

BURKE VULLO REILLY ROBERTS

ATTORNEYS AT LAW

1460 Wyoming Avenue
Forty Fort, PA 18704
Phone (570) 288-6441 + Fax (570) 288-4598

*Formerly Burke & Burke
Thomas F. Burke, Sr. (1932-1972)*

www.bvrrlaw.com

JOSEPH L. VULLO
jlvullo@bvrrlaw.com

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e-filed

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

**RE: Comments of Commission on Economic Opportunity
Docket No.: L-2016-2557886**

Dear Secretary Chiavetta:

Please allow this correspondence to serve as the comments of the Commission on Economic Opportunity (CEO) to the PUC's Initiative to Review and Revise the Existing Low-Income Usage Reduction Program Regulations.

As way of brief background, CEO is a non-profit organization serving the low-income and elderly in Luzerne County, PA. CEO has weatherized more than 25,000 homes under the DCED's Weatherization Assistance Program. CEO also serves as the subcontractor for the LIURP programs of PPL Electric and UGI's gas and electric divisions. In addition to energy conservation, CEO is the contracted operator of Customer Assistance Programs sponsored by PPL and UGI.

The following comments of CEO correspond to the questions set forth in the Proposed Rulemaking Notice:

1. Are the existing regulations meeting the charge in 52 Pa. Code § 58.1? If not, what changes should be made?

52 Pa. Code § 58.2, for the purpose of eligibility, defines a low-income customer as "a residential utility customer with household income at or below 150% of the Federal poverty guidelines." It is our recommendation that the income threshold be increased to 200% of the Federal Poverty Income Guideline. Increasing the income threshold would increase the number of potential applicants and would be consistent with the DCED WAP income limit.

We also recommend that the regulations be amended to require that a company's triennial Universal Service Plan be submitted to an Administrative Law Judge for a recommended decision so that interested parties can better exchange information and offer input which would provide both the ALJ and ultimately the Commission with more information and input in addressing a company's USP. These plans, absent an intervening rate case, set funding levels and program

parameters for a three-year period and should therefore be subject a more formal litigated procedure.

2. How should LIURPs be structured to maximize coordination with other weatherization programs such as DCED's WAP and Act 129 programs?

The utilities should be required to continue to use Community Based Organizations (CBO's) to administer and deliver LIURP. Many of these CBO's, like CEO, operate both a utility's LIURP as well as DCED's WAP and therefore can provide a coordination of benefits to the client and increase low-income participation in LIURP. A CBO that operates both LIURP and WAP has the ability to cross-reference WAP referrals to determine LIURP eligibility and make the appropriate referral to the utility. Where there is dual eligibility for WAP and LIURP, installation can be coordinated so that service delivery is done simultaneously, and thus there is one visit to the client's home and one contractor. This comprehensive work being done for the client at the same time by one contractor is made possible only because we are the contractor for both the WAP and LIURP and we believe this increases the likelihood that the client will view the experience favorably and allow for increased low-income participation. In addition to having demonstrated experience and effectiveness in the administration and delivery of LIURP and WAP, CBO's like CEO have knowledge of the low-income community and in turn the low-income community knows them which allows for easier entry by the CBO as a known and trusted provider.

3. How can utilities ensure that they are reaching all demographics of the eligible populations in their service territories?

The utilities should continue to promote LIURP not only through traditional means, such as bill inserts, but also to proactively seek out new methods, such as television advertising, email blasts and meeting with Area Agencies on Aging offices, to discuss the Company's programs and services for its low-income customers.

4. What design would better assist/encourage all low-income customers to conserve energy to reduce their residential energy bills and decrease the incidence and risk of payment delinquencies?

How does energy education play a role in behavior change?

As the Secretarial letter states, "LIURP conservation and efficiency efforts do not always result in lower energy bills or usage for customers/households receiving LIURP services." LIURP installation measures alone do not guarantee energy savings. For low-income customers to better conserve energy and reduce their residential energy bills, it requires a conscious effort by the customer and their families to change their energy consumption through the choices they make in their daily lives. Effective energy education affects behavioral change by empowering customers with the knowledge and motivation to reduce their home energy use.

Since there is not a standard operating procedure in place for consumer energy education, it is likely that there is inconsistency of content and delivery methods across LIURP providers. It is recommended that the utilities set aside funds to create standards, using input and best practice methods from providers.

Equally as important, there should be standards in place to identify and address customers that do not reduce home energy consumption after receiving LIURP services. This can be accomplished through a mechanism to track usage and generate a subsequent referral, where appropriate, for remedial or follow-up energy education. Participation in energy education should be mandatory before, during and after the LIURP process. The most efficient way for people to understand the importance of on time payments and reduce their energy costs is to provide them with the tools to do so.

6. How can LIURPs best provide for increased health, safety, and comfort levels for participants?

In addition to assisting low-income customers in conserving energy and reducing residential energy bills, a critical goal of LIURP is the improved health, safety and comfort levels for program recipients. Items such as smoke alarms, carbon monoxide alarms, and furnace clean and tunes are typically addressed under the health and safety component.

Generally, the utilities allow LIURP providers to spend up to \$1,500 per job on health and safety/incidental repairs¹ if the ratepayer participant is the property owner, and up to \$500 if the ratepayer participant is a tenant or non-property owner. It is our recommendation to allow \$1,500 per LIURP job, for property owners and renters alike. This would foster consistency, and mirror the State WAP's approach to the equitable treatment of owners and renters.

7. How can LIURPs maximize participation and avoid disqualifications of households due to factors such housing stock conditions?

By using CBO's, as described in Item two above, referrals can be made to other programs in cases where the housing is in need of home modification beyond the scope of LIURP. In this way, work can either be done in tandem, or the appropriate remedial work might be done first in order for the LIURP work to be subsequently completed. The connection CBO's have to other entities allow us to make the appropriate referrals to agencies that may be able to assist a customer with issues that prevent them from being eligible for LIURP activities.

¹ "Incidental Repairs" are those improvements, which are deemed necessary to facilitate or permit the installation of LIURP weatherization measures (e.g., window and door frame replacement and repair; door lock assembly; door handles; roof leak repair; water heater repair; repair of leaking hot water faucets and pipes; and the replacement of rotted boards).

8. What is the appropriate percentage of federal poverty income level to determine eligibility for LIURP?

As set forth in Item 1 above, to be consistent with DCED's WAP income guideline and to increase the pool of potential LIURP referrals, we recommend that 200% of the Federal Poverty Income Guideline be used.

9. With the additional energy burdens associated with warm weather, what if any changes are necessary to place a greater emphasis on cooling needs?

While LIURP generally focuses on reducing energy consumption in terms of heating needs, greater emphasis should be placed on cooling needs, as it can account for a high degree of energy usage in Pennsylvania, which is prone to heat waves in the summer months. Measures such as replacing inefficient air conditioners and other cooling-based treatments should be emphasized, especially for the elderly population, in addition to energy education.

10. What are options to better serve renters, encourage landlord participation, and reach residents of multifamily housing?

Traditionally, very few multi-unit housing jobs (small or large) have been weatherized through LIURP, presumably because the utility companies did not view them as cost-effective jobs. In our experience, however, we have seen an increase in small multi-unit housing jobs under LIURP. We would advocate for an increase in this type of activity. The utility companies should develop, in their universal service plans, strategies of outreach to landlords and multifamily housing units. Participation incentives can be offered, for example if an apartment building houses at least 50% tenants that are LIURP eligible, then all tenants should receive LIURP services. Landlords should be provided with information on how LIURP services can increase the value of their property.

11. Should the requirements regarding a needs assessment in developing LIURP budgets, as outlined at 52 Pa. Code § 58.4(c), be updated to provide a calculation methodology uniform across all utilities? If so, provide possible methodologies.

The calculation methodology used in a needs assessment should be uniform across all utilities and we reserve the right to submit reply comments on possible methodologies.

12. Should the interplay between CAPs and LIURPs be addressed within the context of LIURP regulations? If so, how?

Yes. The Secretarial Letter addresses advantages to coupling CAP participation with LIURP participation, and states, in part that, "the Commission encourages utilities to continue to prioritize CAP participants for LIURP consideration." Coordination across CAP and LIURP can have a positive outcome in recruiting viable LIURP candidates. However, by virtue of CAPs' regular reduced monthly payment, the customer incentive to save money through usage reduction may be

lost. And therefore, these cases will need an even greater emphasis on consumer education, the usage tracking mechanism, and follow up energy education/remediation post-LIURP, as described in Item 4 above.

13. Are there specific "best practices" that would better serve the LIURP objectives which should be standardized across all the utilities? If so, what are they? For example, is there a more optimal and cost effective method(s) of procuring energy efficiency services so as to maximize energy savings at lower unit costs?

Reserved for possible reply comments.

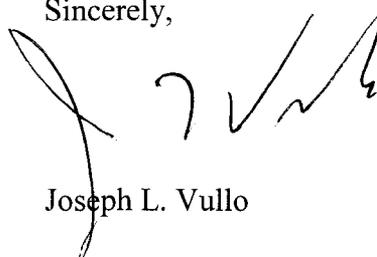
14. Other LIURP issues or topics:

The Secretarial Letter states that, "...there are no work specifications, contractor certification requirements or quality control standards in the current LIURP regulations."

In addition to the leveraging benefits of using a WAP contractor in its LIURP program (described in Item (2) above), the utilities could obtain the added benefits of a better-trained staff and more resources by using CBO's/WAP providers. As a WAP contractor, our staff is required to have a level of experience and certifications that exceed those required by utilities in their energy conservation programs. The PA WAP training certification model requirements exceed those required by many utilities in their LIURP programs.

As a WAP contractor, CEO is required to have certifications in areas such as Department of Energy Lead-Safe Weatherization Worker, EPA Lead Renovator, OSHA 10 and 30 (Construction) and RESNET Energy Star Home Rater. Our energy conservation staff of twenty-three (23) has 334 years of collective experience in the field with over 60 certifications. Therefore, in continuing to use WAP staff, the utilities could gain the benefits of more extensive training as well as technology (i.e. current lead testing and infrared equipment).

Sincerely,



Joseph L. Vullo

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cc: Commission on Economic Opportunity