

**PPL Electric Utilities
Stakeholder Meeting – April 22, 2014
Comments, Questions and Responses**

This stakeholder meeting provided stakeholders with an overview of Phase II actual savings and costs through the third quarter of Program Year 5, a review of approved program changes for both residential and non-residential program going into effect June 1, 2014 and solicited comments on both the Home Comfort program and GNI programs.

Phase II overview

Question: Are the numbers in the presentation a combination of Phase I and Phase II?

Response: The numbers presented are for Phase II only except for carryover numbers.

Residential Programs

Question: Municipalities have spring clean-up days in May. Will your CFL recycling program be available for municipalities by May?

Response: No, we will begin rolling out the CFL recycling program in June of 2014.

Comment: I went to buy a new refrigerator in two big box stores. I asked for a PPL rebate form and neither had one. This was in Mechanicsburg.

Response: Our contractor provides retailers with tear pads and training, all retail stores are visited monthly. (Note: following the meeting, the CSP for this program followed up with the box stores in Mechanicsburg and provided tear pads and additional training)

Question: Explain the transition from CFLs to LEDs.

Response: All Act 129 programs that originally had CFLs as a component will, starting PY6 (June 1, 2014), switch to LEDs.

Question: Will the LEDs need to be ENERGY STAR®?

Response: Yes. There are a wide variety of ENERGY STAR® bulbs. Those will be the ones that will be discounted.

Questions: Are there changes to the Audit and Survey programs?

Response: The direct install measures are basically the same. The survey will now have LEDs instead of CFLs. We increased the rebate to customers who complete an audit and install insulation and infiltration measures that were recommended by the audit. In addition, we require that those measures recommended by the audit must be installed within 180 days of the audit in order to qualify for the bonus rebate. The enhanced rebate provides customers with an additional incentive to complete an audit and to implement audit recommendations. Customers are eligible for rebates for installing weatherization measures covered by the program.

Question: Will customers who received an energy kit in the past (E-Power Wise Program) be able to receive another kit?

Response: No, if they received a kit in the past, they are not eligible to receive another one.

Commercial and Industrial Programs

Question: Are you phasing out T8s to both Custom and Prescriptive Programs?

Response: Yes. PPL will no longer offer rebates for standard T8s after May 31, 2013.

Question: What about providing rebates for high performance T8s?

Response: We aren't providing a rebate for "regular" T8 lighting but we are providing rebates for high-performance T8s and T5s.

Question: The TRC benefit-cost ratio requirement in the Custom Program was changed from 1.0 to 1.1. Please explain what that means.

Response: The Total Resource Cost Test (TRC) is the method for determining cost-effectiveness of energy-efficiency in PA. Increasing the minimum benefit-cost ratio to 1.1 means custom projects must be more cost-effective, increasing the likelihood that the Custom Program, as a whole, will be more cost-effective. Avoided energy, capacity, transmission, and distribution costs; energy and peak load savings; measure life; and the incremental cost of the measure are used in the TRC. The amount of a rebate does not influence the benefit-cost ratio.

Comment: 28 watt bulbs don't work well at 60 degrees or lower. They take a while to warm up. Are they eligible for rebates?

Response: It is up to the customer and the customer's lighting contractor to select the appropriate lighting product for the conditions. This condition does not impact the energy savings estimate or the rebate.

Question: Customers receiving an audit are advised there are non-PPL grants available for energy-efficiency improvements. Are there grants available? If yes, PPL Electric should list them on their website.

Response: During the time of ARRA funding, there were many grants available. ARRA funding has significantly diminished since Phase II. PPL Electric will provide links to relevant available federal and state grants and tax credits on their website.

Question: Explain why the eligibility limit for direct install projects was lowered to 100,000 kWh or less yearly energy usage (excludes GNI customers).

Response: This adjustment is necessary to better control the pace of this program to prevent exhausting the Small C&I customer sector budget for this program too early (well before May 2016).

Question: For the multifamily program, what do you mean by "whole building?"

Response: Working with the CSP, we will identify buildings that can benefit from the installation of multiple, possibly extensive, energy-efficiency measures to maximize the energy savings. Buildings will need to be "all electric" to qualify. This is a pilot for us, with a target of up to three buildings, to see what we can learn about this approach.

Question: Will you be looking at the TRC (cost-effectiveness) for the "whole building" in the Multifamily Master Metered Low-Income Program? Will that influence what buildings and individual measures you choose for a project?

Response: One of the objectives of this pilot is to better understand the cost-effectiveness of various "whole building" approaches. Therefore, PPL will determine the actual benefit-cost

ratio of each building in this pilot but the estimated benefit-cost ratio will not be a prerequisite for participation in the pilot.

Question: When will buildings be chosen for the “whole building” approach?

Response: None have been identified to date. Buildings will be identified in PY6.

Question: Are you aware of ACEEE’s best practices for multifamily buildings.

Response: Yes.

Question: Why is multifamily considered GNI and not residential?

Response: The buildings are managed or owned by non-profits or government and are master-metered and have a non-residential rate class. If the buildings had low-income tenants with individual meters and a residential rate class, those tenants would be referred to WRAP.

Question: Is there financing for the multi-family program?

Response: Yes, the CSP (SmartWatt) provides 0% financing for up to two years.

Question: Would you provide an update on extending the limited time offer for GNI customers? School boards have timing restraints and are not able to make quick decisions.

Response: We will be deciding in a few weeks. This limited time offer is intended to encourage customers to act on jobs that were previously bid, not for new projects.

Question: How was that LTO, noted in the previous question, communicated?

Response: Through the trade ally network.

Comment: The quick turn-around isn’t good for trade allies. It makes the trade allies look like they feed a bill of goods to the customer. For GNI customers, it takes a long time to get the word out.

Response: PPL Electric will be more careful and sensitive to that issue.

Comment: LTOs work but contractors need time to get the word out. A good timeframe would be a minimum of 60 days. Consider a letter of intent, a pre-approval process and reserving funds for a limited time.

Comment: One contractor said the installs install several lighting options, samples for them to see and try.

Comments:

Working with schools is challenging. There are multiple levels for decisions to be made. School Boards are made up of volunteers that meet monthly at best.

Projects need to be marketed to schools in the fall when the board is working on their budget for the following year.

Question: Usually when you talk about GNI, you talk about schools. How do you plan on targeting Small GNI customers who are not schools?

Response: In Program Year 2 of Phase I, we were concerned about increasing savings for Small C&I customers, including those who meet GNI requirements. We turned that around and had

significant penetration into the Small C&I market. We could reach out now to fire houses and parishes for example, offering a Limited Time Offer.

Question: Recognizing the issue with churches and “hours of use,” would you consider fixed rebates for churches?

Response: We will take it under advisement for a possible program adjustment.

Question: When will program changes and rebate forms become available?

Response: Program changes and rebate forms will be available on the website on June 1, 2014.

Question: Can PPL provide updated applications and rebate charts before June 1, 2014. Trade Allies are making sales calls now for measures that will be installed after June 1, 2014.

Response: We won't be hanging both the old and updated rebate forms on the website. PPL tried that in Phase 1 and 2 sets of forms/charts was very confusing to customers.

Question: Will there be changes to the lighting rebate forms?

Response: Rebate forms will be changed to show that we will no longer be incentivizing standard T-8's or for the installation of Induction or Metal Halide lighting.

Discussion: PPL Electric solicited suggestions and comments on two areas that are posing challenges; GNI and the Home Comfort Program.

Home Comfort -Comments and suggestions:

Are you planning on doing any advertising? UGI has commercials for audits.

Public radio is a good way to reach potential audit customers.

Women are more interested in this topic than men. They are the decision makers in the home and marketing should be targeted to them.

PPL sponsors the website “Evolve” with five women bloggers. They recently had audits and “blogged” about it. The website is: <http://www.projectenvolve.com/>

PPL should consider looking at customers that are just above the low-income cut off for free weatherization. For those customers, paying an up-front cost may pose a challenge. Consider offering a free survey to those customer and we might get a better “take rate.”

PPL should provide free duct sealing and infiltration reduction with the initial energy audit and blower door test. That will be simpler for the customer and will avoid a separate appointment and second blower door test (to confirm the reduced duct leakage and air infiltration).

Promote the audits and surveys to customers that receive the Behavioral Energy-Efficiency Education report cards.

When promoting the program, make it easy for customers to participate, make it beneficial. For mothers the issue is saving money, saving energy, improving air quality, minimizing the time for the audit, and trusting the results of the audit. You need to address those issues.

Target marketing to those who need it. Use the approach... “Are you freezing?”

On the PPL Electric bill, put two years of billing analysis. Customers may respond if they see their usage over a longer period of time, visually.

Provide case studies on “payback.” Helpful for customers to see what the payback period would be.

Provide usage against neighbors in marketing to individual customers. (Note: that data is on line for customer to see)

GNI - Comments and suggestions:

Provide customers with non-cost, low-cost savings in report cards.

Contractor should be connected to Co-Star, Department of General Service procurement program.

Market streetlight rebates directly to GNI. Municipalities need to purchase and install streetlights and rebates are a way to push them in that direction. However there may be problems. The financials, in the long run, don't always work.

At a municipal workshop, a PPL representative noted that incentives for street lights won't realize savings because they are non-metered.

If you haven't already, evaluate the street light cobra head technology.