



LEGAL SERVICES

800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6210
FAX: (724) 838-6464
jmunsch@alleghenyenergy.com

VIA U.P.S. NEXT DAY

March 30, 2009

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

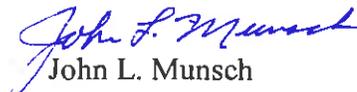
Re: **Implementation of the Alternative Energy Portfolio
Standards Act of 2004; Standards for the Participation
of Demand Side Management Resources – Technical Reference
Manual at Docket No. M-00051865**

**Implementation of Energy Efficiency and Conservation
Program at Docket No. M-2008-2069887**

Dear Secretary McNulty:

Enclosed is the original copy of the Reply Comments filed on behalf of West Penn Power Company d/b/a Allegheny Power concerning the proposed update to the Technical Reference Manual for use with Energy Conservation and Efficiency Programs. This filing is also made electronically. This Answer is filed by UPS Next Day and electronically and is deemed filed today.

Very truly yours,


John L. Munsch
Attorney

JLM:sac

Enclosures

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Implementation of the Alternative	:	
Energy Portfolio Standards Act of 2004	:	Docket No. M-00051865
Standards for the Participation of Demand	:	
Side Management Resources – Technical	:	
Reference Manual	:	
Implementation of Energy Efficiency and	:	
Conservation Program	:	Docket No. M-2008-2069887
	:	

Reply Comments
of West Penn Power Company d/b/a Allegheny Power
On Proposed Update to the Technical Reference Manual

West Penn Power Company d/b/a Allegheny Power (“Allegheny Power” or “Company”) submits reply comments in the above-referenced dockets concerning the proposed update to the 2005 Technical Reference Manual (“TRM”) for use by Pennsylvania electric distribution companies in their Energy Efficiency and Conservation (“EEC”) programs.

Reply Comments

1. Allegheny Power agrees that there should be an initiative to develop a TRM manual that will support the development of cost-effective EEC programs. EEC programs should employ a deemed-savings approach for prescriptive measures.
2. Allegheny Power recommends that industry-recognized resources such as Energy Star and EIA should be used. The TRM manual should specifically reference such sources. Allegheny Power recommends that information from industry resources and

manufacturers should be the final value in determining deemed savings. This will help avoid contradictions between the TRM and the industry information that may occur as information is updated.

3. Some specific discrepancies in the draft TRM are as follows:
 - a. Appendix A, Measure Lives, dated July 2001, lists CFLs at a life of 6.4 years. Most manufactures rate the bulbs at 10,000 hours and assume they burn three hours per day which yields nine years. In Allegheny Power's Maryland program the Company assumed a 10-year life at 10,000 hours, or 1.1 hours per day. If the TRM dictates 6.4 years, this would equate to around four hours per day for a 10,000 hour bulb.
 - b. The draft TRM has the measure life of freezers and room air conditioners at 13 and 10 years, respectively, whereas Energy Star lists the appliances at 11 and 9 years respectively.
 - c. Page 12 of the TRM lists EFLH (heating and cooling) that are half or less of the FLHH and FLCH shown in the energy star calculator. The hours are correct elsewhere in the TRM, such as at page 29 for room air conditioners. The list appears to be a direct copy of the data in the calculator.
 - d. The Energy Star calculator provides energy savings for appliances that should be accepted where applicable.
4. Allegheny Power accepts national, regional and state customer demographics when customer demographic information is not available for the Company's customer base. In situations where the utility has customer demographic information available, however, the specific information should be accepted as more accurate than the national, regional

or state information for use in the utility's calculations. An EDC should not be required to use national, regional or state information when the EDC has specific demographic information for its customers. For example, the draft TRM assumes that 75 percent of customers have gas water heating and that 60 percent have gas clothes dryers. Allegheny Power's 2006 Residential Appliance Saturation Survey, however, shows that only 42 percent of Allegheny Power's residential customers have gas water heating and 12 percent have gas clothes dryers.

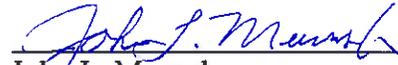
5. The TRM should not provide preferential treatment to vendors, suppliers or contractors. Allegheny Power believes that the TRM should provide specific formulas, algorithms, specifications and processes available to all providers to ensure services are provided in a competitive manner and to fully support development of cost-effective EEC programs. Allegheny Power is also concerned about sole-sourcing the implementation of the home performance program to CSG. This has the potential to raise cost to the customer.
6. As noted in its Comments dated March 12, 2009, Allegheny Power is concerned that the TRM cites multiple standards, some adopted in other states and others proposed by third parties and consultants, that may not be in the best interest of the EDCs or the Commission. Allegheny Power recommends that the Commission adopt a clear and unified standard. The TRM should not preclude the use of accepted industry or federal standards, however.
7. Allegheny Power reiterates its concern that the Pennsylvania TRM and the PJM M&V plan requirements should align as dictated by good business sense.
8. Allegheny Power also requests assurance that EDCs not be limited to exclusive reliance on the TRM. Should EDCs implement alternative, well-documented methods to measure

savings, the Commission should consider the measurement methods. Allegheny Power suggests including language that clarifies that EDCs may use measurements that are more robust and go beyond the TRM.

9. Allegheny Power supports the Comments and Reply Comments of the Energy Association of Pennsylvania that free riders and free drivers are assumed to be zero in the counting of units from direct program participation.
10. Finally, with respect to “Baseline Estimates” at page 3 of the proposed TRM, Allegheny Power reiterates its Comments filed on March 12, 2009. The baseline savings estimates for early retirement of working equipment should be based on the specifications of the removed equipment, not on an industry standard. For example, Allegheny Power’s affiliate, an electric distribution company in Maryland, operates under the Maryland conservation initiative. In its Maryland programs, Allegheny Power’s affiliate is designing recycling programs for refrigerators, window air conditioning units, and freezers based on the calculated savings determined by removing the working unit and not by an industry standard at the time of removal. The data is collected by a recycling contractor that will verify the working condition of unit prior to removal, collect nameplate data, and provide an estimate of the energy saved by replacing the old unit. Attempts to justify the cost of replacing refrigerators, window air conditioning units, and freezers using an industry standard fail. Savings measurement for such measures must be based on actual units removed from service and not on an industry standard; otherwise, these programs, successful in other states, would not be available to Pennsylvania consumers. This approach is consistent with the current draft PJM Energy and Efficiency Measurement and Verification Manual.

Respectfully Submitted,

Date: March 30, 2009



John L. Munsch
Attorney for
WEST PENN POWER COMPANY
d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601
724-838-6210
724-830-7737 (FAX)
jmunsch@alleghenyenergy.com