

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105

Petition of Philadelphia Gas  
Works for Approval of Demand-  
Side Management Plan for FY  
2016-2020, and Philadelphia Gas  
Works Universal Service and  
Energy Conservation Plan for  
2014-2016, 52 Pa.Code § 62.4 –  
Request for Waivers

Public Meeting: June 30, 2016  
2459362 – OSA  
Docket No. P-2014-2459362

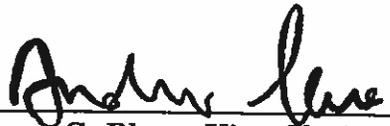
STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before us is the Petition of Philadelphia Gas Works (PGW) for Approval of its Demand-Side Management (DSM) Plan for FY 2016-2020 and Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, 52 Pa.Code § 62.4 – Request for Waivers. This Petition serves as a request to institute Phase II of PGW's initial five-year DSM plan.

PGW proposes a new pilot Efficient-Fuel Switching program, which includes Fuel Switching and Micro-CHP (combined heat and power systems) programs as part of the DSM. PGW stated that the goal of this new program is to help small and mid-sized commercial and industrial customers improve the overall net energy efficiency of their buildings by realizing the greatest on-site energy reductions through full fuel cycle usage analyses, including all fuel types, rather than strictly on-site natural gas reductions. The program would be tracked and reported on separately from the energy efficiency programs but be held to the same energy efficiency Total Resource Cost (TRC) cost-effectiveness standards as the rest of the PGW DSM Portfolio, while also needing to meet the requirement of net energy reduction. PGW projects that this new program will cost \$2.3 million over the Plan's five-year period.

As more fully discussed in the ALJ's Recommended Decision in this docket, PGW's fuel-efficient switching program should not be part of PGW's DSM program. Traditionally such programs were designed to reduce usage, and in particular peak usage, in order to capture the participant and other socialized benefits of DSM programs. In agreeing to the rejection of this program, I want to express my openness to fuel switching and Micro-CHP, or similar programs in the future. However, when petitioning for approval for these programs, I encourage the petitioners to not only submit a TRC Test (inclusive of information on both energy and non-energy benefits and costs as proposed by PGW), but also a ratepayer benefits test, so this Commission can understand the program impact on non-participants.

DATE: June 30, 2016

  
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Andrew G. Place, Vice Chairman