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JUL 15 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

July 15, 2014

Via Federal Express

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Second Floor
Harrisburg, Pennsylvania 17120

M-2012-2333992

**Re: PUC Docket No. M-2008-2069887
Energy Efficiency and Conservation Program Quarterly Report for
March 1, 2014 through May 31, 2014**

Dear Secretary Chiavetta:

In accordance with the Commission's Secretarial Letter dated May 25, 2011, enclosed is PECO's Quarterly Energy Efficiency & Conservation Report for the period March 1, 2014 through May 31, 2014.

PECO is providing a copy of the report to the Act 129 Statewide Evaluator (GDS Associates, Inc.) and is also posting the report on the PECO website.

Please acknowledge receipt of the foregoing on the enclosed copy of this letter.

If you have any further questions regarding this matter, please call me at 215-841-5777.

Sincerely,

Richard G. Webster, Jr. / RAS

cc: C. Walker-Davis, Director, Office of Special Assistants
P. T. Diskin, Director, Bureau of Technical Utility Services
D. P. Hosler, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

enclosures

Quarterly Report to the Pennsylvania Public Utility Commission

For the Period
March 2014 through May 2014
Program Year 5, Quarter 4

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JUL 15 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

For Pennsylvania Act 129 of 2008
Energy Efficiency and Conservation Plan

Prepared by Navigant Consulting, Inc.

For

PECO Energy Company

July 15, 2014

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Acronyms

ASHP	Air Source Heat Pump
C&I	Commercial and Industrial
CATI	Computer-Aided Telephone Interview
CDO	Commercial Date of Operation
CFL	Compact Fluorescent Lamp
CHP	Combined Heat and Power
CSP	Conservation Service Provider or Curtailment Service Provider
CVR	Conservation Voltage Reduction
CVRf	Conservation Voltage Reduction factor
DLC	Direct Load Control
DR	Demand Response
EDC	Electric Distribution Company
EDI	Electronic Data Interchange
EE&C	Energy Efficiency and Conservation
EM&V	Evaluation, Measurement, and Verification
GNI	Government, Nonprofit, Institutional
HER	Home Energy Reports
HVAC	Heating, Ventilating, and Air Conditioning
IC	Implementation Contractor
IQ	Incremental Quarter
kW	Kilowatt
kWh	Kilowatt-hour
LED	Light-Emitting Diode
LEEP	Low-Income Energy Efficiency Program
LIURP	Low-Income Usage Reduction Program
M&V	Measurement and Verification
MW	Megawatt
MWh	Megawatt-hour
NTG	Net-to-Gross
PA PUC	Pennsylvania Public Utility Commission
PECO	PECO Energy Company
Phase II	June 1, 2013 to May 31, 2017

Phase II Savings	Cumulative Program/Portfolio Phase II Inception to Date
Phase II-CO Savings	Cumulative Program/Portfolio Phase II Inception to Date including Carry Over Savings from Phase I
Phase II-Q Savings	Phase II verified gross savings from the beginning of Phase II + PYTD reported gross savings.
Phase II-Q-CO Savings	Phase II verified gross savings from the beginning of Phase II + verified Carry Over Savings from Phase I + PYTD reported gross savings
PY5	Program Year 2013, from June 1, 2013 to May 31, 2014
PY6	Program Year 2014, from June 1, 2010 to May 31, 2015
PY7	Program Year 2015, from June 1, 2011 to May 31, 2016
PY8	Program Year 2016, from June 1, 2012 to May 31, 2017
PYX QX	Program Year X, Quarter X
PYTD	Program Year to Date
RAP	Resource Action Programs
RCT	Randomized Controlled Trial
SAR	Smart Appliance Recycling
SBR	Smart Builder Rebates
SBS	Smart Business Solutions
SCI	Smart Construction Incentives
SEER	Seasonal Energy Efficiency Rating
SEI	Smart Equipment Incentives
SES	Smart Energy Saver
SMFS	Smart Multifamily Solutions
SOS	Smart On-Site
SUP	Smart Usage Profile
SWE	Statewide Evaluator
TRC	Total Resource Cost
TRM	Technical Reference Manual

1 Overview of Portfolio

Pennsylvania Act 129, signed on October 15, 2008, mandated energy savings and demand reduction goals for the largest electric distribution companies (EDCs) in Pennsylvania for Phase I (2008 through 2013). In 2009, each EDC submitted energy efficiency and conservation (EE&C) plans—which the Pennsylvania Public Utility Commission (PA PUC) approved—pursuant to these goals. Each EDC filed new EE&C plans with the PA PUC in early 2013 for Phase II (June 2013 through May 2016) of the Act 129 programs. The PA PUC subsequently approved these plans in 2013.

Implementation of Phase II of the Act 129 programs began on June 1, 2013. This report documents the progress and effectiveness of the Phase II EE&C accomplishments for the PECO Energy Company (PECO) in the fourth quarter (Q4) of Program Year 5 (PY5), defined as March 1, 2014 through May 31, 2014, as well as the cumulative accomplishments of the programs since inception of Phase II. Additionally, this report is structured to document the verified energy savings carried over from Phase I. The Phase I carry-over savings count towards EDC savings compliance targets for Phase II.

Navigant Consulting, Inc. (Navigant) is evaluating the programs, which includes measurement and verification of the savings. Navigant will report the verified savings for PY5 in the annual report, which PECO will file on November 15, 2014.

1.1 Carry-Over Savings

According to the Phase II Implementation Order, PECO is allowed by the PA PUC to “carry over” megawatt-hour (MWh) savings in excess of its Phase I compliance target into Phase II of Act 129. The total, technical reference manual (TRM) verified savings PECO reported for Phase I was 1,399,242 MWh. The PA PUC tentatively accepted this value in its Act 129 Phase I Compliance Determination Order.^[1] At the time PECO filed its Phase I Final Report, there were three Combined Heat and Power (CHP) projects (one in the commercial and industrial [C&I] sector, two in the government, nonprofit, institutional [GNI] sector) that had “commercial dates of operation” (CDO) in Phase I, but were completed too late in the program year for Navigant to fully verify them. Per the statewide evaluator’s (SWE’s) September 13, 2013 guidance memo on reporting unverified savings,^[2] PECO presented reported (unverified) savings for these projects in the Phase I Report. Navigant has since fully evaluated these three projects, and their verified savings total 25,101 MWh. In combination with the TRM-verified savings from Phase I, PECO’s total, TRM-verified savings from Phase I is therefore 1,424,343 MWh. This amount exceeds PECO’s Phase I compliance target of 1,181,550 MWh by 242,793 MWh, which is the amount that PECO is carrying over into Phase II. Table 1-1 summarizes these savings.

Table 1-1: Savings from Phase I Carried into Phase II

	Savings (MWh)
Phase I TRM-Verified Savings Excluding CHP	1,399,242
Phase I CHP Verified Savings	25,101
Total Phase I Verified Savings	1,424,343
Phase I Energy Compliance Target	1,181,550
Verified Carry-Over Savings	242,793

Source: Navigant analysis

^[1] Pennsylvania Public Utilities Commission, *Act 129 Phase I Compliance Determination Order*, March 20, 2014, p.6.

^[2] Statewide Evaluator, *Guidance Memo GM-021, Reporting Unverified Energy and Peak Demand Savings for Phase I Projects in the Act 129 Phase I Final Report* (September 13, 2013).

1.2 Summary of Achievements

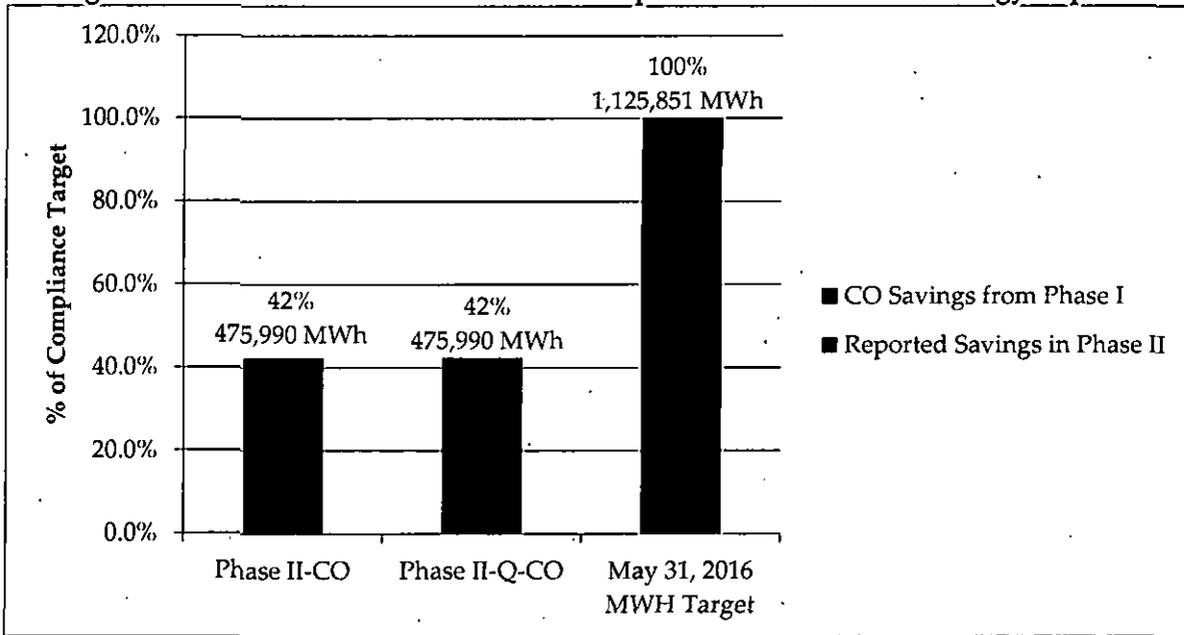
PECO has achieved 42 percent of the May 31, 2016 energy savings compliance target, based on cumulative program inception to date (Phase II) reported gross energy savings,¹ and 42 percent of the energy savings compliance target, based on Phase II-Q-CO² (which will equal Phase II-CO until verified savings are available for PY5) gross energy savings achieved through Q4, as shown in Figure 1-1. Figure 1-1 also shows Phase II-Q.³

¹ Phase II reported gross savings are the reported gross savings from the beginning of Phase II through the end of the current quarter. All savings reported as Phase II reported gross savings are computed this way.

² Phase II-Q-CO gross savings are the Phase II verified gross savings from the beginning of Phase II, including verified carry-over savings from Phase I, added to the program year to date (PYTD) reported gross savings.

³ Phase II-Q gross savings are the cumulative program inception to date (CPITD) verified gross savings from the beginning of Phase II plus the PYTD reported gross savings. Phase II-Q gross savings exclude Phase I carry-over savings. All savings reported as Phase II-Q gross savings are computed this way. Phase II verified gross savings will be reported in the annual report. For the first program year of Phase II (PY5), Phase II-Q savings and Phase II reported gross savings will be the same, as no savings will be verified for Phase II until November, after the end of PY5.

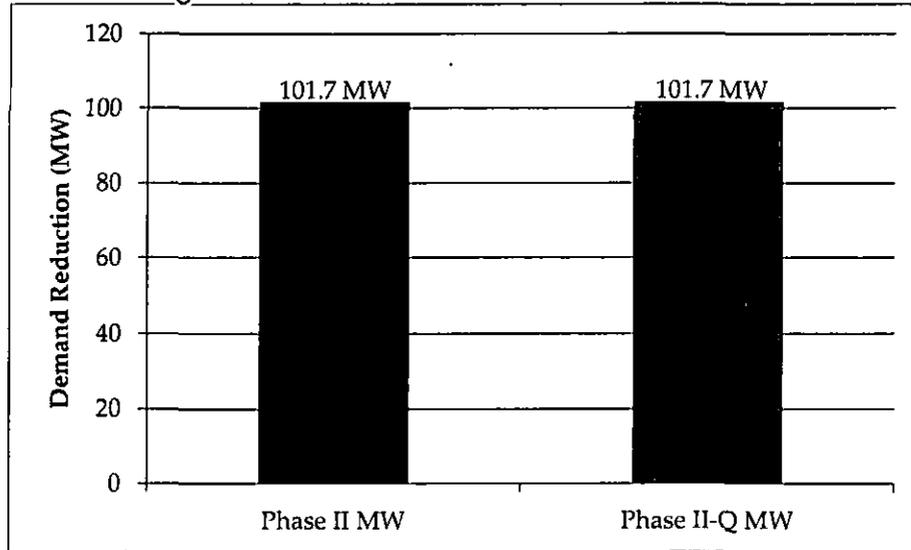
Figure 1-1: Cumulative Portfolio Phase 2 Inception to Date (Phase II) Energy Impacts⁴



⁴ Phase II-CO is the cumulative program/portfolio savings from the inception of Phase II to date, including carry-over savings from Phase I. Phase II-Q-CO is the verified gross savings from the beginning of Phase II plus the verified carry-over savings from Phase I and PYTD reported gross savings.

PECO has achieved 101.7 MW of demand reduction through the end of PY5 Q4⁵, as shown in Figure 1-2.

Figure 1-2: Phase II Portfolio Demand Reduction⁶⁷



There are 18 measures available to the low-income sector at no cost to the customer. These measures offered to the low-income sector therefore compose 14 percent of the total measures offered. This exceeds the Phase II goal, which is the fraction of the electric consumption of the utility's low-income households divided by the total electricity consumption in the PECO territory (8.8 percent).⁸ The Phase II reported gross energy savings achieved in the low-income sector is 14,127 MWh.

⁵ Unlike Phase I, there is no compliance target for demand reduction in Phase II.

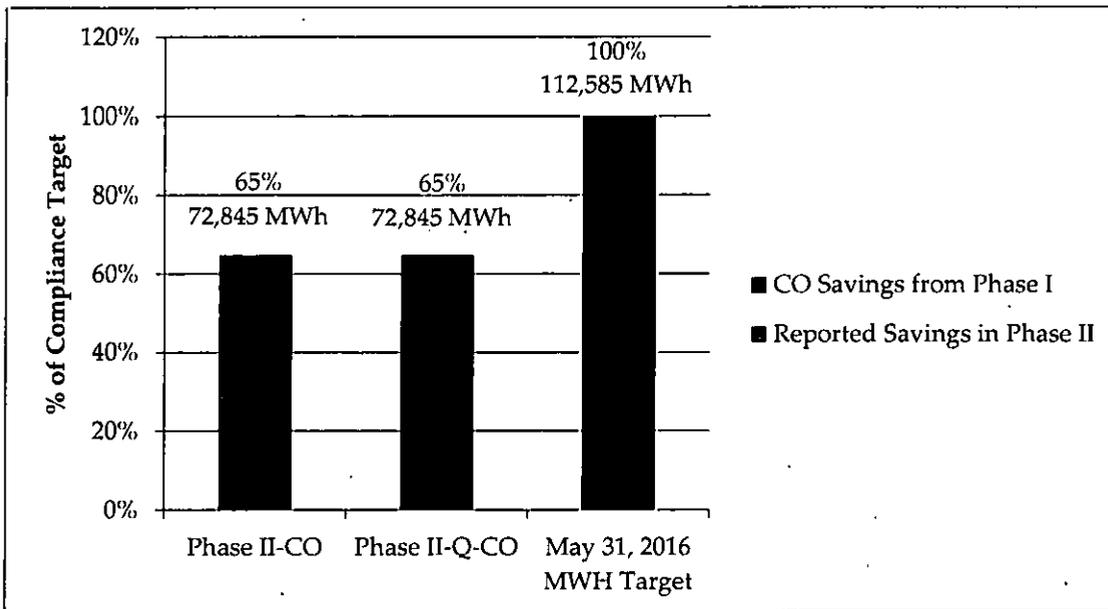
⁶ Phase II MW = Phase II demand savings to date.

⁷ Phase II-Q MW = Phase II verified gross demand savings from the beginning of Phase II + PYTD reported gross demand savings.

⁸ Act 129 includes a provision requiring electric distribution companies 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).

PECO achieved 65 percent of the May 31, 2016 energy reduction compliance target for the GNI sector, based on Phase II reported gross energy savings, and 65 percent of the target, based on Phase II-Q-CO (or Phase II-CO until verified savings are available for PY5) gross energy savings achieved through Q3, as shown in Figure 1-3. *Note that the energy savings values presented for the GNI sector in this report do not include carry-over savings from Phase I. PECO expects to report carry-over savings allocated to the GNI sector in its PY5 Annual Report.*

Figure 1-3: Government, Nonprofit, and Institutional Sector



1.3 Program Updates and Findings

- Smart Appliance Recycling (SAR) Program:** During Q4, there were 1,775 residential participants and 13 non-residential participants. Activity increased in Q4 compared to Q3, which had residential participation of 1,310 and non-residential participation of 9. PECO's program manager attributed the lower Q3 participation to the particularly harsh 2013-2014 winter. PY5 Q1 had approximately 1,700 participants, while Q2 had the highest quarterly participation of 2,328. The PY5 SAR program ended with an overall participation of 7,109 residential participants and 43 non-residential. This is a 140 percent increase in participation over PY4 and is likely due to the higher PY5 incentive level, compared to PY4.

- **Smart Home Rebates Program:** In PY5 Q4, lighting measures produced 81 percent of Smart Home Rebate's program energy savings and 58 percent of its demand savings (as compared with 94 percent and 69 percent, respectively, in Q3). Non-lighting measures produced the remaining 19 percent of energy savings and 42 percent of demand.

The lighting component of Smart Home Rebates has increased substantially compared with Phase I, with the absorption of standard and specialty compact fluorescent lamp (CFL) sales that were formerly incentivized under Smart Lighting Discounts. In PY5 Q4, 439,695 bulbs were sold, which is fewer bulbs than were sold in either of the previous two quarters. In total, 2,000,361 bulbs were sold in PY5, which is less than the projected 2,300,000 bulbs. For this quarter, the proportion of light-emitting diode (LED) unit sales increased from 20 percent to 36 percent and kWh savings increased from 22 percent to 40 percent over the same period.

Heating, ventilating, and air-conditioning (HVAC) measures constituted 96 percent of non-lighting energy savings and 95 percent of non-lighting demand savings, while constituting 89 percent of total non-lighting installations. Fuel switching measures constituted the majority of HVAC energy savings. Central air conditioners constituted the majority of demand savings. PECO did not rebate consumer electronics in this quarter.

- **Smart House Call Program:** This program was launched in PY5 at the start of Phase II for the residential sector. There were 742 new participants in PY5 Q4, compared with 271 in PY5 Q3, 173 in PY5 Q2, and zero in PY5 Q1. Reported energy savings in PY5 Q4 are 625,168 kWh and peak demand savings are 76.4 kW. Out of the 742 new participants, 375 received assessments and 367 received audits. In addition, major measures were installed in the homes of 123 participants who had previously received an audit. These major measures, such as air sealing, air source heat pump (ASHP) maintenance, and insulation, are installed by participating program contractors and go beyond the direct install measures, such as energy efficient light bulbs and smart power strips that are installed during assessments and audits. Overall, measures installed to date include electric water heater pipe insulation; ENERGY STAR® CFLs, LEDs, and LED nightlights; low-flow faucet aerators and showerheads; smart strip plug outlets; ASHP duct sealing; ASHP maintenance; attic and wall insulation; and air sealing. The program design is expected to remain as detailed in the approved Phase II EE&C plan, using a two-tier approach, with a general walk-through assessment available to all PECO residential electric customers and a more comprehensive audit available only to PECO residential electric heat rate customers.

- **Smart Builder Rebates (SBR) Program:** Program activities for Q4 were focused on builder education, outreach, and enrollment. Outreach took the form of mailings, classroom trainings, and direct outreach to prospective and current program participants. The results of initial efforts for outreach and training were roughly 60 homes enrolled in the program (yet to be completed) and two homes completed. Navigant predicts that the program has recruited enough builders and new building projects to meet PY5 energy savings goals.
- **Smart Energy Saver (SES) Program:** In Q4 of PY5, the PECO SES program implementation contractor (IC), Resource Action Programs (RAP), focused its efforts on collecting installation survey data from participating teachers and reconciling any returned kits. The program did not distribute any new kits in Q4.
- **Smart Usage Profile (SUP) Program:** In Q1, the IC implemented a randomized controlled trial (RCT) by randomly allocating eligible households to a participant group of 44,800 households and a control group of 28,000 households. All participants continued to receive home energy reports during Q4. There are no plans for additional participants in PY5.
- **Smart Multifamily Solutions (SMFS) Program:** In this quarter, the SMFS program processed incentives for 3,960 participants covering the residential sector (3,815 participants), C&I sector (138 participants), and GNI sector (7 participants). The program claimed a reported 2,936 MWh of energy savings with 0.2 MW of demand reduction in Q4. A total of 6,679 participants received incentives in PY5 across the three program segments, including 6,445 residential, 219 C&I, and 15 GNI participants. The program claimed a reported 5,336 MWh of energy savings with 0.4 MW of demand reduction during this program year. In PY5, the SMFS program attained 30 percent of its Phase II EE&C target for the residential sector and 24 percent of its target in the non-residential sectors. It must be noted, however, that most of the commercial sector participation was driven by the C&I projects and that there has been minimal participation in the GNI sector throughout PY5.
- **Low-Income Energy Efficiency Program:** Participation remains at levels similar to prior quarters, with 2,064 participants receiving audits as part of component 1. The large majority of the audits were electric baseload audits. As part of component 2, 2,205 bulbs were installed in Low-Income Usage Reduction program (LIURP) participants' homes, slightly down from Q3. As part of component 3, 51,965 bulbs were distributed to low-income customers, an increase from Q3. As part of component 4, 675 refrigerators were replaced and three extra units were removed.

The majority of program savings accrue from component 3 measures, which account for 52 percent of program energy savings and 36 percent of program demand savings. The remaining savings are broken out across the other components as follows: component 1 accounts for 30 percent of energy savings and 43 percent of demand savings; component 2 accounts for 8 percent of energy savings and 6 percent of demand savings; and component 4 accounts for 10 percent of energy savings and 16 percent of demand savings.

- **Smart Equipment Incentives (SEI) Commercial and Industrial Program:** A total of 174 retrofit projects received rebates from the SEI C&I program in PY5 Q4. This brings the total of projects that have received rebates in PY5 to 329. The total number of PY5 projects is only half of the number of projects incentivized in PY4. The total reported energy savings in PY5 are about one quarter of the savings in PY4. Similarly, the PY5 demand savings are about one third of the PY4 savings. Therefore, the PY5 projects have been smaller on average than those in PY4 were.
- **Smart Equipment Incentives Government, Nonprofit, and Institutional Program:** A total of 55 retrofit projects received rebates from the SEI GNI program in PY5 Q4. This brings the total of projects that have received rebates in PY5 to 101. The PY5 total is less than half of the number of projects incentivized in PY4. The total energy savings in PY5 are about one seventh of the savings reported in PY4. Similarly, the PY5 demand savings are about one fifth of the PY4 savings. Therefore, the PY5 projects have been smaller on average than those in PY4 were.
- **Smart Construction Incentives (SCI) Program:** The SCI program incentivized nine C&I and three GNI projects in the fourth quarter of PY5. This brings the total participation for PY5 to 22 C&I projects and seven GNI projects. The total participation is lower than in previous program years. PECO is now actively marketing the program through multiple channels and expects participation to grow moving into PY6.
- **Smart Business Solutions (SBS) Program:** The SBS program operated at full capacity in Q4, completing 240 projects. These projects resulted in over 7,000 MWh of annualized energy savings and 1.4 MW of demand reduction. The participation and savings values for Q4 outpace the Q3 values by factors greater than two, reflecting increased implementation efforts and the Conservation Service Provider's (CSP's) hiring of additional field installation staff.
- **Smart On-Site (SOS) Program:** PECO is reporting savings for the first two projects to be completed under this program in Q4. These two CHP projects, one of which is at a

hospital and the other at a municipal wastewater treatment plant, are projected to save a total of nearly 60,000 MWh annually and reduce PECO's peak load by a total of 7.8 MW.

- **Residential Smart Air-Conditioning (A/C) Saver Program:** The Residential Smart A/C Saver program had 72,766 registered participants representing 84,612 devices at the end of PY5 Q4. The Residential Smart A/C Saver Program was inactive during Q4 and remained inactive until the 2014 cooling season began on June 1, 2014.
- **Commercial Smart A/C Saver Program:** The Commercial Smart A/C Saver program had 1,993 registered participants representing 3,511 devices at the end of PY5 Q4. The Commercial Smart A/C Saver Program was inactive during Q4 and remained inactive until the 2014 cooling season began on June 1, 2014.

1.4 Evaluation Updates and Findings

- **Smart Appliance Recycling Program:** Navigant continued to finalize the PY5 survey, with its emphasis on applying both the initial net-to-gross (NTG) methods and the SWE common method. The increased participation in PY5, coinciding with a return to the previous, higher incentive level, may be the driving factor in an increase in participation in the program.
- **Smart Home Rebates Program:** The measurement and verification (M&V) completed during PY5 Q4 consisted of telephone interviews of HVAC contractors. The Navigant team also completed in-store surveys and shelf surveys regarding lighting measures at participating retail establishments. Other evaluation activities included the finalization data analysis for the mystery shopping effort completed earlier in the year. The Navigant team has reviewed all manufacturer invoices received and approved by PECO and Ecova through the end of May 2014. After confirming consistency between the manufacturer invoices and the program tracking data, Navigant used the tracking data to validate the reported PY5 Q4, program year-to-date (PYTD), and Phase II savings.
- **Smart House Call Program:** The M&V completed for the PY5 Q4 report consisted of reviewing the tracking data provided to the evaluation team by PECO program staff, as well as reviewing all invoices from the CSP received and approved by PECO for labor and on-site audit and assessment costs through the end of May 2014. After confirming consistency between the CSP invoices and the program tracking data, Navigant used the tracking data to verify the reported PY5 Q4, PYTD, and Phase II savings. In PY5 Q4, Navigant also conducted telephone surveys with program participants and conducted interviews with PECO Smart House Call energy advisors, as well as with contractors from the approved contractors list on PECO's website.

- **Smart Builder Rebates Program:** Navigant completed the first draft of the SBR program theory and logic model (still to be reviewed with program staff) and completed an initial evaluation of program materials. Navigant also conducted evaluation interviews with program staff and the implementation contractor. Navigant worked with ICF and PECO staff to finalize protocols for collecting lighting data to fulfill TRM calculation requirements.
- **Smart Energy Saver:** The M&V completed for PY5 Q4 consisted of reviewing the invoice and savings data provided to the evaluation team by PECO program staff. Additional evaluation work conducted in Q4 included bi-weekly check-in meetings with PECO staff, and deployment of teacher email surveys and parent/guardian phone surveys.
- **Smart Usage Profile Program:** The M&V completed for PY5 Q4 consisted of reviewing the invoice and savings data provided to the evaluation team by PECO program staff. Navigant also validated the random allocation of households to the treatment and control groups for the PY6 program wave. PECO reported 2,247 MWh in gross energy savings for the PY5 program year. Navigant will verify these reported savings via billing analysis as part of the PY5 evaluation. Note that Navigant assumes behavior programs, such as SUP, have a one-year measure life. Savings that accrue to this program will be reported and verified each year, but will decay to zero at the completion of the program year. Therefore, savings achieved in PY7 will count towards compliance targets, while savings achieved in PY5 and PY6 will not.
- **Smart Multifamily Solutions Program:** The evaluation team has completed the sample design for projects through Q3 for the three evaluated sectors; the evaluation team will conduct similar sampling efforts for the Q4 projects to achieve an 85/15 or better level of confidence and relative precision at the program level. As part of the gross impact evaluation activities for PY5, the team plans to complete an engineering review of project files, tracking data, and the algorithms and assumptions used by the IC for the sampled projects. The interview guides for in-depth interviews with PECO and IC personnel are under internal review. Navigant plans to complete these interviews by late June or early July 2014 and expects the interviews to assess the effectiveness of the program and to identify any barriers or potential improvements to the program implementation.
- **Low-Income Energy Efficiency Program:** The M&V completed for PY5 Q4 consisted of reviewing the tracking data provided to the evaluation team by PECO program staff. Additionally, the evaluation team provided a memorandum with findings and

recommendations from a review of the tracking system. Preparation has also begun for the participant phone survey.

Navigant revised the PY5 impact evaluation to change from using billing analysis for component 1 to using the TRM values for the component measures. A review of the billing analysis and the measures actually installed suggests that the small individual measure impacts were not emerging using the billing analysis methodology. Billing data will continue to be collected, retaining the option to return to a billing analysis impact approach if changes in component measures warrant it.

- **Smart Equipment Incentives Commercial and Industrial Program:** The evaluation of the SEI CI program will align closely with the PY4 evaluation in terms of approaches and tasks. The team completed an initial sample design based on Q1, Q2, and Q3 completed project files, as well as available pipeline project information. The sample was designed to achieve an 85/15 or better level of confidence and relative precision at the program level. The team requested Q1, Q2, and Q3 project files from PECO and the IC and is in the process of reviewing the files, drafting site-specific M&V plans, and conducting field verification. The team is evaluating 15 projects; the team will review the sample design with the Q4 data. The team has conducted in-depth interviews with PECO and DNV GL personnel to assess the effectiveness of the program and to identify any barriers or potential improvements to the program implementation. Navigant has designed and programmed participant interview guides into an online tool, and plans to conduct contractor focus groups. The team will launch both efforts in late June and expects them to be complete by late July 2014.
- **Smart Equipment Incentives Government, Nonprofit, and Institutional Program:** The evaluation of the SEI GNI program will align closely with the PY4 evaluation in terms of approaches and tasks. The team completed an initial sample design based on Q1, Q2, and Q3 completed project files, as well as available pipeline project information. The sample was designed to achieve an 85/15 or better level of confidence and relative precision at the program level. The team requested Q1, Q2, and Q3 project files from PECO and DNV GL and is in the process of reviewing the files, drafting site-specific M&V plans, and conducting field verification. The team is evaluating 10 projects, including one municipal lighting project. The team will review the sample design with the Q4 data. The team has conducted in-depth interviews with PECO and IC personnel to assess the effectiveness of the program and to identify any barriers or potential improvements to the program implementation. Navigant has designed and programmed participant interview guides into an online tool, and plans to conduct contractor focus groups. The team will launch both efforts in late June and expects them to be complete by late July 2014.

- **Smart Construction Incentives Program:** The SCI program evaluation activities for PY5 continued in Q4. The evaluation team designed a sample based on Q1, Q2, and Q3 project data that targeted 85/15 or better level of confidence and relative precision at the program level. The evaluation team is currently updating the sample with the addition of Q4 data. The evaluation team began reviewing project files and drafting site-specific M&V plans for impact evaluation in April 2014, and field verification began in May 2014. Impact evaluation activities will continue through July 2014. The team will conduct the next process and NTG evaluations in PY6.
- **Smart Business Solutions Program:** Navigant conducted the following evaluation activities during Q4:
 - Held bi-weekly telephone conversations with the PECO program manager
 - Completed an engineering review of all Q3 energy and demand savings values
 - Drafted the instrument for the participant, partial-participant, and non-participant surveys
 - Drafted and revised guides for in-depth interviews with the PECO and IC program managers and field installers
 - Requested and received project files for half of the expected file review sample (the other half will be requested during PY6 Q1)
- **Smart On-Site Program:** Navigant's evaluation activities for this program during Q4 included:
 - Drafted the participant survey instrument
 - Revised the survey instrument per comments from both PECO and the SWE
 - Held monthly telephone conversations with the PECO program manager
 - Conducted in-depth interviews with the PECO and CSP program managers
 - Completed preparations for on-site M&V for the two completed projects
- **Residential and Commercial Smart A/C Saver Programs:** The Residential and Commercial Smart A/C Saver programs have completed the PY5 cooling season. PECO planned fewer conservation events in PY5 compared to PY4, and likely will call a similar number of events during the PY6 cooling season. Both the Residential and Commercial Smart A/C Saver programs continue to have reductions in their respective participant counts that can be attributed to normal attrition due to moves, business closures, etc. Both programs, however, continued to enroll new participants in PY5 Q4 to offset some of this attrition.

2 Summary of Energy Impacts by Program

Figure 2-1 presents a summary of the reported energy savings by program through Q4 of Phase II.

Figure 2-1: Phase II Reported Gross Energy Savings by Program

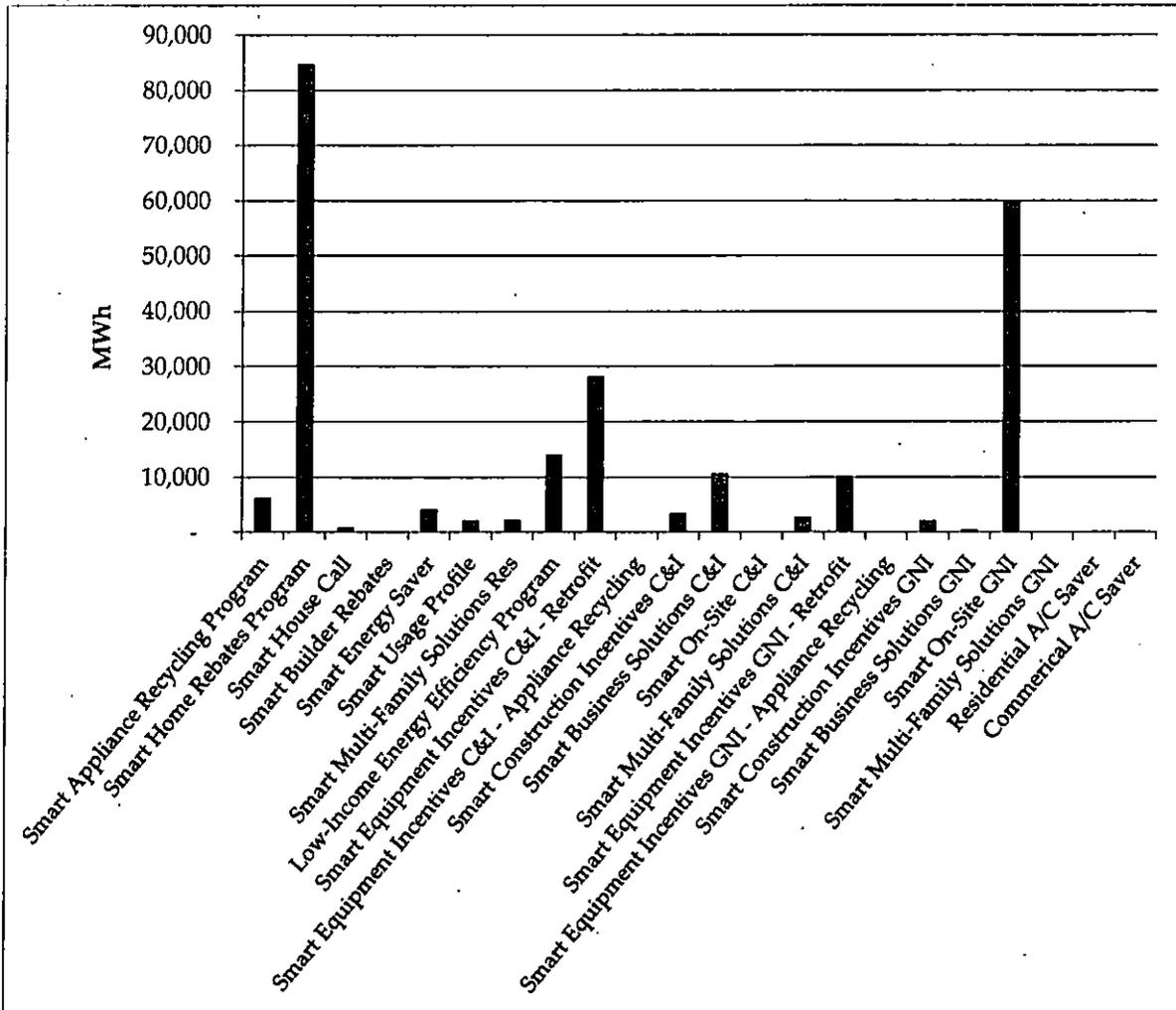


Table 2-1 presents a summary of energy impacts by program through Q4 of PY5.

Table 2-1: EDC Reported Participation and Gross Energy Savings by Program (MWh/Year)

Program	Participants			Reported Gross Impact (MWh/Year)			
	IQ	PYTD	Phase II	IQ	PYTD	Phase II	Phase II-Q
Residential	49,138	79,431	79,431	26,475	100,931	100,931	100,931
Smart Appliance Recycling Program	1,775	7,109	7,109	1,585	6,337	6,337	6,337
Smart Home Rebates Program ²	2,886	12,109	12,109	20,565	84,713	84,713	84,713
Smart House Call	738	1,182	1,182	625	954	954	954
Smart Builder Rebates	2	2	2	5	5	5	5
Smart Energy Saver	-78	12,584	12,584	-15	4,300	4,300	4,300
Smart Usage Profile	40,000	40,000	40,000	2,247	2,247	2,247	2,247
Smart Multifamily Solutions Res ⁴	3,815	6,445	6,445	1,463	2,374	2,374	2,374
Low-Income Energy Efficiency Program Total³	2,081	8,967	8,967	4,055	14,127	14,127	14,127
Low-Income Energy Efficiency Program	2,081	8,967	8,967	4,055	14,127	14,127	14,127
Non-Residential	641	1,155	1,155	92,235	118,139	118,139	118,139
Commercial and Industrial Total	571	1,021	1,021	23,636	45,294	45,294	45,294
Smart Equipment Incentives C&I - Retrofit	174	329	329	14,237	28,225	28,225	28,225
Smart Equipment Incentives C&I - Appliance Recycling	13	43	43	13	43	43	43
Smart Construction Incentives C&I	9	22	22	1,057	3,538	3,538	3,538
Smart Business Solutions C&I	237	408	408	6,880	10,688	10,688	10,688
Smart On-Site C&I	0	0	0	0	0	0	0
Smart Multifamily Solutions C&I ⁴	138	219	219	1,448	2,801	2,801	2,801
Government / Nonprofit Total	70	134	134	68,599	72,845	72,845	72,845
Smart Equipment Incentives GNI - Retrofit	55	101	101	6,907	10,173	10,173	10,173
Smart Equipment Incentives GNI - Appliance Recycling	0	0	0	0	0	0	0
Smart Construction Incentives GNI	3	7	7	1,555	2,127	2,127	2,127
Smart Business Solutions GNI	3	9	9	165	439	439	439
Smart On-Site GNI	2	2	2	59,945	59,945	59,945	59,945
Smart Multifamily Solutions GNI ⁴	7	15	15	26	160	160	160
Demand Reduction	-1,229	74,723	74,723	0	0	0	0
Residential A/C Saver ⁵	-1,184	72,730	72,730	0	0	0	0
Commercial A/C Saver ⁵	-45	1,993	1,993	0	0	0	0
Total Portfolio	50,631	164,276	164,276	122,765	233,197	233,197	233,197
Carry-Over Savings from Phase I							242,793
Total Phase II-Q-CO							475,990
NOTES:							
¹ Preliminary Realization Rates are based on evaluation activities and findings conducted on a partial sample set. These realization rates are not based on a statistically significant sample and are subject to change until the full evaluation is complete at the end of the program year							
² Participant values exclude sales of CFLs, ENERGY STAR lighting fixtures, and LED lamps, for which upstream rebates are							

provided.

³Act 129 includes a provision requiring EDCs 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)(1)(C). The legislation contains no provisions regarding targets for participation, or energy or demand savings. Participation includes only those receiving the Weatherization Audit.

⁴The 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.

⁵Reductions 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.

3 Summary of Demand Impacts by Program

Figure 3-1 presents a summary of the reported demand reduction by program through Q4 of Phase II.

Figure 3-1: Phase II Demand Reduction by Program

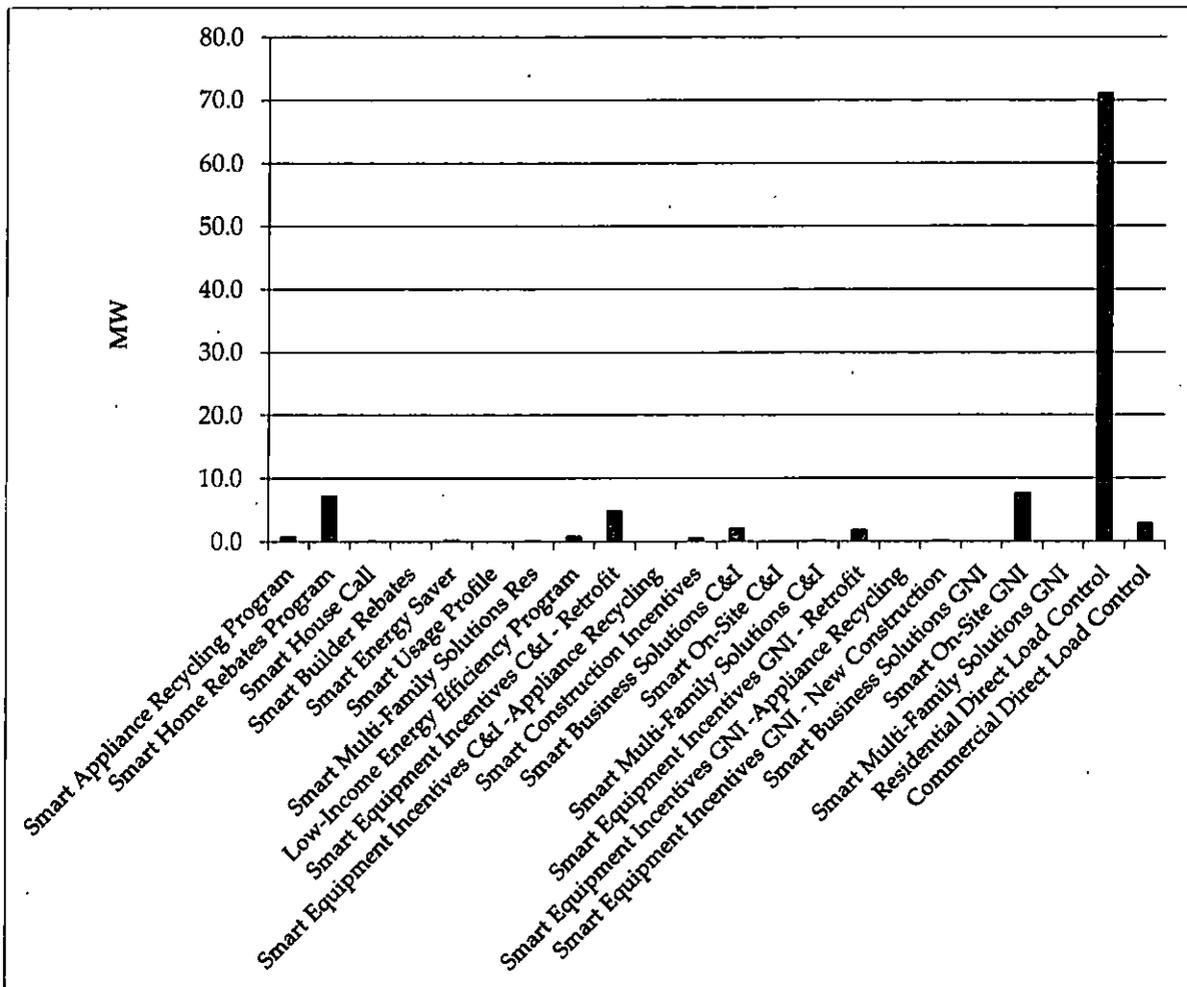


Table 3-1 presents a summary of total demand reduction impacts by program through PY5 Q4. Note that all demand reduction values have been adjusted to account for line losses.

Table 3-1: Participation and Reported Gross Demand Reduction by Program

Program	Participants			Reported Gross Impact (MW)			
	IQ	PYTD	Phase II	IQ	PYT D	Phase II	Phase II-Q
Residential	49,138	79,431	79,431	2.1	8.8	8.8	8.8
Smart Appliance Recycling Program	1,775	7,109	7,109	0.2	0.9	0.9	0.9
Smart Home Rebates Program ²	2,886	12,109	12,109	1.7	7.3	7.3	7.3
Smart House Call	738	1,182	1,182	0.1	0.1	0.1	0.1
Smart Builder Rebates	2	2	2	0.0	0.0	0.0	0.0
Smart Energy Saver	-78	12,584	12,584	0.0	0.3	0.3	0.3
Smart Usage Profile	40,000	40,000	40,000	0.0	0.0	0.0	0.0
Smart Multifamily Solutions Res	3,815	6,445	6,445	0.1	0.2	0.2	0.2
Low-Income Energy Efficiency Program Total³	2,081	8,967	8,967	0.3	0.9	0.9	0.9
Low-Income Energy Efficiency Program	2,081	8,967	8,967	0.3	0.9	0.9	0.9
Non-Residential	641	1,155	1,155	13.4	18.0	18.0	18.0
Commercial and Industrial Total	571	1,021	1,021	4.1	8.0	8.0	8.0
Smart Equipment Incentives C&I - Retrofit	174	329	329	2.4	5.0	5.0	5.0
Smart Equipment Incentives C&I - Appliance Recycling	13	43	43	0.0	0.0	0.0	0.0
Smart Construction Incentives C&I	9	22	22	0.2	0.6	0.6	0.6
Smart Business Solutions C&I	237	408	408	1.4	2.2	2.2	2.2
Smart On-Site C&I	0	0	0	0.0	0.0	0.0	0.0
Smart Multifamily Solutions C&I ⁴	138	219	219	0.1	0.2	0.2	0.2
Government / Nonprofit Total	70	134	134	9.3	10.0	10.0	10.0
Smart Equipment Incentives GNI - Retrofit	55	101	101	1.3	1.9	1.9	1.9
Smart Equipment Incentives GNI - Appliance Recycling	0	0	0	0.0	0.0	0.0	0.0
Smart Construction Incentives GNI	3	7	7	0.2	0.3	0.3	0.3
Smart Business Solutions GNI	3	9	9	0.0	0.1	0.1	0.1
Smart On-Site GNI	2	2	2	7.8	7.8	7.8	7.8
Smart Multifamily Solutions GNI ⁴	7	15	15	0.0	0.0	0.0	0.0
Demand Reduction	-1,229	74,723	74,723	74.0	74.0	74.0	74.0
Residential A/C Saver ⁵	-1,184	72,730	72,730	71.1	71.1	71.1	71.1
Commercial A/C Saver ⁵	-45	1,993	1,993	2.9	2.9	2.9	2.9
Total Portfolio	50,631	164,276	164,276	89.8	101.7	101.7	101.7

NOTES:

¹ Preliminary Realization Rates are based on evaluation activities and findings conducted on a partial sample set. These realization rates are not based on a statistically significant sample and are subject to change until the full evaluation is complete at the end of the program year

² Participant values exclude sales of CFLs, ENERGY STAR lighting fixtures, and LED lamps, for which upstream rebates are provided.

³Act 129 includes a provision requiring EDCs 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)(C). The legislation contains no provisions regarding targets for participation, or energy or demand savings. Participation includes only those receiving the Weatherization Audit.

⁴The participation values shown here reflect the number of bill account IDs in the tracking system, rather than the number of project IDs. For the residential sector, each unit has a unique billing ID. For the Commercial and GNI sector, there may be more than one unit under a single bill account ID (master meter) at the multifamily property.

⁵Reductions 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.

4 Summary of Finances

4.1 Portfolio Level Expenditures

Table 4-1 presents a breakdown of the portfolio finances.

Table 4-1: Summary of Portfolio Finances

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$8,501	\$23,349	\$23,349
EDC Incentives to Trade Allies	\$39	\$65	\$65
Subtotal EDC Incentive Costs	\$8,540	\$23,414	\$23,414
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹⁾	\$7,638	\$27,930	\$27,930
Marketing	\$988	\$4,084	\$4,084
Subtotal EDC Implementation Costs	\$8,626	\$32,014	\$32,014
EDC Evaluation Costs	\$1,288	\$2,410	\$2,410
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²⁾	N/A	N/A	N/A
Participant Costs³⁾	N/A	N/A	N/A
Total TRC Costs⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹⁾ 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			
²⁾ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³⁾ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴⁾ Total TRC Costs = Total EDC Costs + Participant Costs			

4.2 Program Level Expenditures

The following tables show program-specific finances.

Table 4-2: Summary of Program Finances – Smart Appliance Recycling Program

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$65	\$262	\$262
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$65	\$262	\$262
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$169	\$662	\$662
Marketing	\$10	\$23	\$23
Subtotal EDC Implementation Costs	\$178	\$685	\$685
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹ 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			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-3: Summary of Program Finances – Smart Home Rebates Program

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$2,026	\$6,892	\$6,892
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$2,026	\$6,892	\$6,892
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹¹	\$890	\$3,486	\$3,486
Marketing	\$13	\$29	\$29
Subtotal EDC Implementation Costs	\$904	\$3,515	\$3,515
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs¹²	N/A	N/A	N/A
Participant Costs¹³	N/A	N/A	N/A
Total TRC Costs¹⁴	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹¹ 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			
¹² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
¹³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
¹⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-4: Summary of Program Finances – Smart House Call

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$73	\$73	\$73
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$73	\$73	\$73
Design & Development			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹⁾	\$542	\$1,739	\$1,739
Marketing	\$121	\$150	\$150
Subtotal EDC Implementation Costs	\$663	\$1,889	\$1,889
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs			
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²⁾	N/A	N/A	N/A
Participant Costs³⁾	N/A	N/A	N/A
Total TRC Costs⁴⁾	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹⁾ 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			
²⁾ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³⁾ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴⁾ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-5: Summary of Program Finances – Smart Builder Rebates

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$1	\$1	\$1
Subtotal EDC Incentive Costs	\$1	\$1	\$1
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹¹	\$247	\$247	\$247
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$247	\$247	\$247
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²	N/A	N/A	N/A
Participant Costs³	N/A	N/A	N/A
Total TRC Costs⁴	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹¹ 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			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-6: Summary of Program Finances – Smart Energy Saver

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$9	\$417	\$417
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$9	\$417	\$417
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹ 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			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-7: Summary of Program Finances – Smart Usage Profile

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹¹	\$21	\$583	\$583
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$21	\$583	\$583
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs¹²	N/A	N/A	N/A
Participant Costs¹³	N/A	N/A	N/A
Total TRC Costs¹⁴	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹¹ 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			
¹² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
¹³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
¹⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-8: Summary of Program Finances – Low-Income Energy Efficiency Program

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
Design & Development			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$1,705	\$5,896	\$5,896
Marketing	\$30	\$75	\$75
Subtotal EDC Implementation Costs	\$1,736	\$5,971	\$5,971
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹ 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			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-9: Summary of Program Finances – Smart Equipment Incentives C&I

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$1,046	\$2,178	\$2,178
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$1,046	\$2,178	\$2,178
Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹⁾	\$1,064	\$4,247	\$4,247
Marketing	\$3	\$3	\$3
Subtotal EDC Implementation Costs	\$1,067	\$4,250	\$4,250
Evaluation and Audit Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²⁾	N/A	N/A	N/A
Participant Costs³⁾	N/A	N/A	N/A
Total TRC Costs⁴⁾	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹⁾ 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 for the SEI retrofit and appliance recycling programs.			
²⁾ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³⁾ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴⁾ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-10: Summary of Program Finances – Smart Construction Incentives C&I

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$266	\$552	\$552
EDC Incentives to Trade Allies	\$38	\$64	\$64
Subtotal EDC Incentive Costs	\$304	\$615	\$615
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹⁾	\$254	\$1,019	\$1,019
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$254	\$1,019	\$1,019
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²⁾	N/A	N/A	N/A
Participant Costs³⁾	N/A	N/A	N/A
Total TRC Costs⁴⁾	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹⁾ 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			
²⁾ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³⁾ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴⁾ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-11: Summary of Program Finances – Smart Business Solutions C&I and GNI

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$1,171	\$1,918	\$1,918
Marketing	\$3	\$3	\$3
Subtotal EDC Implementation Costs	\$1,174	\$1,921	\$1,921
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹ 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 for both the SBS C&I and GNI programs.			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-12: Summary of Program Finances – Smart On-Site

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$4,392	\$4,993	\$4,993
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$4,392	\$4,993	\$4,993
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹¹	\$89	\$343	\$343
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$89	\$343	\$343
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²¹	N/A	N/A	N/A
Participant Costs³¹	N/A	N/A	N/A
Total TRC Costs⁴¹	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹¹ 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 for both the SOS C&I and GNI programs.			
²¹ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³¹ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴¹ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-13: Summary of Program Finances –Smart Multifamily Solutions C&I and GNI

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
Design & Development			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹¹	\$302	\$937	\$937
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$302	\$937	\$937
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²	N/A	N/A	N/A
Participant Costs³	N/A	N/A	N/A
Total TRC Costs⁴	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹ 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 for both the Smart Multifamily Solutions C&I and GNI programs.			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-14: Summary of Program Finances –Smart Multifamily Solutions Residential

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$0
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$0
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$376	\$958	\$958
Marketing	\$7	\$18	\$18
Subtotal EDC Implementation Costs	\$383	\$976	\$976
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<p><i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i></p> <p>¹Includes the administrative CSP (rebate processing), direct installation services, tracking system, general administration and clerical costs, EDC program management, CSP program management, general management oversight major accounts and technical assistance</p> <p>²Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.</p> <p>³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.</p> <p>⁴ Total TRC Costs = Total EDC Costs + Participant Costs</p>			

Table 4-15: Summary of Program Finances – Smart Equipment Incentives GNI

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$630	\$1,031	\$1,031
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$630	\$1,031	\$1,031
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$633	\$2,534	\$2,534
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$633	\$2,534	\$2,534
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
<i>Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.</i>			
¹ Includes the administrative CSP (rebate processing), direct installation services, tracking system, general administration and clerical costs, EDC program management, CSP program management, general management oversight major accounts and technical assistance for the SEI GNI - Retrofit, SEI GNI – Appliance Recycling, and SCI GNI programs.			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-16: Summary of Program Finances – Residential A/C Saver Program

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$3	\$7,055	\$7,055
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$3	\$7,055	\$7,055
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ¹⁾	-\$267	-\$132	-\$132
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	-\$267	-\$132	-\$132
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²⁾	N/A	N/A	N/A
Participant Costs³⁾	N/A	N/A	N/A
Total TRC Costs⁴⁾	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹⁾ Includes the administrative CSP (rebate processing), tracking system, general administration and clerical costs, EDC program management, CSP program management CSP capacity payments, general management oversight major accounts and technical assistance. Negative values are the result of capacity payments from PJM in excess of program administrative costs.			
²⁾ Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³⁾ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴⁾ Total TRC Costs = Total EDC Costs + Participant Costs			

Table 4-17: Summary of Program Finances – Commercial A/C Saver Program

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$314	\$314
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$314	\$314
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$0	\$0	\$0
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$0	\$0	\$0
EDC Evaluation Costs			
EDC Evaluation Costs	\$0	\$0	\$0
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs⁽²⁾	N/A	N/A	N/A
Participant Costs ⁽³⁾	N/A	N/A	N/A
Total TRC Costs⁽⁴⁾	N/A	N/A	N/A
NOTES			
Per PA PUC direction, TRC inputs and calculations are required in the Annual Report only and should comply with the 2013 Total Resource Cost Test Order approved August 30, 2012.			
¹ 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			
² Per the 2013 Total Resource Cost Test Order – Total EDC Costs, here, refer to EDC incurred expenses only. Total EDC Costs = Subtotal EDC Incentive Costs + Subtotal EDC Implementation Costs + EDC Evaluation Costs + SWE Audit Costs.			
³ Per the 2013 Total Resource Cost Test Order –Net participant costs; in PA, refer to the costs of the end-use customer.			
⁴ Total TRC Costs = Total EDC Costs + Participant Costs			

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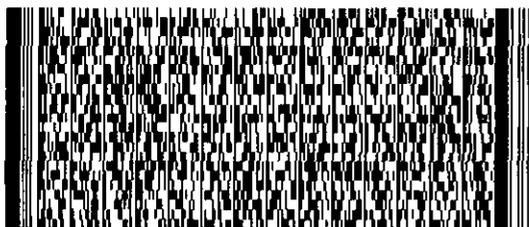
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