



**PPL Electric Utilities**

# Stakeholder Meeting Act 129 Phase Two

PPL Electric Utilities

August 8, 2012

Harrisburg, PA

# PPL Electric Utilities Stakeholder Meeting

- Welcome, introductions and overview
- Safety first
- Continued “work in progress”
- Thank you for joining us



# Meeting Objectives

- Provide overview of PPL Electric Utilities' Act 129 Phase II planning schedule and process
- Provide an overview of the Final Order, as we interpret it, and its impact on PPL Electric Utilities' Act 129 Phase II Plan
- Provide feedback to suggestions made in the June 5, 2012 meeting
- Provide overview of the savings targets and funding for PPL Electric Utilities' Act 129 Phase II
- Provide program and measurement information that may be included in Phase II
- Continue obtaining input from Stakeholders

# Planning Schedule



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<del>March 1, 2012</del>	<del>• Release of Secretarial Letter seeking comments on future EE&amp;C planning issues</del>
<del>March 16, 2012</del>	<del>• Commission stakeholder meeting</del>
<del>April 17, 2012</del>	<del>• Secretarial Letter Comment due date</del>
<del>May 10, 2012</del>	<del>• Tentative Implementation Order on Public Meeting agenda</del> <del>• Release of Statewide Evaluator's Pennsylvania Electricity Baseline Study Results</del> <del>• Release of Statewide Evaluator's Pennsylvania Electricity Market Potential Study Results</del>
<del>June 25, 2012</del>	<del>• Tentative Implementation Order Comment due date</del>
<del>July 6, 2012</del>	<del>• Tentative Implementation Order Reply Comment due date</del>
<del>August 2, 2012</del>	<del>• Final Implementation Order on Public Meeting agenda</del>
September 2012	• PPL Electric holds Stakeholder meeting to discuss proposed Plan
October 1, 2012	• PPL Electric Utilities finalize plan internal review.
November 1, 2012	• EDCs file EE&C Plans
February 28, 2013	• Commission rules on EE&C Plans
June 1, 2013	• EE&C Programs begin

# Final Implementation Order Savings Targets

- 2.1% energy reduction June 1, 2013 – May 31, 2016
- 821,072 MWh/yr. (verified)
- Equivalent to 0.7% reduction per year
- GNI savings must be  $\geq 10\%$  of the required compliance target
- Low-income (150% of FPIG) savings must be  $\geq 4.5\%$  of the required compliance target



# Final Implementation Order Funding Targets

- Full funding = 2% of 2006 annual revenues
- \$61.5 million per year, \$184.5 million for 3 years
- Phase I program acquisition cost is \$0.19 per annual kWh saved
- Phase II funding will limit the program acquisition cost to \$0.22 per annual kWh saved



# Planning Process

## Mandatory Objectives:

- Portfolio benefit-cost ratio  $\geq 1.0$  in accordance with the Total Resource Cost Test
- Broad stakeholder input and consensus
- Costs are attributed to the customer class that receives the direct energy benefit of the measure
- “Fair and Equitable” distribution of programs, costs, and savings among customer classes



# Planning Process

## Program/Plan considerations:

- Stakeholder meeting feedback
- Stakeholder meetings with:
  - CHP contractors
  - Direct Installation lighting and manufacturers
- Emerging technology
- Estimates of savings, # of measures, market penetration, etc. that are reasonably achievable
- Savings per measure are consistent with actuals from Phase I, TRM, and the baseline/market potential study assumptions
- Program acquisition costs (program cost per annualized kWh saved) are reasonable for each program and each customer sector
- EDC collaboration to improve consistency (measures, programs, incentives, etc.)



# Final Order – Points of Interest

- Three year Plan
- Originally proposed consumption reductions were maintained
- No annual incremental targets
  - Must achieve at least 25% of target in each program year
- DR targets are not included in Phase II
  - EDCs may voluntarily implement DR programs

# Final Order – Points of Interest

- Low-Income
  - Obtain a minimum of 4.5% of consumption reductions from this sector
  - Budget allocation should be between 6% and 15% of total budget
  - Low-income is defined as up to 150% of FPIG
  - Permitted to use savings from multifamily housing, up to a percentage of customers with income at or below 150% of FPIG
  - Permitted to use savings from low-income participation in general residential programs
- GNI carve out
  - At least 10% of the total compliance target

# Final Order – Points of Interest

- CSP contracts only need to be re-bid for new programs
  - Review process for existing contracts
  - Note: New contract RFPs will be sent out prior to March 2013
  
- On-bill financing is to be addressed in a working group
  - Commission directed Bureau of Consumer Services and Bureau of Technical Utility Services to initiate a working group

# Final Order – Transition Issues

- EDCs may continue implementing Phase I programs and measures until Phase I budgets are expended
- Excess Phase I savings will count toward the Phase II compliance targets
- Can not carryover unused Phase I dollars into Phase II. Any unused Phase I funds must be returned to customers via reconciliation (by customer class)

# We listened.....

Review of questions raised and comments from the June 5<sup>th</sup> meeting:

- Residential
- Low-Income
- Small C & I
- Large C&I
- GNI

# Phase I Savings Targets

	<b>Phase I Planned</b>	<b>Actual Savings as of 7/31/12</b>	<b>Phase I Planned by Sector</b>	<b>Actual Percent of savings as of 7/31/12</b>	<b>Total Phase I Estimated Cost (\$1000)</b>	<b>Dollars spent (\$1000) as of 7/31/12</b>
GNI	121,779	145,448	10%	13%	\$21,019	\$12,925
Large C&I	231,410	184,821	18%	17%	\$35,461	\$21,077
Low-Income	25,410	17,916	2%	2%	\$35,552	\$30,988
Residential	561,764	503,870	44%	46%	\$66,512	\$54,531
Small C&I	335,393	242,967	26%	22%	\$86,456	\$56,176
<b>Total</b>	<b>1,275,766</b>	<b>1,095,062</b>	<b>100%</b>	<b>100%</b>	<b>\$245,000</b>	<b>\$175,697</b>

# Residential Sector

Cost per annual kWh saved: approximately \$0.18

- **Appliance Recycling**
  - Refrigerators and freezers
  - Room air conditioners
- **Weatherization and Audit**
- **Residential Efficient Equipment Program:**
  - Heat pump water heaters
  - High Efficiency HVAC
  - Pool pumps
  - Refrigerators and air conditioners (with possible changes)
  - Smart strip
- **Energy Report Cards**
- **Lighting Program (CFL and LED)**
- **Agricultural Program (if residential rate class)**



# Low-Income Sector

Cost per annual kWh saved: approximately \$0.74

- **Low-Income Programs:**
  - Base load WRAP
  - Energy education and measures
  - All measures available to residential customers



# Government, Non-profit, Institutional Sector

Cost per annual kWh saved: approximately \$0.28

- **Multifamily Master-Meter Program**
- **Agricultural Program** (if GNI rate class)
- **GNI Energy Efficiency Program:**
  - LED Exterior Lighting
  - Direct Install Lighting Program for Schools
  - Custom Program



# Government, Non-profit, Institutional Sector



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- **Custom Program** (includes CHP)
- **Efficient Equipment Prescriptive Rebates:**
  - **HVAC**
    - PTAC/PTHP
    - (DX) Packaged Air Conditioning System
    - ASHPs
    - Ductless heat pump
  - **Refrigeration**
    - Commercial Reach-in Refrigerator
    - Floating Head Pressure Control
    - Display Cases
    - Compressor Variable Speed Drive (VSD) Retrofit
    - Anti-Sweat Heating Controls
- **Lighting**
  - T5 or T8 Fixtures
  - High Performance T8 Fixtures
  - High Bay Lighting
  - De-Lamp
  - High-Pressure Sodium (HPS) Lighting
  - Pulse Start Metal Halide/Ceramic Metal Halide
  - LED Exit Lighting
  - Occupancy Sensors
  - Lighting Power Density Reduction
- **Commercial Applications**
  - Evaporator Fans and Case Fans
  - Steam Cookers
  - High Efficiency Compressors
- **Motors and Drives**
  - Premium Efficiency Motors
  - Adjustable Speed Drives and Variable Speed Drives

# Multifamily Buildings

Savings Target: Approximately 10,000 MWh/yr. (verified)

- Savings count toward GNI savings target
- Low-income master metered buildings
- Walk through audits
- Direct Install
- Prescriptive and Custom component
- RFP for a CSP



# Small C&I Sector

Cost per annual kWh saved: approximately \$0.28

- **Small C&I Energy Efficiency Program:**
  - Bundle programs for sub-sectors
    - Refrigeration
    - LED exterior lighting
    - Mechanical
      - motors – VFD/SVD
      - enhanced air compressors
    - Revised HVAC tune-up
- **Agriculture Program** (if Small C&I rate class)



# Small C&I Sector

- **Direct Discount Service**
- **Custom Program** (includes CHP)
- **Efficient Equipment Prescriptive Rebates:**
  - HVAC**
    - PTAC/PTHP
    - (DX) Packaged Air Conditioning System
    - ASHPs
    - Ductless heat pump
  - Refrigeration**
    - Commercial Reach-in Refrigerator
    - Floating Head Pressure Control
    - Display Cases
    - Compressor Variable Speed Drive (VSD) Retrofit
    - Anti-Sweat Heating Controls

## Lighting

- T5 or T8 Fixtures
- High Performance T8 Fixtures
- High Bay Lighting
- De-Lamp
- High-Pressure Sodium (HPS) Lighting
- Pulse Start Metal Halide/Ceramic Metal Halide
- LED Exit Lighting
- Occupancy Sensors
- Lighting Power Density Reduction

## Commercial Applications

- Evaporator Fans and Case Fans
- Steam Cookers
- High Efficiency Compressors

## Motors and Drives

- Premium Efficiency Motors
- Adjustable Speed Drives and Variable Speed Drives

# Large C&I Sector

Cost per annual kWh saved: approximately \$0.15

## Large C&I Energy Efficiency Program:

- Enhanced air compressors
- Mechanical Motors
  - VSD/VSD
- Commercial Kitchens



# Large C&I Sector

- **Custom Program** (including CHP)
- **Efficient Equipment Prescriptive Rebates:**
  - HVAC**
    - PTAC/PTHP
    - (DX) Packaged Air Conditioning System
    - ASHPs
    - Ductless heat pump
  - **Refrigeration**
    - Commercial Reach-in Refrigerator
    - Floating Head Pressure Control
    - Display Cases
    - Compressor Variable Speed Drive (VSD) Retrofit
    - Anti-Sweat Heating Controls
    - Chiller

## Lighting

- T5 or T8 Fixtures
- High Performance T8 Fixtures
- High Bay Lighting
- De-Lamp
- High-Pressure Sodium (HPS) Lighting
- Pulse Start Metal Halide/Ceramic Metal Halide
- LED Exit Lighting
- Occupancy Sensors
- Lighting Power Density Reduction
- **Commercial Applications**
  - Evaporator Fans and Case Fans
  - Steam Cookers
  - High Efficiency Compressors
- **Motors and Drives**
  - Premium Efficiency Motors
  - Adjustable Speed Drives and Variable Speed Drives

# Putting it together.....

- Stakeholder meeting to review Plan
  - September 2012
- Email suggestions and comments to: **[Act129phasetwo@pplelectric.com](mailto:Act129phasetwo@pplelectric.com)**



# Discussion and Questions



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