficiency lighting, water-saving devices, insulation, air sealing, and smart thermostats. For multifamily properties, in-unit assessments and installations are conducted, along with common area improvements such as lighting, HVAC equipment, washers, dryers, etc.

**Low Income Behavioral Energy Efficiency**

**(LI-BEEP)** – Specialized low-income home energy reports are provided to a targeted average income qualified customer population. LI-BEEP reports will also be used to promote other residential program offers.

**Small-Medium Nonresidential Energy Efficiency Program**

**(SNEEP)** – SNEEP downstream participants can choose from a menu of incentives for a wide range of pre-defined end uses such as lighting or HVAC. Downstream target markets are offices, retail, grocery, hospitality, restaurants and warehouses. SNEEP midstream provides incentives to distributors and manufacturers to help customers purchase and install high-efficiency equipment. SNEEP direct-install actions are free energy assessments and direct installation of energy-efficient technologies.

**Large Commercial Sector Energy Efficiency Program**

**(CEEP)** – Helps large commercial customers select the most efficient electric technologies when they consider new purchases or retrofitting existing equipment.

**Large Industrial Energy Efficiency Program**

**(IEEP)** – Will serve large industrial customers with prescriptive and custom energy efficiency projects.

**Public Agency Partnership Program (PAPP)** – This

program will serve the government, non-profit, institutional (GNI) sector. Engages local government in a partnership to implement and co-fund energy efficiency projects.

*See Duquesne Plan at 27-67.*

## **B. Joint Settlement**

### **1. Terms and Conditions**

The Joint Settlement consists of a fourteen-page document outlining the terms and conditions of the Settlement. Additionally, the Joint Settlement contains the following Appendices:

Appendix A – Duquesne Statement in Support

Appendix B – OCA Statement in Support

Appendix C – OSBA Statement in Support

Appendix D – CAUSE-PA Statement in Support

The specific terms of the Settlement related to the Company's EE&C Plan are set forth in Paragraphs 29 through 40 of the Settlement, which are shown below in full as they appear in the Joint Settlement:

29. The following terms of Settlement reflect a carefully balanced compromise of the interests of all of the Joint Petitioners in this proceeding. The Joint Petitioners agree that the Settlement, as a whole, provides a reasonable resolution of the issues raised by the various parties in the previously submitted Notices of Intervention, Petitions to Intervene, and Testimony, and that approval of the Settlement is in the public interest.

The plan as filed will be approved with the following modifications:

30. Residential Midstream Program Ramp-Up:  
Residential midstream program forecast will be adjusted over

the years of Phase V. The current plan distributes the program savings (MWh) as follows (Table 2):

<b>PY18</b>	<b>PY19</b>	<b>PY20</b>	<b>PY21</b>	<b>PY22</b>	<b>TOTAL</b>
3,745	3,958	4,027	4,099	4,171	20,000
18.7%	19.8%	20.1%	20.5%	20.9%	100%

Under the Settlement, the program will be planned as follows (MWh):

<b>PY18</b>	<b>PY19</b>	<b>PY20</b>	<b>PY21</b>	<b>PY22</b>	<b>TOTAL</b>
2,000	3,800	5,000	5,200	4,000	20,000
10%	19%	25%	26%	20%	100%

31. The Company’s Independent Evaluator will conduct an evaluation of this program during PY19 in accordance with their approved evaluation plan.

32. Residential Market Rate Comprehensive Program: the Plan will be modified to include a comprehensive audit offering through the Residential Online Marketplace program for the 5-year phase with a targeted focus on homes with electric resistance heat that are well positioned to achieve deeper energy savings. This will increase forecasted program delivery costs. Duquesne will shift the necessary budget from the Large Industrial Program to the Residential Online Marketplace Program’s budget which will facilitate comprehensive market-rate activity.

33. The nonresidential forecast in the plan will reduce the contribution of lighting savings from 46.4 to 36.4 percent. This will increase forecasted program delivery costs. The lighting savings being reduced will be reallocated to more comprehensive measures with longer measure lives. Duquesne will shift the necessary budget from the Large Industrial Program to the Small-Medium C&I and Large Commercial Programs.

34. Residential Behavioral Measures: DLC will work with the Company's implementation contractor to enhance Home Energy Report (HER) recommendations to emphasize comprehensive energy efficiency measures with longer measure lives. In addition, the Company will work with the CSP to include low-income program and enrollment information in all Residential Behavioral Energy Efficiency Program (R-BEEP) communications.

35. Low Income Behavioral forecast will be reduced from a forecasted 4,200 MWh (22.18%) to 2,500 MWh or 13.2% of the carve-out.

36. Health and Safety. DLC will agree to add a Health and Safety remediation program to its Plan in the amount of \$600,000. This program will only be used for projects that will result in low-income savings. DLC agrees to pursue Health and Safety remediation in coordination with other available programs. This activity will be funded through the existing Low Income Energy Efficiency Program (LIEEP) budget.

37. Duquesne Light will agree to hold a stakeholder meeting regarding front-of-the-meter (FTM) measures if/when such a custom project is identified. The Company will consider feedback and suggestions from the parties.

- a. If the Company implements the FTM program, no FTM costs shall be paid from the low income program budget, and no FTM savings shall be assigned or allocated to the low-income customer savings carve-out requirement.
- b. The parties' agreement to this provision does not constitute agreement as to the prudence or cost-effectiveness of any proposed FTM program, and the parties expressly reserve the right to challenge the FTM program in an appropriate filing or in subsequent phases.

38. Duquesne Light's Interconnection Department and the Company's Phase V CSPs will develop a coordination process to streamline the interconnection process and Act 129 participation within 9 months of the PUC Plan approval and will share it with the parties.
39. DLC will host three multifamily collaborative meetings during the first three years of its Phase V plan. These collaboratives will focus on Act 129 programming and will be held as a standalone meeting, separate from its Income Eligible Advisory Group (IEAG).
  - a. The objective of these multifamily collaborative meetings will be to identify ways to improve participation, enhance coordination with housing programs, and improve the delivery of comprehensive efficiency services to affordable multifamily housing.
  - b. DLC will work with interested parties to this proceeding to identify interested stakeholders, including but not limited to housing authorities, providers, developers, and associations; local and state agency staff; and community-based organizations.
  - c. Specific topics to be addressed, based on the approved Phase V Plan, may include: (1) data sharing, (2) incentive levels, (3) marketing and outreach, (4) coordination and braiding with other state and local programs, (5) streamlined application, (5) categorical eligibility, and (6) other topics of concern identified by meeting participants.
  - d. At each meeting, DLC will provide an update on measure-level spending and

production levels for multifamily projects, as well as the following data:

- the number of and reasons for multifamily LIEEP jobs that do not move forward,
  - the total number of multifamily LIEEP baseload and heating jobs, separately tracked based on meter type; and
  - the average multifamily job cost and energy savings.
- e. In year five of DLC's Phase V plan, DLC will convene an additional collaborative focused on gathering input on potential Phase VI multifamily programming.
40. DLC will continue to report on low income Act 129 program data at least annually during its quarterly IEAG meetings, and will discuss ways to improve coordination with community-based organizations, weatherization, energy efficiency, and housing repair programs in DLC's service territory. Consistent with the Phase IV settlement agreement, DLC will continue to track and report on the following information and data at these IEAG meetings:
- a. the number of and reasons for LIEEP jobs that do not move forward, separately tracked for low income single-family, master-metered multifamily, and individually metered multifamily properties;
  - b. the total number of LIEEP baseload and heating jobs, separated by the following segments: (1) low income single family tenants; (2) low income single family

homeowners; (3) low income master-metered multifamily units; (4) low income individually metered multifamily tenant units; and

- c. the average LIEEP job costs and energy savings.

*See* Settlement at 6-10, ¶¶ 29-40.

In addition to the specific terms to which the Joint Petitioners have agreed, the Joint Settlement contains other general terms and conditions typically found in settlements submitted to the Commission. Specifically, the Joint Petitioners agree that the Joint Settlement is conditioned upon the Commission's approval of all the terms and conditions contained therein without modification. The Joint Settlement establishes the procedure by which any of the Joint Petitioners may withdraw from the Settlement and proceed to litigate this case, if the Commission should act to modify or reject the Settlement. In addition, the Joint Petitioners assert that although the Joint Settlement is proffered to settle the instant case, it may not be cited as precedent in any future proceeding, except to the extent required to implement any term specifically agreed to by the Joint Petitioners. Further, the Joint Petitioners submit that the Joint Settlement is made without any admission against, or prejudice to, any position which any of the Joint Petitioners might adopt in future proceedings, except to the extent necessary to effectuate or enforce any term specifically agreed to in the Settlement before us. Moreover, the Joint Petitioners state that if the Commission adopts the Joint Settlement without modification, then they: (1) will not initiate or join in any challenge to the Settlement; (2) will not take any positions that run contrary to the Settlement; and (3) will waive their right to appeal or to seek reconsideration, rehearing, reargument, or clarification of the Commission Order approving the Settlement. Settlement at 10-13, ¶¶ 41-55.

## **2. Statements in Support**

Each of the four Joint Petitioners prepared a Statement in Support of the Settlement (Statements). The Statements, which are appended to the Joint Petition as Appendices A through D, are summarized below.

### **a. Duquesne**

Duquesne explains that the Settlement resolves several issues raised by the parties to this proceeding. Duquesne notes that it provided responses to numerous interrogatories and requests for production of documents and provided additional information regarding its Phase V Plan to the Parties during informal discussions. According to Duquesne, the Settlement represents a carefully balanced compromise of the interests of all the Joint Petitioners, who agree that the Settlement resolves all of the issues and that its approval is in the public interest. Duquesne Statement in Support at 1-2.

Duquesne provides that its Plan includes ten programs: six programs for the residential sector, one program for the small/medium commercial and industrial (C&I) sector, and three programs targeting the large C&I sectors. Duquesne notes that the Plan ensures that all customer classes have an opportunity to participate in its EE&C programs. Duquesne avers that the Settlement addresses issues raised in testimony by the various stakeholders. Duquesne Statement in Support at 3, 6.

Regarding the Company's proposed Residential Midstream Program, Duquesne has adjusted the program savings to reflect a "ramp up" of the program and notes that the Company's Independent Evaluator will conduct an evaluation of the

program in Program Year 19.<sup>11</sup> Duquesne explains that these modifications will allow the Company to evaluate the success of the program earlier than originally planned. Duquesne Statement in Support at 6-7 (citing Settlement at ¶¶ 30-31).

The Settlement also modifies the Company's Residential Online Marketplace program by including a comprehensive audit targeted at homes with electric resistance heat with the opportunity to achieve deeper energy savings. Duquesne Statement in Support at 7.

Duquesne also provides that the nonresidential forecast for savings from lighting was reduced to address concerns raised by the OCA and the OSBA. The Company explains that lighting savings will be reallocated to more comprehensive measures with longer lives. Duquesne Statement in Support at 8 (citing Settlement at ¶ 33).

Duquesne avers that the Settlement provides a reasonable middle ground with respect to the behavioral measures for residential customers, which were concerns of the OCA and CAUSE-PA. Duquesne explains that as a result of the Settlement, it will work with the Company's Implementation contractor to enhance Home Energy Report recommendations to emphasize comprehensive energy efficiency measures with longer measure lives. Duquesne Statement in Support at 8 (citing Settlement at ¶ 34). Under the Settlement, the Company has also agreed to work with a CSP to include low-income program and enrollment information in all R-BEEP communications. The forecast savings for behavioral measures was reduced from a forecasted 4,200 MWh to

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<sup>11</sup> The dates for the program years in Phase V of the EE&C Program are, as follows: Program Year 18 (June 1, 2026 through May 31, 2027), Program Year 19 (June 1, 2027 through May 31, 2028), Program Year 20 (June 1, 2028 through May 31, 2029), Program Year 21 (June 1, 2029 through May 31, 2030), and Program Year 22 (June 1, 2030 through May 31, 2031).

2,500 MWh, which amounts to 13.2% of the low-income carve-out. Duquesne Statement in Support at 8 (citing Settlement at ¶ 35).

Duquesne has added a Health and Safety remediation program in the amount of \$600,000 to address certain concerns of CAUSE-PA and KEEA. The program will be used only for projects that will result in low-income savings. Duquesne submits that this is a reasonable resolution of this issue. Duquesne Statement in Support at 7-8 (citing Settlement at ¶ 34).

Duquesne further highlights that the Settlement addresses concerns raised by CAUSE-PA related to FTM measures. Namely, Duquesne notes that as provided for in the Settlement, the Company will hold a stakeholder meeting if and when a project is identified. Duquesne stresses that it will consider input from parties and notes that the Settlement provides restrictions on the use of FTM measures within the low-income budget and carve-out. Duquesne Statement in Support at 9-10 (citing Settlement at ¶ 37).

Finally, several provisions of the Settlement address communications with stakeholders and customers. Duquesne avers that these provisions are reasonable and will help ensure success of the Plan by reaching customers in an effective manner. Duquesne Statement in Support at 10 (citing Settlement at ¶¶ 38-40).

**b. OCA**

In its Statement in Support, the OCA provides that its witness, Mr. Zack Tyler, expressed concerns related to the Residential Midstream Incentives Program. In this regard, Mr. Tyler noted that this is a new program with no prior implementation history and a large portion of residential savings (24%). OCA Statement in Support at 7 (citing OCA St. 1 at 11). The OCA contends that scaling back the program to approximately 10% of residential savings and allowing participation to ramp

up over time will allow Duquesne to manage the risk of a new program. OCA Statement in Support at 7-8.

Next, the OCA notes that it recommended that Duquesne include a comprehensive audit and direct install program as part of its Residential Market Rate Comprehensive Program. Mr. Tyler testified that this type of program will provide longer lasting energy savings and result in permanent physical changes to equipment and/or buildings. Therefore, the OCA submits that this provision of the Settlement is essential to achieving the objectives of the EE&C Plan by improving access to financial assistance for customers most in need and enabling their meaningful participation in energy efficiency programs. The OCA further opines that this provision reflects a reasonable and significant compromise reached through collaboration among the parties and is necessary to support effective EE&C program implementation. OCA Statement in Support at 8-9 (citing OCA St. 1 at 8; Settlement at ¶ 32).

Regarding the Nonresidential Lighting program, the OCA raised concerns that the lighting markets are mature and reaching saturation. Mr. Tyler testified that market potential analysis indicates high levels of LED adoption in commercial buildings, limiting the potential for savings. Thus, the OCA supports the reduction of the share of non-residential savings attributable to lighting from 46.4% to 36.4%, and the reallocation of these savings to more comprehensive measures with longer measure lives, as agreed to under the Settlement. OCA Statement in Support at 11 (citing OCA St. 1 at 22; Settlement ¶ 33).

The OCA notes that the Residential Behavioral Measures Home Energy Report program has resulted in cost-effective residential energy savings, yet these savings may lack durability and customer benefits. The OCA provides that the Home Energy Report enhancement of focusing on comprehensive energy efficiency measures with longer lives, and including low-income information on R-BEEP communications,

will serve to improve the Home Energy Report program. OCA Statement in Support at 13 (citing Settlement ¶ 34).

The OCA indicates that Duquesne did not provide a specific proposal for an FTM measure. The OCA notes the testimony of CAUSE-PA's witness, Mr. Jim Grevatt, who indicated that Duquesne was required to describe any proposed FTM measures. The OCA's witness, Mr. Tyler, also expressed concern about untested sources in the Phase V Plan. OCA Statement of Support at 15 (citing CAUSE-PA St. 1 at 44; OCA St. 1 at 5). Therefore, the OCA submits that the Settlement provision to hold a stakeholder meeting regarding identified FTM measures and the agreement to exclude low-income budget and savings from FTM measures strikes a reasonable balance between allowing FTM savings, while addressing concerns regarding projected savings from untested sources. OCA Statement in Support at 15.

Additionally, the OCA's witness, Mr. Tyler, testified that customers seeking interconnection may be developing projects that could directly affect long-term energy use and peak demand. Mr. Tyler provided that linking interconnection and Act 129 could help reduce load and manage peak demand. As such, the OCA submits that the Settlement provision requiring Duquesne to develop a coordination process between interconnection and Act 129 participation provides a reasonable compromise and is in the public interest. OCA Statement in Support at 17-18 (citing OCA St. 1 at 26; Settlement at ¶ 38).

Finally, the OCA claims that other program enhancements in Settlement ¶¶ 35, 36, 39, and 40, related to low-income behavioral forecasting, a Health and Safety remediation program, multifamily collaborative meetings, and LIEEP job tracking, will produce outcomes that benefit customers. OCA Statement in Support at 18-19.

**c. OSBA**

In its Statement in Support, the OSBA notes that the Settlement reduces the non-residential savings attributable to lighting and reallocates those savings to more comprehensive non-lighting measures with longer measure lives. OSBA Statement in Support at 2 (citing Settlement at ¶ 33). Namely, the Settlement reallocates a portion of program funding from the Large Industrial Program to the small business and large commercial programs to support these deeper measures. The OSBA maintains that although this adjustment results in a modest increase in the small commercial surcharge rate under the Company's EE&C Surcharge (EEC Surcharge), it also provides sufficient value to justify the trade-off. OSBA Statement in Support at 2-3.

**d. CAUSE-PA**

In its Statement in Support, CAUSE-PA notes that the Settlement provides a reduced reliance on behavioral programming to achieve savings targets in the Company's LI-BEEP program. Additionally, CAUSE-PA points out that Duquesne will provide low-income programming information in its Home Energy Reports. CAUSE-PA avers that these provisions represent a reasonable compromise that appropriately balances the interests of the parties and interested stakeholders. CAUSE-PA Statement in Support at 5.

Regarding health and safety, CAUSE-PA submits that the Company will implement a health and safety program that can effectively remediate health and safety barriers for low-income customers. CAUSE-PA Statement in Support at 6-7 (citing Settlement at ¶ 36). CAUSE-PA also acknowledges that the Settlement provides enhanced transparency in the FTM and multifamily programs. CAUSE-PA Statement in Support at 7-9 (citing Settlement at ¶¶ 37, 39). CAUSE-PA further notes that the Settlement provides that Duquesne will continue to track and report Act 129 program

data, particularly about LIEEP jobs, including LIEEP jobs that do not go forward. CAUSE-PA Statement in Support at 9-10 (citing Settlement ¶ 40). CAUSE-PA maintains that reduced reliance on lighting and increased focus on deep measures will increase savings for both the non-residential and residential classes. CAUSE-PA Statement in Support at 10 (citing Settlement at ¶¶ 32, 33). CAUSE-PA concludes that the Settlement is just, reasonable, and in the public interest. CAUSE-PA Statement in Support at 11.

#### **IV. Legal Standards**

Because the Joint Petitioners have reached a settlement, the Joint Petitioners have the burden to prove that the Joint Settlement is in the public interest. Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. Settlement terms often are preferable to those achieved at the conclusion of a fully litigated proceeding. In addition, a full settlement of all the issues in a proceeding eliminates the time, effort, and expense that otherwise would have been used in litigating the proceeding, while a partial settlement may significantly reduce the time, effort, and expense of litigating a case. Act 129 cases often are expensive to litigate, and the reasonable cost of such litigation is an operating expense recoverable in the rates approved by the Commission. Partial or full settlements allow the parties to avoid the substantial costs of preparing and serving testimony, cross-examining witnesses in lengthy hearings, and preparing and serving briefs, reply briefs, exceptions, and reply exceptions, together with the briefs and reply briefs necessitated by any appeal of the Commission's decision, yielding significant expense savings for the Company's customers. For this and other sound reasons, settlements are encouraged by long-standing Commission policy.

The Commission must, however, review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*,

Docket No. M-00031768 (Order entered January 7, 2004); *Pa. PUC v. C.S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*C.S. Water and Sewer*); *Pa. PUC v. Philadelphia Electric Co.*, 60 Pa. P.U.C. 1 (1985). In order to accept a settlement such as that proposed here, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered October 4, 2004); *Pa. PUC v. C.S. Water and Sewer, supra*. Additionally, this Commission's decision must be supported by substantial evidence in the record. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980).

Finally, we note that any issue that we do not specifically address has been duly considered and will be denied without further discussion. It is well settled that the Commission is not required to consider, expressly or at length, each contention or argument raised by the parties. *Consolidated Rail Corporation v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

## **V. Discussion of the Plan**

Before addressing the merits of the proposed Phase V Plan, in conjunction with the Settlement, we first note that in the Settlement, Duquesne has agreed to adopt or investigate and study several improvements proposed by the Parties to the Settlement. All Parties to this proceeding either agreed to the Settlement or did not oppose it. Because we will review the Company's Plan in conjunction with the terms of the Settlement, it appears there are no remaining contested issues. Accordingly, we will not specifically discuss the Comments filed by the various entities on January 16, 2026 and January 18, 2026 in this Opinion and Order because, although they were not parties to the Settlement, none of them have opposed it.

Therefore, we will now address Duquesne's Proposed Phase V EE&C Plan, in conjunction with the Settlement, to determine whether the Settlement is in the public interest and whether the Phase V Plan, either on its own, or as supplemented by the Settlement, complies with Act 129, the *Phase V Implementation Order*, and related Phase V Orders.

**A. Phase V Conservation and Demand Reduction**

**1. Overall Conservation Requirements**

**a. Requirements**

The *Phase V Implementation Order* established a Phase V energy consumption reduction target of 261,583 MWh for Duquesne, including a low-income consumption reduction target of 18,933 MWh. *Phase V Implementation Order* at 12; *see also* Petition at 7. Consumption reductions are measured using the savings approach. Under this approach, estimates of the weather-normalized annual energy savings expected over the course of a measure's expected useful life were developed, absent any dual baseline considerations. *Phase V Implementation Order* at 88, 89. Each EDC was directed to develop a plan that was designed to achieve at least 15% of the target amount in each program year. *Id.* at 48.

In the *Phase V Implementation Order*, we also expressed concern that the carryover of all excess savings from phase to phase of the EE&C Program would lead to a scenario in which EDCs meet most, if not all, of their reduction targets by simply applying carryover savings. As a result, the Commission concluded that in Phase V, EDCs are allowed to carry over only excess savings obtained in Phase IV for application toward Phase V targets. In addition, we imposed a limiting mechanism on carryover in response to concerns expressed by Act 129 stakeholders regarding excessive carryover.

More specifically, we directed that for Phase V, EDC carryover of Phase IV MWh will be capped at a maximum of 20% of their respective portfolio and low-income consumption reduction targets. We found that such a limit was reasonable, as it is approximately equivalent to one-fifth of the five-year phase targets. We further found that this approach will encourage EDCs to continue the full implementation of programs even after they achieve their consumption reduction targets, as long as the funds are still available. *Phase V Implementation Order* at 80-81, 84, 241.

**b. Disposition**

In its Plan, Duquesne proposes total energy savings of 272,963 MWh by the end of Program Year 22 (May 31, 2031).<sup>12</sup> Table A outlines the yearly consumption reduction targets that the Company proposes to obtain in each of the Program Years of Phase V.<sup>13</sup>

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<sup>12</sup> As previously noted, the EE&C Plan is designed to achieve approximately 5% more than the consumption reduction requirements outlined in the *Phase V Implementation Order*. Duquesne Plan at 8. In addition, Duquesne estimates Phase IV Carryover savings of 0 MWh. Thus, the Phase V Plan is designed to meet the Company's Phase V energy consumption reduction target without the use of any carryover savings. *See Id. Plan* at 129, Table 2.

<sup>13</sup> As previously noted, the dates for the Program Years set forth in Table 1 are as follows: Program Year 18 (June 1, 2026 through May 31, 2027), Program Year 19 (June 1, 2027 through May 31, 2028), Program Year 20 (June 1, 2028 through May 31, 2029), Program Year 21 (June 1, 2029 through May 31, 2030), and Program Year 22 (June 1, 2030 through May 31, 2031).

**Table A: Duquesne’s Proposed Percentage of Consumption Reduction Target Amount to be met each Program Year**

	Program Year 18	Program Year 19	Program Year 20	Program Year 21	Program Year 22
Duquesne	16%	20%	23%	24%	21%

Duquesne Plan at 129, Table 2.<sup>14</sup>

Upon our review of Duquesne’s EE&C Plan, we find that the Company projects total energy savings that will meet or exceed the prescribed Phase V energy consumption reduction targets set forth in our *Phase V Implementation Order*. Additionally, we find that the Plan complies with our directive that any carryover savings be limited only to savings actually obtained in Phase IV.<sup>15</sup> Moreover, we find that the Plan satisfies our directive in that it is designed to achieve at least 15% of the total energy savings amount in each Phase V Program Year.

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<sup>14</sup> We note that the Duquesne Plan at 129, Table 2 does not match the Excel spreadsheet in Duquesne Light Phase V EEC Plan Tables – Settlement (Duquesne Excel Tables), which the Company submitted concurrently with its EE&C Plan on February 23, 2026. Specifically, Table 2 on page 129 of the revised Plan provides an “EE&C Plan Total – Projected Cumulative Savings” of 668,561 MWh. Both Table 2 and the Duquesne Excel Tables present “EE&C Plan Total – Percentage of Target to be Met” of 256%. This appears to be a typo. Table 2 of the Company’s Plan does not have a “Percent of Plan Total Annual” row, as was presented in the Initial Plan submitted on December 1, 2025. Therefore, it was necessary to calculate the information in Table A, above, based upon the information set forth in Table 2 of the Company’s Plan.

<sup>15</sup> As noted above, Duquesne has designed its Plan such that it will meet its Phase V consumption reduction target without the use of any carryover savings. Duquesne Plan at 129, Table 2.

## 2. Overall Demand Reduction Requirements

### a. Requirements

Act 129 required the Commission, by November 30, 2013, to compare the total costs of the EDCs' EE&C plans to the total savings in energy and capacity costs to retail customers, or other costs as determined by the Commission. If the Commission determined that the benefits of the plans exceeded the costs, the Act required the Commission to set additional incremental requirements for reduction in peak demand for the 100 hours of greatest demand, or an alternative reduction approach approved by the Commission. Any such reductions in peak demand must be measured from the EDC's peak demand for the period from June 1, 2011 through May 31, 2012. *See* 66 Pa.C.S. § 2806.1(d)(2); *Phase V Implementation Order* at 89.

Phase I of the EE&C Program included demand reduction (DR) requirements. 66 Pa.C.S. § 2806.1(d). The Commission did not believe it had the information necessary at the time to definitively determine that a demand reduction program would be cost-effective as part of Phase II. Consequently, Phase II did not include DR requirements. *Phase II Implementation Order* at 32-33. For Phase III, the Commission concluded that it had sufficient information to determine that DR requirements would be cost-effective in the service territories of six of the then-seven EDCs (all EDCs except Pennsylvania Electric Company (Penelec)) that were required to file an EE&C plan. *Phase III Implementation Order* at 34-35. The prescribed Phase III peak demand reduction targets were designed around DDR programs. However, for Phase IV, the Commission concluded that PDRs could only be met with coincident reductions in peak demand from energy efficiency programs. *Phase IV Implementation Order* at 59, 61-62, 85. The Commission noted that coincident PDRs from energy efficiency measures could be recognized in PJM's Forward Capacity Market (FCM).

The Commission stated that proceeds from bidding these demand resources could reduce the EE&C plan funding that must be collected via riders. *Id.* at 62.

For Phase V, the Commission proposed that either coincident PDRs from energy efficient programs or verified demand reductions from daily load-shifting (DLS) demand reduction programs may be used to satisfy PDR targets. We reasoned that in doing so, we sought to establish targets and policies that provide the EDCs with flexibility in addition to achieving the desired technical and economic outcomes. The Commission also proposed to utilize the average load for the 100 hours of highest load for the period June 1, 2007, through May 31, 2008, as the reference peak load values against which to express PDRs for each EDC and for the EE&C program as a whole. *Phase V Implementation Order* at 126, 133-34.

We further proposed assessing compliance with the PDR targets using an average of the EDC's gross verified summer peak demand reduction and winter peak demand reduction.<sup>16</sup> We reasoned that this would allow an EDC to offset underperformance in one season by overperforming in another season. Thus, we noted

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<sup>16</sup> The summer peak demand period for Act 129 programs is non-holiday weekdays from June through August, from 2:00 pm to 6:00 pm Eastern Prevailing Time. The winter peak demand period is non-holiday weekdays from January through February, from 7:00 am to 9:00 am and 6:00 pm to 8:00 pm Eastern Prevailing Time. *Phase V Implementation Order* at 149. However, we also stated that the EDCs may propose an alternative performance window in their Phase V EE&C plans. We further specified that the EE&C plan should provide a rationale for the alternative window. *Id.* at 154. In its Plan, Duquesne does not appear to propose the use of an alternative performance window. However, the Company explains that it will monitor summer and winter demand reductions at the measure, project, program, and portfolio levels. The Company further states that it has included resource adequacy measures in its forecast measures and measure impacts. Duquesne asserts that it has planned these impacts in attempt to render five years of averaged impacts to increase the probabilities of meeting the seasonal demand requirements set forth in the *Phase V Implementation Order*. Duquesne Plan at 11-12.

that establishing a PDR target that includes both summer and winter performance inherently indicates that both seasons are important. To ensure some balance across seasons, the Commission directed that each EDC's Phase V EE&C plan include a mix of measures and programs projected to acquire at least 75% of the proposed target in each season. For example, an EDC with a Phase V PDR target of 120 MW would need to file an EE&C plan projecting no less than 90 MW of summer or winter peak demand reduction. [ $90 \div 120 = 75\%$ ]. *Phase V Implementation Order* at 126, 133-34, 136, 143.

Moreover, we directed that: (1) EDCs be permitted to carryover 50% of the excess peak demand savings acquired in Phase IV and apply them towards Phase V PDR targets; (2) EDCs design their EE&C plans to achieve at least 15% of their PDR target in each program year; and (3) PDRs from energy efficiency measures be measured using the savings approach described, *supra*. *Phase V Implementation Order* at 144, 145-47, 149. Further, we specified that EDCs that include time of use (TOU) rates in their proposed Phase V EE&C plans should clearly describe how Act 129 support will lead to improved outcomes over simply offering the rates in tariffs.<sup>17</sup> *Id.* at 124.

At the same time, we declined to direct the inclusion of a specific low-income peak demand reduction target. We noted, *inter alia*, that each additional target the Commission establishes exposes the EDCs to additional compliance risk, given the associated statutory penalties set forth in the Act. Further, we reasoned that establishing a specific low-income peak demand carve-out could divert focus from comprehensive efficiency programs that more directly reduce household energy bills. *Phase V Implementation Order* at 141-42.

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<sup>17</sup> In its Plan, the Company explains that at the time of its Plan filing, Duquesne began offering residential TOU rates as a pilot, as of 6/1/2025. The Company asserts that TOU rates will advance load shifting and bill reducing options. Duquesne Plan at 25. On review, we find that Duquesne has sufficiently complied with our directive above.

The *Phase V Implementation Order* established a Phase V PDR target for Duquesne of 46.5 MW. This represents 1.85% of Duquesne’s 2007-08 baseline. *Phase V Implementation Order* at 143.

**b. Disposition**

In its EE&C Plan, Duquesne projects a Phase V PDR of 47.557 MW. Duquesne Plan at 130, Table 3. For illustrative purposes, Table 3 is reproduced below.

**Table 3: Summary of Portfolio Demand Savings**

System-Level MW Savings (Average of Summer and Winter)	PY18	PY19	PY20	PY21	PY22	Total
	1st-Year MW	1st-Year MW	1st-Year MW	1st-Year MW	1st-Year MW	1st-Year MW
Baseline <sup>1</sup>	2,518	2,518	2,518	2,518	2,518	2,518
Market Rate Residential Sector ( <i>exclusive of Low-Income</i> ) – Projected Incremental Annual Savings	2.2	2.6	2.7	2.5	2.3	9.9
Residential Low-Income Sub-Sector – Projected Incremental Annual Savings	1.4	1.3	1.3	1.4	1.4	6.8
Small C&I Sector – Projected Incremental Annual Savings	2.0	2.2	2.5	2.8	2.4	11.9
Large C&I Sector – Projected Incremental Annual Savings	2.3	3.0	4.2	3.6	3.5	14.4
<b>Coincident Demand Reduction From EE Subtotal</b>	<b>8.0</b>	<b>9.1</b>	<b>10.7</b>	<b>10.3</b>	<b>9.5</b>	<b>42.9</b>
Residential Load Shifting - Projected MW Savings	2.4	2.4	2.4	2.4	2.4	2.4
Small C&I Sector Load Shifting – Projected MW Savings						
Large C&I Sector Load Shifting – Projected MW Savings	2.2	2.2	2.2	2.2	2.2	2.2
<b>Daily Load Shifting Subtotal</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>
<b>Cumulative Projected Compliance Savings<sup>2</sup></b>	<b>12.6</b>	<b>13.7</b>	<b>15.4</b>	<b>14.9</b>	<b>14.1</b>	<b>47.6</b>
<b>Cumulative EE&amp;C Plan Total – Percentage of Target to be Met<sup>3</sup></b>	27%	30%	33%	32%	30%	102%
Estimated Phase IV Carryover Savings <sup>5</sup>						
<b>Total Cumulative Projected Savings Phase V + Estimated Phase IV Carryover Savings</b>	<b>12.6</b>	<b>13.7</b>	<b>15.4</b>	<b>14.9</b>	<b>14.1</b>	<b>47.557</b>
<b>Cumulative Percent Reduction from Baseline</b>	0.50%	0.55%	0.61%	0.59%	0.56%	1.89%
<b>Commission-Identified Goal<sup>1</sup></b>						46.5

1 As defined in the June 18, 2025 Implementation Order.  
2 Cumulative totals reflect one-fifth of the expected MW savings from load shifting programs due to the average performance accounting method. EE program savings are additive across program years, while Load Shifting programs average across the Phase.  
3 The June 18, 2025 Implementation Order directed that EDCs achieve at least 15 percent of the target amount in each program year.  
4 MW saved are on a gross-verified basis.  
5 50% of any excess Phase IV demand reduction can be claimed as carryover.

Duquesne Plan at 130, Table 3.<sup>18</sup>

<sup>18</sup> As outlined in Table 3 of Duquesne’s Plan, reproduced above, the Company has designed its Plan to meet the Phase V PDR target specified in our *Phase V*

On review, several of the numbers in Duquesne's Table 3 appear to be incorrect. In this regard, we note that the PDR amounts in several of the horizontal rows of Table 3 do not properly add up across program years to the totals in the far-right column for the EE programs, as represented in footnote 2 of Table 3 of the Company's Plan. First, the projected PDRs for each program year from EE program savings show a total of 42.9 MW in the column entitled "Coincident Demand Reduction From EE Subtotal." However, when added together, these totals actually sum to 47.6 MW. Additionally, it appears that the Company is attempting to add total MW amounts in each individual program year in the column entitled "Cumulative Projected Compliance Savings," culminating in the Company's total projected Phase V PDR of 47.557 MW. However, when added together, these amounts in the Company's Table 3 total 70.7 MW. Further, it appears that the Company is attempting to show the percentage of its PDR target that it expects to meet in each program year in the column entitled "Cumulative EE&C Plan Total – Percentage of Target to be Met," culminating in the Company achieving 102% of its prescribed target of 46.5 MW, as set forth in our *Phase V Implementation Order*. [47.557 MW ÷ 46.5 MW = 102%].<sup>19</sup> However, when these percentages are added together, they sum to 152%. These discrepancies are outlined in Table B, below.

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*Implementation Order* without the use of any carryover excess peak demand savings acquired in Phase IV.

<sup>19</sup> In this column, the Company also rounds its projected total PDR of 47.557 MW in Phase V to the nearest tenth, or 47.6 MW.

**Table B: Duquesne’s Proposed Percentage of PDR Target Amount to be met each Program Year – Highlighted discrepancies from Duquesne Plan at 130, Table 3**

	Program Year 18	Program Year 19	Program Year 20	Program Year 21	Program Year 22	Total
Coincident Demand Reduction From EE Subtotal	8.0	9.1	10.7	10.3	9.5	47.6
Cumulative Projected Compliance Savings - MW	12.6	13.7	15.4	14.9	14.1	70.7
Cumulative EE&C Plan Total – Percentage of Target to be Met	27%	30%	33%	32%	30%	152%

Due to the errors in Table 3 of Duquesne’s Plan, we shall direct the Company to revise Table 3 on page 130 of its Plan to correct the above discrepancies to: (1) clearly demonstrate that its Plan achieves at least 15% of the PDR target in each program year, and (2) clearly indicate that the underlying PDR amounts and percentages in each program year sum to the Company’s projected total Phase V PDR amount of 47.557 MW, and that they result in the Company attaining 102% of its prescribed target.

Table C, below, provides a summary of the Company’s projected seasonal demand savings identifying PDRs by winter and summer contributions, from the residential and non-residential sectors. Table C shows the coincident PDRs from the Company’s EE and DLS program components separately. As shown in Table C, Duquesne’s Phase V Plan is designed to achieve a minimum of 75% of the total prescribed PDR target of 46.5 MW in each of the summer peak demand reduction period and the winter peak demand reduction period, as required in the *Phase V*

*Implementation Order.* Namely, the Company’s total projected summer and winter demand reductions are projected to be 56.6 MW, or 122% of the total PDR target, and 38.5 MW, or 83% of the total PDR target, respectively, with an average total Phase V PDR of 47.557 MW.

**Table C: Duquesne’s Projected Seasonal Demand Savings**

Component MW Savings (System-Level)	PY18		PY19		PY20		PY21		PY22		Total	
	Summer MW <sup>1</sup>	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Coincident Reduction from EE - Residential	3.3	3.1	3.5	3.3	3.6	3.5	3.4	3.3	3.3	3.0810	17.1	16.3
Coincident Reduction from EE - Non-Residential	5.5	2.6	6.4	3.1	7.5	3.8	8.5	4.3	7.2	3.6	35.1	17.4
Daily Load Shifting - Residential <sup>3</sup>	2.3	2.6	2.3	2.6	2.3	2.6	2.3	2.6	2.3	2.6	2.3	2.6
Daily Load Shifting - Non-Residential	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
<b>Total</b>											56.6	38.5
Phase V Total Compliance Savings												47.6
Phase V Peak Demand Reduction Target												46.5
Percentage of Goal In Season <sup>2</sup>											122%	83%

<sup>1</sup> MW saved are on a gross-verified basis, and MW are at the system-level.

<sup>2</sup> The June 18, 2025 Implementation Order directed that EDCs achieve at least 15 percent of the target amount in each program year. The cells with the percentage of goal in each season (M12 and N12) will appear green if this condition has been met.

<sup>3</sup> Daily load-shifting savings average across the phase, EE sums across the phase.

Duquesne Plan, Appendix B, Table 4.

From our review of the Plan, we conclude that the Company projects average annual PDR that will meet or exceed the prescribed Phase V PDR targets set forth in our *Phase V Implementation Order*. However, as discussed above, we cannot fully determine if Duquesne’s Plan achieves at least 15% of the Company’s PDR target in each program year. Accordingly, we direct Duquesne to file a corrected Table 3 on page 130 of its Plan. Further, Duquesne is directed to file this revision within sixty (60) days of the entry date of this Opinion and Order. *See* 66 Pa.C.S. § 2806.1(e)(2)(i)-(ii).

### 3. Requirements for a Variety of Programs Equitably Distributed

#### a. Requirements

In the *Phase V Implementation Order*, we did not require a proportionate distribution of measures among customer classes. However, we did require that each customer class be offered at least one program. *Phase V Implementation Order*

at 199-200. In addition, the Commission required that all Phase V EE&C plans include at least one comprehensive program for residential customers and at least one comprehensive program for non-residential customers. *Id.* at 52.

**b. Disposition**

Duquesne's Plan contains ten different programs, distributed across all customer classes. Namely, Duquesne proposes: (1) 6 programs and approximately 79 measures for residential customers, including 2 programs for low-income customers and at least 50 measures for low-income customers; (2) one program for small C&I customers; (3) 2 programs for large C&I customers; (4) approximately 154 measures for non-residential customers; and (5) 1 program to serve the GNI sector. Duquesne Plan at 133-45.

Additionally, Duquesne proposes to spend 21.1% of its total Plan budget on residential (exclusive of low-income) programs, 16.4% on residential low-income programs, 27.8% on small C&I programs, and 34.7% on large C&I programs. In total, Duquesne will spend 37.5% of its total plan budget on residential programs and 62.5% on non-residential programs. Duquesne Plan at 135.

Duquesne notes that comprehensive measures are "defined, prescribed and summarily ordered at Table 8 Addendum of the EE&C Plan Table template that is part of the Phase V Implementation Order." Duquesne states that it makes no modification or exception to the Implementation Order and will employ the specified qualifications in its reporting of "comprehensive measure" impacts. Duquesne adds that its comprehensive measures can be found in the Residential Programs described in Section 3.2, and the Small Commercial Direct Install Program in Section 3.3.1 of its Plan. Duquesne Plan at 25.

Duquesne offers Marketplace Comprehensive Audits as part of the Residential Online Marketplace Program. These audits provide resources to residential customers to encourage a comprehensive residential home energy audit, installation of conservation measures, and rebates for eligible measures. Duquesne Plan at 31, Settlement at ¶ 32.

Duquesne further notes that its Residential Low-Income Energy Efficiency program is an umbrella program comprising two specific low-income residential customer program activities, including a low-income comprehensive audit and direct install program and a tailored low-income behavioral efficiency program. Duquesne contends that the program is designed to deliver a broad range of direct-install measures and behavioral education to assist low-income customers in reducing their electric bills. Duquesne Plan at 39.

Section 3.3.1 of the Duquesne Plan describes the Small Commercial Direct Install Program, as follows:

Direct-Install: SNEEP Direct-Install initiative provides customers with a single source of information, energy assessments, technical assistance, and financial incentives. The program incorporates an end-to-end approach including marketing, the site survey and final equipment installation. The program is designed to deliver immediate and measurable savings through the distribution of starter kits and direct retrofit of existing equipment.

Duquesne Plan at 48.

Based on the above, we conclude that Duquesne's EE&C Plan, as modified by the Settlement, meets the requirement set forth in our *Phase V Implementation Order* that each customer class be offered at least one program. We further conclude that the Plan satisfies the requirement that at least one comprehensive program be offered to

residential customers and that at least one comprehensive program be offered to non-residential customers. The record indicates that the Company's Plan contains ten different programs distributed across all customer classes. The Plan further specifies that Duquesne will offer both residential and non-residential customers at least one comprehensive program.

#### **4. Government/Educational/Non-Profit Requirement**

##### **a. Requirements**

Act 129 required, in its initial phase of implementation, that EE&C Plans obtain a minimum of 10% of all consumption and peak demand reduction requirements from units of the federal, state, and local governments, including municipalities, nonprofit entities, school districts, and institutions of higher education (GNI carve-out). 66 Pa.C.S. § 2806.1(b)(1)(i)(B). No such stipulation was required for subsequent phases of implementation. For Phase II, the Commission prescribed a similar requirement for the EE&C Program. In Phase III, the Commission required that each EDC must obtain at least 3.5% of all consumption reduction requirements from GNI entities. For Phase IV, the Commission did not require a specific carve-out for the GNI sector, finding that the results of the energy efficiency and peak demand reduction (EEPDR) Potential Study performed by the Phase III SWE indicated that the GNI sector was expected to produce a significant share in Phase IV consumption reductions at a comparable acquisition cost to the broader small and large C&I customer classes without a specific compliance target. Namely, the Commission found that in contrast to the low-income sector, which would likely be underserved without a carve-out, the GNI sector can be adequately served by measures offered to other non-residential customers. However, the Commission proposed that the EDCs report savings achieved for the GNI sector in Phase IV and that the EDCs' EE&C plans highlight how the GNI sector will be served. *Phase IV Implementation Order* at 37-39, 43.

In our *Phase V Implementation Order*, we did not specifically set forth any requirements as to the GNI sector. However, in its Plan, Duquesne explains, as follows:

Act 129 identifies “Federal, State and local government, including municipalities, school districts, institutions of higher education and nonprofit entities” for receipt of carve-out protection and specialized programs in Phase I through III. In Phase IV the GNI carve-out was discontinued and Duquesne Light did not implement programs specifically serving the GNI sector. Phase IV C&I program activity saw significant drops in governmental and infrastructure projects. The sector needs engagement strategies to overcome GNI sector barriers to program participation. Barriers include the separation of operational and purchasing management where equipment first-cost-based decisions ignore life-cycle cost realities, long sales cycles, lack of expertise, and lack of centrally understood and managed energy use.

The Public Agency Partnership (PAPP) was implemented directly by Duquesne Light in Act 129 Phases I, II and III, and is brought back for Phase V. Duquesne Light plans an expanded effort to engage this sector and will focus on governmental infrastructure, such as water and wastewater operations, centrally located district plants and the region’s expansive primary, secondary and higher education institutions. As efficiency gain “low hanging fruit” evaporate due to previous program activities and evolving minimum federal efficiency standards, Duquesne Light will leverage its community relationships to pursue and rekindle deeper penetration into these important markets.

Duquesne EE&C Plan at 23.

## **5. Constraints on EE&C Plan Offerings**

### **a. Requirements**

#### **(1) Non-Residential Midstream Lighting**

The Commission noted that in Phase IV of the EE&C Program, non-residential LED lighting measures have delivered more savings than all other measure categories combined. The three primary measure vintages for non-residential lighting and most other EE&C measures are Early Replacement, New Construction, and Replace on Burnout (ROB). We explained that ROB lighting is generally delivered via midstream channels at the point of sale through participating distributors. We cautioned that as LED lighting becomes the industry standard technology for virtually all lighting applications, this creates serious concern about the use of limited program funds to incent LED equipment at the point of purchase. The Commission worried that many of these sales in Phase V would replace first-generation LED systems and that nearly all of these sales would be LEDs even without program support. Thus, we posited that implementation of large midstream/ROB lighting programs in Phase V could result in a situation in which the EDCs claim more gross lighting savings than the total contribution of non-residential lighting energy to their current retail sales. *Phase V Implementation Order* at 74-75.

However, in light of the volume of EDC comments in this proceeding lamenting the blended acquisition costs used to establish Phase V targets, we concluded that it is inappropriate to limit EDC flexibility to offer program designs with low administrative costs per kWh saved. Therefore, for Phase V, we concluded that the EDCs do not need to minimize the contribution of midstream delivery of non-residential lighting measures in their Phase V EE&C plans, provided that participating distributors

can document each transaction that the replaced lighting equipment is not LED. *Phase V Implementation Order* at 76-77.

## (2) FTM Measures

In our *Phase V Implementation Order*, we noted that there are potential EE&C measures that affect the EDC distribution equipment that transports electricity to homes and businesses. We stated that while FTM measures would lower customer energy consumption, and therefore bills, they generally do not involve ratepayer participation or even awareness. Previous phases of Act 129 have allowed FTM measures, such as conservation voltage reduction, to contribute to EDC compliance goals. *Phase V Implementation Order* at 77. In our *Phase V Tentative Implementation Order*, we proposed limiting Phase V EE&C plans to customer-sited measures that the home or business would have knowledge of, reasoning that FTM measures are part of operating the distribution system, rather than an EE&C plan component. *Id.*; *Phase V Tentative Implementation Order* at 30.

However, based upon comments we received in response to our *Phase V Tentative Implementation Order*, we found that FTM measures, such as conservation voltage reduction, can be low-cost, high-yield EE&C plan components and can help combat growing resource adequacy concerns in the Commonwealth. Accordingly, we determined that for Phase V, the EDCs do not need to limit their proposed Phase V EE&C plans to customer-sited measures.<sup>20</sup> However, we directed that the projected

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<sup>20</sup> Typically, such customer-sited measures involve the customer, or a contractor on their behalf, installing a piece of electric equipment or implementing behavior or technical controls to alter the way existing equipment operates. Often, the participant pays the majority of the cost of efficient equipment. *Phase V Tentative Implementation Order* at 30; *Phase V Implementation Order* at 77.

contribution of FTM measures be limited to no more than 10% of the total Phase V EE&C plan MWh and MW savings. *Phase V Implementation Order* at 79.<sup>21</sup>

**b. Disposition**

**(1) Non-Residential Midstream Lighting**

Duquesne’s Plan does not address the issue of requiring participating distributors of non-residential midstream lighting measures documenting each transaction that the replaced lighting equipment is not LED. *Phase V Implementation Order* at 76-77. The Settlement contains a provision that Duquesne reduce the share of non-residential savings attributable to lighting from 46.4% to 36.4%. The OCA’s witness, Mr. Tyler, testified that baseline and market potential analyses indicate high levels of LED adoption in commercial buildings, which raises the risk of lighting incentives supporting LED-to-LED replacements. OCA Statement in Support at 11 (citing OCA St. 1 at 22).

We direct Duquesne to revise Section 3.3.1 of its Plan, Small-Medium Nonresidential Energy Efficiency Program, to address the requirement that distributors of non-residential midstream lighting measures will document each transaction to verify that the replaced lighting equipment is not LED. Duquesne is directed to file this revision to

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<sup>21</sup> In addition to the constraints regarding Non-Residential Midstream Lighting and FTM Measures, we also considered the proposal of the OCA that eligibility for solar photovoltaic (PV) incentives should be limited to participants who also receive incentives for other energy efficiency measures offered through Act 129. However, we declined to require the pairing of solar PV with other energy efficiency measures, noting that we instead favor program designs that allow participants to select the measure(s) that make sense for them based on their technical and economic circumstances. *See Phase V Implementation Order* at 79-80.

its Phase V EE&C Plan within sixty (60) days of the entry date of this Opinion and Order. *See* 66 Pa.C.S. § 2806.1(e)(2)(i)-(ii).

## (2) FTM Measures

Duquesne describes its approach to FTM measures, as follows:

Duquesne Light makes provision[s] for FTM measures within its listing of eligible measures. Whether conservation voltage reduction or other distribution system upgrades resulting in reduced system losses or delay system capacity upgrades, the size and type of these prospective measures is unknown at the time of this Plan filing, Duquesne Light will ensure that no more than 10% of its portfolio savings impacts derive from these types of measures.

Duquesne Plan at 24.

Duquesne explains that FTM projects are based on site-specific information and application of technologies. According to the Company, these projects can include distributed energy resources and distribution system upgrades. These measures are site-specific with measure lives in excess of 15 years and can produce economic benefit. Duquesne Statement in Support at 9. As provided for in the Settlement, Duquesne has agreed to hold a stakeholder meeting regarding FTM measures if and when a project is identified by the Company. Additionally, the Settlement provides restrictions on the use of FTM measures within the low-income budget and carveout. Duquesne Statement in Support at 9-10 (citing Settlement at ¶ 37).

On review, we find that Duquesne's Plan satisfies the directive in our *Phase V Implementation Order* that the projected contribution of FTM measures be limited to no more than 10% of the Company's total Phase V EE&C Plan MWh and MW

savings. Additionally, we find the provisions of the Settlement related to FTM measures to be in the public interest.

However, as noted above, in the Settlement, Duquesne has agreed to hold a stakeholder meeting regarding FTM measures if and when such a project is identified. Settlement at ¶ 37. In accordance with Commission policy, when an EDC intends to add or move funding within its EE&C plan to another program, project, or measure within the plan, that EDC must file a Petition for Approval of a Minor Change to its EE&C plan, consistent with the Commission's expedited review process set forth in the Commission's Order in *Energy Efficiency and Conservation Program*, Docket No. M-2008-2069887 (Final Order entered June 10, 2011) (*Minor Plan Change Order*). Therefore, we shall require the Company to revise Section 3.1.6 of its EE&C Plan to state that, upon identification of any FTM measures to include in its Phase V Plan, it will submit such proposed changes to the Commission as a Petition for Approval of a Minor Change, consistent with the Commission's *Minor Plan Change Order*. Duquesne is directed to file this revision to its Phase V EE&C Plan within sixty (60) days of the entry date of this Opinion and Order. See 66 Pa.C.S. § 2806.1(e)(2)(i)-(ii).

## **6. Low Income Program Requirements**

### **a. Requirements**

For Phase V, as in all prior phases of Act 129, the Commission proposed that each EDC's EE&C plan include specific energy efficiency measures for households at or below 150% of the Federal Poverty Income Guidelines (FPIG), in proportion to that sector's share of the total energy usage in the EDC's service territory. *Phase V*

*Implementation Order* at 54; see also 66 Pa.C.S. § 2806.1(b)(1)(i)(G).<sup>22</sup> The Commission derived the low-income savings targets by allocating 13% of each EDC's Act 129 budget to programs solely directed at low-income customers or low-income-verified participants in multifamily housing programs. The low-income targets represent 7.5% of the statewide MWh target, which is higher than the 5.8% of Phase IV savings that come from low-income households.<sup>23</sup> By EDC, the low-income targets range from 6.7% to 7.9%, including 7.2% for Duquesne Light. *Phase V*

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<sup>22</sup> See *Report of the Act 129 Low-Income Working Group* at Docket No. M-2009-2146801, Table 1 at page 6, that was adopted by the Commission in an April 27, 2010 Secretarial Letter at the same Docket.

<sup>23</sup> In Phase III, the Commission required that each EDC obtain a minimum of 5.5% of its total consumption target from the low-income sector. *Phase III Implementation Order* at 62-63, 69. In the *Phase IV Implementation Order*, the Commission noted that while the Phase IV target was slightly higher in terms of percentage, the Phase IV target was lower for all EDCs in terms of MWh due to the higher portfolio-level acquisition costs used to set the Phase IV targets. *Phase IV Implementation Order* at 36.

*Implementation Order* at 55, 68-69, and 12, Table 2.<sup>24</sup> Savings counted toward this target can only come from specific programs solely directed at low-income customers or low-income-verified participants in multifamily housing programs. Savings from non-low-income programs, such as general residential programs, cannot be counted toward these targets.<sup>25</sup> *Id.* at 55.

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<sup>24</sup> We note that there is a slight discrepancy between the statewide and individual EDC low-income target percentages stated on page 55 of our *Phase V Implementation Order*, and those stated on page 69. On review, Table 12 on page 55 of our *Phase V Implementation Order* includes the total Phase V consumption reduction targets for each EDC that we initially contemplated in our *Phase V Tentative Implementation Order*, as opposed to the final total Phase V consumption reduction targets set forth in Table 2 page 12 of our *Phase V Implementation Order*. On pages 68 and 69 of our *Phase V Implementation Order*, we also stated that the low-income energy savings targets presented in our *Phase V Tentative Implementation Order* were reasonable and achievable. While our prescribed low-income targets in our *Phase V Implementation Order* did not change from those contemplated in our *Phase V Tentative Implementation Order*, we did update the total overall Phase V consumption reduction targets. Therefore, as shown in Table D, below, the low-income target percentages stated in this Opinion and Order are consistent with those stated on page 69 of our *Phase V Implementation Order*.

**Table D: Percentage of Overall Consumption Reduction Targets attributable to Low-Income**

	Total Consumption Reduction Targets (MWh)	Low-Income Consumption Reduction Targets (MWh)	Percentage of Overall Consumption Reduction Targets Attributable to Low-Income
Duquesne Light	261,583	18,933	7.2%
PECO	1,111,685	74,456	6.7%
PPL	828,231	65,678	7.9%
First Energy	1,097,605	86,913	7.9%
<b>Total</b>	<b>3,299,104</b>	<b>245,980</b>	<b>7.5%</b>

See *Phase V Implementation Order* at 69; 12, Table 2.

<sup>25</sup> As previously discussed, we are not proposing a low-income carve-out for the peak demand reduction requirements. See also *Phase V Implementation Order* at 55, n.48.

Table E summarizes the Phase V low-income savings targets prescribed for Duquesne in our *Phase V Implementation Order*, which the Company must meet by May 31, 2031.

**Table E: Proposed Phase V Low-Income Savings Target**

EDC	Proportionate Number of Measures (%)	2026-2031 Portfolio Target (MWh) <sup>26</sup>	Low-Income Savings Target (MWh)
Duquesne Light	8.40	261,583	18,933

*Phase V Implementation Order* at 55.

**b. Disposition**

In its Plan, Duquesne provides the following to describe how it will comply with the low-income sector requirements of the *Phase V Implementation Order*:

Consistent with Act 129 and the Commission’s [*Phase V Implementation Order*], Duquesne Light’s Phase V EE&C Plan contains two provisions to provide services to households at or below 150% of the federal poverty income guidelines. These provisions are: 1) to obtain a minimum of 7.2% of the total EE&C Plan consumption reduction requirements, and 2) the 7.2% low-income mandate must be achieved by programs that ONLY serve low-income populations. The EE&C Plan is constructed to comply with the Commission’s requirements to omit programs capable of serving both income qualifying and non-income qualifying participants.

Duquesne Light plans to continue to utilize the same partner to administer both the Act 129 Low-Income Energy

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<sup>26</sup> Updated to reflect page 12, Table 2, of the *Phase V Implementation Order*.

Efficiency Program and Smart Comfort – Low-Income Usage Reduction Program (LIURP). This has proven successful since Phase III. This practice ensures that low-income customers who need and want services are provided with a seamless delivery of services. The Company will also continue to work closely with the local natural gas distribution companies, community-based organizations, state weatherization agencies and other groups working to serve this group of hard-to-reach customers. The Company will continue to target those customers on the Customer Assistance Program (CAP) with high electric usage. The CAP representative will continue to refer all customers that enroll in CAP to the partner administering the Income Eligible programs offered within both ACT 129 and LIURP. Lastly, the Company will continue to partner with the Income Eligible Advisory Group to gain insight from their expertise. This guidance will help ensure that all customers get the service they need.

The target savings for the Phase based upon the mandated target are shown in Figure 19.

**Figure 19: LIEEP Projected Energy Savings**

	<b>May 31, 2031</b>
	<b>MWh</b>
<b>Mandated Reductions</b>	261,583
<b>Low Income Requirement</b>	18,933
	7.2%

Duquesne Plan at 106-07.

Although Duquesne’s Plan does not clearly state the proportion of measures that specifically target low-income customers, Duquesne’s witness, Mr. David Defide, testified that 51 of the 233 measures in the Plan, or approximately 21.9%, will be promoted in low-income programs. Duquesne St. 1 at 21. We note that this percentage is greater than the targeted proportionate number of low-income measures of 8.4% that we prescribed for the Company in our *Phase V Implementation Order*. See *Phase V*

*Implementation Order* at 55; *see also*, Table E, *supra*. Accordingly, we find the Company's Plan to be in compliance with the requirement that an EE&C plan include a number of low-income measures in proportion to the low-income households' usage of the total energy usage in the Company's service territory.

In the Plan, Duquesne proposes total energy savings from low-income customers of 19,432 MWh (7.4%), by the end of Program Year 22 (May 31, 2031).<sup>27</sup> Duquesne Plan at 129, Table 2. Therefore, we find that the Company's Plan exceeds the prescribed low-income savings target of 18,933 MWh that was set forth for the Company in our *Phase V Implementation Order*, and as restated in Tables D and E, *supra*. Moreover, we find that Duquesne's Plan includes programs that are anticipated to obtain at least 7.2% of the total overall prescribed consumption reduction requirement from the Company's low-income customers.<sup>28</sup>

We also note that several provisions of the Settlement will affect Duquesne's low-income customers. As part of the Settlement, Duquesne agreed to reduce its Low Income Behavioral forecast from 4,200 MWh to 2,500 MWh, or 13.2% of the low-income carve-out. Settlement at ¶ 35. Duquesne also agreed to add a Health and Safety Remediation program in the amount of \$600,000 to be funded through the existing LIEEP budget. This program will be used for projects that will result in low-income savings. Duquesne will pursue Health and Safety remediation in coordination with other available programs. Settlement at ¶ 36.

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<sup>27</sup> The Company's proposed total low-income energy savings includes projected participation of low-income households living in multifamily housing. *See* Duquesne St. 1-R at 10.

<sup>28</sup> [19,432 MWh/261,583 X 100% = 7.4%].

Additionally, Duquesne has agreed, under the Settlement, to hold three multifamily collaborative meetings during the first three years of its Phase V Plan. These meetings will focus on Act 129 programming, including ways to improve participation, enhance coordination with housing programs, and improve the delivery of comprehensive efficiency services, and will be held as standalone meetings, separate from its Income Eligible Advisory Group (IEAG). At each meeting, Duquesne will provide an update on multifamily projects including LIEEP jobs. Settlement at ¶ 39. As provided for in the Settlement, Duquesne will report on low-income Act 129 program data at least annually during its quarterly IEAG meetings. Consistent with the Settlement, Duquesne will continue to track and report LIEEP jobs. *Id.* at ¶ 40.

Based on the foregoing, we find that these provisions of the Settlement related to the low-income programs in the Company’s Plan are in the public interest and that the Plan, as modified by the Settlement, complies with the low-income program requirements set forth in our *Phase V Implementation Order*. Further, we find that these Settlement provisions strengthen the low-income program component of Duquesne’s Plan by reducing reliance on behavioral savings, establishing a dedicated health and safety remediation budget to address barriers that prevent the installation of energy saving measures, and expanding stakeholder engagement, as well as tracking and reporting of program performance. Collectively, these enhancements support improved program delivery and access to income-eligible customers. Therefore, we find that this portion of Duquesne’s Plan, as modified by the Settlement, should be adopted.

## **7. Proposals for Improvement of Plan**

### **a. Requirements**

The Commission’s EE&C Program must include “procedures to make recommendations as to additional measures that will enable an electric distribution

company to improve its plan and exceed the required reductions in consumption.” 66 Pa.C.S. § 2806.1(a)(6). Furthermore, Act 129 permits the Commission to direct an EDC to modify or terminate any part of an approved plan if, after an adequate period for implementation, the Commission determines that a measure included in the plan will not achieve the required consumption reductions in a cost-effective manner 66 Pa.C.S. § 2806.1(b)(2); *see also Phase V Implementation Order* at 201.

**b. Disposition**

As previously noted, CEEH-PA, the Energy Advocates, RMI, and CAC (collectively, Commenting Parties) each filed Comments to Duquesne’s Plan on January 16 and January 18, 2026. In their Comments, the Commenting Parties make recommendations regarding: (1) the revision of Duquesne’s Plan to include deeper, long-term savings and a reduced focus on behavioral components; (2) improved programming to better reach multifamily housing providers; (3) clear customer pathways to convert from electrical resistance space and water heating to heat pump technology; (4) improved program information and marketing; (5) better coordination of LIURP for eligible customers; (6) the inclusion of health and safety programs; and (7) a focus on comprehensive energy efficiency measures. *See* CEEH-PA, Energy Advocates, RMI and CAC Comments.

As discussed, *supra*, we note that through the Joint Settlement, Duquesne agrees to adopt or investigate and study several improvements proposed by the Parties to the Settlement. All Parties to this proceeding either agree to the Settlement or do not oppose the Settlement. The proposed improvements set forth in the Comments have been addressed either in Duquesne’s Plan, as revised by the Settlement, or in the *Phase V Implementation Order* and associated proceedings. In addition, there are no remaining contested issues related to these proposed improvements. Therefore, we will not address the Comments that were filed to the Company’s Phase V EE&C Plan in this Opinion and

Order. Finally, we reinforce that while none of the Commenting Parties were Parties to the Settlement, they also do not oppose the Settlement.

## **B. Cost Issues**

In the *Phase V Implementation Order*, we stated as follows:

Act 129 directs the Commission to establish a cost recovery mechanism that ensures that the approved measures are financed by the customer class that receives the direct energy and conservation benefit of the measure. 66 Pa. C.S. § 2806.1(a)(11). All EDC plans must include cost estimates for implementation of all measures. 66 Pa. C.S. § 2806.1(b)(1)(i)(F). Each plan must also include a proposed cost recovery tariff mechanism, in accordance with Section 1307 (relating to sliding scale of rates; adjustments), to fund all measures and to ensure full and current recovery of prudent and reasonable costs, including administrative costs, as approved by the Commission. 66 Pa. C.S. § 2806.1(b)(1)(i)(H).

In addition, each plan must include an analysis of administrative costs. 66 Pa. C.S. § 2806.1(b)(1)(i)(K). Act 129 dictates that the total cost of any plan must not exceed two percent of the EDC's total annual revenue as of December 31, 2006, excluding Low-Income Usage Reduction Programs established under 52 Pa. Code § 58 (relating to residential Low-Income Usage Reduction Programs, 66 Pa. C.S. § 2806.1(g)).

Lastly, all EDCs, including those subject to generation or other rate caps, must recover, on a full and current basis from customers, through a reconcilable adjustment clause under Section 1307, all reasonable and prudent costs incurred in the provision or management of their plans. 66 Pa. C.S. § 2806.1(k).

*Phase V Implementation Order* at 231.

## **1. Plan Cost Issues**

### **a. Determination of Allowable Costs**

#### **(1) Phase V Allowable Costs**

##### **(a) Requirements**

The Act allows an EDC to recover all prudent and reasonable costs relating to the provision or management of its EE&C plan, but limits such costs to an amount not to exceed 2% of the EDC's total annual revenue as of December 31, 2006, excluding Low-Income Usage Reduction Programs established under 52 Pa. Code §§ 58.1-58.18. 66 Pa.C.S. § 2806.1(g). The level of costs that an EDC will be permitted to recover in implementing its EE&C program was established in the Phase I EE&C proceedings. The Commission interprets the 2% limitation provision of Act 129 to be an annual amount applicable for the period of the EE&C plan, rather than an amount for the full proposed five-year period of Phase V. In the *Phase V Implementation Order*, we established an annual spending cap of \$19,545,952 for Duquesne, which results in a total Phase V budget limit of \$97,729,760. [ $\$19,545,952 \times 5 = \$97,729,760$ ]. *Phase V Implementation Order* at 34, 232, 234-35.

Further, we stated that for Phase V, each EDC was required to submit an EE&C plan demonstrating that at least 50% of its total Phase V budget is allocated to incentives, and that less than 50% of this budget is allocated to non-incentive cost categories. However, we clarified that this directive only applies to the EDC's overall Phase V EE&C plan. Thus, we stated that an EDC may still include any program that does not individually meet the spending split criteria, provided that the overall plan complies with our directive above. *Phase V Implementation Order* at 233, 237.

## **(b) Disposition**

Duquesne's total projected costs, as set forth in its Phase V EE&C Plan, are \$97,729,759. Duquesne Plan at 135, Table 7. Duquesne proposes to recover these costs through the Company's EEC Surcharge, which is discussed, in detail, *infra*. Petition at 12; Duquesne St. 2 at 2. As the Company's total projected costs are less than its 2% cost cap, we find that these costs comply with the 2% cost cap requirement. Therefore, we find Duquesne's EE&C Plan to be consistent with the directives in our *Phase V Implementation Order*, with respect to the determination of allowable costs. Accordingly, we shall approve the Company's Phase V spending allowance.

In addition, Table 10 of the Company's Plan demonstrates that Duquesne will spend approximately \$50,143,000 of its total Phase V program budget, or approximately 51.3%, on incentives. [ $\$50,143,000 \div \$97,729,759 = 51.3\%$ ]. The Company will also allocate approximately \$47,587,000 of its total Phase V program budget, or approximately 48.7%, to non-incentive cost categories. [ $\$47,587,000 \div \$97,729,759 = 48.7\%$ ]. Duquesne Plan at 177. Therefore, we find that Duquesne's Phase V EE&C Plan, as a whole, satisfies our directive that at least 50% of its overall Phase V EE&C Plan budget be allocated to incentives, and that less than 50% be allocated to non-incentive cost categories.

## **(2) Application of Excess Phase IV Budget**

### **(a) Requirements**

EDCs cannot use excess Phase IV funds to implement Phase V programs. After June 1, 2026, the EDCs can only use Phase IV budgets to close out program delivery, EM&V, and reporting obligations for measures installed and commercially operable on or before May 31, 2026. Similarly, EDCs may continue to spend their Phase

IV budgets even if their consumption and/or peak demand reduction goals are met before the end of Phase IV. However, EDCs may spend their Phase IV budgets past May 31, 2026 only to account for those program measures installed and commercially operable on or before May 31, 2026, and to finalize the CSP and administrative fees related to Phase IV. The Commission's Bureau of Audits will subsequently reconcile Phase IV funds collected by the EDCs, compared to Phase IV expenditures and direct the EDCs to refund any over-collections to the appropriate rate classes. *Phase V Implementation Order* at 239, 242.

Additionally, with respect to the caps on savings carryover percentages, we clarified, as follows:

- Energy (MWh) is **capped**, meaning that no more than 20% of an EDC[']s Phase V consumption reduction targets can be achieved by carryover savings from Phase IV.
- Peak demand savings (MW) is **discounted** by a factor of 50%, meaning that EDCs can only carry over half of the peak demand savings they achieve in Phase IV in excess of their Phase IV target towards Phase V peak demand reduction targets.
- Energy carryover is *capped but not discounted*. Peak demand carryover is *uncapped, but discounted*.

*Phase V Implementation Order* at 241 (emphasis in original).

## (b) Disposition

In Section 12, Charts 1 through 4, of its Plan, Duquesne includes Program Schedule Summaries setting forth implementation timelines for: (1) its Residential Portfolio Programs; (2) its Residential & Low-Income Behavioral Programs; (3) its Small Commercial and Industrial Portfolio Programs; and (4) its Large Commercial and Industrial Portfolio Programs. Through these charts, Duquesne demonstrates its

compliance with the directive in our *Phase V Implementation Order*, which prohibits the use of excess Phase IV funds to implement Phase V programs. These charts also confirm that the Company will not begin implementation of its Phase V programs prior to Commission approval of the program and the CSP contracts. Duquesne Plan at 187-91. Additionally, Duquesne represents that its Phase V costs will be accounted for separately from the costs incurred in Phase IV. More specifically, the Company explains, *inter alia*, that, as a separate line item, the Phase V EEC Surcharge rates effective June 1, 2026 will include projections of: (1) expenses to finalize any Phase IV measures installed and commercially operable on or before May 31, 2026; (2) expenses to finalize any contracts; and (3) other Phase IV administrative obligations. Duquesne continues that the reconciliation of actual Phase IV expenses with actual EEC Phase IV surcharge revenues for April and May 2026 will be reconciled with EEC Phase V revenues and expenses for the 12 months ending March 31, 2027. *Id.* at 98-99. Further, as previously noted, the Company is not applying any carryover savings from Phase IV for application to either its consumption reduction requirements or its PDR requirements. *Id.* at 129, Table 2; 130, Table 3.

### **(3) Rebate Application Deadlines**

#### **(a) Requirements**

In our *Phase V Implementation Order*, we required EDCs to include rebate deadlines in their Phase V EE&C plans. Although we believe that EDCs and their stakeholders are in the best position to determine the appropriate deadlines, we suggested that 180 days be the maximum deadline. Thus, we proposed that, if an EDC includes a deadline for rebates longer than 180 days in their EE&C plan, that the EDC has the burden to provide a clear and reasonable rationale for the longer timeframe. *Phase V Implementation Order* at 242-44.

**(b) Disposition**

In its Plan, Duquesne provides that the Company will assess rebate deadlines on a case-by-case basis. Duquesne continues that the maximum deadline to pay rebates will generally be 180 days from the date of installation of eligible energy efficiency measures. However, Duquesne explains, this time frame may not be appropriate for particularly large or complex projects, which may span 18 or more months between project commitment and measurement conclusion. Thus, for large, complex and expensive projects, Duquesne states that it will closely monitor and document installation and timing of commissioning and commercial operation. According to the Company, a project is not complete when the customer reports it, nor is its completion based on the date of an invoice. Rather, Duquesne asserts, the project is complete when the Company, or its designated CSP, performs site-verification and attests that the project is complete. Duquesne Plan at 33, 59, 65-66.

Duquesne further explains that: (1) rebate deadlines do not apply to appliance recycling programs; (2) with respect to the Residential Midstream Incentives Program and the midstream incentives associated with the Small-Medium Nonresidential Energy Efficiency Program (SNEEP), rebates are offered at the point of sale at participating distributors and, as such, rebate deadlines are not applicable; (3) with respect to the Residential Behavioral Energy Efficiency Program and the Low-Income Behavioral Energy Efficiency program, these programs do not provide rebates, and thus no rebate deadline is applicable; and (4) with respect to the LIEEP program, no standard, or other, prescriptive rebates are provided under this program and, as such, no “Maximum Deadline for Rebates” is applicable. Duquesne Plan at 29, 36, 38, 44, 46, 54.

In view of the above, we find Duquesne’s EE&C Plan to be consistent with the directives in our *Phase V Implementation Order*, with respect to rebate application deadlines.

## 2. Cost Effectiveness/Cost-Benefit Issues

### a. Requirements

The Act requires an EDC to demonstrate that its plan is cost-effective, using the TRC Test approved by the Commission. 66 Pa.C.S. § 2806.1(b)(1)(i)(I). The TRC Test to be used for evaluating Phase V EE&C plans was approved by the Commission in the *2026 TRC Test Order*.

In our *Phase V Implementation Order*, we maintained the practice used in each prior Act 129 Phase, where Net-to-Gross (NTG) ratio research results are used for modifications to existing programs, as well as for planning purposes for future phases. Furthermore, we proposed that compliance in Phase V be determined using gross verified savings. Additionally, we proposed that the EDCs include in their EE&C plans net TRC ratios, as well as gross TRC ratios, based on the best available estimates of NTG research for a given program type. We reserved the right to reject EE&C plans that rely heavily on measures with high expected rates of free ridership (*i.e.* program savings attributable to program participants who would have implemented a program measure or practice even in the absence of the program). We recognized that prospective NTG adjustments are less precise than retrospective adjustments, but stressed the importance of making adequate primary and secondary data available to the EDCs and their EM&V contractors to produce reasonable projections. We further stressed that the EDCs and their EM&V contractors should consider the vintage of NTG research when developing prospective NTG factors. We noted that as markets mature, the free ridership rate for a given technology will often increase. Moreover, we concluded that the inclusion of NTG-based TRC ratios would provide all stakeholders with additional information regarding the effectiveness of EE&C measures and programs. *Phase V Implementation Order* at 218-22.

**b. Disposition**

As shown in Table F, below, Duquesne indicates a total portfolio TRC ratio of 2.05 in its Plan.

**Table F: Portfolio Summary of Lifetime Costs and Benefits of Duquesne’s Phase V EE&C Plan**

Program	Total Discounted Lifetime Costs (\$000)	Total Discounted Lifetime Benefits (\$000)	Total Discounted Net Lifetime Benefits (\$000)	Total Resource Cost Test Ratio (TRC)
Residential	\$49,451	\$38,392	-\$11,059	0.78
Residential Low-Income	\$6,124	\$19,288	\$13,165	3.15
Residential Behavioral	\$5,009	\$7,049	\$2,039	1.41
Low-Income Behavioral	\$836	\$570	-\$266	0.68
Large Commercial (C)	\$34,477	\$87,515	\$53,038	2.54
Large Industrial (I)	\$11,596	\$50,126	\$38,530	4.32
Small C&I	\$43,548	\$106,051	\$62,503	2.44
Total	\$151,042	\$308,991	\$157,949	2.05

Duquesne Plan at 128, Table 1. As such, we find the Plan to be cost-effective from an energy efficiency standpoint.

The Plan also includes both a gross TRC ratio and a net TRC ratio for each program. Duquesne Plan at 181-86, Table 14.<sup>29</sup> Additionally, the Company points out that in evaluating any TRC results that incorporate NTG ratios, it is imperative that stakeholders recognize the speculative nature of such ratios. *Id.* at 27, n.21. On review of the record evidence, we find that Duquesne has satisfied the requirement outlined in our *Phase V Implementation Order*, wherein we instructed EDCs to include net TRC ratios and gross TRC ratios. As such, we find that the Company’s Plan, as a whole, is cost-effective.

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<sup>29</sup> Table 14 of the Company’s Plan consists of two tables: Appendix B, Table 14: TRC Benefits Table (Gross), set forth on pages 181-83 of the Company’s Plan; and Appendix B, Table 14: TRC Benefits Table (Net), set forth on pages 184-86.

### **3. Cost Allocation Issues**

#### **a. Requirements**

66 Pa.C.S. § 2806.1(a)(11) requires that EE&C measures be financed by the same customer class that receives the energy and conservation benefits of those measures. In the *Phase V Implementation Order*, we stated:

In order to ensure that all approved EE&C measures are financed by the customer classes that receive the benefit of such measures, it will be necessary to first assign the costs relating to each measure to those classes to whom it benefits. Therefore, once the EDC has developed an estimate of its total EE&C costs as directed above, we proposed that the EDC be required to allocate those costs to each of its customer classes that will benefit from the measures or programs to which the costs relate. Those costs that demonstrably and exclusively relate to measures or programs that have been dedicated to a specific customer class should be assigned solely to that class. Those costs that relate to measures or programs that are applicable to more than one class, or that can be shown to provide system-wide benefits, should be allocated using reasonable and generally acceptable cost of service principles as are commonly utilized in base rate proceedings. Administrative costs should also be allocated using reasonable and generally acceptable cost-of-service principles.

*Phase V Implementation Order* at 244-46 (note omitted).

#### **b. Disposition**

Upon review of the Company's Plan and its proposed Phase V EEC Surcharge, we find that the Plan and the EEC Surcharge adequately address how

Duquesne will allocate those costs that relate to measures that are applicable to more than one class, or that can be shown to provide system-wide benefits.

#### **4. Cost Recovery Issues**

##### **a. Requirements**

The Act allows an EDC to recover from customers, on a full and current basis, through a reconcilable adjustment clause under 66 Pa.C.S. § 1307, all reasonable and prudent costs incurred in the provision or management of its plan. 66 Pa.C.S. § 2806.1(k)(1). Each EDC's plan must include a proposed cost-recovery tariff mechanism, in accordance with 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments), to fund all measures and to ensure a full and current recovery of prudent and reasonable costs, including administrative costs, as approved by the Commission. 66 Pa.C.S. § 2806.1(b)(1)(i)(H).

In the *Phase V Implementation Order*, the Commission adopted a standardized cost recovery and reconciliation process that will enable the EDCs and ratepayers to compare the cost recovery of program expenditures of all EDCs on an equal basis. We also concluded that it is beneficial to the EDCs and ratepayers that, with the implementation of Phase V, the annual surcharge should be based on the projected program costs that the EDC anticipates will be incurred over the surcharge application year to attain the conservation targets. Additionally, we noted that a reconciliation methodology based upon actual expenditures is pursuant to Section 1307(e) of the Code, 66 Pa.C.S. § 1307(e), and allows for the provision of interest on over- or under-recoveries. Thus, we concluded that these measures would mitigate the over- or under-recovery of costs during the surcharge application period. As such, consistent with our

determination in the *Phase III Implementation Order*<sup>30</sup> and the *Phase IV Implementation Order*,<sup>31</sup> we did not require the provision of interest on over- or under-recoveries. *Phase V Implementation Order* at 247-78.

To further standardize the filing process, we directed that, beginning in 2026, the EDCs file the annual rate adjustment for the rate by May 1, to become effective June 1. Concurrent with the annual rate adjustment, the EDCs will submit, in a separate filing, the annual reconciliation statement, thirty days following the end of the reconciliation period in accordance with Section 1307(e) of the Code. 66 Pa.C.S. § 1307(e). In order to transition from Phase IV, ending May 31, 2026, to Phase V, beginning on June 1, 2026, we proposed that each EDC reconcile its total actual recoverable EE&C Plan expenditures incurred through March 31, 2026, with its actual EE&C Plan revenues received through March 31, 2026.<sup>32</sup> In addition, we directed each EDC to include, as part of the calculation of the Phase V rates to become effective June 1, 2026, as clearly identified separate line items, projections of the expenses to finalize any measures installed and commercially operable on or before May 31, 2026; expenses to finalize any contracts; and other Phase IV administrative obligations. The Phase IV rate that becomes effective June 1, 2025, will remain effective through May 31, 2026. We further directed each EDC to include, as clearly identified separate line items in the subsequent reconciliation period: (1) the revenues and expenses of the remaining two months of Phase IV (*i.e.*, April 2026 and May 2026); (2) expenses to finalize any measures installed and commercially operable on or before May 31, 2026;

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<sup>30</sup> See *Phase III Implementation Order* at 49.

<sup>31</sup> See *Phase IV Implementation Order* at 141.

<sup>32</sup> Due to the timing of the filing, the reconciliation statement will contain 10 months of revenues and expenses. The remaining two months of Program Year 17 (*i.e.*, June 1, 2025 through May 31, 2026) will be reconciled with the Program Year 18 revenues and expenses. *Phase V Implementation Order* at 248, n.145.

(3) expenses to finalize any contracts; and, (4) other Phase IV administrative obligations. *Phase V Implementation Order* at 248-49.

Each EDC was directed to set forth the standardized reconciliation process and the calculation of the annual surcharge in a supplement or supplements to the EDC's tariff to become effective June 1, 2026, and to be accompanied by a full and clear explanation as to their operation and applicability to each customer class. The EE&C rates are subject to continuous Commission review and audit as well as reconciliation reports in accordance with Section 1307(e) of the Code, 66 Pa.C.S. § 1307(e). *Phase V Implementation Order* at 249.

**b. Disposition**

Duquesne proposes a Phase V EEC Surcharge that is designed to fully recover all applicable costs related to its Phase V EE&C Plan. The Company states that its EEC Surcharge is fully reconcilable and will be applied on a non-bypassable basis to all customers who receive electric distribution service from the Company. Petition at 12. The Company sets forth its proposed Phase V EEC Surcharge in the following exhibits:

Duquesne Exhibit DBO-1 – Proposed Tariff Supplement (Clean)  
Duquesne Exhibit DBO-2 – Proposed Tariff Supplement (Redline)  
Duquesne Exhibit DBO-3S – EEC Plan Cost for Planning  
Years<sup>33</sup> 2026-2031, as modified by the  
Settlement

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<sup>33</sup> Duquesne defines “Planning Year” as June 1 through May 31 of each year. *See* Duquesne Exh. DBO-1 at 6. Thus, for example, Planning Year 2026 is synonymous with Program Year 18, *supra*, while Planning year 2030 is synonymous with Program Year 22.

Duquesne Exhibit DBO-4S – EEC Plan Surcharge Calculation Example, as  
modified by the Settlement

See Duquesne St. 2, Exhs. DBO-1 and DBO-2; Duquesne Plan at 198-99, Exhs. DBO-3S and DBO-4S.

Duquesne submits that the cost provisions for its Phase V Plan are similar to those for its Phase IV EE&C Plan, with modifications to reflect the Commission’s directives in the *Phase V Implementation Order*. In this regard, Duquesne states that the Commission prescribed the transition from the cost recovery methodology utilized during Phase IV of the EE&C Program, ending May 31, 2026, to the cost recovery methodology to be utilized during Phase V, beginning on June 1, 2026. Duquesne states that the Company must reconcile its total actual recoverable Phase IV Plan expenditures incurred through March 31, 2026 with its actual Phase IV Plan revenues received through March 31, 2026. Duquesne adds that the net over- or under-recovered amount shall be reflected as a separate line item for the e-factor calculation of the Phase V rates to become effective June 1, 2026.<sup>34</sup> Duquesne St. 2 at 10.

Duquesne also states that it included, as part of the calculation of the Phase V e-factor rates to become effective June 1, 2026 and as clearly identified separate line items, projections of: (1) expenses to finalize any measures installed and commercially operable on or before May 31, 2026 (*i.e.*, in April 2026 and May 2026); (2) expenses to finalize any contracts; and (3) other Phase IV administrative obligations. Duquesne adds that the Phase IV EEC Surcharge rate that became effective June 1, 2025 will remain effective through May 31, 2026. Duquesne further explains that the

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<sup>34</sup> The e-factor is defined as “the over or under recovery for the reconciliation year. The reconciliation year shall be the twelve (12) months ended March 31.” An over-collection is refunded through a positive e-factor, while an under-collection is recovered through a negative e-factor. There is no interest applied to over- or under-collections. Duquesne St. 2 at 8-9; Duquesne Exh. DBO-1 at 6.

reconciliation period for Phase V will continue to run from April 1 to March 31 of a given plan year. According to the Company, this will allow actual expenses incurred to be reconciled with actual revenues received, in order to calculate an over- or under-recovery. Duquesne represents that in accordance with the *Phase V* Implementation Order, no interest will be charged on over- or under- recoveries. Duquesne St. 2 at 10.

In addition, Duquesne explains that based upon a recent decision issued by the Federal Energy Regulatory Commission (FERC), at Docket No. ER24-2995-000,<sup>35</sup> PDRs from energy efficiency are no longer eligible to participate in the PJM FCM. Therefore, the Company states that it has removed the inclusion of any applicable PJM FCM proceeds and/or penalties from the calculation of the e-factor. Duquesne St. 2 at 11; Duquesne Exh. DBO-2 at 6.

Next, Duquesne explains that its proposed tariff supplement, outlined in Duquesne Exhibit DBO-1,<sup>36</sup> sets forth the monthly surcharge rates, by customer class, to recover the Company's Phase V program budgets. The Company states that because the proposed cost recovery method is different for residential, small/medium C&I, and large C&I customer classes, a formula is defined for each customer class surcharge, and a description of each formula is provided. In total, the Company proposes to implement four surcharges to recover costs that are as close as reasonably possible to the customer class receiving the benefit. Duquesne represents that the costs are first defined for its three specific customer classes: residential, commercial, and industrial. Duquesne states that C&I customers are then separated into small/medium C&I and large C&I customer

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<sup>35</sup> See FERC November 2024 Order 189 FERC ¶ 61,095 at [https://elibrary.ferc.gov/eLibrary/filelist?accession\\_number=20241105-3046](https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20241105-3046).

<sup>36</sup> As previously noted, Duquesne Exhibit DBO-1 is a clean copy of Duquesne's tariff supplement outlining its Phase V EEC Surcharge, while Duquesne Exhibit DBO-2 is a redlined version of its tariff supplement which shows the changes applied to its tariff supplement outlining its Phase IV EEC Surcharge.

segments because of the diversity in the size of C&I customers in the Company's service territory. According to Duquesne, small/medium C&I customers are those customers with a monthly maximum billing demand of less than 300 kW over the prior 12 months. Conversely, Duquesne explains, large C&I customers are those customers with a monthly maximum billing demand of  $\geq 300$  kW over the prior 12 months. Duquesne asserts that this segmentation of customers is appropriate and will allow for a more reasonable cost recovery because this will align programs and program costs with the current tariffed rates for electric distribution service. Duquesne Plan at 97-98.

Duquesne continues that C&I program costs are then assigned for recovery based on program description (e.g. Large C&I). Duquesne states that it adopted the use of the Peak Load Contribution (PLC) demand measure in the application of its cost recovery mechanism for large C&I customers. The Company adds that it implemented this rate design using a fixed customer charge to recover the administrative costs, and a demand charge, using the PLC, to recover the incentive costs for large C&I customers. According to Duquesne, the fixed customer charge component of the surcharge and the demand charge component of the surcharge are set forth as two separate line-item charges on the customer bill. Duquesne Plan at 98.

In its direct testimony, Duquesne states that Exhibit DBO-3, which is included as an exhibit with Duquesne Statement 2, shows the estimated annual Phase V Plan costs for each program for 2026 to 2031. Duquesne explains that this exhibit is based on the program costs defined in the Company's Plan and includes the costs for energy efficiency programs, program administration, and program incentives. Duquesne further explains that Exhibit DBO-4 provides an illustrative calculation of what the surcharges for each customer class would be for the June 2026 to May 2027 Phase V EE&C Plan year at the estimated annual costs in Exhibit DBO-3. According to the Company, the estimated surcharges are calculated using the forecasted cost divided by the forecasted billing determinants, adjusted for the gross receipts tax (GRT). The

Company notes that the actual surcharges will differ because of final program costs and the Phase IV e-factor adjustment for the period June 1, 2026 through March 31, 2027. Duquesne St. 2 at 12, 13. In its Phase V EE&C Plan, Duquesne includes Exhibits DBO-3S and DBO-4S, based upon the Settlement in this proceeding.<sup>37,38</sup> These exhibits supersede Exhibits DBO-3 and DBO-4, respectively. Duquesne Plan at 198-99.

Based on our review of the Company's cost recovery mechanism, as contained in its Plan and its EEC Surcharge, we find that Duquesne has fully complied with our directives set forth in the *Phase V Implementation Order*. Accordingly, we shall approve Duquesne's Phase V cost recovery mechanism. However, as noted above, we shall direct the Company to file a modification to its Phase V EE&C Plan to update pages 198 and 199, therein, to clearly identify the costs on Exhibits DBO-3S and DBO-4S as "Phase V Portfolio Costs." Duquesne is directed to file this revision to its Phase V EE&C Plan within sixty (60) days of the entry date of this Opinion and Order. See 66 Pa.C.S. § 2806.1(e)(2)(i)-(ii).

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<sup>37</sup> The Settlement reallocates a portion of program funding from the Large Industrial Program to the small business and Large Commercial programs "to support these deeper measures." OSBA Statement in Support at 2 (citing Settlement at ¶ 33). This adjustment results in a "modest increase" in the small commercial surcharge. OSBA Statement in Support at 2.

<sup>38</sup> We note that in Exhibits DBO-3S and DBO-4S, the Company has inadvertently identified these as "Phase IV Portfolio Costs." However, as noted in the Company's direct testimony, the costs shown in Duquesne Exhibit DBO-3 are for the Phase V EE&C Plan only. Duquesne St. 2 at 12. We shall direct the Company to file a modification to its Phase V EE&C Plan to update pages 198 and 199, therein, to clearly identify the costs on Exhibits DBO-3S and DBO-4S as Phase V Portfolio Costs.

## **C. Conservation Service Provider Issues**

### **1. Requirements**

In the *Phase V Implementation Order*, and as required by Act 129, the Commission required that all Phase V CSP contracts be competitively bid. *See* 66 Pa.C.S. § 2806.1(a)(7). As a result, the Commission required EDCs to file their Phase V request for proposal (RFP) procedures for Commission review and approval. EDCs were encouraged to file their proposed RFP process by August 30, 2025. If Commission staff did not comment on the proposed process within fifteen days of its filing, the EDC was permitted to use that process. We also clarified that we adopted the competitive bidding requirements, with the modification that EDC contracts pertaining to Act 129 activities, which do not cover implementation or EM&V, may forgo the competitive bidding process with individual vendors if the cumulative value of contracts for that vendor's work does not amount to more than 1% of the EDC's Phase V budget. *Phase V Implementation Order* at 224-27.

Duquesne filed its RFP process on August 4, 2025 and Commission staff approved this process by Secretarial Letter dated September 12, 2025 at Docket No. M-2025-3052826.

### **2. Disposition**

Duquesne represents that its Phase V programs will be executed by CSPs, with the Company providing oversight and support. In this regard, Duquesne submits that contractors will handle implementation under agreements with the Company, while overall responsibility for meeting goals will remain with Duquesne. Duquesne Plan at 12.

In Sections 4.2 and 4.3 of its Plan, Duquesne outlines its approach to overseeing the performance of CSPs and other contractors and its selection process. Duquesne Plan at 74-77. The Company explains that contractors are subject to detailed planning requirements. Duquesne continues that the detailed plans include tasks, milestones, schedules, budgets, metrics of performance, and personnel assignments. According to Duquesne, regular reports on progress are required with sufficient information to allow the identification of issues and planning for improvements. Each contractor must adhere to specific policies and procedures regarding their performance. Hard copy and/or electronic documentation methods may be required, as appropriate. Regarding customer satisfaction, the Company states that contractors are expected to foster and participate in obtaining feedback from their clients and that results will be provided to Duquesne, whether directly or through a third party. *Id.* at 74.

Duquesne states that it issued six RFPs for Phase V, servicing residential, non-residential customers, behavioral programs and EM&V. Duquesne asserts that it examined, in detail, the programmatic functional tasks required and the best fit for Community Based Organization (CBO) partners to be involved in program implementation. The Company explains that LIEEP CSPs will engage a range of CBOs to enroll and engage customers. Additionally, LIEEP CSPs will work with faith-based partners across the service territory to reach customers through trusted channels. Duquesne Plan at 76-77.

Duquesne adds that it issued an RFP for Phase V EM&V, servicing residential, commercial and industrial customers. The Company states that CSPs were asked to participate in a pre-bid meeting signifying their interest and were required to respond to the formal RFP. According to Duquesne, a team evaluated the responses, and selection was made based upon the firm possessing substantial qualifications in energy efficiency as it related to the particular segment under review. The selected bidder, Guidehouse Inc., scored highest on comprehensive and achievable work plan. As

previously noted, the Company filed its contract with this CSP, concurrently with its Plan. The Company further represents that contracts for CSPs will be filed with the Commission for approval. The Company asserts that these contracts include all the work, measures, and detailed requirements for each of the program segments for which they were selected. The Company states that one such CSP agreement is included in its Plan as Section 13 (Confidential). Duquesne Plan at 77. As noted above, the Commission issued a Secretarial Letter approving the CSP contract between Duquesne Light and Guidehouse Inc. for EM&V services on February 5, 2026.

In addition, as part of the Settlement, Duquesne will utilize CSPs to, *inter alia*, include low-income program and enrollment information in all R-BEEP communications; and to develop a coordination process to streamline the interconnection process and Act 129 participation within nine months of the Plan approval. Settlement at ¶¶ 34, 38.

In review of the record evidence, we find that the Company's Plan provisions set forth in Sections 4.2 and 4.3 for the selection and the utilization of CSPs are consistent with the requirements of Act 129 and the *Phase V Implementation Order*. Additionally, we find the above provisions of the Settlement related to the use of CSPs to be in the public interest.

## **D. Implementation and Evaluation Issues**

### **1. Implementation Issues**

#### **a. Requirements**

The Act requires the Commission to establish procedures to ensure compliance with the consumption and peak demand reduction requirements of the Act.

66 Pa.C.S. § 2806.1(a)(9). To facilitate compliance determination, each EDC subject to Act 129 must include, in its Program Year 22 Final Annual Report, information documenting their gross verified consumption and peak demand reductions acquired from June 1, 2026, through May 31, 2031. This filing must provide total portfolio savings as well as savings results for each category of interest called for in the EDC Annual Report Template prepared by the Phase V SWE. To comply with Act 129, an EDC must demonstrate that, during the period of Phase V (*i.e.* from June 1, 2026, through May 31, 2031), its plan produced energy savings and peak demand reductions equal to or greater than the targets established in the *Phase V Implementation Order*. Carryover of excess savings from Phase IV to Phase V shall also be considered in the determination of compliance with Phase V targets. *Phase V Implementation Order* at 214-15.

**b. Disposition**

The Company's Program Management and Implementation Strategies are contained in Section 4 of its Plan. This section states that generally, Duquesne will have overall administration and oversight of its Plan. Duquesne provides that it implements programs effectively and economically. Duquesne avers that it uses CSPs with expertise and experience in program implementation and operations. Duquesne explains that it works with CSPs and contractors to provide the services for successful implementation of the Plan. Duquesne notes that program implementation requires significant planning and operation management functions. According to Duquesne: (1) each contractor is managed and integrated into an organized and cohesive operation; (2) procedural guidelines are developed and followed; (3) documentation is maintained; and (4) electronic data structures are developed and managed. Duquesne Plan at 68.

On the basis of our review of the Company's EE&C Plan, we shall approve the implementation and management strategies contained in Section 4 of the Plan, having

found them to be reasonable and consistent with Act 129 and the *Phase V Implementation Order*.

## **2. Monitoring, Reporting, and Evaluation Issues**

### **a. Requirements**

The Act requires the Commission to establish an evaluation process that monitors and verifies data collection, quality assurance, and the results of each EDC EE&C plan and the EE&C Program as a whole. *See* 66 Pa.C.S. § 2806.1(a)(2). While Section 2806.1(b)(1)(i)(C) of the Code, 66 Pa.C.S. § 2806.1(b)(1)(i)(C), requires each plan to explain how to measure, verify, and evaluate quality assurance and performance, it is apparent that Section 2806.1(a)(2) of the Code, 66 Pa.C.S. § 2806.1(a)(2), requires the Commission to monitor and verify this data. This evaluation process is to be conducted every year, as each EDC must submit an annual report documenting the effectiveness of its EE&C plan, energy savings measurement and verification, an evaluation of the cost-effectiveness of expenditures, and any other information the Commission requires. *See* 66 Pa.C.S. § 2806.1(i)(1); *Phase V Implementation Order* at 205-06.

For Phase V, the Commission directed EDCs to file semiannual reports on January 15 of each year, which are to provide information regarding the first 2 quarters of the program year. Additionally, EDCs are to submit a final annual report by September 30 of each year, or 122 days after the end of the program year, with reported savings for the program year, a cost-effectiveness evaluation (*i.e.*, the TRC Test), a process evaluation, as well as other items required by Act 129 and Commission Orders. In addition, the Commission recognized the range of stakeholders interested in the installation of comprehensive, longer-lived, deeper-savings measures through EDC programs. Therefore, we directed the Commission's Bureau of Technical Utility

Services (TUS) to work with the Phase V SWE to develop reporting requirements for comprehensive program offerings and whole-home, comprehensive measures for the EDCs in Phase V. *Phase V Implementation Order* at 210-11, 213-14.

**b. Disposition**

Duquesne's monitoring and reporting systems are described in Sections 5 and 6 of the Phase V EE&C Plan. Section 5 states that Duquesne's Program Management and Reporting System (PMRS) provides information reported to the Commission's appointed Act 129 Phase V SWE. Duquesne Plan at 80.

Section 6 of the Duquesne Plan describes how quality assurance will be measured, verified, and evaluated. Duquesne submits that all CSPs under contract to implement the Company's efficiency programs are required by contract statements of work to provide a Program Management Plan (PMP). According to Duquesne, the PMP presents the program rationale, assumptions, approach, processes, and other key material in an integrated form. Duquesne represents that its staff will monitor the PMP to hold the CSPs accountable. Duquesne Plan at 90.

On the basis of our review of the Company's Plan, we shall approve the monitoring and reporting strategies contained in Sections 5 and 6 of the Plan, having found them to be reasonable and consistent with Act 129 and the *Phase V Implementation Order*.

## **E. Other Issues**

### **1. Coordination with Other State Conservation Programs**

In the *Phase V Implementation Order*, we noted that while conservation programs funded by the Federal Inflation Reduction Act of 2022 (IRA) and coordinated by the Pennsylvania Department of Environmental Protection (DEP)<sup>39</sup> are a relatively new and noteworthy addition to the Commonwealth’s energy conservation landscape, there are several other conservation programs with which Act 129 programs should coordinate. These include the following:

- Alternative Energy Portfolio Standards Act of 2004, 73 P.S. §§ 1648.1 – 1648.8 and 66 Pa.C.S. § 2814 (AEPS Act) credits administered by InClima with oversight by the Commission
- Low Income Usage Reduction Program (LIURP) and the Low Income Home Energy Assistance Program (LIHEAP).
- Home Efficiency Rebates (HER) and Home Electrification and Appliances Rebate (HEAR) programs managed by the DEP Energy Programs Offices.
- DEP’s Agricultural Energy Efficiency Rebate Program.
- DEP’s Reducing Industrial Sector Emissions in Pennsylvania (RISE PA) Program.
- DEP’s Solar For All Program.

*Phase V Implementation Order* at 157-58.

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<sup>39</sup> See <https://www.dep.pa.gov/Citizens/Energy/Pages/Inflation-Reduction-Act.aspx>.

**a. Braided Funding**

**(1) Requirements**

In the *Phase V Implementation Order*, we noted that the availability of increased funding from outside of Act 129 should help accelerate conservation programming in the Commonwealth. We stressed the importance of Pennsylvania EDCs collaborating, rather than competing, with other program administrators. We proposed 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, noting that EDCs should already track the external funding of the EE&C projects they incentivize, in order to produce accurate TRC Test results. We also proposed defining the leverage ratio as the amount of known external funding for Phase V EE&C projects, relative to the Act 129 incentives issued for those same projects. Further, we directed the EDCs to track any administrative costs incurred to support the braiding of funds. *Phase V Implementation Order* at 158-59, 166-68.

**(2) Disposition**

Consistent with our directive above, Section 4.4 of Duquesne's Plan establishes procedures to identify and coordinate with external conservation programs and to implement systems capable of tracking the associated data. Specifically, Duquesne explains that its CSPs are contractually required to inform participating customers of available external funding opportunities, such as IRA programs (*e.g.*, Home Electrification and Appliance Rebates and Whole-House Energy Efficiency Rebates), and to assist customers in applying for these incentives through agencies such as DEP. Duquesne's Plan further states that the Company's internal PMRS contains data fields designed to capture information on the presence and amount of these "braided"

incentives, enabling the Company to track and report external funding sources used in conjunction with Act 129 measures. Duquesne Plan at 78.

Duquesne's Plan also addresses the *Phase V Implementation Order's* directive to track dual participation and calculate leverage ratios. More specifically, Duquesne explains that when customers receive incentives from external programs in addition to Act 129 funding, the PMRS system will record the external incentive amounts and enable the Company to calculate the ratio of outside funding to Act 129 incentives. These results will then be reported as the program's leverage ratio, consistent with the Commission's definition of leverage ratio as "the amount of known external funding for Phase V EE&C projects relative to Act 129 incentive funding." Through these tracking capabilities, Duquesne represents that it will be able to report the occurrence of braided incentives, quantify external funding sources by program, and provide the Commission and the Phase V SWE with the information necessary to evaluate the extent to which Act 129 programs are leveraging other conservation funding streams. *See* Duquesne Plan at 79-80, 88-89.

In conjunction with these Plan commitments, the Settlement reinforces Duquesne's broader obligation to improve coordination with other programs (including stakeholder discussions on "coordination and braiding with other state and local programs" and related coordination topics) and commits Duquesne to ongoing coordination discussions with community-based and weatherization/repair organizations in its territory. *See* Settlement at 9-10, ¶¶ 39-40.

Therefore, we find that Duquesne's Plan, as modified by the Settlement, satisfies our requirement, set forth in the *Phase V Implementation Order*, regarding the tracking and reporting of participation and funding from other external conservation programs, by source, and the associated leverage ratios.

## **b. Heat Pumps and other Fuel Switching**

### **(1) Requirements**

In the *Phase V Implementation Order*, although we recognized the greenhouse gas reduction potential of such initiatives, we also explained that beneficial electrification programming that encourages customers to replace fossil fuel equipment with electric equipment runs counter to the objectives of the Act and its clear focus on reductions in electricity consumption and peak demand, and thus should not be included in Phase V EE&C plans. Nonetheless, we acknowledged that the expected expansion of other state and federal conservation programs in the Commonwealth creates an opportunity for the EDCs to support this type of initiative without violating the intent of Act 129. Specifically, the Commission noted, if another state program incentivizes a fuel switching upgrade, the EDCs can and should incentivize the home or business to install a high-efficiency electric unit. Therefore, the Commission proposed that each EDC include in its EE&C plan high-efficiency heat pump and heat pump water heater measures available to HEAR and other non-Act 129 program participants, along with a description of how program delivery will target these bundled, or interwoven, funding opportunities. *Phase V Implementation Order* at 168-69, 174-75.

### **(2) Disposition**

Consistent with the Commission’s HEAR “stacking” concept (*i.e.*, another program funds the fuel-switching upgrade while Act 129 supports the high-efficiency electric unit), Duquesne explicitly confirms, in its *Phase V Implementation Order* compliance narrative, that its Phase V Plan “includes high-efficiency heat pump and heat pump water heater measures available to HEAR,” referencing its eligible-measures table in Table 8 on pages 136-145 of its Plan. Duquesne Plan at 24. Those measures are reflected in Duquesne’s eligible measure listings, which include “Heat Pump Water

Heater” and “ENERGY STAR Air Source Heat Pump,” and its eligible-measures table specifies technical/effectiveness parameters for high-efficiency heat pumps (*e.g.*, SEER/SEER2 and HSPF/HSPF2 thresholds) and a Heat Pump Water Heater measure tied to TRM requirements. *Id.* at 44, 139, 146.

As to targeting braided/stacked funding for these measures, Duquesne states that its CSP RFPs and statements of work include “incentive braiding or ‘stacking’” provisions requiring CSPs, where IRA resources such as HEAR (and HER) are available, to assist the customer and/or Duquesne with completing and submitting the necessary forms to DEP and other agencies, directly operationalizing the “bundled/interwoven” delivery concept contemplated by the *Phase V Implementation Order*. *See* Duquesne Plan at 24, 78.

Duquesne further explains that program marketing and implementation will make customers aware of complementary incentive opportunities (including IRA funds) and that CSP software will surface additional opportunities to “unlock rebate braiding or stacking” during the assessment/reporting process, and it notes that a data-sharing partnership is being explored among DEP, Resource Innovations, EDCs, and others to streamline data flow and to expedite braided incentive processing. *See* Duquesne Plan at 73, 78. These Plan commitments are reinforced by the Settlement’s provisions for ongoing stakeholder engagement that includes “coordination and braiding with other state and local programs” as a recurring topic, supporting continued identification and execution of bundled funding pathways during Phase V implementation. Settlement at 9, ¶ 39.

Therefore, on review, we find that in its Plan, as modified by the Settlement, Duquesne has complied with our directive in our *Phase V Implementation Order* regarding the inclusion of heat pumps and heat pump water heater measures.

**c. Data Sharing Between EDCs and State Agencies**

In our *Phase V Implementation Order*, the Commission agreed that increased data sharing between EDCs and state agencies is important for Phase V of the EE&C Program, given the expected increase in external (to Act 129) funding sources. However, we stressed that the objective of our *Phase V Implementation Order* was to establish compliance targets for Phase V of the EE&C Program and to provide the EDCs with the necessary guidance to develop their Phase V EE&C plans. We further noted that, while relevant to Act 129, data sharing is a much broader topic, which is best addressed in a dedicated proceeding. Accordingly, we did not require the EDCs to include information regarding data sharing between EDCs and state agencies in their Phase V EE&C plans. Instead, we directed TUS, with the assistance of the Commission's Bureau of Consumer Services (BCS) and the Law Bureau, to convene a working group, within 45 days of the issuance of the *Phase V Implementation Order*, to work with stakeholders to explore certain topics regarding data sharing. We further directed the working group to provide recommendations to the Commission on potential solutions and next steps to foster secure data sharing between program administrators. *Phase V Implementation Order* at 175, 180-82.

**d. Support with AEPS Act Registrations**

**(1) Requirements**

In the *Phase V Implementation Order*, we noted that the AEPS Act promotes the development and use of alternative and renewable energy sources and seeks to reduce the Commonwealth's reliance on traditional fossil fuels. We stated that the AEPS Act requires EDCs to obtain a prescribed percentage of their retail electric sales from qualifying alternative energy resources. We also stated that Act 129 programs should contribute more Alternative Energy Credits (AEC) than current registration

patterns indicate. We further noted that AEPS registration would provide an additional recurring revenue stream for program participants on top of the upfront EDC rebate, and that the additional supply of AECs could help drive down the cost of compliance for the EDCs. Therefore, we directed each EDC to include a process in its EE&C plan to help facilitate AEPS Act registration for C&I participants of Act 129 programs to register their energy efficiency projects and to take advantage of elevated AEC pricing. We posited that each EDC could design this support in a way that aligns with the needs of its customers and treat the cost of AEPS Act registration support as a recoverable administrative cost. *Phase V Implementation Order* at 182-83, 184.

## (2) Disposition

Consistent with our directive above, Duquesne, in its Plan, explains that its program delivery and customer engagement materials will encourage customers to register qualifying Act 129 projects with the Pennsylvania AEPS Program Administrator so that they may earn AEPS credits associated with their energy efficiency improvements. Duquesne Plan at 78-79. The Plan further indicates that program customer-facing materials will direct participants to the Pennsylvania AEPS program resources and provide information about the registration process so that customers can pursue AEPS project certification and credit generation. *Id.* at 79. By incorporating AEPS registration awareness into program communications and guiding participants to the appropriate AEPS registration channels, Duquesne establishes a practical process within its EE&C Plan to facilitate AEPS project registration for C&I participants and enable them to take advantage of the potential revenue associated with AEC markets, consistent with the requirements set forth in the *Phase V Implementation Order*. *Id.* at 78-79 (citing *Phase V Implementation Order* at 182-84).

Based upon the above, we find that Duquesne's Plan meets the requirement set forth in our *Phase V Implementation Order* that the Company help facilitate

AEPS Act registration for C&I participants of Act 129 programs to register their energy efficiency projects and to take advantage of elevated AEC pricing.

**e. IRA-Required Audits**

**(1) Requirements**

In our *Phase V Implementation Order*, we explained that other conservation programs will invariably have different rules, eligibility criteria, and administration processes than Act 129 EE&C programs administered by the EDCs. We highlighted that one such example is the HER program requirement to complete American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) Level 2 audits, which represent a significant upfront investment, but which may or may not result in the identification of savings opportunities. As such, we noted that there is no guarantee that a prospective program participant will move forward with some, or all, of the savings opportunities identified, due to limited access to capital or other considerations. Nonetheless, we highlighted that the need for this type of technical assistance will likely grow as conservation programs look to move beyond lighting measures and achieve deeper savings in homes and businesses. *Phase V Implementation Order* at 184-85.

Based on the foregoing, we found it 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. We noted that in exchange for sharing the cost of the upfront audit, the EDCs should be entitled to provide rebates or direct installation for all eligible electric measures and claim the full associated savings towards Phase V targets. Thus, we stated that EDCs shall have the flexibility to propose audit co-funding budgets and criteria in their Phase V EE&C plans. We further stated that co-funding an audit alone does not entitle an EDC to full electric savings. Instead, we explained, EDCs must also incentivize or directly install eligible electric measures to

claim the full associated savings towards Phase V targets. Finally, we clarified that while EDCs shall be required to contribute financially to audit costs, they will not be required to secure the necessary personnel to perform the audits. Rather, we stated that IRA program administrators should secure the necessary vendors to complete the ASHRAE Level 2 audits. *Phase V Implementation Order* at 185, 187-88.

## **(2) Disposition**

Consistent with our directive, Duquesne explains in its Plan that it will coordinate Act 129 program delivery with IRA-funded programs by incorporating “incentive braiding or stacking” and by aligning program assessments and audits with IRA program requirements, where applicable. The Company further provides that its CSPs will assist customers with identifying eligibility for IRA programs and completing the documentation necessary to participate in those programs, including the submission of forms and supporting information required by DEP, which administers IRA-funded programs in Pennsylvania. Duquesne Plan at 24.

In addition, Duquesne states that its program delivery model will incorporate contractor tools and assessment processes designed to identify opportunities for IRA-funded rebates during customer engagements, which may include energy audits or assessments required for those programs, thereby ensuring that Act 129 program participation can be coordinated with IRA eligibility pathways. The Settlement further supports the Company’s compliance with this directive by establishing a framework for ongoing stakeholder engagement and coordination regarding program implementation topics, including coordination and braiding with other state and federal energy programs such as IRA initiatives. Through these measures, aligning program assessments with IRA requirements, directing CSPs to assist customers with IRA documentation and participation, and incorporating stakeholder coordination regarding program integration, Duquesne’s Phase V Plan and the Settlement together ensure that Act 129 program

delivery can effectively accommodate IRA-required audits and facilitate customer access to those federal incentives, consistent with the *Phase V Implementation Order*. Duquesne Plan at 24, 78; Settlement at 9.

Accordingly, we find Duquesne's EE&C Plan, as modified by the Settlement, to be in compliance with our directive in our *Phase V Implementation Order* regarding IRA-required audits.

**f. Coordinated Marketing Campaigns**

**(1) Requirements**

In our *Phase V Implementation Order*, the Commission noted that because the Act 129 EE&C Program, and other conservation programs in the Commonwealth, are inherently focused on a common pool of electric account holders, EDCs and other program administrators should consider joint marketing campaigns that highlight the availability of multiple funding sources. We stated that our intent was not to prescribe jointly developed communications, but to encourage the EDCs to highlight the availability of multiple funding sources and provide prospective Act 129 participants with information as to where they can learn more about external funding opportunities. Although we declined to establish a common statewide platform, we stressed our position that EDCs should explore coordinated marketing efforts where such activities are likely to improve the leverage ratio of Phase V EE&C plans. *Phase V Implementation Order* at 188, 190.

**(2) Disposition**

Duquesne's Phase V Plan addresses the above requirement by incorporating a comprehensive strategy for coordinating program outreach, marketing,

and customer engagement to ensure that customers are informed about the availability of multiple funding streams and the opportunity to combine them with Act 129 incentives. Specifically, in the Plan, as modified by the Settlement, the Company explains that it will integrate information regarding complementary funding sources, including IRA programs such as the HER programs, into its marketing, outreach, and program implementation activities so that customers understand the full range of available incentives when considering energy efficiency improvements. Duquesne Plan at 73. The Company further represents that it will ensure that its program delivery infrastructure, including its CSPs, promotes awareness of these additional funding opportunities during customer interactions, marketing campaigns, and program enrollment processes. By incorporating external funding opportunities into its outreach and customer communications, Duquesne’s marketing strategy is designed to highlight the availability of multiple incentive streams and encourage customers to pursue projects that combine Act 129 incentives with other available funding sources. In addition, the Company explains that CSP tools and software platforms will be used during customer assessments and project development to identify potential eligibility for other programs and “unlock rebate braiding or stacking,” thereby reinforcing the coordinated marketing objective by presenting customers with integrated information about available incentives at the point of engagement. Duquesne Plan at 78.

The Settlement further strengthens Duquesne’s compliance with this directive by establishing a stakeholder engagement process that includes discussion of program coordination and the braiding of Act 129 incentives with other federal, state, and local funding sources. Through periodic stakeholder meetings, parties will review implementation issues and opportunities related to coordinating Act 129 programs with external programs and funding sources, which supports the development and refinement of coordinated marketing approaches that communicate these opportunities to customers. Settlement at 9, ¶ 38. This ongoing coordination framework helps ensure that Duquesne’s marketing and outreach efforts remain aligned with evolving federal and

state programs and that stakeholders can collaboratively identify effective ways to highlight multiple funding sources available to customers.

Taken together, the marketing and program delivery provisions of Duquesne's Phase V Plan, as modified by the Settlement, including the coordination mechanisms established in the Settlement, satisfy the Commission's directive for coordinated marketing campaigns that highlight the availability of multiple funding sources. By embedding information about complementary programs into marketing materials, customer outreach, and contractor engagement processes, and by providing an ongoing stakeholder forum to coordinate these efforts, Duquesne demonstrates that its Phase V framework set forth in its Plan will effectively inform customers about the opportunity to combine Act 129 incentives with other available energy efficiency funding streams, consistent with the requirements of the *Phase V Implementation Order*. See Duquesne Plan at 73, 78; Settlement at 9, ¶ 38.

Therefore, we find that Duquesne's Plan, as modified by the Settlement, satisfies our directives in our *Phase V Implementation Order* regarding coordinated marketing campaigns that highlight the availability of multiple funding sources.

## **2. Working Groups and Enhanced Transparency for Stakeholders**

In our *Phase V Implementation Order*, the Commission considered several stakeholder recommendations to facilitate enhanced stakeholder engagement and to establish a variety of working groups. However, we found that stakeholder meeting mandates would add to the EDCs' administrative costs, without providing a clear benefit. Thus, we declined to establish additional working groups or stakeholder engagement mechanisms beyond the data sharing working group, discussed above. The Commission opined that the EDCs and participating stakeholders have developed a well-functioning system of stakeholder engagement that allows for mutual feedback to aid in the

implementation of successful EE&C programs. *Phase V Implementation Order* at 250-53. Through this Opinion and Order, we reinforce our belief that directing the establishment of additional working groups would not be a prudent investment of limited resources.

### **3. Statewide Contractor Training and Workforce Development Programs**

In the *Phase V Implementation Order*, the Commission considered certain recommendations to adopt statewide contractor training and workforce development programs. However, we declined to adopt these recommendations, finding the creation of such training and development programs to be beyond the scope of our Phase V EE&C Program. *Phase V Implementation Order* at 253-54. We reinforce this finding in this Opinion and Order.

### **F. Overall Disposition of the Settlement**

As noted in Section IV, *supra*, the Commission has articulated its general policy favoring settlements. *See* 52 Pa. Code § 5.231(a); *see also* 52 Pa. Code §§ 69.401, *et seq.* However, we must also determine whether the proposed terms and conditions, therein, are in the public interest. *See C.S. Water and Sewer, supra.*

Upon review of the Settlement, we find that Duquesne's EE&C Plan, as modified by the Settlement, is in the public interest because it includes and/or addresses all of the elements prescribed by Section 2806.1 of the Code, 66 Pa.C.S. § 2806.1, the applicable Commission Regulations, and the Commission's policies for its EE&C Program. The Settlement provides for certain modifications to Duquesne's Initial Plan and represents a compromise among the Joint Petitioners that resolves all of the issues that have been raised in this proceeding. Based on our review of the record, we conclude

that the proposed Settlement is in the public interest and shall adopt the Settlement, as modified below.

We are in agreement with the Joint Petitioners that the proposed Settlement represents a reasonable compromise and resolution of the issues that the Joint Petitioners raised in this proceeding. In the instant proceeding, the Joint Petitioners unanimously assert that the proposed Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners. Settlement at 6, ¶ 21. We further agree with the Joint Petitioners' assertion that approval of the Settlement will avoid further administrative, and possible appellate, proceedings, thereby avoiding substantial costs to the Joint Petitioners, the Commission, and Duquesne's customers by lending certainty to the outcome of this proceeding. *Id.* at 10, ¶ 42.

As discussed in Sections V.A-E, above, we also find that Duquesne's Plan, as modified by the Settlement, satisfies the vast majority of the directives set forth in our *Phase V Implementation Order*, and is therefore in the public interest. Moreover, in addition to the avoidance of litigation and associated costs, the beneficial aspects of the Settlement include: (1) a Residential Midstream Program Ramp-Up to adjust the distribution of program savings (MWh) to allow the program to ramp-up over time; (2) an evaluation of the Residential Midstream Program during Program Year 19 by the Company's Independent Evaluator; (3) the addition of a comprehensive audit offering through the Residential Online Marketplace program; (4) a reduction from 46.4% to 36.4% in the non-residential forecast for lighting; (5) an enhancement of the HER recommendations to emphasize comprehensive energy efficiency measures with longer measure lives and the addition of low-income program enrollment information in all R-BEEP communications; (6) the reduction of the Low-Income Behavioral forecast from 4,200 MWh (22.18%) to 2,500 MWh, or 13.2% of the forecast; (7) the addition of a Health and Safety remediation program to be used only for low income projects; (8) stakeholder meetings regarding FTM measures if/when such a custom project is

identified; (9) the establishment of a coordination process between Duquesne's Interconnection and Phase V CSPs to streamline the interconnection process and Act 129 participation within nine months of the Commission's approval of the Plan; (10) Duquesne's commitment to hold three multifamily collaborative meetings during the first three years of the Plan to focus on Act 129 programming; and (11) Duquesne's agreement to report on low income Act 129 program data at least annually during the Company's quarterly IEAG meetings. Settlement at 7-10.

For the reasons stated herein, and as specified in the Joint Petitioners' Statements in Support, we find that the terms and conditions of the Settlement are in the public interest and should be approved. In addition, we find the vast majority of Duquesne's EE&C Plan, as modified by the Settlement, to be consistent with Act 129 and the *Phase V Implementation Order*.

Nonetheless, the Company's EE&C Plan, filed on February 23, 2026, reflects the Company's Phase V EE&C Plan, as revised by the Settlement. As discussed above, we have modified the Plan by requiring the Company to file the following revisions: (1) that the Company revise Table 3 on page 130 of its Plan to: (a) clearly demonstrate that its Plan achieves at least 15% of the prescribed PDR target in each program year, and (b) clearly indicate that the underlying PDR amounts and percentages in each program year sum to the Company's projected total Phase V PDR amount of 47.557 MW, and that they result in the Company attaining 102% of its prescribed target. *See* Section V.A.2, *supra*; (2) that the Company revise Section 3.3.1 of its Plan, Small-Medium Nonresidential Energy Efficiency Program, to address the requirement in our *Phase V Implementation Order* that distributors of non-residential midstream lighting measures will document each transaction to verify that the replaced lighting equipment is not LED. *See* Section V.A.5.b.(1), *supra*; (3) that Duquesne revise Section 3.1.6 of its Phase V Plan to explicitly state that, upon identification of any FTM measures to include in its Phase V Plan, Duquesne will submit such proposed changes to the Commission as a

Petition for Approval of a Minor Change, consistent with the Commission's *Minor Plan Change Order*. See Section V.A.5.b.(2), *supra*; and (4) that the Company revise its Phase V EE&C Plan to update pages 198 and 199, therein, to clearly identify the costs on Exhibits DBO-3S and DBO-4S as "Phase V Portfolio Costs." See Section V.B.4, *supra*. By extension, we shall modify the Settlement to reflect the above prescribed revisions, given that the Company's Plan, as amended to date, has been revised by the Settlement.

In light of our modification to the Joint Settlement, we note that should any of the Joint Petitioners wish to withdraw from the Settlement, that Party or Parties shall provide written notice to the Secretary of the Commission, and all active Parties to this proceeding, of its election to withdraw, within five (5) business days from the date that this Opinion and Order is entered. If such an election to withdraw is filed, the Settlement shall be disapproved, without further action by this Commission, and this matter shall be returned to the OALJ. See Joint Settlement at 11, ¶ 46. We further direct that, in the event that one or more Parties elect to withdraw from the Settlement, then the Company shall file with this Commission, and serve on all Parties of record in this proceeding, a revised Phase V EE&C Plan, consistent with this Opinion and Order, within sixty (60) days of the entry of this Opinion and Order. Interested parties will then have ten (10) days to file comments on the revised Phase V EE&C Plan, with reply comments due ten (10) days thereafter. The revised record shall then be certified to the Commission by the OALJ and the Commission will approve or reject the revised Phase V EE&C Plan at a public meeting within sixty (60) days of the date of the filing of the revised Plan. See 66 Pa.C.S. § 2806.1(e)(2)(i)-(ii).

On the other hand, if no Party exercises the right to withdraw from the Settlement, we shall adopt the Joint Settlement, as modified, finding it to be in the public interest. Additionally, we shall grant Duquesne's Petition, in part, and approve the Plan, as modified by the Settlement, and as further modified by this Opinion and Order.

## VI. Conclusion

For the reasons set forth, *supra*, and based on our review of the record and the applicable law, we find that the Joint Petition for Settlement is in the public interest, to the extent that it is consistent with Act 129 and in compliance with our *Phase V Implementation Order*. Consequently, we shall: (1) grant, in part, and deny, in part, the Petition of Duquesne Light Company for approval of its Act 129 Phase V Energy Efficiency and Conservation Plan; (2) adopt the Joint Petition for Full Settlement of All Issues, as modified by this Opinion and Order; and (3) approve the Act 129 Phase V Energy Efficiency and Conservation Plan filed by Duquesne Light Company, as modified by the Joint Petition for Full Settlement of All Issues, and as further modified by our directives in this Opinion and Order; all subject to the condition that no Party to the Joint Petition for Full Settlement of All Issues exercises the right to withdraw therefrom, consistent with this Opinion and Order; **THEREFORE**,

### IT IS ORDERED:

1. That the Petition of Duquesne Light Company for Approval of its revised Phase V Energy Efficiency and Conservation Plan, filed on February 23, 2026, is granted, in part, and denied, in part, consistent with this Opinion and Order.

2. That Duquesne Light Company is permitted to implement its revised Phase V Energy Efficiency and Conservation Plan, as filed on February 23, 2026, and as further modified by this Commission's directives, set forth in Ordering Paragraph Nos. 4 through 7, below.

3. That the Joint Petition for Full Settlement of All Issues, filed by Duquesne Light Company, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Coalition for Affordable Utility Services and

Energy Efficiency in Pennsylvania on February 13, 2026, is approved, as modified, as set forth by this Commission's directive in Ordering Paragraph Nos. 4 through 7, below.

4. That within sixty (60) days of the entry date of this Opinion and Order, Duquesne Light Company shall modify its revised Phase V Energy Efficiency and Conservation Plan, filed on February 23, 2026, by revising Table 3 on page 130 to: (a) clearly demonstrate that its Plan achieves at least 15% of the prescribed Peak Demand Reduction target in each program year, as set forth in this Commission's Implementation Order entered on June 18, 2025 at Docket No. M-2025-3052826; and (b) clearly indicate that the underlying Peak Demand Reduction amounts and percentages in each program year sum to Duquesne Light Company's projected total Phase V Peak Demand Reduction amount of 47.557 Megawatts, and that they result in Duquesne Light Company attaining 102% of its prescribed target outlined in the Commission's Implementation Order entered on June 18, 2025 at Docket No. M-2025-3052826.

5. That within sixty (60) days of the entry date of this Opinion and Order, Duquesne Light Company shall modify its revised Phase V Energy Efficiency and Conservation Plan, filed on February 23, 2026, by revising Section 3.3, Small-Medium Nonresidential Energy Efficiency Program, to address the requirement in the Commission's Implementation Order entered on June 18, 2025 at Docket No. M-2025-3052826 that distributors of non-residential midstream lighting measures will document each transaction to verify that the replaced lighting equipment is not LED.

6. That within sixty (60) days of the entry date of this Opinion and Order, Duquesne Light Company shall modify its revised Phase V Energy Efficiency and Conservation Plan, filed on February 23, 2026, by revising Section 3.1.6 to clarify that upon the identification of any Front of the Meter measures to include in its Phase V Energy Efficiency and Conservation Plan, Duquesne Light Company will submit such proposed changes to the Commission as a Petition for Approval of a Minor Change,

consistent with the Commission's expedited review process outlined in the Commission's Final Order entered on June 10, 2011 at Docket No. M-2008-2069887.

7. That within sixty (60) days of the entry date of this Opinion and Order, Duquesne Light Company shall modify its revised Phase V Energy Efficiency and Conservation Plan, filed on February 23, 2026, to update pages 198 and 199, therein, to clearly identify the costs on Duquesne Light Company Exhibits DBO-3S and DBO-4S as "Phase V Portfolio Costs."

8. That, if any of the Parties wish to withdraw from the Joint Petition for Full Settlement of All Issues, based on the prescribed modifications set forth in Ordering Paragraph Nos. 4 through 7 above, that Party or Parties shall provide written notice to the Secretary of the Commission and all active Parties to this proceeding of its election to withdraw within five (5) business days from the date that this Opinion and Order is entered. If such an election to withdraw is filed, the Joint Petition for Full Settlement of All Issues shall be disapproved, without further action by this Commission, and this matter shall be returned to the Commission's Office of Administrative Law Judge for further action, as described in Ordering Paragraph No. 9, below.

9. That, in the event that one or more Parties elect to withdraw from the Joint Petition for Full Settlement of All Issues, as provided for in Ordering Paragraph No. 8, above, then Duquesne Light Company shall file with this Commission, and serve on all Parties of record in this proceeding, a revised Phase V Energy Efficiency and Conservation Plan, within sixty (60) days of the entry of this Opinion and Order. Interested parties will then have ten (10) days to file comments on the revised Phase V Energy Efficiency and Conservation Plan, with reply comments due ten (10) days thereafter. The revised record shall then be certified to the Commission by the Office of Administrative Law Judge and this Commission will approve or reject the revised Phase

V Energy Efficiency and Conservation Plan at a public meeting within sixty (60) days of the date of the filing of the revised Energy Efficiency and Conservation Plan.

10. That Duquesne Light Company shall comply with all directives and conclusions contained in this Opinion and Order, including the terms and conditions of the Joint Petition for Full Settlement of All Issues filed in this proceeding, as modified by this Opinion and Order, that are not the subject of individual ordering paragraphs, as if they were the subject of an individual ordering paragraph.

11. That a copy of this Opinion and Order shall be served on the Bureau of Technical Utility Services-Policy and Planning Division, the Commission's Bureau of Audits, and on all parties of record in this proceeding.

**BY THE COMMISSION,**



Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: March 26, 2026

ORDER ENTERED: March 26, 2026