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File #: 140069

November 7, 2011

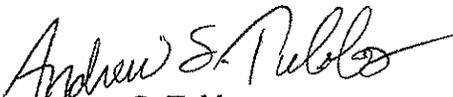
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**RE: Implementation of the Alternative Energy Portfolio Standards of 2004: Standards for the Participation of Demand Side Management Resources - Technical Reference Manual 2012 Update - Docket No. M-00051865**

Dear Secretary Chiavetta:

Enclosed for filing are the Reply Comments of PPL Electric Utilities Corporation in the above-referenced proceeding.

Respectfully Submitted,

  
Andrew S. Tubbs

AST/jl

Enclosure

cc: Gregory A. Shawley, Bureau of Technical Utility Services (*via E-mail*)  
Kriss Brown, Law Bureau (*via E-mail*)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of the Alternative Energy :  
Portfolio Standards of 2004: Standards for : Docket No. M-00051865  
the Participation of Demand Side :  
Management Resources - Technical :  
Reference Manual 2012 Update :

**REPLY COMMENTS OF  
PPL ELECTRIC UTILITIES CORPORATION**

**TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), by and through its attorneys, in accordance with the Pennsylvania Public Utility Commission’s (“Commission”) September 23, 2011 Tentative Order,<sup>1</sup> hereby submits these Reply Comments to the October 28, 2011 comments of PECO Energy Company (“PECO”) and the Pennsylvania Ski Area Association (“PSAA”). As discussed in detail below, although PPL Electric generally agrees with certain aspects of the comments filed by PECO and PSAA (“PECO Comments” and “PSAA Comments,” respectively) concerning the proposed 2012 update of the Commission’s Technical Reference Manual (“TRM”), the Company requests that if the Commission accepts the proposals suggested by PECO and PSAA, said proposals should be modified consistent with these Reply Comments. In support thereof, PPL Electric states as follows:

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<sup>1</sup> *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual Update* (Order entered September 23, 2011), Docket No. M-00051865 (“Tentative Order”).

## **I. BACKGROUND**

In the *Tentative Order*, the Commission requested comments on the Commission's proposed 2012 revisions to the TRM ("2012 TRM"). The Commission requested that interested parties file written comments on the 2012 TRM by October 28, 2011, and requested that parties file reply comments by November 7, 2011. On October 28, 2011, the Energy Association of Pennsylvania, EnerNOC, Inc., the FirstEnergy Companies (Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company), PECO, PPL Electric, PSAA and the UGI Distribution Companies (UGI Utilities, Inc. - Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc.) filed initial comments on the Commission's proposed 2012 TRM. As noted above, the Company generally agrees with or does not oppose the comments of PECO and PSAA; however, PPL Electric proposes the following modifications to the proposals presented by PECO and PSAA.

## **II. REPLY OF PPL ELECTRIC**

### **A. VERIFIED GROSS ADJUSTMENTS**

In its comments, PECO states that in many cases, the number of measures installed onsite differs from the number stated in the incentive application. PECO Comments at p. 2, *citing*, 2012 TRM Section 1.11. PECO further states that under the 2012 TRM update when the number of measures found onsite is less than what is stated on the application, the savings will be adjusted downward; however, if the number of measures found is greater than those stated in the application, the savings will not be adjusted upward. *Id.* In the context of projects with a high volume of measures, PECO recommends that the savings should be adjusted to reflect the actual, onsite measure count whether that count is above or below the number on the incentive application. PECO further states that the Statewide Evaluator ("SWE") should have the discretion to make savings adjustments if it determines they are appropriate. *Id.*

PPL Electric agrees with PECO that in the context of projects with a high volume of measures, for example, lighting projects, the savings should be adjusted to reflect the actual, onsite measure count, regardless of whether that count is *above or below* the number on the incentive application. An Electric Distribution Company's ("EDC") independent evaluator, however, should determine the appropriate adjustment to the verified gross savings, and how much of the adjustment should be accounted for in the net savings. The SWE would then have, as part of its standard review process, the ability to evaluate any adjustment. Furthermore, PPL Electric recommends the discussion on "Verified Gross Adjustments" in Section 1.11 of the 2012 TRM be moved to the SWE's Audit Plan. This is because estimation of verified gross adjustments is primarily an impact evaluation issue, and the Audit Plan provides extensive discussion and guidance on how the impact evaluation should be conducted. Therefore, it would be more appropriate to place this discussion in the Audit Plan.

**B. EQUIVALENT FULL LOAD HOURS ("EFLH")**

PECO recommends, in its comments, that the Technical Working Group ("TWG") investigate the stipulated Equivalent Full Load Hours ("EFLH") for the following residential protocols: Electric HVAC, Programmable Thermostats, Ductless Mini-Split Heat Pumps, and Fuel Switching: Electric Heat to Gas Heat. PECO Comments, Appendix A, pp. 3, 5 and 6. PECO maintains that the EFLH values currently in the TRM are overstated for Pennsylvania and, as such, are overestimating the savings for these measures. See PECO Comments, Appendix A, p. 6. PECO recommends that, "[i]f savings are found to be unreliable, the TWG should develop an interim TRM protocol or TRM addendum which supersedes the 2012 default measure savings." PECO Comments, Appendix A, pp. 3, 5 and 6.

PPL Electric does not disagree that the accuracy of the EFLH could warrant further investigation; however, the Company disagrees that the EFLH should be adjusted through an

interim TRM measure or TRM addendum. Any necessary adjustments, based on the findings of the TWG, should be implemented in the post-2013 Act 129 of 2008<sup>2</sup> Energy Efficiency & Conservation plans (“EE&C Plans”). It is not appropriate to implement any proposed adjustments that result from a TWG investigation in the final year of the 2009-2012 EE&C Plans. EDCs would not have sufficient time to revise the EE&C Plan estimates and to make-up any potential shortfall which may occur due to any adjustments to the EFLH values.<sup>3</sup>

**C. COMMERCIAL AND INDUSTRIAL (“C&I”) LIGHTING EQUIPMENT IMPROVEMENTS**

In its comments, PECO states that the 2012 TRM does not allow for the use of verified building hours of usage (“HOU”) for the building types specified in Table 3-4 of the 2012 TRM, during the evaluation, even if the hours in Table 3-4 vary significantly from the verified hours. PECO Comments, Appendix A, p. 13. PECO recommends adding language that allows verified HOU to be used for projects with connected load savings less than 20 kW when those hours differ from the stipulated values by more than 10%. *Id.*

Regarding PECO’s proposal to add language allowing verified HOU to be used when they differ from the stipulated values by more than 10%, PPL Electric recommends that the use of verified HOU values be an *option* and *not a requirement*. It is unreasonable to require verification of HOU for projects with connected load savings less than 20 kW, because the cost associated with doing such a verification is very high and the relative potential savings would be small.

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<sup>2</sup> 66 Pa.C.S. § 2806.1.

<sup>3</sup> Furthermore, as discussed in the Company’s comments filed on October 28, 2011, the Commission may not require that subsequent revisions to the TRM be applied to previously approved EE&C Plans without following established procedures, particularly where any proposed revisions would jeopardize an EDC’s ability to comply with Act 129 of 2008.

#### **D. SNOWMAKING ADDITION TO THE 2012 TRM**

In its October 28, 2011 comments, PSAA proposes a measure directed at reducing snowmaking energy requirements, which would apply to new construction, equipment replacement and retrofits applicable to the snowmaking process. PSAA Comments, pp. 3-7. PSAA also proposes, *inter alia*, a method for calculating savings for air compressor upgrades for snowmaking equipment. *See Id.* PPL Electric agrees that PSAA's proposed measure could result in considerable energy savings and agrees with the algorithm proposed for calculating energy savings contained in PSAA's comments. However, due to the site-specific nature of the proposed measure, PPL Electric proposes that the snowmaking measure, offered by PSAA, should be treated as a custom measure and not included in the TRM. Specifically, as the PSAA Comments state, the diversity of the snowmaking equipment and other site-specific conditions, such as acre-feet of snow required, will result in savings which could vary significantly from one ski resort location to another. *See* PSAA Comments, p. 2. Given this high uncertainty, it would be more appropriate to use a custom approach for this proposed measure. Accordingly, EDCs should have the option of using PSAA's proposed measure as a "Site Specific Measurement and Verification Protocol," as defined in the SWE's Guidance Memorandum, GM-002 - Custom Measure Process Memorandum.

**III. CONCLUSION**

As fully discussed above, PPL Electric Utilities Corporation requests that the Commission modify the proposals presented in the comments filed by PECO and PSAA on October 28, 2011, consistent with these Reply Comments.

Respectfully submitted,



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Date: November 7, 2011

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