

STATEWIDE EVALUATION TEAM SEMI-ANNUAL REPORT

Program Year 6, Quarters 1 & 2
June 1, 2014 through November 30, 2014

Prepared For:
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Act 129 of 2008
Energy Efficiency and Conservation Plan

May 6, 2015

Prepared by:
Statewide Evaluation Team



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ACRONYMS

C&I	Commercial and Industrial
CFL	Compact Fluorescent Light bulb
Phase II	Cumulative Program/Portfolio Phase II Inception to Date Reported Gross Savings
Phase II-Q	Phase II verified gross savings from the beginning of Phase II + PYTD reported gross savings (Phase II-VG + PYTD)
Phase II-Q+CO	Preliminary Phase II Savings plus Carry Over = Cumulative Program/Portfolio Phase II Inception to Date verified gross savings + PYTD reported gross savings (Phase II-VG + PYTD) + Carry Over Savings from Phase I (Phase II-VG + PYTD + CO)
Phase II-VG	Cumulative Program/Portfolio Phase II Inception to Date Verified Gross Savings
CSP	Conservation Service Provider or Curtailment Service Provider
EDC	Electric Distribution Company
EE&C	Energy Efficiency and Conservation
EM&V	Evaluation, Measurement, and Verification
GNI	Government, Non-Profit, Institutional
IQ	Incremental Quarter
MW	Megawatt
MWh	Megawatt-hour
NTG	Net-to-Gross
PA PUC	Pennsylvania Public Utility Commission
PY5	Program Year 2013, from June 1, 2013 to May 31, 2014
PY6	Program Year 2014, from June 1, 2014 to May 31, 2015
PY6Q1	Program Year 2014, from June 1, 2014 to August 31, 2014
PY6Q2	Program Year 2014, from September 1, 2014 to November 30, 2014
PYX QX	Program Year X, Quarter X
PYTD	Program Year to Date Reported Gross savings
SWE	Statewide Evaluator
TRC	Total Resource Cost
TRM	Technical Reference Manual

INTRODUCTION

The purpose of this report is to provide a preliminary summary of the participation, energy savings, demand savings and finances reported by Pennsylvania's electric distribution companies (EDC's) for the first two quarters of Program Year 6 (PY6) of Act 129. This report uses information gathered from the EDC's PY6 Quarters 1 and 2 (PY6Q1 and PY6Q2) reports. Program Year 6 energy and demand savings from these reports represent unverified savings. Program Year 5 savings and carryover (CO) savings from Phase I represent verified savings. Program Year 6 verified savings will be presented in the *SWE Program Year Six Annual Report to the Pennsylvania PUC*.

1 SUMMARY OF ACHIEVEMENTS IN COMPARISON TO COMPLIANCE TARGETS

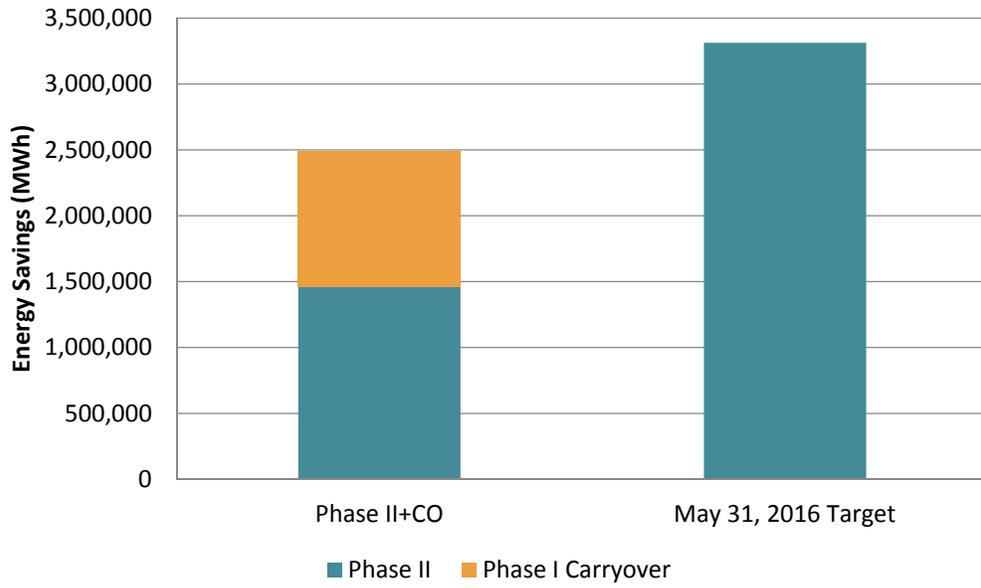
This section of the Statewide Evaluation (SWE) Semi-Annual Report highlights the progress of the seven EDC's towards meeting their May 31, 2016 MWh savings compliance targets. Table 1-1 displays each EDC's PY6 program year to-date reported gross (PYTD) savings, total Phase II preliminary savings (Phase II-Q), carry over (CO) savings obtained during Phase I, and their progress towards the compliance targets. EDC annualized MWh savings carried over from Phase I range from 22,580 MWh (Pennsylvania Power) to 495,636 MWh (PPL Electric Utilities).

Although there is no Phase II statewide MWh savings target, Table 1-1 and Figure 1-1 show the summation of all Phase II EDC MWh savings to date (including CO savings from Phase I) in comparison to the sum of all Phase II EDC compliance targets. Overall, the EDC's have reached a collective 75% of the sum of their individual May 31, 2016 compliance targets for Phase II MWh savings, based on preliminary data. If CO savings from Phase I are excluded, the EDC's have reached a collective 44% of the sum of their individual May 31, 2016 compliance targets for MWh savings for Phase II of Act 129. Final results for PY6 will be reported by the EDC's to the Pennsylvania Public Utility Commission (PA PUC) on November 15, 2015.

Table 1-1: Phase II-Q Savings (through PY6Q2) and Phase I CO Savings Compared to May 31, 2016 Compliance Target

EDC	PYTD Energy Savings (MWh)	Total Phase II-Q Energy Savings (MWh)	Phase I CO Savings (MWh)	Total Phase II-Q + CO (MWh)	% of Goal (Phase II-Q + CO / Target)	May 31, 2016 Compliance Target (MWh)
PECO	107,745	378,045	242,793	620,838	55%	1,125,851
PPL	86,454	286,281	495,636	781,916	95%	821,072
Duquesne	61,058	189,479	133,717	323,196	117%	276,722
Met Ed	56,707	190,773	47,187	237,960	70%	337,753
Penelec	55,514	170,244	26,805	197,049	62%	318,813
Penn Power	16,905	54,974	22,580	77,554	81%	95,502
West Penn Power	57,207	187,644	59,929	247,573	73%	337,533
Total	441,590	1,457,440	1,028,647	2,486,087	75%	3,313,246

Figure 1-1: Phase II Energy Impacts Statewide



2 SUMMARY OF PARTICIPATION, ENERGY AND DEMAND SAVINGS BY EDC AND BY PROGRAM

The following tables provide a summary of the participation along with MWh and MW savings for each of the programs offered by the EDC's. Table 2-1 shows a summary of each EDC's portfolio-level participation, energy savings, and demand savings in Phase II. Table 2-2, Table 2-3, Table 2-4, Table 2-5, Table 2-6, Table 2-7 and Table 2-8 show each EDC's participation, energy and demand savings by program. Since the EDC's run similar, but not identical programs, a statewide summary by program is not available. Some highlights from these seven tables are the following:

- Residential retail programs and prescriptive rebates continue to be a clear focus of the EDC portfolios and contain a large share of the MWh savings.
- While there is no demand reduction target present for Phase II, most EDC's show significant MW demand savings through the 2nd quarter of PY6.
- Most EDC's show significant CO savings from Phase I that will certainly assist them to meet Phase II compliance goals.

Table 2-1: Summary of All EDC's Portfolio Level Participation¹, Energy Savings and Demand Reduction for Phase II (Excluding CO)

EDC	PYTD Portfolio Participants	Total Phase II Portfolio Participants	PYTD Portfolio Energy Savings (MWh)	Total Phase II-Q Portfolio Energy Savings (MWh)	PYTD Portfolio Demand Savings (MW)	Total Phase II-Q Portfolio Demand Savings (MW)
PECO	37,925	162,201	107,745	378,045	15.8	131.3
PPL	75,906	326,031	86,454	286,281	10.83	36.70
Duquesne	4,813	39,842	61,058	189,479	8.19	25.31
Met Ed	135,729	462,574	56,707	190,773	10.3	20.94
Penelec	125,143	425,963	55,514	170,244	10.52	20.59
Penn Power	42,144	168,107	16,905	54,974	2.25	5.42
West Penn Power	121,357	408,592	57,207	187,644	11.82	21.29
Total Statewide	543,017	1,993,310	441,590	1,457,440	69.71	261.5

¹ The definition of "participant" varies by program. Additional details on what qualifies as a participant can be found in the EDC PY6Q2 reports.

Table 2-2: PECO Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Demand Savings (MW)
Residential	73,957	180,467	27.4
Smart Appliance Recycling Program	12,801	10,982	2.5
Smart Home Rebates Program [1]	28,728	160,593	23.9
Smart House Call	2,514	1,837	0.3
Smart Builder Rebates	22	115	0.0
Smart Energy Saver	17,256	2,750	0.2
Smart Usage Profile	0	-	0.0
Smart Multi-Family Solutions Res [3]	12,636	4,190	0.4
Low-Income Energy Efficiency Program Total [2]	13,472	25,019	2.3
Low-Income Energy Efficiency Program	13,472	25,019	2.3
Non-Residential Total	2,288	172,559	27.6
Commercial and Industrial Total	2,030	87,697	15.6
Smart Equipment Incentives C&I - Retrofit	679	54,193	9.0
Smart Equipment Incentives C&I - Appliance Recycling	71	71	0.3
Smart Construction Incentives C&I	46	10,376	1.1
Smart Business Solutions C&I	713	18,476	2.1
Smart On-Site C&I	0	-	3.0
Smart Multi-Family Solutions C&I [3]	521	4,582	0.2
Government / Nonprofit Total	258	84,862	12.0
Smart Equipment Incentives GNI - Retrofit	206	20,514	2.9
Smart Equipment Incentives GNI - Appliance Recycling	2	2	0.0
Smart Construction Incentives GNI	16	3,059	0.4
Smart Business Solutions GNI	12	595	0.1
Smart On-Site GNI	2	60,427	8.6
Smart Multi-Family Solutions GNI [3]	20	264	0.0
Demand Reduction	72,484	0	74
Residential A/C Saver [4]	70,568	0	71.1
Commercial A/C Saver [4]	1,916	0	2.9
Total Portfolio	162,201	378,045	131.3

1. Participant values exclude sales of CFLs, ENERGY STAR lighting fixtures and LED lamps, for which upstream rebates are provided.

2. Act 129 includes a provision requiring EDC's to offer a number of energy efficiency measures to low-income households that are "proportionate to those households' share of the total energy usage in the service territory." 66 Pa.C.S. §2806.1(b)(i)(G). The legislation contains no provisions regarding targets for participation, or energy or demand savings. Participation includes only those receiving the Weatherization Audit.

3. The participation values shown here reflect the number of project IDs reported in the tracking data, rather than the number of billing account IDs. The values reported here better reflect the number of participating households, rather than the number of multifamily buildings in which the participants live.

4. Reductions in the participant rate for both the Residential and Commercial Smart A/C Saver programs can be attributed to normal participant attrition due to moves, business closures, etc. in the absence of concerted recruitment of new participants by PECO.

Table 2-3: PPL Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Demand Savings (MW)
Appliance Recycling	16,164	13,171	2.60
Continuous Energy Improvement	-	-	0.00
C&I Custom Incentive [1]	88	11,030	1.10
E-Power Wise [2]	4,998	2,593	0.37
Low-Income Energy-Efficiency Behavior and Ed	-	-	0.00
Low Income Winter Relief Assistance Program	4,659	4,869	0.54
Master Metered Multi-Family	53	2,634	0.23
Prescriptive Equipment Commercial	4,523	132,883	18.18
Residential Energy-Efficiency Behavior and Ed	-	-	0.00
Residential Home Comfort	4,850	4,384	1.86
Residential Retail [3]	289,954	109,569	11.48
School Benchmarking [4]	28	-	0.00
Student & Parent Education	714	5,147	0.35
Total Portfolio	326,031	286,281	36.70
<p>1. Beginning in PY6 Q1, the methodology for counting participants for the C&I Custom Incentive program changed. The participant count is now based on the number of jobs contributing to reported savings for the specified period, as opposed to the number of projects created in that period.</p> <p>2. Excludes expiring one year measure life savings.</p> <p>3. Cross-sector sales are now included in reported gross savings.</p> <p>4. The School Benchmarking program does not claim energy or demand savings.</p>			

Table 2-4: Duquesne Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Demand Savings (MW)
Residential: EE Program: Rebate Program	27,255	6,234	0.80
Residential: EE Program (Upstream Lighting) [1]	N/A	57,421	3.66
Residential: School Energy Pledge	1,284	365	0.03
Residential: Appliance Recycling	4,053	3,586	0.46
Residential: Low Income EE	6,673	2,073	0.20
Residential: Low Income EE (Upstream Lighting) [1]	N/A	14,716	0.94
Commercial Sector Umbrella EE	27	757	0.13
Commercial Sector Umbrella EE (Upstream Lighting) [1]	N/A	32,995	9.47
Healthcare EE	9	2,254	0.46
Industrial Sector Umbrella EE	3	1,676	0.34
Chemical Products EE	12	563	0.08
Mixed Industrial EE	25	2,804	0.41
Office Building – Large – EE	92	24,152	2.86
Office Building – Small EE	33	835	0.18
Primary Metals EE	23	25,113	3.02
Public Agency / Non-Profit	59	2,886	0.41
Retail Stores – Small EE	223	4,012	0.81

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Demand Savings (MW)
Retail Stores – Large EE	71	7,039	1.06
Total Portfolio	39,842	189,479	25.31
1. The allocation of Upstream Lighting savings into Residential, Low-income, and Commercial Upstream Lighting is based on evaluation research Navigant conducted early in Program Year 5, which determined that 12.6% of bulbs were sold to commercial customers, 17.8% to low income customers and 69.6% to non-low-income residential customers.			

Table 2-5: Met-Ed Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Energy Savings (MW)
Appliance Turn-In	8,771	7,356	1.22
Efficient Products	347,448	46,670	4.32
Home Performance	88,859	79,577	7.51
Low Income	14,054	4,677	0.32
Small C/I Equipment	496	19,258	2.86
Small C/I Buildings	2,792	2,371	0.43
Large C/I Equipment	99	30,326	4.05
Large C/I Buildings	39	251	0.18
Gov/Institutional	16	285	0.08
Total Portfolio	462,574	190,773	20.94

Table 2-6: Penelec Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Energy Savings (MW)
Appliance Turn-In	9,620	7,419	1.08
Efficient Products	311,755	42,737	3.61
Home Performance	85,244	62,482	7.4
Low Income	14,502	7,099	0.47
Small C/I Equipment	632	23,977	3.98
Small C/I Buildings	3,990	3,010	0.52
Large C/I Equipment	141	22,145	3.38
Large C/I Buildings	62	783	0.05
Gov/Institutional	17	592	0.10
Total Portfolio	425,963	170,244	20.59

Table 2-7: Penn Power Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Energy Savings (MW)
Appliance Turn-In	2,795	2,638	0.35
Efficient Products	131,312	16,649	1.42
Home Performance	25,844	19,298	1.45
Low Income	6,708	1,958	0.15
Small C/I Equipment	157	5,825	0.9
Small C/I Buildings	1,264	2,116	0.32
Large C/I Equipment	17	6,327	0.79
Large C/I Buildings	8	27	0.01
Gov/Institutional	2	136	0.04
Total Portfolio	168,107	54,974	5.42

Table 2-8: West Penn Power Reported Participation and Gross Energy and Demand Savings by Program

Program	Phase II Participants	Phase II-Q Energy Savings (MWh)	Phase II-Q Energy Savings (MW)
Appliance Turn-In	10,739	9,945	1.40
Efficient Products	353,864	50,106	5.12
Home Performance	29,067	67,352	6.62
Low Income	9,579	2,995	0.24
Small C/I Equipment	639	21,325	2.88
Small C/I Buildings	4,542	3,582	0.74
Large C/I Equipment	106	31,006	4.16
Large C/I Buildings	32	363	0.03
Gov/Institutional	24	970	0.11
Total Portfolio	408,592	187,644	21.29

3 SUMMARY OF PORTFOLIO FINANCES

Each quarter, EDC's are asked to complete the table shown below with information pertaining to their spending on a portfolio and by-program basis. Below is a summation of all seven EDC's spending on incentives, administration, and evaluation for Phase II. EDC's will not report Participant Costs or Total Resource Costs until the *Program Year Six Annual Report*. For the purposes of this table, all PPL EDC Incentives to Participants or Trade Allies are combined into the EDC Incentives to Participants cell.

Table 3-1: Summation of Statewide Portfolio Finances for Phase II

Element	PYTD (\$000)	Phase II (\$000)
Total Utility Incentives	\$ 45,605	\$ 105,217
EDC Incentives to Participants	\$ 45,451	\$ 104,999
EDC Incentives to Trade Allies	\$ 153	\$ 218
Program Overhead Costs	\$ 62,171	\$ 175,126
Design & Development	\$ 48	\$ 2,065
Administration, Management and Technical Assistance ^[2]	\$ 46,225	\$ 135,330
Marketing ^[3]	\$ 7,053	\$ 19,173
EDC Evaluation Costs	\$ 7,545	\$ 12,758
SWE Audit Costs	\$ 1,300	\$ 5,800
Total Utility Costs	\$ 107,777	\$ 280,343

NOTES:

[1] Per the 2013 Total Resource Cost Test Order – Net participant costs; in PA, the costs of the end-use customer.

[2] Includes the administrative CSP (rebate processing), tracking system, general administration and clerical costs, EDC program management, CSP program management, general management oversight major accounts and technical assistance.

[3] Includes the marketing CSP and marketing costs by program CSPs.

Table 3-2 below provides a comparison of the PY6 actual energy efficiency program expenditures for the first two quarters of the program year by EDC to the approved budget in each EDC's Phase II Energy Efficiency and Conservation (EE&C) plan. The PY6 overall energy efficiency program budget for all seven EDC's was \$239.3 million while actual spending in Q1 and Q2 of PY6 was \$107.8 million, leaving 55% of the budget remaining for the remaining two quarters of PY6. Five of the seven EDC's show actual acquisition costs through the end of PY6Q2 that are lower than the annual projections in their Phase II EE&C plans, while the two remaining EDC's show acquisition costs above the forecast. It is important to note that these are mid-year comparisons that will change throughout the program year. As an aggregate, the actual PY6 energy efficiency acquisition cost per first year kWh saved is \$.24 per kWh, 14% more than the forecast acquisition cost for PY6 of \$.21 per first year kWh saved.

Table 3-2: Comparison of EDC Preliminary Data on PY6 Total Expenditures for Q1 and Q2 on Energy Efficiency Programs Versus the Approved Budget in Each EDC's EE&C Plan & Actual Acquisition Cost Per First Year kWh Saved for PY6

EDC	Actual PYTD EE Expenditures (\$)	Approved Budget for PY6 (\$) ²	Remaining Budget (\$)	Remaining Budget (%)	PYTD MWh Savings (Without Carry Over savings)	Forecast PY6 MWh savings ³	Forecast PY6 Acquisition Cost per First Year kWh Saved	Actual PYTD Acquisition Cost per First Year kWh Saved	Actual Acquisition Cost - Percent Difference from Budget
PECO	\$42,054,000	\$85,203,613	\$43,150,613	50.6%	107,745	363,901	\$0.23	\$0.39	+66.7%
PPL	\$30,574,000	\$57,198,896	\$26,624,896	46.5%	86,454	327,820	\$0.17	\$0.35	+102.7%
Duquesne	\$10,674,000	\$19,497,797	\$8,823,797	45.3%	61,058	110,689	\$0.18	\$0.17	-0.8%
Met Ed	\$7,530,000	\$24,573,384	\$17,043,384	69.4%	56,707	104,783	\$0.23	\$0.13	-43.4%
Penelec	\$7,158,000	\$22,671,617	\$15,513,617	68.4%	55,514	98,213	\$0.23	\$0.13	-44.1%
Penn Power	\$2,436,000	\$6,612,297	\$4,176,297	63.2%	16,905	30,224	\$0.22	\$0.14	-34.1%
West Penn Power	\$7,352,000	\$23,508,877	\$16,156,877	68.7%	57,207	101,533	\$0.23	\$0.13	-44.5%
Grand Total	\$107,777,000	\$239,266,481	\$131,489,481	55.0%	441,590	1,137,163	\$0.21	\$0.24	+14.3%

² From each EDC's EE&C plan

³ Ibid.