

Kathy J. Kolich  
Senior Corporate Counsel330-384-4580  
Fax: 330-384-3875

October 24, 2013

**VIA FEDEX OVERNIGHT****RECEIVED****OCT 24 2013**Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

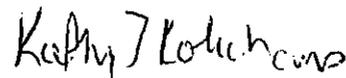
Re: Implementation of the Alternative Energy Portfolio Standards Act of  
2004: Standards for the Participation of Demand Side Management  
Resources – Technical Reference Manual 2013 Update  
Docket Nos. M-2012-2313373' and M-00051865

Dear Secretary Chiavetta:

Pursuant to the Commission's Order entered August 29, 2013, in the above-captioned proceeding, enclosed herewith for filing are the Reply Comments of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company.

Please contact me if you have any questions regarding this matter.

Sincerely,



Kathy J. Kolich

Enclosure

cc: As Per Certificate of Service

RECEIVED

OCT 24 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Implementation of the Alternative Energy :  
Portfolio Standards Act of 2004: :  
Standards for the Participation of : Docket Nos. M-2012-2313373 and  
Demand Side Management Resources – : M-00051865  
Technical Reference Manual 2014 :  
Update :

---

REPLY COMMENTS OF METROPOLITAN EDISON COMPANY,  
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER  
COMPANY AND WEST PENN POWER COMPANY

---

I. INTRODUCTION

On August 29, 2013, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order in the above-referenced matter seeking comments to the proposed updates to the 2014 Technical Reference Manual (“TRM”) that will be applied to electric distribution companies (“EDCs”) Phase II Energy Efficiency and Conservation (“EE&C”) Plans from June 1, 2014 through May 31, 2015. The Commission directed that comments be submitted within thirty days of publication in the *Pennsylvania Bulletin*, and that reply comments be filed forty days thereafter, which deadline is October 24, 2013. The Tentative Order was published in the *Pennsylvania Bulletin* on September 14, 2013.

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively, “the Companies”) respectfully submit the following reply comments to Citizen’s for Pennsylvania’s Future (“Penn Future”) and Keystone Energy Efficiency Alliance’s (“KEEA”) comments.

## II. REPLY COMMENTS

The Companies have reviewed and considered the majority of Penn Future/KEEA TRM comments and view the issues they are raising, with some minor exceptions, to be broad issues with a longer-term focus that would require further market research. Because of this, many of Penn Future/KEEA's suggestions should be postponed until such research can be done to confirm the need for implementation of the same. At a minimum, many of Penn Future/KEEA's suggestions should be addressed during a future potential Phase of Act 129, rather than during the mid-Phase II Plan cycle that is based on standards and parameters that do not factor in such recommendations. Penn Future/KEEA's Comments that could be implemented on a near-term basis without significantly affecting the already approved EE&C Plans that are currently in place and being (or have been) implemented include the recommendations such as enhancing support documentation or updating coincidence factors to more consistently reflect the peak period defined in §1.10. In addition, several comments, such as in the discussion of how T-12's are valued in "C/I Issue B" are addressed through existing TRM treatment, combined with net-to-gross assessments, or are otherwise addressed in the implementation of the TRM. Therefore, *these types of recommendation by Penn Future/KEEA should be rejected.*

Penn Future/KEEA also makes several recommendations regarding changes to baselines based on standard industry practice, rather than current federal standards. The Companies oppose these recommendation and, instead, support the current practice of referencing federal standards for determination of baselines in the TRM given: a) the challenges associated with accurately characterizing industry practice; b) the absence of market studies that could characterize standard industry practice; and c) the ability to capture free-ridership through net-to-gross assessments. As an example, Penn Future/KEEA references Energy Star market share of

certain residential appliances and cites that the baselines for residential measures should therefore be increased to reflect this. However, this data is not specific to Pennsylvania nor does this data characterize the industry practice that would have occurred in the absence of energy efficiency programs. The Companies recommend that baselines NOT be changed unless and until definitive market research specific to Pennsylvania supports such a change.

With respect to Penn Future/KEEA's "Residential Issue C" ("revise the baseline for 2014 EISA covered lamps to account for delayed inventory clearance."), the Companies agree with Penn Future/KEEA that there should be a lag in applicability of changes in federal standards generally, but also note that this issue has been discussed, and attempted to be addressed through the use of a TRM effective date of June 1, thus, providing for a five month lag. As previously noted, the Companies believe that the baselines should be based on specific market research and suggests that market shelving studies would best support the timing of implementation of the 2014 EISA wattages.

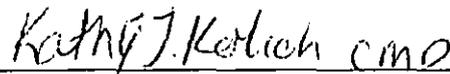
In summary, based on the nature of their comments, the Companies believe that except for the several examples expressly discussed above, Penn Future/KEEA's comments are neither timely nor appropriate for implementation in the 2014 TRM. While many of the issues can be considered prior to conducting market potential studies from which savings targets are established for future phases of Act 129, they are misplaced during a mid-Plan cycle (2014) TRM update as they would significantly alter gross savings under approved EE&C Plans and make approved Plan designs/budgets incapable of attaining the savings targets they were designed to achieve. Moreover, making such changes after the Plans have been approved, may raise due process issues that can easily be avoided by simply postponing consideration of such recommendations until a more appropriate time.

### III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company appreciate the opportunity to provide reply comments on the Commission's Tentative Order regarding the 2014 Technical Reference Manual. The Companies look forward to working with the Commission and the other parties on this matter.

Respectfully submitted,

Dated: October 24, 2013

 Kathy J. Kolich *cmo*

Kathy J. Kolich  
Attorney No. 92203  
FirstEnergy Service Company  
76 S. Main Street  
Akron, Ohio 44308  
Phone: (330) 384-4580  
Fax: (330) 384-3875  
Email: [kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)

Counsel for:  
Metropolitan Edison Company,  
Pennsylvania Electric Company,  
Pennsylvania Power Company and West Penn  
Power Company

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Implementation of the Alternative Energy** :  
**Portfolio Standards Act of 2004:** : **Docket Nos. M-2012-2313373**  
**Standards for the Participation of** : **M-00051865**  
**Demand Side Management Resources –** :  
**Technical Reference Manual 2013 Update** :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by first class mail:

Steven C. Gray, Esq.  
Acting Small Business Advocate  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101  
[sgray@state.pa.us](mailto:sgray@state.pa.us)

Tanya D. McCloskey, Esq.  
Office of Consumer Advocate  
555 Walnut Street – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[tmccloskey@paoca.org](mailto:tmccloskey@paoca.org)

Johnnie E. Simms, Esq.  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[josimms@state.pa.us](mailto:josimms@state.pa.us)

**RECEIVED**

**OCT 24 2013**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

Service by electronic mail, as follows:

Megan G. Good  
Bureau of Technical Utility Services  
[megagood@pa.gov](mailto:megagood@pa.gov)

Kriss Brown  
Law Bureau  
[kribrown@pa.gov](mailto:kribrown@pa.gov)

Dated: October 24, 2013

Kathy J. Kolich cmo  
Kathy J. Kolich  
Attorney No. 92203  
FirstEnergy Service Company  
76 S. Main Street  
Akron, Ohio 44308  
Phone: (330) 384-4580  
Fax: (330) 384-3875  
Email: [kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)  
Counsel for:  
Metropolitan Edison Company,  
Pennsylvania Electric Company,  
Pennsylvania Power Company and  
West Penn Power Company

From: (330) 761-2352  
Carrie M. Dunn  
FirstEnergy Corp  
76 S. Main St.

Origin ID: CAKA



J13201306280326

Akron, OH 44308

Ship Date: 24OCT13  
ActWgt: 1.0 LB  
CAD: 3157553/NET3430

Delivery Address Bar Code



SHIP TO: (717) 772-7777

BILL SENDER

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
400 NORTH ST FL 2

HARRISBURG, PA 17120

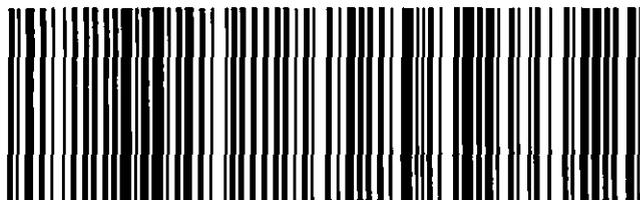
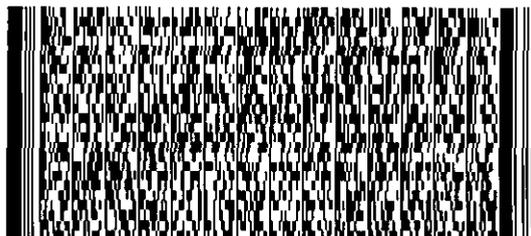
Ref # 560600/503001/503001  
Invoice # Reply Comments  
PO # M-2012-2313373 and M-00051865  
Dept # Legal - CMD

FRI - 25 OCT 10:30A  
PRIORITY OVERNIGHT

TRK# 7969 9055 3473  
0201

17120  
PA-US  
MDT

NA MDTA



51AG1/AB1B/1A9E

**After printing this label:**

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.