

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Implementation of Act 129 of 2008 -)	Docket Nos.	M-2012-2300653
Total Resource Cost (TRC) Test – 2012)		M-2009-2108601
Phase II of Act 129)		

COMMENTS OF CITIZEN POWER, INC.

Citizen Power provides these comments to the Pennsylvania Public Utility Commission (“PA PUC”) in response to the Tentative Order dated May 24, 2012 in Dockets No. M-2012-2300653 and M-2009-21008601.

Comments

Citizen Power is fully in support of the continued use of the Total Resource Cost Test (“TRC”) to analyze the benefits and costs of the energy efficiency and conservation (“EE&C”) plans of the various electric distribution companies (“EDCs”). Although, from a philosophical standpoint, we believe that the use of the Societal Test more accurately captures the true benefits and costs of EE&C plans; the TRC Test has worked very efficiently to help deliver the benefits envisioned under Act 129.

Our main suggestion in response to the Tentative Order is that the Commission should consider changing the definition of incremental costs for replacement of functioning devices. Currently, the incremental cost for replacing functioning devices is the cost of the device or

measure including any installation costs. However, a distinction should be made between the early replacement of functioning devices and a pure retrofit of functioning devices. Early replacement occurs when the replacement of a piece of equipment is accelerated in order to capture the benefits of energy savings earlier than if the equipment is replaced at the end of its useful life. Citizen Power recommends that the Commission adopt the approach to determining incremental costs in respect to early replacement measures as used in the Guide to Resource Planning with Energy Efficiency, A Resource of the National Action Plan for Energy Efficiency in Table 4-1. Specifically, we recommend that the incremental cost of early replacement measures in Phase II should be the present value of the efficient device (plus installation costs) minus the present value of the standard device (plus installation costs). This approach would recognize the remaining value in the device to be replaced and therefore properly incentivizes the adoption of early replacement measures.

Respectfully Submitted,

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