

PENNSYLVANIA UTILITY LAW PROJECT

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August 30, 2012

Via E-Filing

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Act 129 Energy Efficiency and Conservation
Program Phase Two

Docket No.
M-2012-2289411
M-2008-2069887

Dear Secretary Chiavetta:

Please find the Response of CAUSE-PA to the Petition of First Energy Companies for Reconsideration and Clarification in the above captioned proceeding. A copy has been served upon the Parties as indicated in the enclosed Certificate of Service.

Thank you for your assistance, and please feel free to contact me directly should you have any questions.

Very truly yours,



Pennsylvania Utility Law Project
Harry S. Geller
Counsel for CAUSE-PA.

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Act 129 Energy Efficiency and Conservation
Program Phase Two

Docket No.
M-2012-2289411
M-2008-2069887

**Response of the Coalition for Affordable Utility Services
and Energy Efficiency in Pennsylvania to the Petition for Reconsideration and
Clarification of Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), through its counsel at the Pennsylvania Utility Law Project, hereby files this Response to the Petition for Reconsideration filed by PPL Electric Utilities Corporation in the above captioned proceeding and states as follows:

1. Act 129 of 2008 ("Act 129") charged the Pennsylvania Public Utility Commission ("Commission") with the task of developing an energy efficiency and conservation program ("EE&C Program.") The Act also established energy efficiency ("EE") and peak demand reduction ("PDR") targets that each electric distribution company ("EDC") with at least 100,000 customers had to meet by May 31, 2011 and/or May 31, 2013.

2. Pursuant to Section 2806.1(C)(3) of Act 129, the Commission was also charged with evaluating the costs and benefits of the EE&C Program by November 30, 2013 and every five years thereafter.

3. To fulfill this statutory obligation, the Commission adopted a tentative order in the above captioned proceeding on May 10, 2012, outlining its proposed standards for a Phase II EE&C Program which is currently scheduled to begin June 1, 2013.

4. On August 3, 2012, after receiving comments and reply comments from the Companies and other interested parties, the Commission entered its Implementation Order ("August 3 IO").

5. Pursuant to its Act 129 mandated responsibilities, in the August 3 IO, the Commission established Phase II of the EE&C program, requiring EDCs to adopt and implement cost, effective plans to reduce energy consumption throughout the Commonwealth.

6. The August 3 IO tentatively adopted specific EDC consumption reduction targets which would become final for any covered EDC that did not petition the Commission for an evidentiary hearing by August 20, 2012 as well as guidelines for implementing Phase II of the EE&C Program.

7. The August 3 IO further indicated that if an electric distribution company filed a petition for an evidentiary hearing the matter will be referred to the Office of Administrative Law Judge for hearings with the record being certified to the Commission by November 2, 2012; and that any party seeking to intervene in any such proceeding must file a Petition for Intervention within 10 days of an EDC filing a petition for an evidentiary hearing.

8. On August 20, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power

Company (“The Companies”) jointly filed a Petition for Reconsideration and Clarification of the August 3 IO and separate Petitions for Evidentiary Hearings regarding the consumption benchmarks.

9. Specifically, in their Petition for Reconsideration and Clarification, the Companies request that the Commission:

- a. Clarify that the August 3 IO sets forth guidelines through an order that is akin to a policy statement, and not legally binding directives and penalties through an order with the force of law; and
- b. Reconsider the timing of the evidentiary hearing on the EE benchmarks established in the August 3 IO.

10. In regard to their request for clarification, the Companies assert that the Commission lacks the authority to establish penalties should an EDC fail to achieve specific customer segment carve outs.

11. CAUSE-PA is a statewide unincorporated association of low-income individuals that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunication services. CAUSE-PA membership is open to individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low-income families access and maintain affordable utility services and achieve economic independence and family well-being.

12. CAUSE-PA supports the creation and development of effective energy conservation and energy efficiency programs targeted to assist low-

income Pennsylvanians. These programs are an essential component for obtaining and maintaining long term electricity affordability as well as the continued fostering of a household's health and welfare.

13. Because the successful implementation of Phase Two of Act 129 is a matter of importance to low-income households, CAUSE-PA, through its attorneys at the Pennsylvania Utility Law Project,¹ has commented upon and actively participated as a stakeholder in meetings convened by the Commission and individual Electric Distribution Companies ("EDC"s) regarding Act 129.

14. CAUSE-PA has interests in the impact that the proposed energy efficiency benchmarks and customer carve outs designated in the August 3 IO will have on its members, moderate- and low-income residential customers. At least three current members of CAUSE-PA are customers of the Companies and will be directly affected by the outcome of this Petition for Reconsideration and Clarification.²

15. CAUSE-PA respectfully submits that the Company is incorrect in its assertion that the Commission's August 3 IO is akin to a policy statement and thus does not have the effect of law, thereby depriving the Commission of the ability to enforce compliance. To the contrary, the determination of energy savings targets, including specific carve-out targets, as articulated within the August 3 IO, have been made pursuant to the Commission's Act 129

¹The Pennsylvania Utility Law Project ("PULP"), is a specialized project of the non-profit Pennsylvania Legal Aid Network. PULP provides statewide representation, advice, and support in energy and utility matters on behalf of low-income, residential utility customers and low-income advocacy organizations such as CAUSE-PA.

²The three members of CAUSE-PA who are customers of one of the First Energy Companies are: Ms. Linda Bergman (West Penn Power); Ms. Genora Gosha (Penelec); Ms. Linda Morris (Penelec).

responsibilities and are therefore lawful acts having the full force and effect of law.

16. CAUSE-PA further submits that the Companies' request to consolidate evidentiary hearings on the energy efficiency benchmarks with hearings to determine the sufficiency of the Companies' Phase II plans should be rejected. Although, given the limited resources available to organizations such as CAUSE-PA, consolidation of hearings is generally desirable; in this situation such a consolidation would be unworkable. The Companies must first know their reduction targets before they could design a plan realistically intended to achieve them.

THEREFORE, CAUSE-PA, for the foregoing reasons, respectfully disagrees with and does not support the First Energy Petition for Reconsideration and Clarification.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
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Certificate of Service

I hereby certify that I have this day served copies of the Response of CAUSE-PA, upon the parties designated below **VIA E-MAIL & FIRST-CLASS MAIL** in the captioned matter in accordance with the requirements of 52 Pa. Code § 1.54:

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August 30, 2012


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