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January 13, 2015

RECEIVED

JAN 13 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Via Federal Express

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

**Re: PUC Docket No. M-2012-2333992
Phase II Energy Efficiency and Conservation Program Quarterly Report for
September 1, 2014 through November 30, 2014**

Dear Secretary Chiavetta:

In accordance with the Commission's Secretarial Letter dated May 25, 2011 (Docket No. M-2008-2069887), enclosed is PECO's Phase II Quarterly Energy Efficiency & Conservation Report for the period September 1, 2014 through November 30, 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,

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
September 2014 through November 2014
Program Year 6, Quarter 2

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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

January 15, 2015

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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, 2016

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
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 second quarter (Q2) of Program Year 6 (PY6), defined as September 1, 2014 through November 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 PY6 in the annual report, which PECO will file on November 15, 2015.

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: PECO and 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

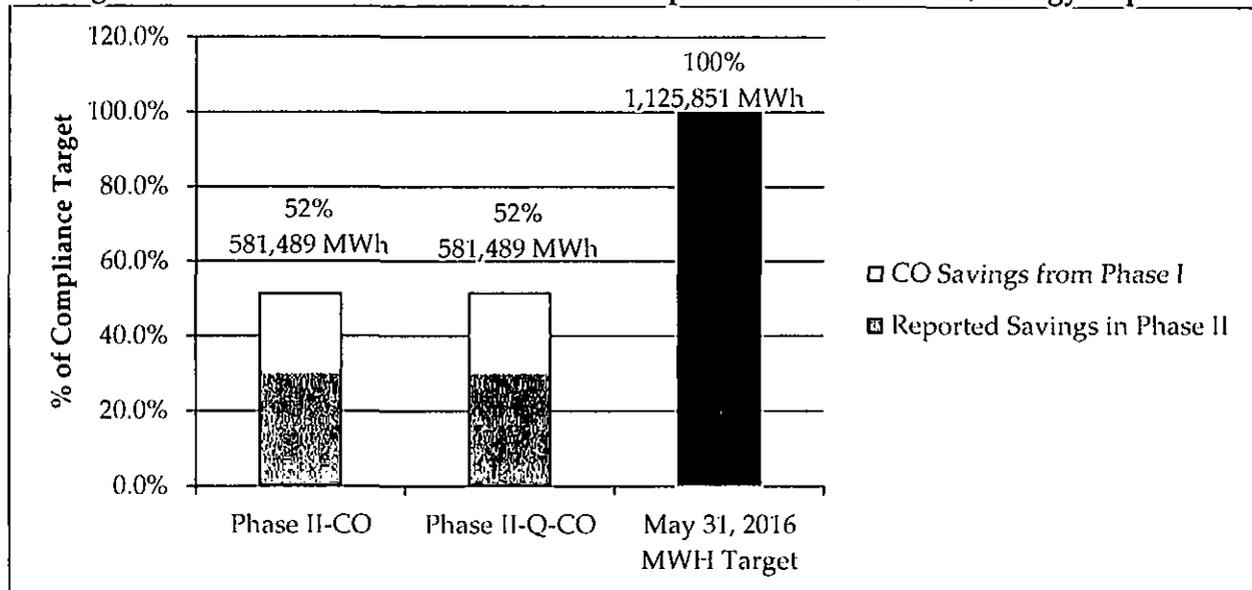
PECO has achieved 52 percent of the May 31, 2016 energy savings compliance target, based on cumulative program inception to date (Phase II) reported gross energy savings,¹ and 52 percent of the energy savings compliance target, based on Phase II-Q-CO² (which will equal Phase II-CO until verified savings are available for PY5) gross energy savings achieved through Q2, 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

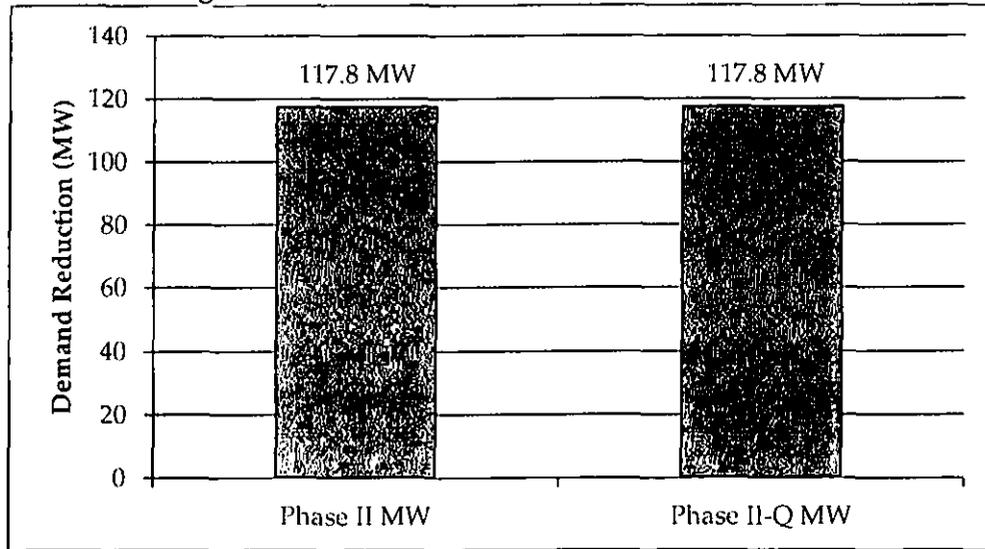


Source: PECO and Navigant Analysis

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 117.8 MW of demand reduction through the end of PY6 Q2,⁵ as shown in Figure 1-2.

Figure 1-2. Phase II Portfolio Demand Reduction⁶⁷



Source: PECO and Navigant Analysis

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 22,382 MWh.

PECO achieved 76 percent of the May 31, 2016 energy reduction compliance target for the GNI sector, based on Phase II reported gross energy savings, and 76 percent of the target, based on

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

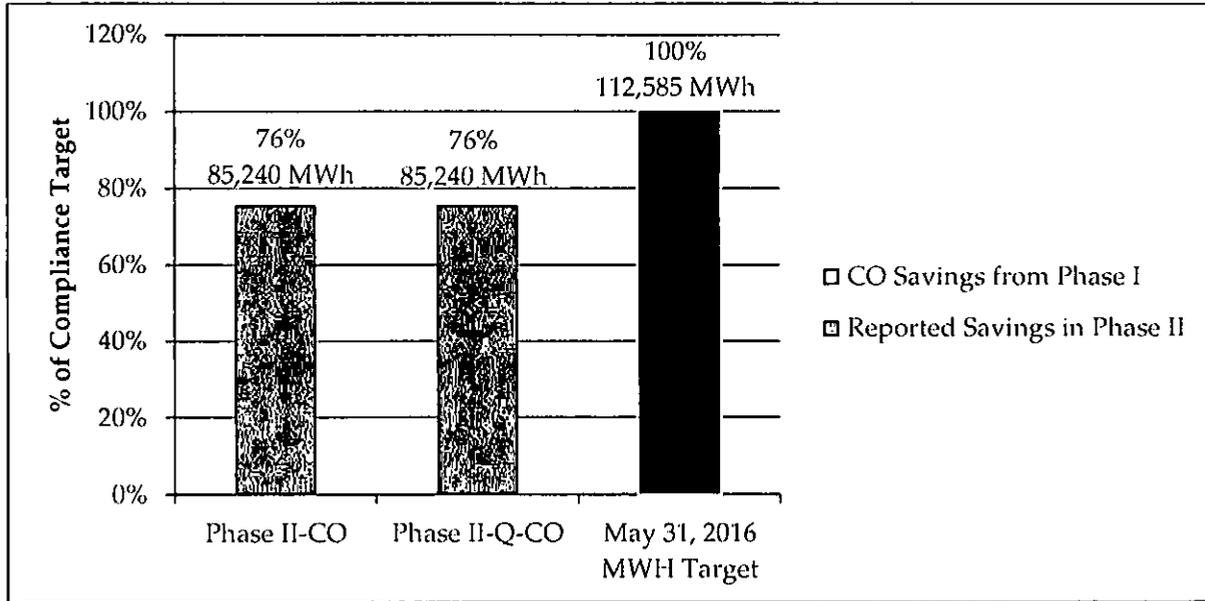
⁶ Phase II MW = Phase II demand savings to date.

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).

Phase II-Q-CO (or Phase II-CO until verified savings are available for PY5) gross energy savings achieved through Q2, as shown in Figure 1-3.

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



Source: PECO and Navigant Analysis

1.3 Program Updates and Findings

- Smart Appliance Recycling (SAR) Program:** The residential component of the SAR program continues to show strong participation. PY6 Q2 had approximately 2,926 participants, with 3,046 units being recycled. Compared to PY5 Q2 when 2,441 units were recycled, the PY6 Q2 program recycled almost 1¼ times the number of units during the same quarter. More units were recycled in PY6 Q2 than in all of PY4 when 2,972 appliances were recycled. Previously, the highest number of appliances recycled in a single quarter took place in PY5 Q2 (2,441). An increase in the incentive in October from \$35 to \$50 is likely the reason for this increase in participation. Refrigerators made up 85 percent of the PY6 Q2 recycled units. Additionally, new appliances replaced 61 percent of recycled units, an increase in comparison to PY6 Q1, when customers replaced only 55 percent of recycled units.

For the non-residential component (under Smart Equipment Incentives [SEI]), there were 18 participants in PY6 Q2 that recycled 26 units. Refrigerators comprised 25 of the 26 units and only one freezer was recycled. New appliances replaced 19 of 26, or 73

percent, of the recycled non-residential units. This is a significant increase from PY6 Q1, when customers replaced only 4 of 14 units recycled (29%).

Review of the Q2 data found all accurate and consistent unit and financial reporting. However, the summary extract continues to report pickups by JACO as participation, which is less than the number of units recycled. This continues to create a disparity between pickups and unique participants.

- **Smart Home Rebates (SHR) Program:** In PY6 Q2, lighting measures produced 89 percent of SHR's program energy savings and 73 percent of its demand savings (similar to the 90 percent and 61 percent, respectively, verified savings in PY5). Non-lighting measures produced the remaining 11 percent of energy savings and 27 percent of demand. Unlike the previous two quarters, fuel-switching measures contributed negligible energy.
- **Smart House Call (SHC) Program:** PECO launched the SHC program in PY5 at the start of Phase II for the residential sector. There were 726 new participants in PY6 Q2, 690 of whom had one or more program measures installed as of the end of PY6 Q2. (Some participants have an audit or assessment performed but do not qualify to have any direct install measures implemented at the time of the walk-through.) For comparison, there were 606 new participants in PY6 Q1 and 1,786 total verified participants overall as of the end of PY6 Q1. Reported energy savings in PY6 Q2 are 447,742 kWh and peak demand savings are 57.76 kW. Out of the 726 new participants, 498 received assessments and 228 received audits. In addition, 62 participants who had previously received an audit installed major measures (such as insulation, air sealing, duct sealing, and air source heat pump [ASHP] maintenance). Participating program contractors typically install these major measures because the contractors go beyond the direct install measures. CSPs install these measures (including energy-efficient light bulbs and smart power strips) during assessments and audits. Overall, measures installed to date include electric water heater pipe insulation; ENERGY STAR® compact fluorescent lamps (CFLs), light-emitting diodes (LEDs), and LED nightlights; low-flow faucet aerators and showerheads; smart strip plug outlets; duct sealing; ASHP maintenance; attic and wall insulation; and air sealing.
- **Smart Builder Rebates (SBR) Program:** In PY6 Q2, the SBR program completed 17 new homes, averaging over 5,000 kWh per home. This is significantly more savings per home than initially projected, with only 10 percent of those savings coming from lighting measures. Builders added 58 new homes to the queue in Q2, for completion in 2015/2016. PECO targets to complete 124 homes in Phase II to meet savings target. Program staff expects to exceed this target by a significant amount through the addition of electrically cooled homes into the program in 2015.

- **Smart Energy Saver (SES) Program:** PECO began enrolling teachers and their students in the SES program in Q2. By the end of November, the program had distributed 4,672 kits to participating students through enrolled teachers.
- **Smart Usage Profile (SUP) Program:** In Q2 of PY6, the implementation contractor (IC) continued sending home energy reports to two participant waves for roughly 80,000 randomly selected households. Both participant waves will continue to receive reports through PY7.
- **Smart Multifamily Solutions (SMFS) Program:** During this quarter 3,584 participants covering the residential sector (3,434 participants), C&I sector (146 participants), and GNI sector (4 participant) received cost-free direct installation (DI) measures. The program claimed a reported 1,721 MWh of energy savings with 0.2 MW of demand reduction this quarter. For the PYTD, the program has completed cost-free DI measures for a total of 6,498 participants covering 6,191 residential, 302 C&I, and 5 GNI sector participants. As of this quarter, Phase II has reached its mid-point and the SMFS program is yet to see any participation in its prescriptive channel.
- **Low-Income Energy Efficiency Program:** Participation levels were down slightly from PY6 Q1 participation with 2,046 participants receiving audits as part of Component 1. The large majority of the audits were electric baseload audits. As part of Component 2, participants installed 4,694 bulbs through the Low-Income Usage Reduction Program, down significantly from PY6 Q1. As part of Component 3, PECO distributed 69,338 bulbs to low-income customers, a decrease from PY6 Q1. As part of Component 4, PECO replaced 727 refrigerators and removed two extra units.

The majority of program savings accrue from Component 3 measures. The remaining savings are broken out across the other components as follows:

- Component 1 accounts for 24 percent of energy savings and 25 percent of demand savings.
 - Component 2 accounts for 5 percent of energy savings and 4 percent of demand savings.
 - Component 3 accounts for 58 percent of program energy savings and 44 percent of program demand savings.
 - Component 4 accounts for 12 percent of energy savings and 22 percent of demand savings.
- **SEI Commercial and Industrial Program:** One hundred and fifty total retrofit project participants received rebates from the SEI C&I program in PY6 Q2. The 150 participants

completed 151 total projects. The 209 projects completed in PY6 Q1 and the 151 completed in PY6 Q2 bring the program to 360 total projects. The total number of projects completed in PY5 was 329, so the number of projects completed in the first half of PY6 is about 109 percent of the total projects completed in PY5. The reported energy savings in PY6 Q2 and PY6 Q1 are about 80 percent of the total savings reported in PY5. Similarly, the reported demand savings for PY6 Q2 and PY6 Q1 are about 63 percent of the PY5 reported savings. Overall, the participation and savings in the first half of PY6 show that the SEI C&I program is larger in PY6 than it was in PY5.

- **Smart Equipment Incentives Government, Nonprofit, and Institutional Program:** Fifty-five total retrofit project participants received rebates from the SEI GNI program in PY6 Q2. Each participant completed one project; thus, the total number of projects completed is also 55. The 50 projects completed in PY6 Q1 and the 55 completed in PY6 Q2 bring the program to 105 total projects. The total number of projects completed in PY5 was 101, so the number of projects completed in the first half of PY6 is about 104 percent of the total projects completed in PY5. The reported energy savings in PY6 Q2 and PY6 Q1 are about 111 percent of the total savings reported in PY5. The reported demand savings for PY6 Q2 and PY6 Q1 are about 73 percent of the total savings reported in PY5. Overall, the participation and savings in the first half of PY6 show that the SEI GNI program is larger in PY6 than it was in PY5.
- **Smart Construction Incentives (SCI) Program:** Twenty-one total new construction projects received rebates from the SCI program in PY6 Q2. Each participant completed one project; thus, the total number of projects completed is also 21. The 12 projects completed in PY6 Q1 and the 21 projects completed in PY6 Q2 bring the PY6 program total to 33 total projects. This is about 114 percent of the 29 projects completed in PY5. The reported energy savings in PY6 Q2 and PY6 Q1 are about 117 percent of the total savings reported in PY5. Similarly, the PY6 Q1 reported demand savings are about 142 percent of the PY5 reported savings. Overall, the participation and savings in the first half of PY6 show that the SCI program is larger in PY6 than it was in PY5.
- **Smart Business Solutions (SBS) Program:** SBS program activity in Q2 continued at a steady pace, completing 158 projects in the quarter. These projects resulted in 3,869 MWh of annualized energy savings and 0.7 MW of demand reduction. The program replaced 193 inefficient refrigeration motors with high-efficiency electrically commutated motors in Q2, accounting for just under 6 percent of program savings. The remaining savings came from lighting measures. Projects replacing linear fluorescent fixtures with more efficient high-performance T8 and T5 fixtures accounted for 70 percent of program savings in Q2.

- **Smart On-Site Program:** The program did not process any CHP projects in Q2. However, the program is tracking the progress of several projects that appear likely to be completed prior to the end of Phase II. There are currently five projects with estimated completion dates in Phase II and have reserved incentive funds. Another six projects are in advanced stages of project development, but still need to submit an application requesting incentive funds.
- **Residential Smart Air-Conditioning (A/C) Saver Program:** The Residential Smart A/C Saver program had 70,604 registered participants representing 83,137 devices at the end of PY6 Q2. The Residential Smart A/C Saver Program was active through September of Q2. The program has concluded for the PY6 cooling season and PECO expects to resume in the first quarter of PY7.
- **Commercial Smart A/C Saver Program:** The Commercial Smart A/C Saver program had 1,916 registered participants representing 3,399 devices at the end of PY6 Q2. The Commercial Smart A/C Saver Program was active through September of Q2. The program has concluded for the PY6 cooling season and PECO expects to resume in the first quarter of PY7.

1.4 Evaluation Updates and Findings

- **Smart Appliance Recycling Program:** Navigant finalized the annual program report, and has made updates to the PY6 evaluation plan, including the following:
 - Evaluating the Common Approach methodology
 - Eliminating the process questions from the participant survey, due to consistently high satisfaction scores
 - Performing an analysis of the secondary market for used refrigerators and freezers in lieu of participating retailer interviews
 - Measuring variance analysis
- **SHR Program:** The measurement and verification (M&V) activities for the second quarter of PY6 focused on finalizing evaluation plans and initiating review of Q1 data. Additional evaluation activities included communications with PECO regarding plans to reduce fuel-switching efforts.
- **SHC Program:** The M&V completed for the PY6 Q2 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 November 2014. After confirming

consistency between the CSP invoices and the program tracking data, Navigant used the tracking data to verify the reported PY6 Q2, PYTD, and Phase II savings.

- **SBR Program:** Evaluation activities completed in PY6 Q2 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 Q2. After confirming consistency between the CSP invoices and the program tracking data, Navigant used the tracking data to verify the reported PY6 Q2, PYTD, and Phase II savings.
 - **SES:** Second quarter PY6 evaluation activities were limited to evaluation planning and a quarterly data review.
 - **SUP Program:** Second quarter PY6 evaluation activities were limited to evaluation planning and a quarterly data review.
 - **Smart Multifamily Solutions Program:** As part of the PY6 evaluation activities, the team will conduct full net-to-gross research and process evaluation in conjunction with on-site verification visits and file reviews. Currently, the evaluation team is in the process of the updating the PY6 evaluation plan to reflect a change in sampling approaches based on the PY5 evaluation findings. The proposed sample design will be based on Q1 and Q2 completed projects to achieve a 90/10 (or better) level of confidence and relative precision at both the residential and non-residential sectors. The evaluation team plans to begin post-installation field verification in March 2015. The evaluation team anticipates completing in-depth interviews with PECO/ Franklin Energy personnel, to assess the effectiveness of the program and to identify any barriers or potential improvements to the program implementation, by March 2015. The evaluation team will design these participant interview guides during January 2015 and will field and complete the surveys by July 2015.
 - **Low-Income Energy Efficiency Program:** Navigant finalized the annual program report, and has made updates to the PY6 evaluation plan, including the following:
 - The addition of questions to further research the possibility of participant spillover
 - A cost-benefit analysis of including additional measures in the program, such as shell measures and other non-lighting measures
 - Expanding the role of the ride-along survey, to include research designed to identify additional opportunities for savings outside of lighting
 - Elimination of the on-site verification visits
 - Measure variance analysis
-

- **Smart Equipment Incentives Commercial and Industrial Program:** The evaluation of the SEI C&I program will align closely with the PY5 evaluation in terms of approaches and tasks. The team will complete a sample design based on Q1 and Q2 completed projects to achieve an 85/15 or better level of confidence and relative precision at the program level. The team plans to complete pre-installation site visits where appropriate. The team began post-installation field verification in November 2014. Navigant is in the process of completing 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 is completing the design of participant interview guides and will subsequently field them, as well as conduct contractor focus groups. The team plans to complete these tasks by late June or early July 2015.

- **Smart Equipment Incentives Government, Nonprofit, and Institutional Program:** The evaluation of the SEI GNI program will align closely with the PY5 evaluation in terms of approaches and tasks. The team will complete a sample design based on Q1 and Q2 completed projects to achieve an 85/15 or better level of confidence and relative precision at the program level. The team plans to complete pre-installation site visits where appropriate. The team began post-installation field verification in November 2014. Navigant is in the process of completing 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 is completing the design of participant interview guides and will subsequently field them, as well as conduct contractor focus groups. The team plans to complete these tasks by late June or early July 2015.

- **Smart Construction Incentives Program:** The evaluation of the SCI program will align closely with the PY5 evaluation in terms of approaches and tasks. The team will complete a sample design based on Q1, Q2, and Q3 completed projects to achieve an 85/15 or better level of confidence and relative precision at the program level. The team began post-installation field verification in November 2014. Navigant is in the process of completing 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 plans to design and complete the decision-maker interview guides and interviews by late June or early July 2015.

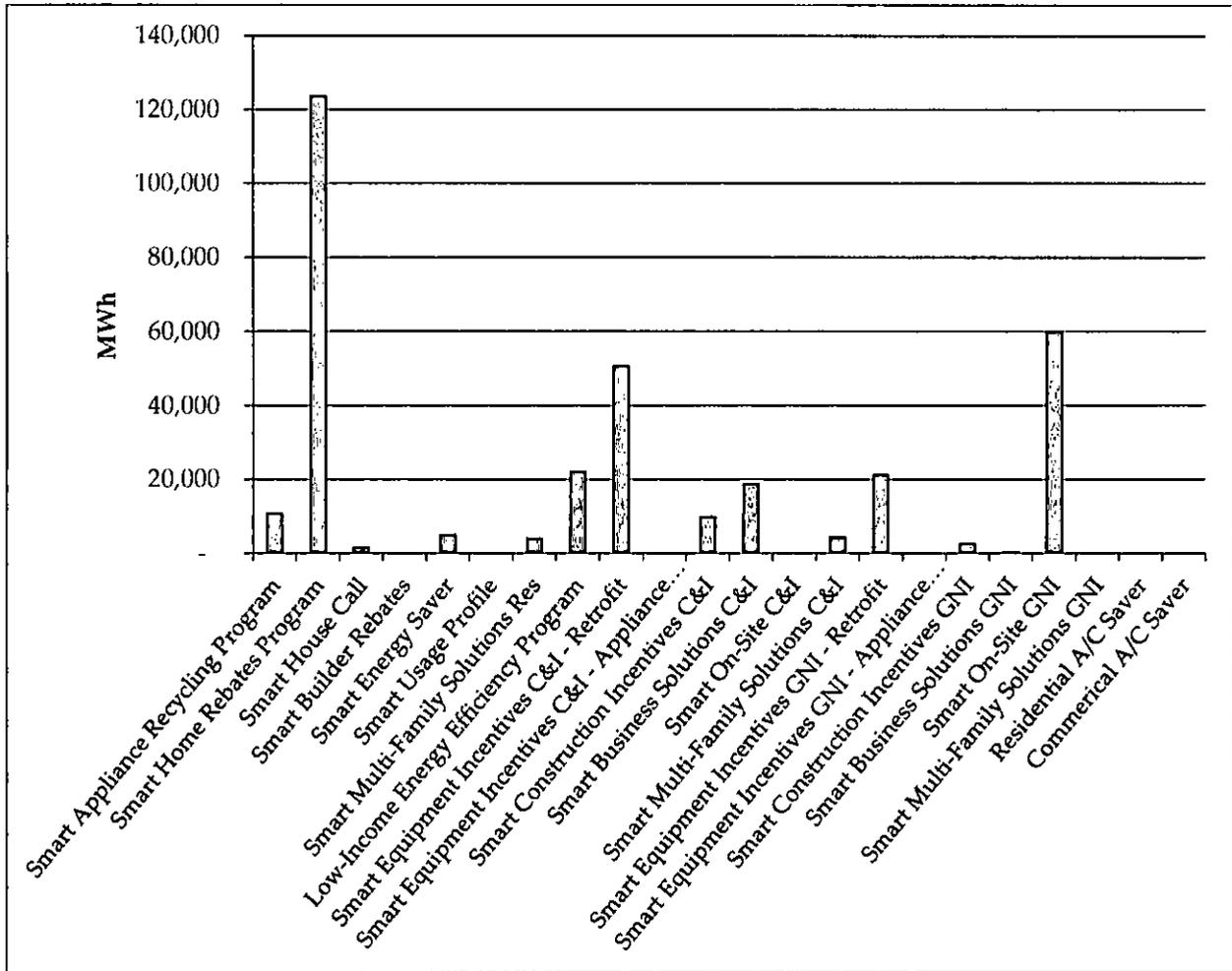
- **SBS Program:** Navigant conducted the following evaluation activities during Q2:
 - Held bi-weekly telephone conversations with the PECO program manager
 - Completed an engineering review of all PY6 Q1 energy and demand savings values

- Developed a draft evaluation plan for PY6
- **SOS Program:** Navigant’s evaluation activities for this program during Q2 included:
 - Conducted monthly telephone meetings with the PECO program manager
 - Developed a draft evaluation plan for PY6
- **Residential and Commercial Smart A/C Saver Programs:** The Residential and Commercial Smart A/C Saver programs were active during September of the second quarter of the PY6 cooling season. As with PY5, PECO planned fewer conservation events than in Phase I of the program and planned to call a similar number of conservation events in PY6 as it did during the PY5 cooling season. Both the Residential and Commercial Smart A/C Saver programs continue to have reductions in their respective participant counts. Navigant attributes these reductions to normal attrition due to, for example, moves and business closures. Both programs, however, continued to enroll new participants in PY6 Q2 to offset some of this attrition. The PY6 control season is over; however, PECO plans to resume the Smart A/C Saver program again in Q1 of PY7.

2 Summary of Energy Impacts by Program

Figure 2-1 presents a summary of the reported energy savings by program through Q2 of Phase II.

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



Source: PECO and Navigant Analysis

Table 2-1 presents a summary of energy impacts by program through Q1 of PY6.

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	19,185	34,526	73,957	27,079	47,688	146,371	146,371
Smart Appliance Recycling Program	2,926	5,692	12,801	2,377	4,714	11,051	11,051
Smart Home Rebates Program ²	7,410	16,619	28,728	22,307	39,296	124,009	124,009
Smart House Call	726	1,332	2,514	448	850	1,804	1,804
Smart Builder Rebates	17	20	22	93	110	115	115
Smart Energy Saver	4,672	4,672	17,256	902	902	5,202	5,202
Smart Usage Profile	0	0	0	0	0	0	0
Smart Multifamily Solutions Res ⁴	3,434	6,191	12,636	953	1,816	4,191	4,191
Low-Income Energy Efficiency Program Total³	2,046	4,505	13,472	4,137	8,255	22,382	22,382
Low-Income Energy Efficiency Program	2,046	4,505	13,472	4,137	8,255	22,382	22,382
Non-Residential	552	1,133	2,288	26,052	51,803	169,943	169,943
Commercial and Industrial Total	483	1,009	2,030	18,469	39,409	84,702	84,702
Smart Equipment Incentives C&I - Retrofit	150	350	679	10,005	22,689	50,914	50,914
Smart Equipment Incentives C&I - Appliance Recycling	16	28	71	16	28	71	71
Smart Construction Incentives C&I	15	24	46	3,994	6,635	10,173	10,173
Smart Business Solutions C&I	156	305	713	3,789	8,275	18,963	18,963
Smart On-Site C&I	0	0	0	0	0	0	0
Smart Multifamily Solutions C&I ⁴	146	302	521	667	1,780	4,582	4,582
Government / Nonprofit Total	69	124	258	7,582	12,395	85,240	85,240
Smart Equipment Incentives GNI - Retrofit	55	105	206	6,906	11,340	21,513	21,513
Smart Equipment Incentives GNI - Appliance Recycling	2	2	2	2	2	2	2
Smart Construction Incentives GNI	6	9	16	492	772	2,900	2,900
Smart Business Solutions GNI	2	3	12	81	176	615	615
Smart On-Site GNI	0	0	2	0	0	59,945	59,945
Smart Multifamily Solutions GNI ⁴	4	5	20	102	104	265	265
Demand Reduction	-1,020	-2,239	72,484	0	0	0	0
Residential A/C Saver ⁵	-982	-2,162	70,568	0	0	0	0
Commercial A/C Saver ⁵	-38	-77	1,916	0	0	0	0
Total Portfolio	20,763	37,925	162,201	57,268	107,745	338,696	338,696
Carry-Over Savings from Phase I							242,793
Total Phase II-Q-CO							581,489
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 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.

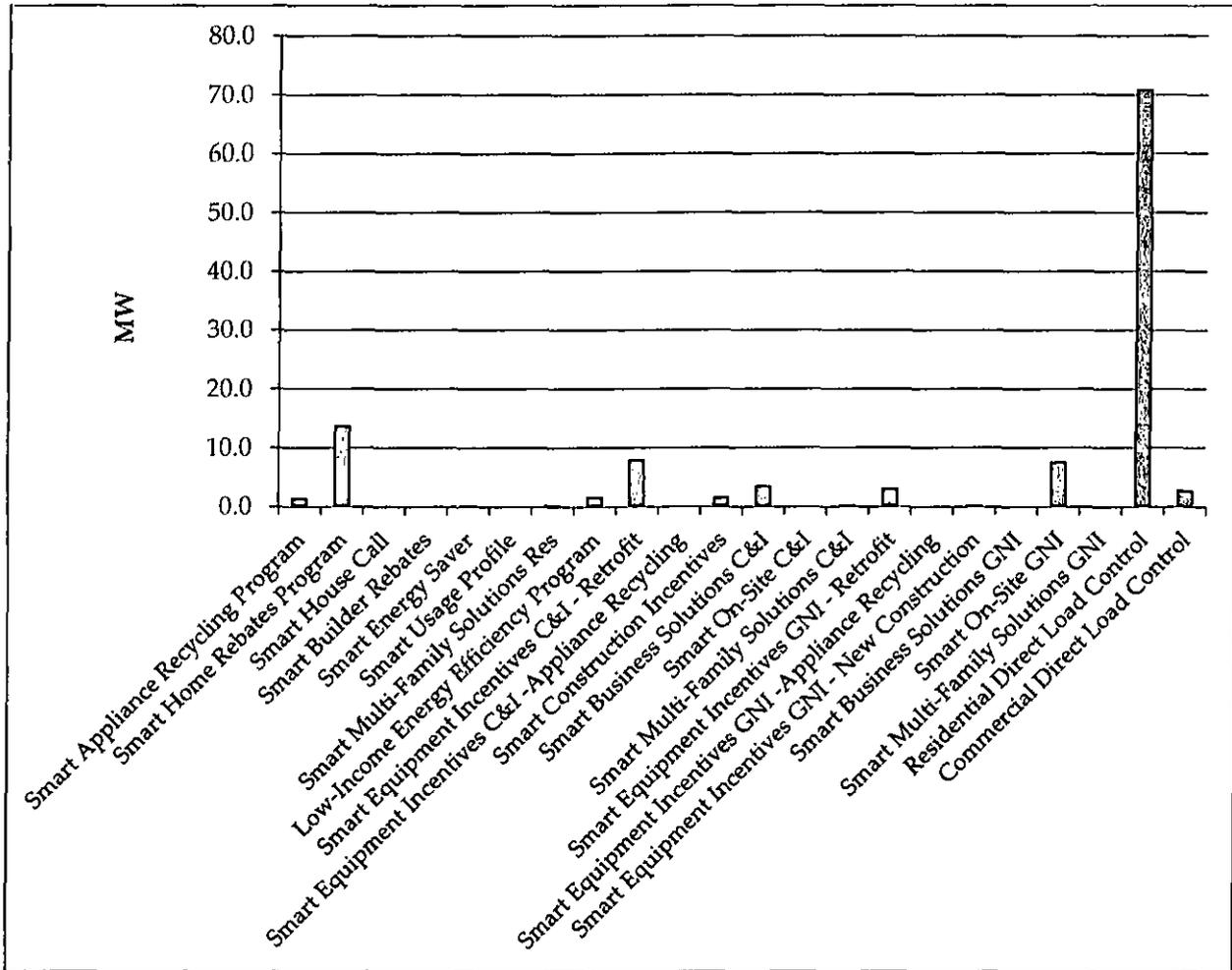
⁵Reductions in the participant rate for both the Residential and Commercial Smart A/C Saver programs can be attributed to normal participant attrition due to moves, business closures, etc. in the absence of concerted recruitment of new participants by PECO.

Source: PECO and Navigant Analysis

3 Summary of Demand Impacts by Program

Figure 3-1 presents a summary of the reported demand reduction by program through PY6Q2 of Phase II.

Figure 3-1. Phase II Demand Reduction by Program



Source: PECO and Navigant Analysis

Table 3-1 presents a summary of total demand reduction impacts by program through PY6 Q2. 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	PYTD	Phase II	Phase II-Q
Residential	19,185	34,526	73,957	4.2	7.7	16.6	16.6
Smart Appliance Recycling Program	2,926	5,692	12,801	0.4	0.7	1.5	1.5
Smart Home Rebates Program ²	7,410	16,619	28,728	3.6	6.6	13.9	13.9
Smart House Call	726	1,332	2,514	0.1	0.1	0.2	0.2
Smart Builder Rebates	17	20	22	0.0	0.0	0.0	0.0
Smart Energy Saver	4,672	4,672	17,256	0.1	0.1	0.4	0.4
Smart Usage Profile	0	0	0	0.0	0.0	0.0	0.0
Smart Multifamily Solutions Res ¹	3,434	6,191	12,636	0.1	0.2	0.4	0.4
Low-Income Energy Efficiency Program Total³	2,046	4,505	13,472	0.4	0.7	1.8	1.8
Low-Income Energy Efficiency Program ⁵	2,046	4,505	13,472	0.4	0.7	1.8	1.8
Non-Residential	552	1,133	2,288	3.5	7.5	25.4	25.4
Commercial and Industrial Total	483	1,009	2,030	2.8	5.9	13.9	13.9
Smart Equipment Incentives C&I – Retrofit	150	350	679	1.3	3.1	8.1	8.1
Smart Equipment Incentives C&I - Appliance Recycling	16	28	71	0.0	0.0	0.0	0.0
Smart Construction Incentives C&I	15	24	46	0.7	1.1	1.7	1.7
Smart Business Solutions C&I	156	305	713	0.7	1.5	3.6	3.6
Smart On-Site C&I	0	0	0	0.0	0.0	0.0	0.0
Smart Multifamily Solutions C&I ⁴	146	302	521	0.1	0.2	0.4	0.4
Government / Nonprofit Total	69	124	258	0.7	1.5	11.5	11.5
Smart Equipment Incentives GNI – Retrofit	55	105	206	0.6	1.4	3.3	3.3
Smart Equipment Incentives GNI - Appliance Recycling	2	2	2	0.0	0.0	0.0	0.0
Smart Construction Incentives GNI	6	9	16	0.1	0.1	0.4	0.4
Smart Business Solutions GNI	2	3	12	0.0	0.0	0.1	0.1
Smart On-Site GNI	0	0	2	0.0	0.0	7.8	7.8
Smart Multifamily Solutions GNI ⁴	4	5	20	0.0	0.0	0.0	0.0
Demand Reduction	-1,020	-2,239	72,484	0.0	0.0	74.0	74.0
Residential A/C Saver ⁶	-982	-2,162	70,568	0.0	0.0	71.1	71.1
Commercial A/C Saver ⁶	-38	-77	1,916	0.0	0.0	2.9	2.9
Total Portfolio	20,763	37,925	162,201	8.1	15.8	117.8	117.8

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

²Participant 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.

⁵The line loss factors for LEEP were accidentally not included in the reported gross impact for PY5. They have now been included in this calculation.

⁶Reductions 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.

Source: PECO and Navigant Analysis

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	\$9,196	\$17,613	\$40,963
EDC Incentives to Trade Allies	\$67	\$153	\$218
Subtotal EDC Incentive Costs	\$9,263	\$17,767	\$41,181
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ¹¹	\$8,171	\$17,404	\$45,334
Marketing	\$1,886	\$3,501	\$7,622
Subtotal EDC Implementation Costs	\$10,057	\$20,905	\$52,956
EDC Evaluation Costs	\$1,743	\$3,382	\$5,792
SWE Audit Costs	N/A	N/A	N/A
Total EDC Costs²²	N/A	N/A	N/A
Participant Costs³³	N/A	N/A	N/A
Total TRC Costs⁴⁴	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.			

Source: PECO and Navigant Analysis

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	\$122	\$223	\$485
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$122	\$223	\$485
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$261	\$509	\$1,171
Marketing	\$44	\$55	\$79
Subtotal EDC Implementation Costs	\$306	\$564	\$1,249
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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$3,287	\$6,124	\$13,017
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$3,287	\$6,124	\$13,017
Design & Development	\$0	\$0	\$0
Administration, Management and Technical Assistance ⁽¹⁾	\$796	\$1,748	\$5,233
Marketing	\$54	\$316	\$346
Subtotal EDC Implementation Costs	\$849	\$2,064	\$5,579
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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$35	\$67	\$139
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$35	\$67	\$139
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$538	\$1,048	\$2,787
Marketing	\$555	\$709	\$859
Subtotal EDC Implementation Costs	\$1,092	\$1,757	\$3,645
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.			

Source: PECO and Navigant Analysis

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	\$16	\$19	\$20
Subtotal EDC Incentive Costs	\$16	\$19	\$20
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$48	\$96	\$343
Marketing	\$30	\$36	\$72
Subtotal EDC Implementation Costs	\$78	\$132	\$415
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.			

Source: PECO and Navigant Analysis

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⁾	\$168	\$177	\$594
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$168	\$177	\$594
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.			

Source: PECO and Navigant Analysis

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
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$209	\$809	\$1,392
Marketing	\$0	\$1	\$1
Subtotal EDC Implementation Costs	\$209	\$809	\$1,392
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.			

Source: PECO and Navigant Analysis

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	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$2,233	\$4,004	\$9,900
Marketing	\$54	\$54	\$129
Subtotal EDC Implementation Costs	\$2,287	\$4,058	\$10,029
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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$781	\$1,829	\$4,007
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$781	\$1,829	\$4,007
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ^[1]	\$1,053	\$2,530	\$6,778
Marketing	\$0	\$0	\$3
Subtotal EDC Implementation Costs	\$1,053	\$2,530	\$6,781
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 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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$577	\$901	\$1,453
EDC Incentives to Trade Allies	\$51	\$134	\$198
Subtotal EDC Incentive Costs	\$627	\$1,036	\$1,651
Design & Development			
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$273	\$642	\$1,661
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$273	\$642	\$1,661
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.			

Source: PECO and Navigant Analysis

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 ¹¹	\$631	\$1,402	\$3,321
Marketing	\$0	\$0	\$3
Subtotal EDC Implementation Costs	\$631	\$1,403	\$3,324
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 for both the SWS C&I and GNI programs.			
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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$0	\$0	\$4,993
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$0	\$0	\$4,993
EDC Implementation Costs			
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$85	\$207	\$550
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$85	\$207	\$550
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 for both the SOS 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.			

Source: PECO and Navigant Analysis

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	\$0	\$0	\$0
Administration, Management, and Technical Assistance ^[1]	\$283	\$645	\$1,582
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$283	\$645	\$1,582
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 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.			

Source: PECO and Navigant Analysis

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
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ¹¹	\$367	\$741	\$1,700
Marketing	\$6	\$21	\$39
Subtotal EDC Implementation Costs	\$373	\$763	\$1,739
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), direct installation services, 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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$741	\$1,274	\$2,304
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$741	\$1,274	\$2,304
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ^[1]	\$642	\$1,461	\$3,995
Marketing	\$0	\$0	\$0
Subtotal EDC Implementation Costs	\$642	\$1,461	\$3,995
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), 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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$3,504	\$6,900	\$13,955
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$3,504	\$6,900	\$13,955
Design & Development	\$0	\$0	\$0
Administration, Management, and Technical Assistance ⁽¹⁾	\$1	\$336	\$205
Marketing	\$0	\$15	\$15
Subtotal EDC Implementation Costs	\$1	\$351	\$220
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 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.			

Source: PECO and Navigant Analysis

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

	Quarter (\$000)	PYTD (\$000)	Phase II (\$000)
EDC Incentives to Participants	\$149	\$295	\$608
EDC Incentives to Trade Allies	\$0	\$0	\$0
Subtotal EDC Incentive Costs	\$149	\$295	\$608
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	\$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.			

Source: PECO and Navigant Analysis

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Mike Brennan
PECO
2301 Market St
S15-2
Philadelphia, PA 19103

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Pennsylvania Public Utility Commiss
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Harrisburg, PA 17120

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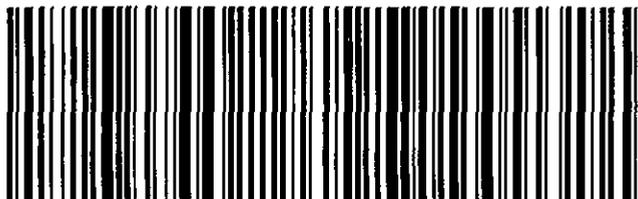
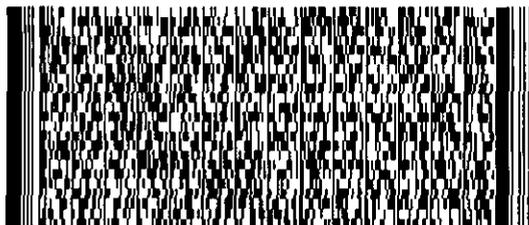
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