

Quarterly Report to the Pennsylvania Public Utility Commission and Act 129 Statewide Evaluator

**For the period
September 1, 2011 to November 30, 2011
Program Year 3**

For Act 129 of 2008
Energy Efficiency and Conservation Program
of West Penn Power Company

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Abbreviations (see Glossary for definitions)

CPITD	Cumulative Program/Portfolio Inception to Date
CSP	Conservation Service Provider
EDC	Electric Distribution Company
EE&C	Energy Efficiency and Conservation
EM&V	Evaluation Measurement and Verification
FE	FirstEnergy Corp.
IQ	Incremental Quarter
kW	Kilowatt
kWh	Kilowatt-hour
LDDA	Local Development District Associations
M&V	Measurement and Verification
MW	Megawatt
MWh	Megawatt-hour
NTG	Net-to-Gross
PY	Program Year
PYTD	Program/Portfolio Year to Date
SWE	Statewide Evaluator
TRC	Total Resource Cost
TRM	Technical Reference Manual
TWG	Technical Working Group
WPP	West Penn Power

1 Overview of Portfolio

Act 129, signed October 15th, 2008, mandated energy savings and demand reduction goals for the largest electric distribution companies (EDC) in Pennsylvania. Pursuant to their goals, energy efficiency and conservation (EE&C) plans were submitted by each EDC and approved by the Pennsylvania Public Utility Commission (PUC).

In accordance with the Secretarial Letter issued on May 25, 2011¹, and the Commission directive requiring EDC's to file quarterly reports for the first three quarters of each reporting year, West Penn Power respectively submits this quarterly report documenting the progress and effectiveness of the EE&C accomplishments for the West Penn Power Company (WPP) or (Company) through the end of Program Year 3, Quarter 2.

Compliance goal progress as of the end of the reporting period²:

Cumulative Portfolio Energy Impacts

- The CPITD reported gross energy savings is 238,586 MWh, of the 628,160 MWh May 31st, 2013 energy savings compliance target.
- The CPITD preliminary verified energy savings is 232,940 MWh³.
- Achieved 38% of the 628,160 MWh May 31, 2013 energy savings compliance target on a gross basis, and 37% on a preliminary verified basis.

Portfolio Demand Reduction⁴

- The CPITD reported gross demand reduction is 27.7 MW.
- The CPITD preliminary verified demand reduction is 26.1 MW.
- Achieved 18% of the 157.3 MW May 31, 2013 demand reduction compliance target.

Low Income Sector

- There are 83,295 measures offered to the low-income sector, comprising 3% of the total measures offered.
- The CPITD reported gross energy savings for low-income sector programs is 11,489 MWh.
- The CPITD preliminary verified energy savings for low-income sector programs is 10,638 MWh.

Government and Non-Profit Sector

- The CPITD reported gross energy savings for government and non-profit sector programs is 24,127 MWh.⁵

¹ *Energy Efficiency and Conservation Program*, Docket No. M-2008-2069887, Secretarial Letter (May 25, 2011).

See Docket No. M-2008-2069887

² Percentage of compliance target achieved calculated using verified Cumulative Program/Portfolio Inception to Date values (or Preliminary verified value, if not available) divided by compliance target value.

³ The preliminary verified impacts are the sum of verified impacts for PY1 and PY2 and preliminary verified impacts for PY3. As historical realization rates are near 100% for most programs, preliminary realization rates for PY3 are nominally set to 100% until M&V work results in meaningful adjustments.

⁴ Demand reduction to include both the demand savings from the installation of energy efficiency measures and the demand reduction associated with demand response programs.

- The CPITD preliminary verified energy savings for government and non-profit sector programs is 21,227 MWh.
- Achieved 37.7% of the 63,997 MWh May 31, 2013 energy savings compliance target.⁶

Program Year portfolio highlights as of the end of the reporting period:

- The PYTD reported gross energy savings is 142,420 MWh.
- The PYTD preliminary verified energy savings is 142,420 MWh.
- The PYTD reported gross demand reduction is 13.4 MW.
- The PYTD preliminary verified demand reduction 13.4 MW.
- The PYTD reported participation is 361,505.⁷

Other Observations and Risks That May Affect Portfolio Success

As initially reported in Table A of the final PY2 Annual report filed in November of 2011, the transactions that will affect May 31, 2011 compliance as a result of customer reporting lag continue to be diligently pursued by the Company. The Company hopes to be able to provide updated results in its next quarterly report.

West Penn Power filed a revised plan on August 9, 2011⁸ based upon knowledge the Company has learned during the first two years of implementation and the best practices of its FirstEnergy affiliated companies. The Commission issued an interim order on October 28, 2011. Several items of the revised plan were approved while two issues involving (i) the Conservation Voltage Reduction (CVR) program and (ii) several administrative issues were referred to an Administrative Law Judge (ALJ) for further action. The Company is in the process of implementing the approved components of the revised plan. The parties actively involved in the remaining issues reached a settlement agreement which was the subject of a joint petition for settlement filed on January 6, 2012, and which WPP anxiously awaits approval by both the ALJ and the Commission. Timely approval of the settlement is necessary in order to enable West Penn Power to meet its energy efficiency benchmarks.

One factor specific to West Penn Power that may also affect its ability to meet energy efficiency benchmarks is the 2% spending cap imposed by Act 129⁹. This spending cap, combined with the fact that WPP had lower revenues in 2006, resulted in WPP having the smallest compliance budget among any of the Pennsylvania EDCs.

Further, WPP has the lowest electric rates in the state, which created several obstacles unique to WPP. Lower rates generally provide less incentive for customers to conserve energy. Therefore, WPP customers do not have the same incentives to participate in the programs as did customers of other Pennsylvania EDCs with higher rates.

⁵ This includes Government and Non-Profit Sector customer participation in all C&I and Government and Non-Profit Sector Programs.

⁶ Reflects Government and Non-Profit Sector customer participation in Government and Non-Profit Sector Program only.

⁷ CFL participants comprise 66,232 of the listed participant numbers. CFL participants are defined by the number of CFL packages purchased through WPP's Compact Fluorescent Lighting (CFL) Rewards Program.

⁸ See Docket No. M-2009-2093218

⁹ 66 Pa. C.S. § 2806.1(gB)(II).

Given the current economic conditions and their impact on government and institutional budgets, achieving 10% of Act 129 target savings from Federal/State/local/municipal governments, school districts, institutions of higher education, and nonprofit entities may prove challenging.

Furthermore, the Company has a growing concern about the 4½% demand reduction target and feel the ability to achieve this target is at very high risk based on the magnitude specific to the top 100 hours, customer's willingness to participate as well as the need for generous financial incentives to encourage participation.

Notwithstanding these difficulties, the company is diligently working with its implementation team and implementation and evaluation CSP's to evaluate current programs and identify the best approach for achieving future, aggressive Act 129 targets. The empirically-based results from these evaluations form the basis for program design decisions with a goal to cost effectively improve the delivery of energy efficiency and conservation measures to customers.

1.1 Summary of Portfolio Impacts¹⁰

A summary of the portfolio reported impacts is presented in Table 1-1.

Table 1-1: EDC Reported Portfolio Impacts through the Second Quarter, Program Year 3

Impact Type	Total Energy Savings (MWh)	Total Demand Reduction (MW)
Reported Gross Impact: Incremental Quarterly	92,496	7.8
Reported Gross Impact: Program Year to Date	142,420	13.4
Reported Gross Impact: Cumulative Portfolio Inception to Date	238,586	27.7
Unverified Ex Post Savings	0	0.0
Estimated Impact: Projects in Progress	24,887	4.0
Estimated Impact: PYTD Total Committed	167,307	17.5
Preliminary PYTD Verified Impact ^[a]	142,420	13.4
Preliminary PYTD Net Impact ^[b]	142,420	13.4
NOTES:		
[a] Portfolio Verified Impact calculated by aggregating Program PYTD Verified Impacts. Program PYTD Verified Impacts are calculated by multiplying Program PYTD Reported Gross Impacts by program realization rates.		
[b] Portfolio Net Impact calculated by aggregating Program Net Impacts. Program Net Impacts are calculated by multiplying Program PYTD Verified Impacts by program Net-to-Gross ratios.		

¹⁰ The PY2 3rd Quarter report includes WPP's September 10, 2010 Revised Amended Plan approved January 13, 2011 in all tables and figures. Programs removed or changed are identified within each pertinent Table.

A summary of total evaluation adjusted impacts for the portfolio is presented in Table 1-2.¹¹

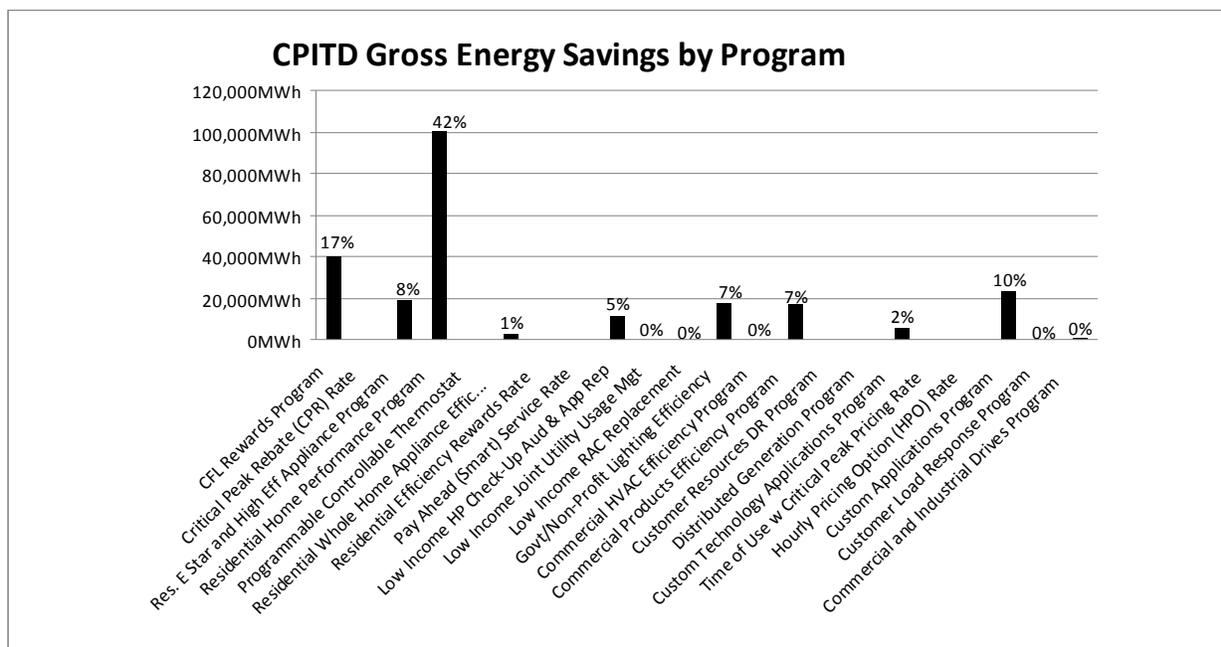
Table 1-2: Verified Preliminary Portfolio Total Evaluation Adjusted Impacts through the End of the Second Quarter, Program Year 3

TRC Category	IQ ^[a]	PYTD ^[b]	CPITD
TRC Benefits (\$)	N/A	N/A	N/A
TRC Costs (\$)	N/A	N/A	N/A
TRC Benefit-Cost Ratio			N/A
NOTES:			
[a] Based on reported gross savings.			
[b] Based on reported gross savings.			

1.2 Summary of Energy Impacts by Program

A summary of the reported energy savings by program is presented in Figure 1-1.

Figure 1-1: CPITD Reported Gross Energy Savings by Program through the Second Quarter, Program Year 3



¹¹ Consistent with prior guidance from PUC Staff, this Report will not include information related to TRC Benefit-to-Cost Ratios.

A summary of energy impacts by program through the Second Quarter, Program Year 3 is presented in Table 1-3 and Table 1-4.

Table 1-3: EDC Reported Participation and Gross Energy Savings by Program through the Second Quarter, Program Year 3

Program	Participants			Reported Gross Impact (MWh)		
	IQ	PYTD	CPITD	IQ	PYTD	CPITD
Compact Fluorescent Lighting (CFL) Rewards Program	33,922	66,232	229,647	6,219	11,316	40,248
Critical Peak Rebate (CPR) Rate						
Residential Energy Star and High Efficiency Appliance Program	5,194	12,180	40,803	2,992	5,997	19,165
Residential Home Performance Program	196,125	277,799	324,437	60,848	87,062	100,446
Programmable Controllable Thermostat (PCT) Program (removed from Plan)						
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	550	990	2,976	393	854	2,966
Residential Efficiency Rewards Rate (removed from Plan)						
Pay Ahead (Smart) Service Rate (removed from Plan)						
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	1,914	3,965	9,589	2,378	4,599	11,345
Residential Low Income Joint Utility Usage Management Program	32	63	183	22	60	144
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)						
Governmental/Non-Profit Lighting Efficiency Program	55	109	867	2,206	4,143	17,784
Commercial HVAC Efficiency Program	2	3	5	2	4	6
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	69	122	278	2,791	5,868	16,495
Customer Resources Demand Response Program						
Distributed Generation Program						
Custom Technology Applications Program	9	15	30	2,102	3,389	5,899
Time of Use (TOU) with Critical Peak Pricing Rate						
Hourly Pricing Option (HPO) Rate (removed from Plan)						
Custom Applications Program	14	27	36	12,543	19,126	23,116
Customer Load Response Program						
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.	0	0	6	0	0	972
TOTAL PORTFOLIO	237,886	361,505	608,857	92,496	142,420	238,586
NOTES: (1) Absence of data indicates program has not been launched.						

Table 1-4: EDC Reported Gross Energy Savings by Program through the Second Quarter, Program Year 3

Program	Projects In Progress (MWh)	Unverified Ex Post Savings (MWh)	PYTD Total Committed (MWh)	EE&C Plan Estimate for Program Year	Percent of Estimate Committed (%)
Compact Fluorescent Lighting (CFL) Rewards Program	1	0	11,317	31,475	36%
Critical Peak Rebate (CPR) Rate				487	0%
Residential Energy Star and High Efficiency Appliance Program	509	0	6,506	17,718	37%
Residential Home Performance Program	0	0	87,062	21,136	412%
Programmable Controllable Thermostat (PCT) Program (removed from Plan)					
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	69	0	923	5,280	17%
Residential Efficiency Rewards Rate (removed from Plan)					
Pay Ahead (Smart) Service Rate (removed from Plan)					
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	0	0	4,599	963	478%
Residential Low Income Joint Utility Usage Management Program	0	0	60	3,342	2%
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)					
Governmental/Non-Profit Lighting Efficiency Program	1,385	0	5,528	9,379	59%
Commercial HVAC Efficiency Program	53	0	57	1,703	3%
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	6,278	0	12,147	93,777	13%
Customer Resources Demand Response Program				2,000	0%
Distributed Generation Program				350	0%
Custom Technology Applications Program	4,721	0	8,110	7,370	110%
Time of Use (TOU) with Critical Peak Pricing Rate				2,467	0%
Hourly Pricing Option (HPO) Rate (removed from Plan)					
Custom Applications Program	11,872	0	30,998	29,678	104%
Customer Load Response Program			0	1,050	0%
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.					
Total	24,887	0	167,307	228,175	73%

NOTES: (1) "Unverified Ex Post Savings" are unverified savings pending approval of TRM or Custom Measure Protocol by the Commission.
(2) Absence of data indicates that program has not been launched.
(3) EE&C Plan Estimate for Program Year reflects Plan approved on January 13, 2011.
(4) EE&C Plan Estimate for Program Year for Commercial & Industrial Drives Program is included in Custom Technology Applications Program and Custom Applications Program.

A summary of evaluation verified energy impacts by program is presented in Table 1-5.

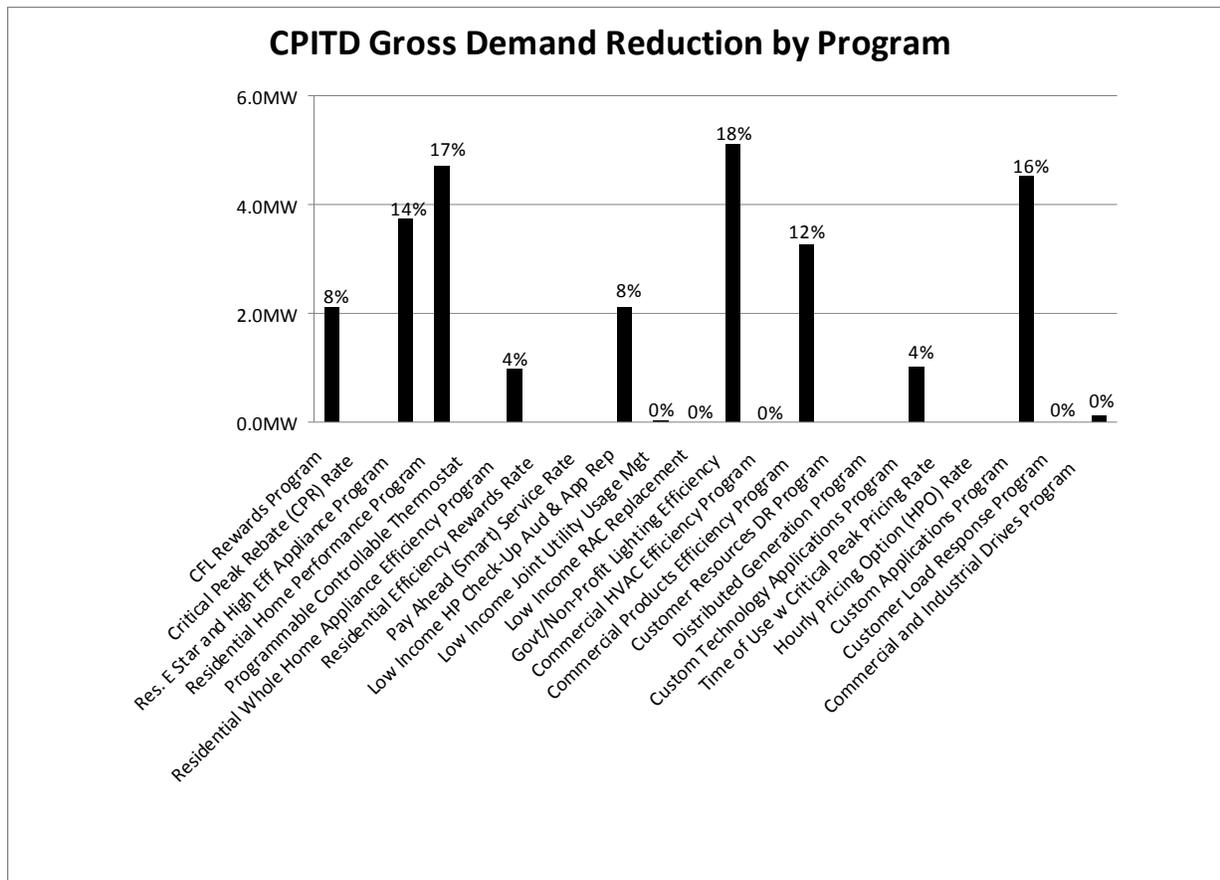
Table 1-5: Preliminary Energy Savings by Program through the Second Quarter, Program Year 3

Program	PYTD Reported Gross Impact (MWh)	Preliminary Realization Rate	Preliminary PYTD Verified Impact (MWh)	Net-to-Gross Ratio	PYTD Net Impact (MWh)
Compact Fluorescent Lighting (CFL) Rewards Program	11,316	100%	11,316	100%	11,316
Critical Peak Rebate (CPR) Rate					
Residential Energy Star and High Efficiency Appliance Program	5,997	100%	5,997	100%	5,997
Residential Home Performance Program	87,062	100%	87,062	100%	87,062
Programmable Controllable Thermostat (PCT) Program (removed from Plan)					
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	854	100%	854	100%	854
Residential Efficiency Rewards Rate (removed from Plan)					
Pay Ahead (Smart) Service Rate (removed from Plan)					
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	4,599	100%	4,599	100%	4,599
Residential Low Income Joint Utility Usage Management Program	60	100%	60	100%	60
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)					
Governmental/Non-Profit Lighting Efficiency Program	4,143	100%	4,143	100%	4,143
Commercial HVAC Efficiency Program	4	100%	4	100%	4
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	5,868	100%	5,868	100%	5,868
Customer Resources Demand Response Program					
Distributed Generation Program					
Custom Technology Applications Program	3,389	100%	3,389	100%	3,389
Time of Use (TOU) with Critical Peak Pricing Rate					
Hourly Pricing Option (HPO) Rate (removed from Plan)					
Custom Applications Program	19,126	100%	19,126	100%	19,126
Customer Load Response Program					
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.					
Total	142,420		142,420		142,420
NOTES: (1) Absence of data in PYTD Reported Gross Impact (MWh) column indicates program has not been launched.					
(2) Home Performance Program: Other includes the following; CFL Opt-In, CFL School Kits, JACO bulb distribution and UPMC Kit Mailings (See Section 4.4 for descriptions)					
(3) Realization rates for most programs are pending upon completion of primary data collection and analysis. They are nominally set at 100% based on tracking data review and historical results from PY1 and PY2.					

1.3 Summary of Demand Impacts by Program

A summary of the reported demand reduction by program is presented in Figure 1-2.¹²

Figure 1-2: Reported Demand Reduction by Program through the Second Quarter, Program Year 3



A summary of demand reduction impacts by program through the Second Quarter, Program Year 3 is presented in Table 1-6 and Table 1-7.

¹² Absence of data indicates program has not been launched.

Table 1-6: Participation and Reported Gross Demand Reduction by Program through the Second Quarter, Program Year 3

Program	Participants			Reported Gross Impact (MW)		
	IQ	PYTD	CPITD	IQ	PYTD	CPITD
Compact Fluorescent Lighting (CFL) Rewards Program	33,922	66,232	229,647	0.3	0.5	2.1
Critical Peak Rebate (CPR) Rate						
Residential Energy Star and High Efficiency Appliance Program	5,194	12,180	40,803	0.5	1.1	3.7
Residential Home Performance Program	196,125	277,799	324,437	2.8	4.0	4.7
Programmable Controllable Thermostat (PCT) Program (removed from Plan)						
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	550	990	2,976	0.1	0.3	1.0
Residential Efficiency Rewards Rate (removed from Plan)						
Pay Ahead (Smart) Service Rate (removed from Plan)						
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	1,914	3,965	9,589	0.4	0.9	2.1
Residential Low Income Joint Utility Usage Management Program	32	63	183	0.003	0.010	0.023
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)						
Governmental/Non-Profit Lighting Efficiency Program	55	109	867	0.6	1.1	5.1
Commercial HVAC Efficiency Program	2	3	5	0.0	0.0	0.0
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	69	122	278	0.6	1.2	3.3
Customer Resources Demand Response Program						
Distributed Generation Program						
Custom Technology Applications Program	9	15	30	0.3	0.6	1.0
Time of Use (TOU) with Critical Peak Pricing Rate						
Hourly Pricing Option (HPO) Rate (removed from Plan)						
Custom Applications Program	14	27	36	2.3	3.7	4.5
Customer Load Response Program						
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.	0	0	6	0.0	0.0	0.1
TOTAL PORTFOLIO	237,886	361,505	608,857	7.8	13.4	27.7
NOTES: (1) Absence of data indicates program has not been launched. (2) MW total may differ from sum of individual components due to rounding.						

Table 1-7: Reported Gross Demand Reduction by Program through the Second Quarter, Program Year 3

Program	Projects In Progress (MW)	Unverified Ex Post Savings (MW)	PYTD Total Committed (MW)	EE&C Plan Estimate for Program Year	Percent of Estimate Committed (%)
Compact Fluorescent Lighting (CFL) Rewards Program	0.0	0.0	0.5	1.7	32%
Critical Peak Rebate (CPR) Rate				4.9	0%
Residential Energy Star and High Efficiency Appliance Program	0.1	0.0	1.2	4.4	28%
Residential Home Performance Program	0.0	0.0	3.98	2.0	199%
Programmable Controllable Thermostat (PCT) Program (removed from Plan)					
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	0.0	0.0	0.3	1.7	16%
Residential Efficiency Rewards Rate (removed from Plan)					
Pay Ahead (Smart) Service Rate (removed from Plan)					
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	0.0	0.0	0.9	0.3	298%
Residential Low Income Joint Utility Usage Management Program	0.0	0.0	0.010	0.6	2%
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)					
Governmental/Non-Profit Lighting Efficiency Program	0.4	0.0	1.5	1.7	88%
Commercial HVAC Efficiency Program	0.05	0.0	0.05	1.8	3%
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	1.5	0.0	2.6	18.9	14%
Customer Resources Demand Response Program				40.0	0%
Distributed Generation Program				7.0	0%
Custom Technology Applications Program	0.5	0.0	1.1	1.3	86%
Time of Use (TOU) with Critical Peak Pricing Rate				4.5	0%
Hourly Pricing Option (HPO) Rate (removed from Plan)					
Custom Applications Program	1.5	0.0	5.2	5.8	90%
Customer Load Response Program				21.0	0%
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.					
Total	4.0	0.0	17.5	117.6	15%
NOTES: (1) "Unverified Ex Post Savings" are unverified savings pending approval of TRM or Custom Measure Protocol by the Commission.					
(2) Absence of data indicates that program has not been launched.					
(3) MW total may differ from sum of individual components due to rounding.					
(4) EE&C Plan Estimate for Program Year for Commercial & Industrial Drives Program is included in Custom Technology Applications Program and Custom Applications Program.					

A summary of evaluation adjusted demand impacts by program is presented in Table 1-8.

Table 1-8: Verified Demand Reduction by Program through the Second Quarter, Program Year 3

Program	PYTD Reported Gross Impact (MW)	Preliminary Realization Rate	Preliminary PYTD Verified Impact (MW)	Net-to-Gross Ratio	PYTD Net Impact (MW)
Compact Fluorescent Lighting (CFL) Rewards Program	0.5	100%	0.5	100%	0.5
Critical Peak Rebate (CPR) Rate					
Residential Energy Star and High Efficiency Appliance Program	1.1	100%	1.1	100%	1.1
Residential Home Performance Program	4.0	100%	4.0	100%	4.0
Programmable Controllable Thermostat (PCT) Program (removed from Plan)					
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	0.3	100%	0.3	100%	0.3
Residential Efficiency Rewards Rate (removed from Plan)					
Pay Ahead (Smart) Service Rate (removed from Plan)					
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	0.9	100%	0.9	100%	0.9
Residential Low Income Joint Utility Usage Management Program	0.010	100%	0.0	100%	0.0
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)					
Governmental/Non-Profit Lighting Efficiency Program	1.1	100%	1.1	100%	1.1
Commercial HVAC Efficiency Program	0.002	100%	0.0	100%	0.0
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	1.2	100%	1.2	100%	1.2
Customer Resources Demand Response Program					
Distributed Generation Program					
Custom Technology Applications Program	0.6	100%	0.6	100%	0.6
Time of Use (TOU) with Critical Peak Pricing Rate					
Hourly Pricing Option (HPO) Rate (removed from Plan)					
Custom Applications Program	3.7	100%	3.7	100%	3.7
Customer Load Response Program	0.0				
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.	0.0				
Total	13.4		13.4		13.4

NOTES: (1) Absence of data in PYTD Reported Gross Impact (MW) column indicates program has not been launched.
(2) Home Performance Program: Other includes the following; CFL Opt-In, CFL School Kits, JACO bulb distribution and UPMC Kit Mailings (See Section 4.4 for descriptions).
(3) Realization rates for most programs are pending upon completion of primary data collection and analysis. They are nominally set at 100% based on tracking data review and historical results from PY1 and PY2.

1.4 Summary of Evaluation

Realization rates are calculated to adjust reported savings based on statistically significant verified savings measured by the EM&V team. The realization rate is defined as the percentage of reported savings that is achieved, as determined through the independent evaluation review. A realization rate of 1 or 100% indicates no difference between the reported and achieved savings. Realization rates are determined by certain attributes relative to one of three protocol types. Fully deemed TRM measure realization rates are driven by differences in the number of installed measures. Partially deemed TRM measure¹³ realization rates are driven by (1) differences in the number of installed measures and (2) differences in the variables. Custom measure realization rates are driven by differences in the energy savings determined by approved EM&V protocols. The protocol type determines the data type that is sampled. The EM&V team calculates realization rates based on the best engineering estimate for each program savings as identified through the EM&V effort. The methodology used to calculate the program realization rate based on the best engineering estimate varied by program as described in detail in West Penn Power's evaluation plan.

1.4.1 Impact Evaluation

The impact evaluation is an organized and prioritized process to evaluating electric energy savings and kW impacts within the SWE guidelines. Preliminary realization rates for PY3 and verified savings will be presented in Tables 1-5 and 1-8 in subsequent quarterly reports.

The realization rates for programs verified in PY3 are presented in Table 1-9. No PY3 savings have been verified at the time of this quarterly report.

¹³ TRM measures with stipulated values and variables.

Table 1-9: Summary of Realization Rates and Confidence Intervals (CI) for kWh

Program	PYTD Sample Participants	Program Year Sample Participant Target	Preliminary Realization Rate for kWh	Confidence and Precision For kWh	Preliminary Realization Rate for kW	Confidence and Precision for kW
Compact Fluorescent Lighting (CFL) Rewards Program	0	70 surveys	100%	N/A	100%	N/A
Critical Peak Rebate (CPR) Rate	N/A	N/A	N/A	N/A	N/A	N/A
Residential Energy Star and High Efficiency Appliance Program	0	70 surveys	100%	N/A	100%	N/A
Residential Home Performance Program	0	70 surveys	100%	N/A	100%	N/A
Programmable Controllable Thermostat (PCT) Program (removed from Plan)	N/A	N/A	N/A	N/A	N/A	N/A
Residential Whole Home Appliance Efficiency Program (previously Residential HVAC Efficiency Program)	0	70 surveys	100%	N/A	100%	N/A
Residential Efficiency Rewards Rate (removed from Plan)	N/A	N/A	N/A	N/A	N/A	N/A
Pay Ahead (Smart) Service Rate (removed from Plan)	N/A	N/A	N/A	N/A	N/A	N/A
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	0	70 surveys & 5 on-sites	100%	N/A	100%	N/A
Residential Low Income Joint Utility Usage Management Program	0	70 surveys & 5 on-sites	100%	N/A	100%	N/A
Residential Low Income Room Air Conditioner Replacement Program (removed from Plan)	N/A	N/A	N/A	N/A	N/A	N/A
Governmental/Non-Profit Lighting Efficiency Program	0	70 surveys & 30 on-sites	100%	N/A	100%	N/A
Commercial HVAC Efficiency Program	N/A	N/A	N/A	N/A	N/A	N/A
Commercial Products Efficiency Program (previously called Commercial Lighting Efficiency Program)	0	70 surveys & 30 on-sites	100%	N/A	100%	N/A
Customer Resources Demand Response Program	N/A	N/A	N/A	N/A	N/A	N/A
Distributed Generation Program	N/A	N/A	N/A	N/A	N/A	N/A
Custom Technology Applications Program	0	5 on-sites	100%	N/A	100%	N/A
Time of Use (TOU) with Critical Peak Pricing Rate	N/A	N/A	N/A	N/A	N/A	N/A
Hourly Pricing Option (HPO) Rate (removed from Plan)	N/A	N/A	N/A	N/A	N/A	N/A
Custom Applications Program	0	5 on-sites	100%	N/A	100%	N/A
Customer Load Response Program	N/A	N/A	N/A	N/A	N/A	N/A
Commercial and Industrial Drives Program (added to Custom Technology Applications and Custom Applications Programs and removed as a stand-alone Program; however, will continue to report as a line item due to participation under stand-alone offering). Data reflects customer approved applications received prior to approval to decommission.	N/A	N/A	N/A	N/A	N/A	N/A
Total	0					
NOTES: (1) Realization rates for most programs are pending upon completion of primary data collection and analysis. They are nominally set at 100% based on tracking data review and historical results from PY1 and PY2.						

1.4.2 Process Evaluation

The process evaluation activities are designed to provide a comprehensive and systematic assessment of program operations from the planning background to implementation to participant experiences. As stated in the Audit Plan, the process evaluation's primary objective is to help program designers and managers structure their programs to achieve cost-effective savings while maintaining high levels of market penetration, customer satisfaction and program efficiency and effectiveness. A well-designed and implemented process evaluation serves as a basis for recommendations to West Penn Power and program managers involved in program design and implementation. The process evaluation will also identify best practices that West Penn Power may choose to implement going forward. Because comprehensive process evaluations were conducted for all programs in PY2, PY3 process evaluation activities will be more targeted to key issues for each program.

1.5 Summary of Finances

The TRC test demonstrates the cost-effectiveness of a program by comparing the total economic benefits to the total costs. A breakdown of the portfolio finances is presented in Table 1-10.

Table 1-10: Summary of Portfolio Finances: TRC Test¹⁴

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 5,512,663	\$ 9,611,443	\$ 16,919,865
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 5,512,663	\$ 9,611,443	\$ 16,919,865
B.1	Design & Development ¹	\$ 13,481	\$ 50,697	\$ 1,759,310
B.2	Administration ²	\$ 284,979	\$ 653,223	\$ 3,079,863
B.3	Management ³	\$ -	\$ -	\$ -
B.4	Marketing ⁴	\$ 875,078	\$ 932,541	\$ 4,130,824
B.5	Technical Assistance ⁵	\$ 1,797,072	\$ 3,612,830	\$ 6,510,822
B	Subtotal EDC Implementation Costs	\$ 2,970,610	\$ 5,249,291	\$ 15,480,819
C	EDC Evaluation Costs	\$ 49,583	\$ 425,518	\$ 1,389,134
D	SWE Audit Costs	\$ 250,000	\$ 250,000	\$ 1,294,242
E	Participant Costs			
	Total Costs	\$ 8,782,856	\$ 15,536,252	\$ 35,084,060
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				
¹ Internal labor related to design, development and modeling EE programs.				
² Internal Labor for EE program implementation and call center representatives, employee expenses, and common costs.				
³ N/A				
⁴ Costs incurred for CSP provider.				
⁵ Outside Services for CSP's related to program management.				

¹⁴ Definitions for terms in following table are subject to TRC Order. Various cost and benefit categories are subject to change pending the outcome of TRC Technical Working Group discussions.

The TRC for each program is presented in Table 1-11.

Table 1-11: Summary of Portfolio Budget by Program

Program	TRC Benefits (\$)	TRC Costs (\$)	TRC Benefit-Cost Ratio 3
Compact Fluorescent Lighting (CFL) Rewards Program	\$ 59,843,634	\$ 5,605,151	10.7
Critical Peak Rebate (CPR) Rate 2	\$ 581,585	\$ 361,780	1.6
Residential Energy Star and High Efficiency Appliance Program	\$ 47,928,030	\$ 15,638,302	3.1
Residential Home Performance Program	\$ 48,465,639	\$ 20,624,013	2.3
Programmable Controllable Thermostat (PCT) Program 2	\$ 581,585	\$ 755,302	0.8
Residential Whole Home Appliance Efficiency Program	\$ 8,360,467	\$ 5,137,000	1.6
Residential Efficiency Rewards Rate 2	\$ 580,026	\$ 253,246	2.3
Pay Ahead (Smart) Service Rate 2	\$ 248,583	\$ 108,534	2.3
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	\$ 3,582,852	\$ 1,026,504	3.5
Residential Low Income Joint Utility Usage Management Program	\$ 10,494,152	\$ 6,362,561	1.6
Residential Low Income Room Air Conditioner Replacement Program	\$ 478,050	\$ 580,312	0.8
Governmental/Non-Profit Lighting Efficiency Program	\$ 114,497,301	\$ 9,362,393	12.2
Commercial HVAC Efficiency Program	\$ 5,833,129	\$ 3,359,649	1.7
Commercial Products Efficiency Program	\$ 634,666,350	\$ 60,073,127	10.6
Customer Resources Demand Response Program	\$ 4,551,628	\$ 2,812,693	1.6
Distributed Generation Program	\$ 757,680	\$ 909,963	0.8
Custom Technology Applications Program 1	\$ 11,422,726	\$ 1,355,898	8.4
Time of Use (TOU) with Critical Peak Pricing Rate 2	\$ 1,150,179	\$ 437,898	2.6
Hourly Pricing Option (HPO) Rate 2	\$ 202,973	\$ 77,276	2.6
Custom Applications Program 1	\$ 67,814,602	\$ 1,030,660	65.8
Customer Load Response Program	\$ 3,072,351	\$ 2,506,831	1.2
Commercial and Industrial Drives Program	\$ 14,571,794	\$ 8,362,762	1.7
Total for Plan	\$ 1,039,685,316	\$ 146,741,855	7.1
NOTES:			
1. Excludes customer costs due to variability of eligible customer projects. Customer costs are evaluated during project selection process.			
2. Dynamic rate offerings are enabled by Smart Metering Infrastructure			
3. Represents total benefits to total costs ratio over lifetime of all measures installed in the 2009-2012 Plan years.			

2 Portfolio Results by Sector

The EE&C Implementation Order issued on January 15, 2009 states requirements for specific sectors on page 11. In order to comply with these requirements, each program has been categorized into one of the following sectors:

1. Residential EE (excluding Low-Income)
2. Residential Low-Income EE
3. Small Commercial & Industrial EE
4. Large Commercial & Industrial EE
5. Government & Non-Profit EE

A summary of portfolio gross energy savings and gross demand reduction by sector is presented in Figure 2-1 and Figure 2-2.

Figure 2-1: PYTD Reported Gross Energy Savings by Sector

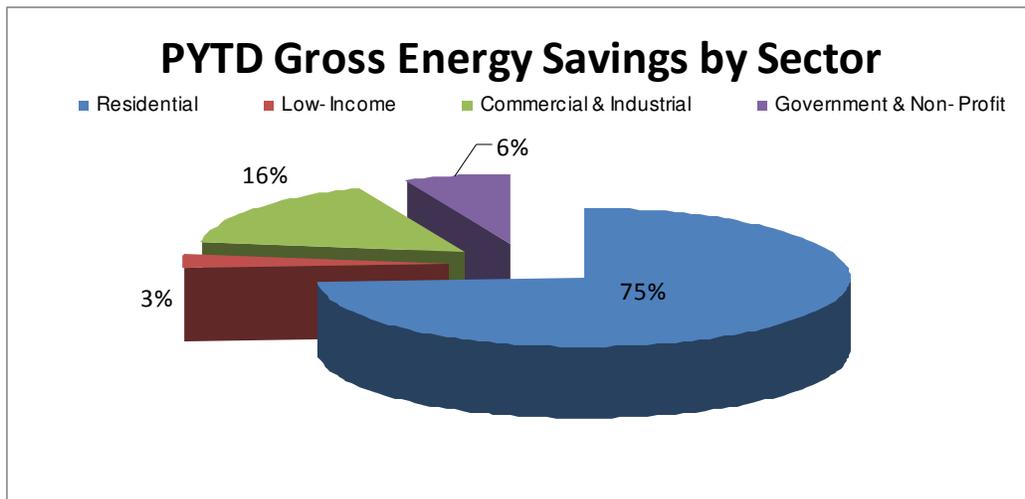
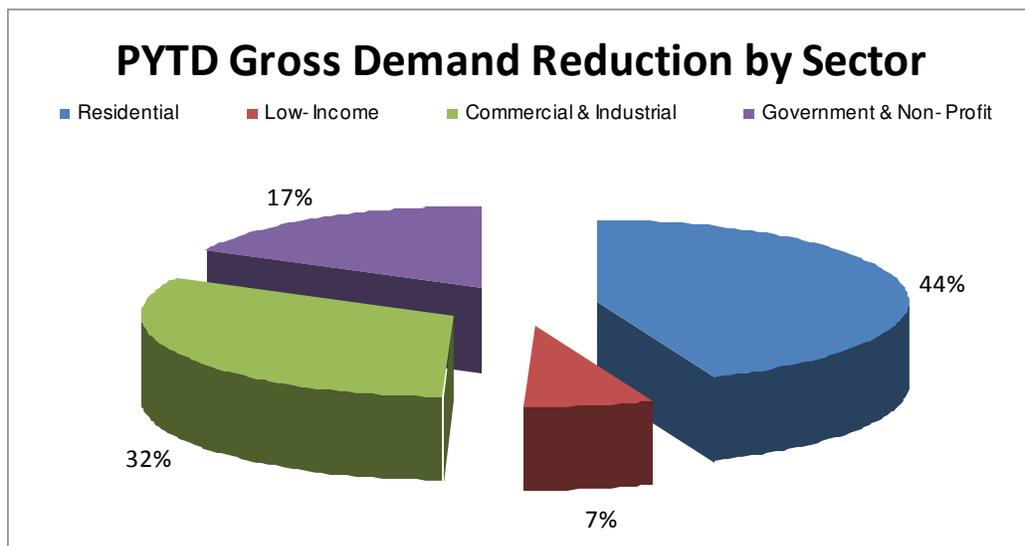


Figure 2-2: PYTD Reported Gross Demand Reduction by Sector



A portfolio summary of results by sector is presented in Table 2-1 and Table 2-2.

Table 2-1: Reported Gross Energy Savings by Sector through the Second Quarter, Program Year 3

Market Sector	Reported Gross Impact (MWh)			Projects in Progress	Total Committed	Unverified Ex Post Savings
	IQ	PYTD	CPITD			
Residential EE	70,452	105,229	162,825	579	105,808	0
Residential Low-Income EE	2,400	4,659	11,489	0	4,659	0
Small Commercial & Industrial EE	4,172	7,933	20,218	9,786	17,719	0
Large Commercial & Industrial EE	11,975	15,447	19,927	10,403	25,850	0
Government & Non-Profit EE	3,497	9,151	24,128	4,120	13,271	0
TOTAL PORTFOLIO	92,496	142,420	238,586	24,887	167,307	0

NOTES: (1) "Unverified Ex Post Savings" are unverified savings pending approval of TRM or Custom Measure Protocol by the Commission.
 (2) MWh total may differ from sum of individual components due to rounding.

Table 2-2: Reported Gross Demand Reduction by Sector through the Second Quarter, Program Year 3

Market Sector	Reported Gross Impact (MW)			Projects in Progress	Total Committed	Unverified Ex Post Savings
	IQ	PYTD	CPITD			
Residential EE	3.7	5.9	11.5	0.1	6.0	0.0
Residential Low-Income EE	0.4	0.9	2.2	0.0	0.9	0.0
Small Commercial & Industrial EE	0.7	1.5	3.8	1.8	3.2	0.0
Large Commercial & Industrial EE	2.2	2.8	3.7	1.3	4.1	0.0
Government & Non-Profit EE	0.7	2.3	6.6	0.9	3.2	0.0
TOTAL PORTFOLIO	7.8	13.4	27.7	4.0	17.5	0.0

NOTES: (1) "Unverified Ex Post Savings" are unverified savings pending approval of TRM or Custom Measure Protocol by the Commission.
 (2) MW total may differ from sum of individual components due to rounding.

2.1 Residential EE Sector

The sector target for annual energy savings is 76,096 MWh and the sector target for annual peak demand reduction is 14.7 MW.

A sector summary of results by program is presented in Table 2-3 and Table 2-4.

Table 2-3: Summary of Residential EE Sector Incremental Impacts by Program through the Second Quarter, Program Year 3

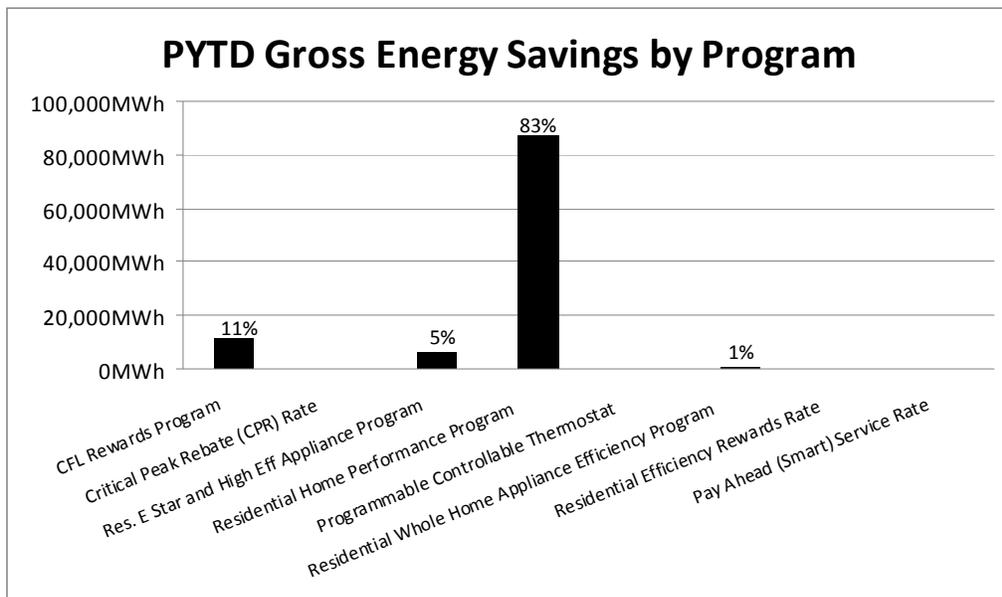
Residential EE Sector	IQ Participants	IQ Reported Gross Energy Savings (MWh)	IQ Reported Gross Demand Reduction (MW)
Compact Fluorescent Lighting (CFL) Rewards Program	33,922	6,219	0.3
Critical Peak Rebate (CPR) Rate			
Residential Energy Star and High Efficiency Appliance Program	5,194	2,992	0.5
Residential Home Performance Program	196,125	60,848	2.8
Programmable Controllable Thermostat (PCT) Program (Removed from Plan)			
Residential Whole Home Appliance Efficiency Program	550	393	0.1
Residential Efficiency Rewards Rate (Removed from Plan)			
Pay Ahead (Smart) Service Rate (Removed from Plan)			
Total for Residential Programs	235,791	70,452	3.7
NOTES: (1) Absence of data indicates program has not been launched. (2) MW total may differ from sum of individual components due to rounding.			

Table 2-4: Summary of Residential EE Sector PYTD Impacts by Program through the Second Quarter, Program Year 3

Residential EE Sector	PYTD Participants	PYTD Reported Gross Energy Savings (MWh)	PYTD Reported Gross Demand Reduction (MW)
Compact Fluorescent Lighting (CFL) Rewards Program	66,232	11,316	0.5
Critical Peak Rebate (CPR) Rate			
Residential Energy Star and High Efficiency Appliance Program	12,180	5,997	1.1
Residential Home Performance Program	277,799	87,062	3.98
Programmable Controllable Thermostat (PCT) Program (Removed from Plan)			
Residential Whole Home Appliance Efficiency Program	990	854	0.3
Residential Efficiency Rewards Rate (Removed from Plan)			
Pay Ahead (Smart) Service Rate (Removed from Plan)			
Total for Residential Programs	357,201	105,229	5.9
NOTES: (1) Absence of data indicates program has not been launched. (2) MW total may differ from sum of individual components due to rounding.			

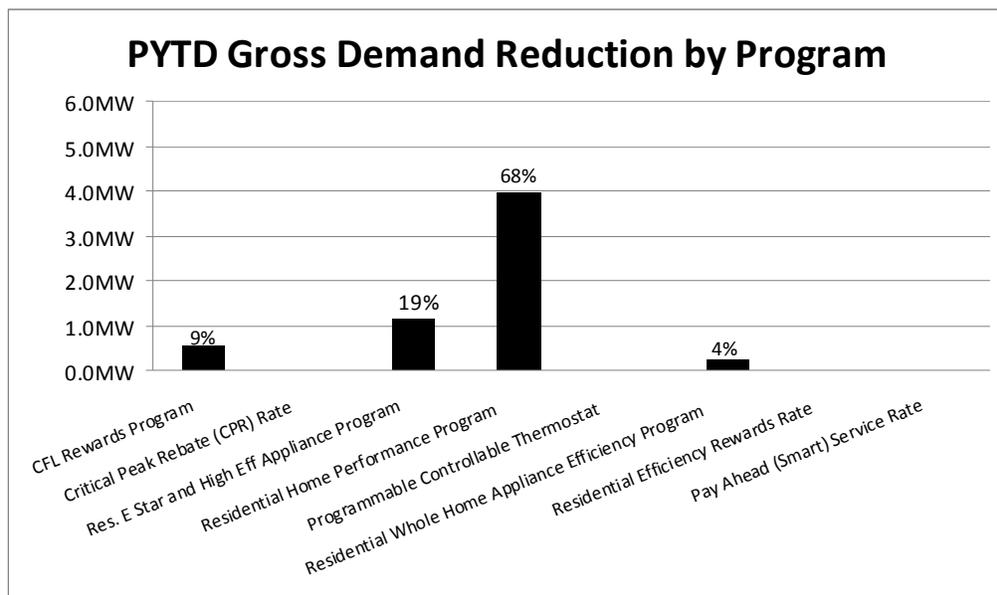
A summary of the sector energy savings by program is presented in Figure 2-3.¹⁵

Figure 2-3: Summary of Residential EE Sector PYTD Reported Gross Energy Savings by Program



A summary of the sector demand reduction by program is presented in Figure 2-4.¹⁶

Figure 2-4: Summary of Residential EE Sector PYTD Reported Demand Reduction by Program



¹⁵ Absence of data indicates program has not been launched.

¹⁶ Absence of data indicates program has not been launched.

2.2 Residential Low-Income EE Sector

The sector target for annual energy savings is 4,305 MWh and the sector target for annual peak demand reduction is 0.9 MW.

A sector summary of results by program is presented in Table 2-5 and Table 2-6.

Table 2-5: Summary of Residential Low-Income EE Sector Incremental Impacts by Program through the Second Quarter, Program Year 3

Residential Low Income EE Sector	IQ Participants	IQ Reported Gross Energy Savings (MWh)	IQ Reported Gross Demand Reduction (MW)
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	1,914	2,378	0.4
Residential Low Income Joint Utility Usage Management Program	32	22	0.003
Residential Low Income Room Air Conditioner Replacement Measure (Removed from Plan)			
Total for Low Income Sector	1,946	2,400	0.4

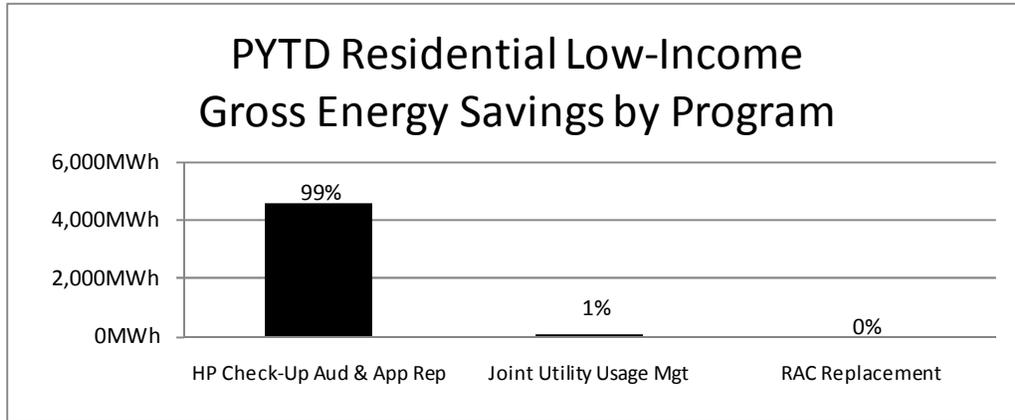
NOTES: (1) MW total may differ from sum of individual components due to rounding.
 (2) IQ reflects negative value due to adoption of TRM 2011 per unit savings values for showerheads and faucet aerators. CPITD and PYTD values also reflect this adjustment.

Table 2-6: Summary of Residential Low-Income EE Sector PYTD Impacts by Program through the Second Quarter, Program Year 3

Residential Low Income EE Sector	PYTD Participants	PYTD Reported Gross Energy Savings (MWh)	PYTD Reported Gross Demand Reduction (MW)
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	3,965	4,599	0.9
Residential Low Income Joint Utility Usage Management Program	63	60	0.010
Residential Low Income Room Air Conditioner Replacement Measure (Removed from Plan)			
Total for Low Income Sector	4,028	4,659	0.9

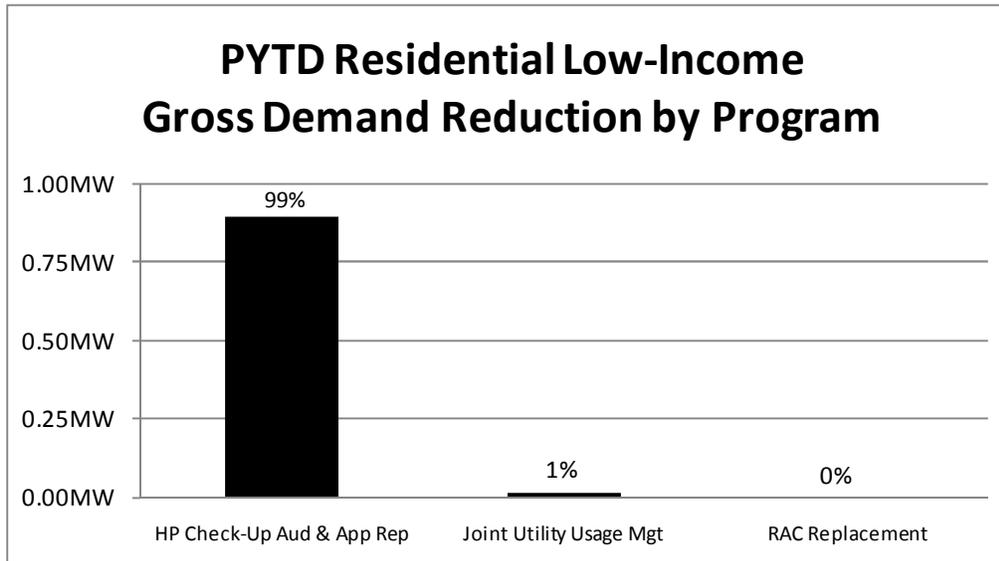
A summary of the sector energy savings by program is presented in Figure 2-5.

Figure 2-5: Summary of Residential Low-Income EE Sector PYTD Reported Gross Energy Savings by Program



A summary of the sector demand reduction by program is presented in Figure 2-6.

Figure 2-6: Summary of Residential Low-Income EE Sector PYTD Reported Demand Reduction by Program



2.3 Small Commercial & Industrial EE Sector

The sector target for annual energy savings is 105,318 MWh and the sector target for annual peak demand reduction is 26.5 MW.

A sector summary of results by program is presented in Table 2-7 and Table 2-8.

Table 2-7: Summary of Small Commercial & Industrial EE Sector Incremental Impacts by Program through the Second Quarter, Program Year 3¹⁷

		IQ Reported Gross Energy Savings (MWh)	IQ Reported Gross Demand Reduction (MW)
Small Commercial & Industrial EE Sector	IQ Participants		
Commercial HVAC Efficiency Program	2	2	0.0
Commercial Products Efficiency Program	47	2,311	0.5
Customer Resources Demand Response Program			
Custom Technology Applications Program	6	1,859	0.3
Time of Use (TOU) with Critical Peak Pricing Rate			
Hourly Pricing Option (HPO) Rate (Removed from Plan)			
Total for Small Commercial & Industrial	55	4,172	0.7
NOTES: Absence of data indicates program has not been launched.			

Table 2-8: Summary of Small Commercial & Industrial EE Sector PYTD Impacts by Program through the Second Quarter, Program Year 3¹⁸

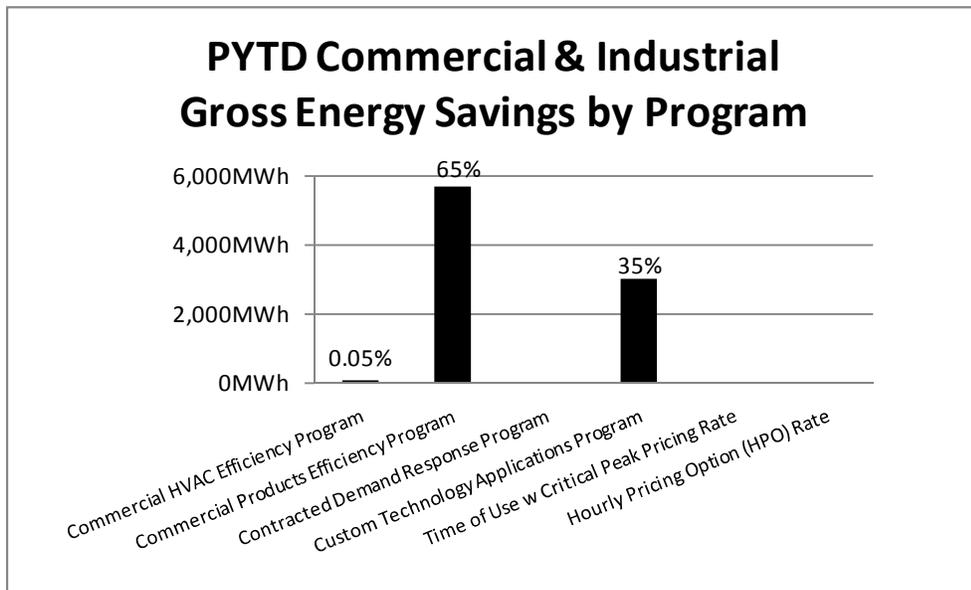
		PYTD Reported Gross Energy Savings (MWh)	PYTD Reported Gross Demand Reduction (MW)
Small Commercial & Industrial EE Sector	PYTD Participants		
Commercial HVAC Efficiency Program	3	4	0.002
Commercial Products Efficiency Program	92	5,178	1.1
Customer Resources Demand Response Program			
Custom Technology Applications Program	10	2,751	0.4
Time of Use (TOU) with Critical Peak Pricing Rate			
Hourly Pricing Option (HPO) Rate (Removed from Plan)			
Total for Small Commercial & Industrial	105	7,933	1.5
NOTES: Absence of data indicates program has not been launched.			

¹⁷ Table 2-7 reflects an adjustment for Government and non-Profit Sector participation in the Commercial Products Efficiency and Custom Technology Applications Programs.

¹⁸ Table 2-8 reflects an adjustment for Government and non-Profit Sector participation in the Commercial Products Efficiency and Custom Technology Applications Programs.

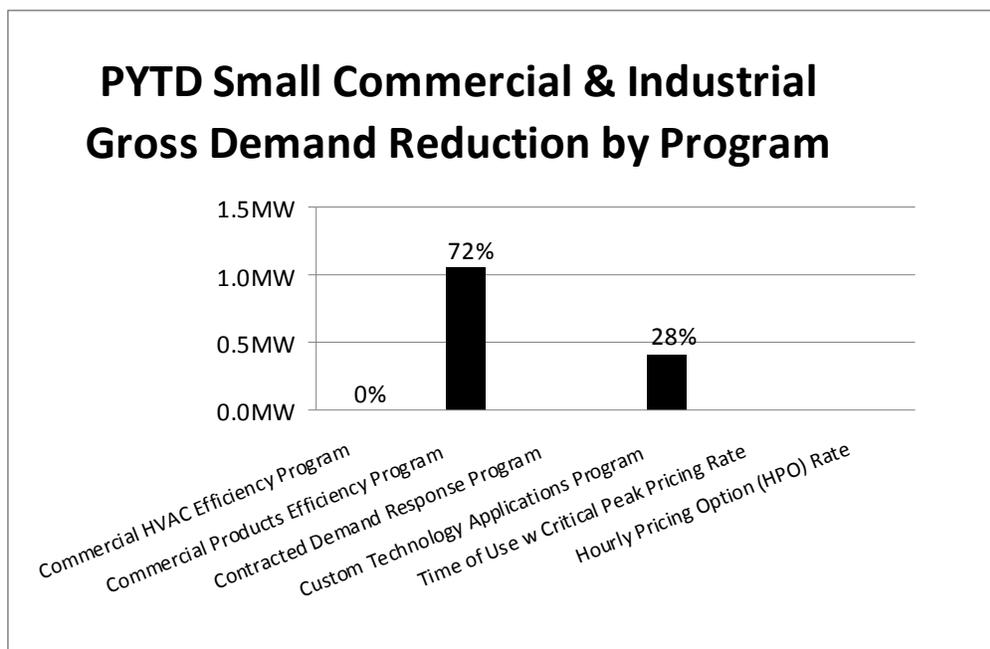
A summary of the sector energy savings by program is presented in Figure 2-7.¹⁹

Figure 2-7: Summary of Small Commercial & Industrial EE Sector PYTD Reported Gross Energy Savings by Program



A summary of the sector demand reduction by program is presented in Figure 2-8.²⁰

Figure 2-8: Summary of Small Commercial & Industrial EE Sector PYTD Reported Demand Reduction by Program



¹⁹ Absence of data indicates program has not been launched.

²⁰ Absence of data indicates program has not been launched.

2.4 Large Commercial & Industrial EE Sector

The sector target for annual energy savings is 31,828 MWh and the sector target for annual peak demand reduction 73.8 MW.

A sector summary of results by program is presented in Table 2-9 and Table 2-10.

Table 2-9: Summary of Large Commercial & Industrial EE Sector Incremental Impacts by Program through the Second Quarter, Program Year 3²¹

		IQ Reported Gross Energy Savings (MWh)	IQ Reported Gross Demand Reduction (MW)
Large Commercial & Industrial EE Sector	IQ Participants		
Custom Applications Program	13	11,975	2.2
Customer Load Response Program			
Distributed Generation Program			
Commercial and Industrial Drives Program	0	0	0.0
Total for Large Commercial & Industrial Sector	13	11,975	2.2
NOTES: Absence of data indicates program has not been launched.			

Table 2-10: Summary of Large Commercial & Industrial EE Sector PYTD Impacts by Program through the Second Quarter, Program Year 3²²

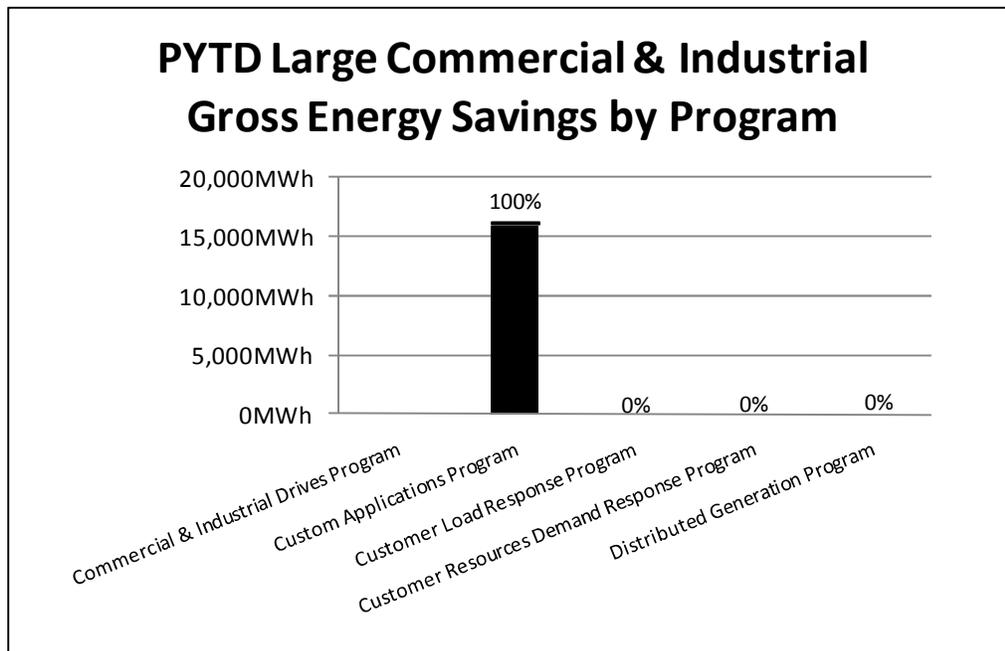
		PYTD Reported Gross Energy Savings (MWh)	PYTD Reported Gross Demand Reduction (MW)
Large Commercial & Industrial EE Sector	PYTD Participants		
Custom Applications Program	22	15,447	2.8
Customer Load Response Program			
Distributed Generation Program			
Commercial and Industrial Drives Program	0	0	0.00
Total for Large Commercial & Industrial Sector	22	15,447	2.8
NOTES: (1) Absence of data indicates program has not been launched. (2) MW total may differ from sum of individual components due to rounding.			

²¹ Table 2-9 reflects an adjustment for Government and non-Profit Sector participation in the Commercial and Industrial Drives Program.

²² Table 2-10 reflects an adjustment for Government and non-Profit Sector participation in the Commercial and Industrial Drives Program.

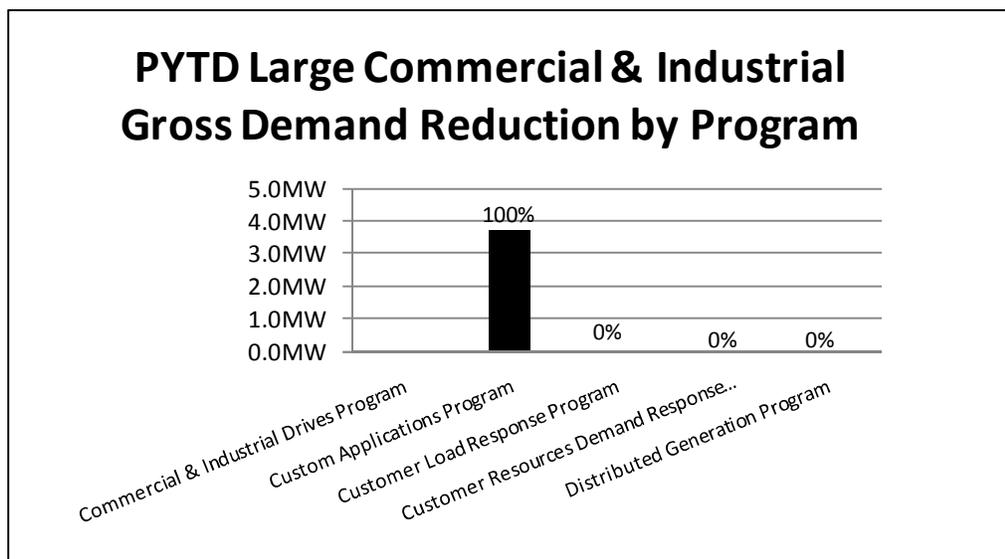
A summary of the sector energy savings by program is presented in Figure 2-9.²³

Figure 2-9: Summary of Large Commercial & Industrial EE Sector PYTD Reported Gross Energy Savings by Program



A summary of the sector demand reduction by program is presented in Figure 2-10.²⁴

Figure 2-10: Summary of Large Commercial & Industrial EE Sector PYTD Reported Demand Reduction by Program



²³ Absence of data indicates program has not been launched.

²⁴ Absence of data indicates program has not been launched.

2.5 Government & Non-Profit EE Sector

The sector target for annual energy savings is 9,379 MWh and the sector target for annual peak demand reduction is 1.75 MW.

A sector summary of results by program is presented in Table 2-11 and Table 2-12.

Table 2-11: Summary of Government & Non-Profit EE Sector Incremental Impacts by Program through the Second Quarter, Program Year 3²⁵

Gov't. & Non-Profit EE Sector	IQ Participants	IQ Reported Gross Energy Savings (MWh)	IQ Reported Gross Demand Reduction (MW)
Governmental/ Non-Profit Lighting Efficiency Program	55	2,206	0.6
Commercial Products Efficiency Program	22	480	0.1
Custom Technology Applications Program	3	243	0.0
Custom Applications Program	1	568	0.1
Commercial and Industrial Drives Program	0	0	0.0
Total for Gov't and Non-Profit EE Sector	81	3,497	0.7
NOTES: (1) MWh/MW total may differ from sum of individual components due to rounding.			

Table 2-12: Summary of Government & Non-Profit EE Sector PYTD Impacts by Program through the Second Quarter, Program Year 3²⁶

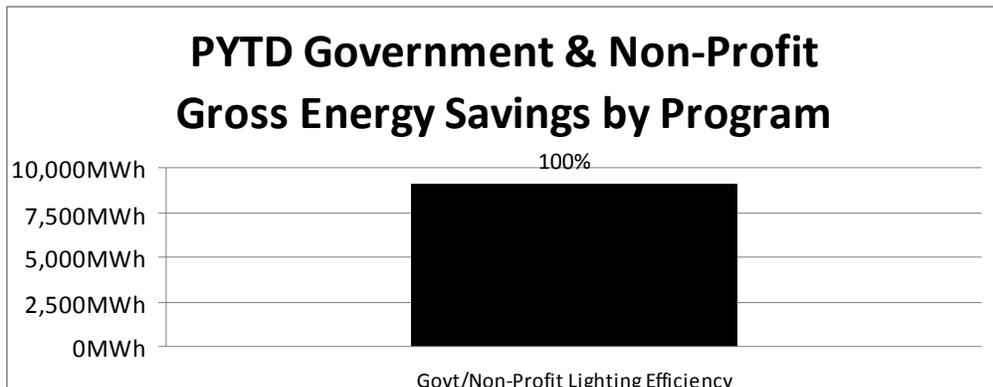
Gov't. & Non-Profit EE Sector	PYTD Participants	PYTD Reported Gross Energy Savings (MWh)	PYTD Reported Gross Demand Reduction (MW)
Governmental/ Non-Profit Portfolio Program	109	4,143	1.1
Commercial Products Efficiency Program	30	691	0.1
Custom Technology Applications Program	5	638	0.2
Custom Applications Program	5	3,679	0.9
Commercial and Industrial Drives Program	0	0	0.0
Total for Gov't and Non-Profit EE Sector	149	9,151	2.3

²⁵ Table 2-12 reflects an adjustment for Government and non-Profit Sector participation in the Commercial Products Efficiency, Custom Technology Applications, and Commercial and Industrial Drives Programs.

²⁶ Table 2-13 reflects an adjustment for Government and non-Profit Sector participation in the Commercial Products Efficiency, Custom Technology Applications, and Commercial and Industrial Drives Programs.

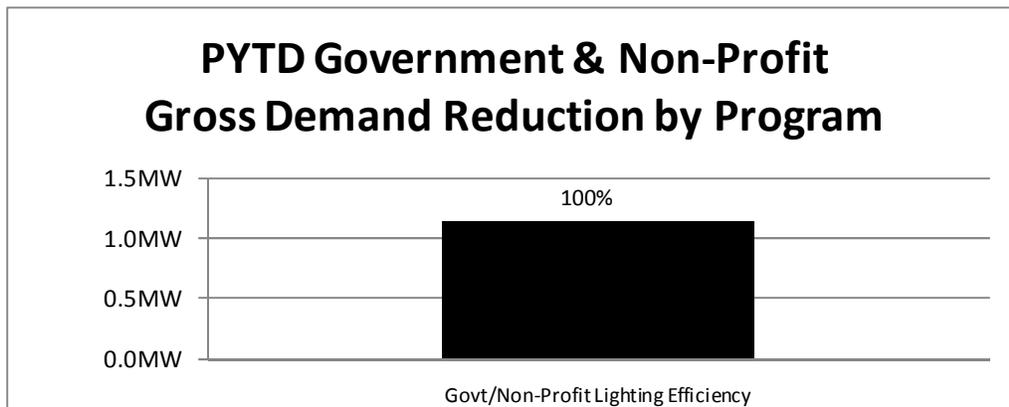
A summary of the sector energy savings by program is presented

Figure 2-11: Summary of Government & Non-Profit EE Sector PYTD Reported Gross Energy Savings by Program



A summary of the sector demand reduction by program is presented in Figure 2-12.

Figure 2-12: Summary of Government & Non-Profit EE Sector PYTD Reported Demand Reduction by Program



3 Demand Response

Demand response programs specifically target the reduction of peak demand through various demand-side management strategies. Demand Response programs will be piloted in the summer of 2011. Refer to Section 4 for program specific information.

WPP currently does not have any demand response program results to report in its 100 peak hours as interpreted by the PUC under Act 129.

4 Portfolio Results by Program

4.1 Compact Fluorescent Lighting (CFL) Rewards Program

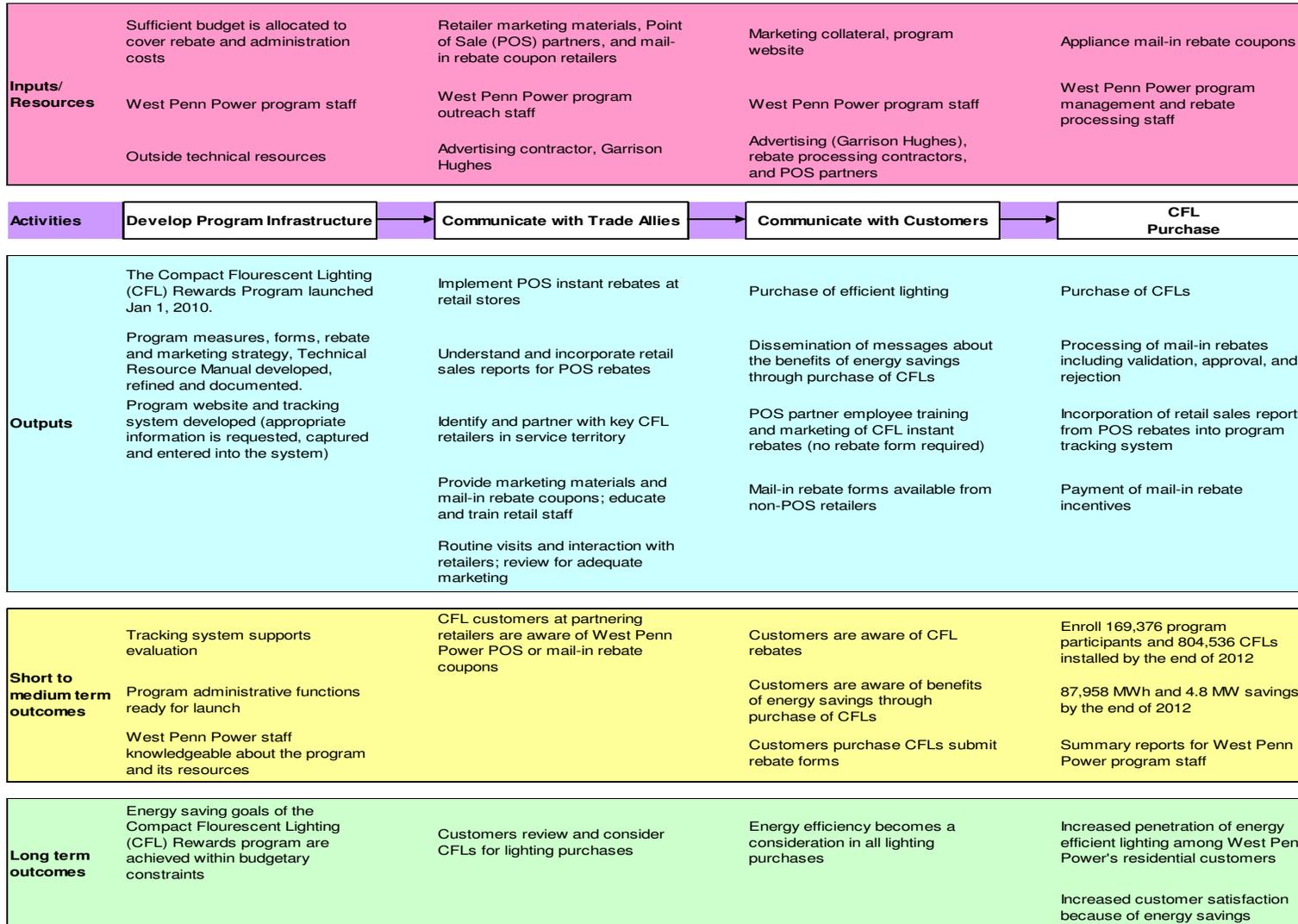
The CFL Rebate Program encourages customers to purchase CFLs instead of incandescent bulbs. To encourage participation and to overcome cost barriers, this program provides mail-in and retailer point-of-sale (POS) rebates.

The CFL rebate design launched in January 2010 and the POS launched in August 2010. West Penn Power partnered with several manufacturers and negotiated buy downs of bulk CFLs which in turn, reduces the purchase price at the retail store, and negates the need for customers to follow through the mail-in rebate process. Participating retail stores include Home Depot, Walmart, Sam's Club, and Lowe's.

4.1.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Residential Compact Fluorescent Lighting Rewards Program Logic Model



4.1.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys.

4.1.3 Program Sampling

Refer to Section 4.1.2 above.

4.1.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.1.5 Program Partners and Trade Allies

Customers benefit from a POS instant rebate when they purchase a single or multi pack of CFL light bulbs at various retailers associated with the WPP POS agreements. The partnerships are with the CFL manufacturers which supply retail stores. See below for a summary of partnerships:

- WPP has a POS Partnership with GE Lighting. The retailers associated with this partnership at this time are Wal-Mart and Sam's Club.
- WPP has a partnership agreement with Philips Lighting. The retailer associated with this partnership is Home Depot.
- WPP also has an agreement with Lowe's which includes multiple manufacturers.
- WPP was not able to secure additional agreements with GE and Osram/Sylvania. The GE agreements may include True Value, Ace Hardware, CVS, and Rite Aid in 2012.
- WPP will leverage its agreement with Honeywell in future months to secure additional point of sale agreements.
 - Honeywell has been able to secure an additional manufacturer (FEIT) for Home Depot and Wal-Mart
 - Honeywell has also added two additional Wal-Mart stores to our point of sale agreement
 - Clarion and Tarentum locations

4.1.6 Program Finances

A summary of the project finances are presented in Table 4-1.

Table 4-1: Summary of Compact Fluorescent Lighting (CFL) Rewards Program Finances: TRC Test²⁷

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 150,282	\$ 191,444	\$ 681,073
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 150,282	\$ 191,444	\$ 681,073
B.1	Design & Development	\$ 843	\$ 3,169	\$ 122,634
B.2	Administration	\$ 5,518	\$ 15,106	\$ 131,463
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 85	\$ 965	\$ 221,415
B.5	Technical Assistance	\$ 16,626	\$ 25,340	\$ 202,197
B	Subtotal EDC Implementation Costs	\$ 23,072	\$ 44,580	\$ 677,709
C	EDC Evaluation Costs	\$ 966	\$ 18,667	\$ 74,307
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 174,320	\$ 254,691	\$ 1,433,089
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

²⁷ Definitions for terms in following table are subject to TRC Order.

4.2 Critical Peak Rebate Program

The Critical Peak Rebate Program (CPR) demand response program encourages residential customers to lower their demand during peak load hours by offering a rate discount/rebate based on actual demand reduction. The load reduction must occur during notified peak hours. CPR relies on the installation of a smart meter to measure the customer's demand during peak hours.

A limited deployment is planned for the third quarter 2011 with full rollout starting in the 4th quarter of 2011.

At the end of November 2011, there were 11,207 customers enrolled in the Energy Savers Reward Program. Savings periods for this program will begin in June of 2012.

4.2.1 Program Logic

Program Logic will be provided in PY3.

4.2.2 Program M&V Methodology

Program M&V Methodology will be determined in PY3.

4.2.3 Program Sampling

Program Sampling will be determined in PY3.

4.2.4 Process Evaluation

Process Evaluation will be determined in PY3.

4.2.5 Program Partners and Trade Allies

Program Partners and Trade Allies are to be determined.

4.2.6 Program Finances

A summary of the project finances are presented in Table 4-2.

Table 4-2: Summary of Critical Peak Rebate Program Finances: TRC Test²⁸

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ -
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ -
B.1	Design & Development	\$ 843	\$ 3,169	\$ 5,929
B.2	Administration	\$ 17,354	\$ 21,339	\$ 49,481
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 106,546	\$ 107,232	\$ 160,114
B.5	Technical Assistance	\$ 7,124	\$ 10,539	\$ 31,395
B	Subtotal EDC Implementation Costs	\$ 131,867	\$ 142,279	\$ 246,919
C	EDC Evaluation Costs	\$ (808)	\$ 8,762	\$ 15,779
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 131,059	\$ 151,041	\$ 262,698
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

²⁸ Definitions for terms in following table are subject to TRC Order.

4.3 Residential ENERGY STAR and High Efficiency Appliance Program

The ENERGY STAR and High Efficiency Appliance Program encourages customers to purchase the most energy-efficient appliances available. To promote participation and to overcome first cost barriers, this program provides rebates (equal to about 50 percent of the appliance's incremental cost in most cases) for the purchase of appliances that meet or exceed ENERGY STAR or other energy efficiency ratings.

Mail-in rebates are offered for clothes washers, clothes dryers, dishwashers, refrigerators, freezers, programmable thermostats, and room air conditioners. Appliance turn-in rebates are also available through the program for refrigerators, freezers, and room air conditioners. Rebates for high efficiency refrigerators and freezers require turn in of the older replaced appliance.

This Program launched in January 2010

4.3.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Residential ENERGY STAR and High Efficiency Appliance Program Logic Model

Inputs/ Resources	Sufficient budget is allocated to cover rebate and administration costs	Point of sale partners and marketing materials, including mail-in rebate coupons	Marketing collateral, program website	Appliance mail-in rebate and recycling coupons	West Penn Power program staff
	West Penn Power program staff	West Penn Power program outreach staff	West Penn Power program staff	Rebate processor and recycling contractor (JACO)	Evaluation reports
	Outside technical resources	Appliance recycler, JACO	Advertising contractor (Garrison Hughes) and JACO for recycling	West Penn Power program staff	Appliance efficiency standards
Activities	Develop Program Infrastructure	Communicate with Trade Allies	Communicate with Customers	Appliance Purchase/Recycling	Adjust Rebates as Appliance Efficiency Levels Change
Outputs	The ENERGY STAR and High Efficiency Appliances Program launched Jan 1, 2010.	Identify and partner with key appliance retailers in service territory	Coupon distribution in print media and on website	Purchase of qualified efficient appliances	New list of rebated appliances
	Program measures, forms, rebate and marketing strategy, Technical Resource Manual developed, refined and documented.	Provide marketing materials and mail-in rebate coupons; educate and train retail staff	Dissemination of TV, Internet, and newspaper messages about the benefits of energy savings through purchase of efficient appliances	Processing of mail-in rebate forms including validation, approval, and rejection	New marketing collateral
	Program website and tracking system developed (appropriate information is requested, captured and entered into the system)	Retailer aware and promotes additional customer rebates for recycling refrigerators, freezers, and room air conditioners by Routine visits and interaction with retailers; review for adequate marketing	The Home Performance program will inform potential customers	Recycling of old refrigerator, freezer, and room air conditioner Timely payment of program incentives by West Penn Power for appliance rebates, and JACO for recycling rebates	
Short to medium term outcomes	Tracking system supports evaluation	Appliance customers at partnering retailers are aware of both West Penn Power purchase and recycling mail-in rebates	Customers are aware of appliance rebates	Enroll 57,344 program participants by the end of Program Year 2012	New energy savings goals
	Program administrative functions ready for launch		Customers are aware of benefits of energy savings through purchase of efficient appliances	51,233 MWh and 12.7 MW savings by the end of 2012	Customers aware of exact rebate amount before installation
	West Penn Power staff knowledgeable about the program and its resources		Customers purchase efficient appliances and submit rebate forms	Summary reports for West Penn Power program staff	
Long term outcomes	Energy saving goals of the ENERGY STAR and High Efficiency Appliances program are achieved within budgetary constraints	Customers review and consider ENERGY STAR rated appliances for all purchases	Energy efficiency becomes a consideration in all appliance purchases	Increased penetration of energy efficient equipment among West Penn Power's residential customers Increased customer satisfaction because of energy savings	Saturation of efficient technology is avoided because standards are updated.

4.3.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys.

4.3.3 Program Sampling

Refer to Section 4.3.2 above.

4.3.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.3.5 Program Partners and Trade Allies

WPP identified and worked with key market actors, specifically local appliance retailers and big box retail stores, to market and promote high efficiency appliance options. These marketing efforts are positively affecting program participation. Program marketing begins with identifying and teaming with key market actors; in this case, appliance retailers and big box retail stores. Program marketing and rebate materials are placed with the appliances, with program eligibility decals placed directly on qualifying appliances in some instances. West Penn Power staff educates and trains store management and employees about the program's offerings. West Penn Power would like to expand the program aggressively by incorporating additional local retail stores.

West Penn Power has expanded the purchase rebate eligibility for customers using recycler's other than the Company recycling CSP (JACO) to provide customers with more convenient retailer recycling options by adding "program qualified recyclers" to the Program.

The Company is also working with Lowe's on a pilot initiative to print rebate forms at the time of purchase.

Honeywell is now the administrator of this program. They have visited over 150 stores and have provided signage and rebate forms for this program. A bill insert is scheduled for January 2012.

4.3.6 Program Finances

A summary of the project finances are presented in Table 4-3.

Table 4-3: Summary of Residential ENERGY STAR and High Efficiency Appliance Program Finances: TRC Test²⁹

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 233,697	\$ 579,818	\$ 2,001,004
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 233,697	\$ 579,818	\$ 2,001,004
B.1	Design & Development	\$ 843	\$ 3,169	\$ 138,676
B.2	Administration	\$ 46,785	\$ 111,451	\$ 304,193
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 597,458	\$ 625,541	\$ 2,474,266
B.5	Technical Assistance	\$ 254,041	\$ 392,717	\$ 1,007,628
B	Subtotal EDC Implementation Costs	\$ 899,127	\$ 1,132,878	\$ 3,924,763
C	EDC Evaluation Costs	\$ 75	\$ 48,744	\$ 252,513
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 1,132,899	\$ 1,761,440	\$ 6,178,280
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

²⁹ Definitions for terms in following table are subject to TRC Order.

4.4 Residential Home Performance Program

The Residential Home Performance Program provides a holistic approach to educating customers on energy efficiency and conservation, and to improve overall home performance, by providing customers with a choice of two energy audit measures including an On-line Audit and an In-Home Audit. WPP is offering a \$50 incentive for an In-Home Audit. The customer will be eligible to receive an additional incentive for the installation of measures recommended by the audit up to the balance of the audit cost. The Consumer Efficiency measure will study customer demographic and perform a bill analysis. The customer will be presented a report containing EE&C efficiency education and opportunities to reduce consumption based on the demographic and bill analysis. The Consumer Efficiency measure will also provide EE&C educational materials for schools.

The measures directly available through this program for electric heat customers are attic insulation and home sealing via qualified In-home Audits.

The On-line Audit and Consumer Efficiency measures have been launched.

Customers participating in the On-line Audit receive eight CFLs (four CFLs were provided prior to March 2011).

The Consumer Efficiency measure includes:

- CFL Event Giveaways: up to 8 bulbs are given to customers attending events held within the WPP service territory;
- CFL School Kits: customers send in post card to receive 4-60W incandescent equivalent CFL bulbs by mail;
- CFL Opt-In Program: customers go on-line or speak to a representative to order a CFL kit that includes 4-60W and 2-100W incandescent equivalent CFL bulbs by mail;
- JACO bulb distribution: JACO provides customers with 4-60W, 2-75W, and 2-100W incandescent equivalent CFL bulbs; and,
- UPMC Kit Mailings (one time): partnered with Duquesne Light to provide employees in WPP service territory with receive 2-60W, 1-75W, and 1-100W incandescent equivalent CFL bulbs, 2 lime lights, and 1 Smart Strip.
- Energy Savers Reward Program: The Company is sending a 6-pack of CFL bulbs for customers enrolled in the Energy Savers Reward Program by 12/31/2011. The package includes 4-60W and 2-100W incandescent equivalent CFL bulbs by mail.

The In-Home Audit component has not yet been launched.

4.4.1 Program Logic

A program logic model is a visual representation of the program’s theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model, which currently includes the On-line Audit portion of the Home Performance Program.

Residential On-line Audit Home Performance Program Logic Model

Inputs/ Resources	Sufficient budget is allocated Program Team	Marketing materials Program website	Online analyzer web tool
Activities	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Develop Program Infrastructure</div> →	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Direct marketing</div> →	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Perform On-line Audits</div>
Outputs	<p>The online audit portion of the program is made available to customers in 2010</p> <p>Program measures, marketing strategy and technical assumptions developed, refined and documented</p> <p>Tracking system developed and appropriate information is requested, captured and entered</p>	<p>Target direct communications to residential customers and other outreach such as bill inserts, direct mail, radio, and inbound call center</p> <p>General Awareness Campaign</p> <p>Snippets from Energy At Home DVD on AP website</p>	<p>Target 19,000 online audit participants in 2010</p> <p>Participants receive four free CFLs (8 Bulbs effective 3/2011)</p> <p>Customers are referred to other West Penn Power programs through the online analyzer</p>
Short to medium term outcomes	<p>Improved energy efficiency program awareness and participation</p> <p>Resources are available to provide services to customers</p>	<p>Customer interest is stimulated by marketing the availability and benefits of audit options</p> <p>AP Call center receives program inquiries</p>	<p>Customer interest in additional energy saving measures is generated by audit recommendations</p> <p>kW, kWh and therm savings are identified</p>
Long term outcomes	<p>Energy saving goals of the program are achieved within budgetary constraints</p>	<p>Residential customers' awareness of and participation in the program increases</p>	<p>Customer interest in additional energy saving measures is generated by audit recommendations</p>

4.4.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys.

4.4.3 Program Sampling

Refer to Section 4.4.2 above.

4.4.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.4.5 Program Partners and Trade Allies

Aclara provides the on-line audit tool. Power Direct is administering the CFL Opt-in initiative.

4.4.6 Program Finances

A summary of the project finances are presented in Table 4-4.

Table 4-4: Summary of Residential Home Performance Program Finances: TRC Test³⁰

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 3,088,001	\$ 4,336,456	\$ 5,006,379
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 3,088,001	\$ 4,336,456	\$ 5,006,379
B.1	Design & Development	\$ 843	\$ 3,169	\$ 129,938
B.2	Administration	\$ 19,355	\$ 55,939	\$ 172,764
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 2,750	\$ 4,231	\$ 726,029
B.5	Technical Assistance	\$ 751,896	\$ 1,680,443	\$ 1,886,525
B	Subtotal EDC Implementation Costs	\$ 774,844	\$ 1,743,782	\$ 2,915,256
C	EDC Evaluation Costs	\$ (1,129)	\$ 54,152	\$ 136,461
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 3,861,716	\$ 6,134,390	\$ 8,058,096
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁰ Definitions for terms in following table are subject to TRC Order.

4.5 Programmable Controllable Thermostat (PCT) Program

The Company's amended September 10, 2010 EE&C/DR Plan removed this program from the WPP EE&C Plan.

4.5.1 Program Logic

Not applicable.

4.5.2 Program M&V Methodology

Not applicable.

4.5.3 Program Sampling

Not applicable.

4.5.4 Process Evaluation

Not applicable.

4.5.5 Program Partners and Trade Allies

Not applicable.

4.5.6 Program Finances

A summary of the project finances are presented in Table 4-5. Not applicable.

Table 4-5: Summary of Programmable Controllable Thermostat (PCT) Program Finances: TRC Test

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants			
A.2	EDC Incentives to Trade Allies			
A	Subtotal EDC Incentive Costs			
B.1	Design & Development			
B.2	Administration			
B.3	Management			
B.4	Marketing			
B.5	Technical Assistance			
B	Subtotal EDC Implementation Costs			
C	EDC Evaluation Costs			
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs			
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

4.6 Residential Whole Home Appliance Efficiency Program³¹

The Residential Whole Home Appliance Efficiency Program encourages customers to purchase a high efficiency central air conditioner or heat pump (SEER ratings of 14.5 or greater). To encourage participation and to overcome cost barriers, this program provides rebates (\$100 for SEER of 14.5, \$150 for SEER of 15, and \$200 for SEER of 16 and above) for the purchase of units that exceed the federal energy efficient standard (SEER ratings of 13). To qualify for these rebates under this program, the work must be completed by a certified contractor and a programmable thermostat must be installed. These measures launched in January 2010.

The September 10, 2010 amended EE&C/DR Plan added measures to encourage customers to perform maintenance on existing central air conditioner (CAC) or heat pump (HP) systems. The program also encourages customers to replace electric hot water heaters with new Energy Star domestic hot water storage type units. These additional residential rebate measures were launched in April 2011.

4.6.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

³¹ This Program was formally called the Residential ENERGY STAR and High Efficiency Appliance Program.

Residential Whole Home Appliance Efficiency Program Logic Model

Inputs/ Resources	Sufficient budget is allocated West Penn Power program staff Outside technical resources	Marketing collateral, program website West Penn Power program staff Technical Resource Manual	Marketing materials, program website Rebate coupon packet	West Penn Power program staff Rebate contractor (PFC) Program infrastructure	Project invoices and documentation Rebates Program infrastructure
Activities	Develop Program Infrastructure	Outreach to Trade Allies	Customer Communications	Rebate Application approval	Rebate Measures
Outputs	<p>Program website and West Penn Power tracking system developed (appropriate information is requested, captured and entered into the system)</p> <p>Program measures, forms, rebates and marketing strategy, Technical Resource Manual developed, refined and documented.</p> <p>Changes to the Residential Whole Home Appliance Efficiency Program launched March 15, 2011.</p>	<p>Coordinate with HVAC and hot water heating distributors to obtain contact information for potential trade allies</p> <p>Provide program information, sales training, and marketing support to contractors via direct marketing</p> <p>Participate in energy efficiency fairs and events held by local chapters of HVAC and plumbing associations</p> <p>Involve trade ally feedback to refine program offerings</p>	<p>TV, radio, and print marketing of Residential Whole Home Appliance Efficiency Program on a rotating basis with other efficiency programs</p> <p>Trade allies market program to customers</p>	<p>PFC enters customer application into system</p> <p>PFC validates customer applications, and alerts customer if rebate is rejected</p>	<p>Customers participate in program</p> <p>PFC mails rebate check within six weeks of receipt</p> <p>Quality control conducted, West Penn Power or contractor conducts quality assurance</p>
Short to medium term outcomes	<p>West Penn Power tracking system supports evaluation</p> <p>Program administrative functions ready for launch</p> <p>West Penn Power staff knowledgeable about the program and its resources</p>	<p>Contractors and distributors are knowledgeable about the rebate structure and program guidelines</p> <p>Trade allies provide necessary rebate information to customers and assist with the completion of the application</p> <p>Trade allies regularly communicate the program to customers and include rebate with bids</p>	<p>Program offering is meaningful, clear, and valuable to customers</p> <p>Residential customer's awareness of and participation in the program increases significantly</p>	<p>Customers replace heat pump, central AC, and electric hot water heating equipment with equipment that is higher efficiency than federal standards require</p> <p>Customers conduct maintenance that improves the efficiency of existing HVAC equipment</p> <p>Customers aware of exact rebate amount before installation</p>	<p>12,641 MWh and 4.0 MW savings by the end of 2012</p> <p>Enroll 6,397 participants by the end of 2012</p> <p>Summary reports for West Penn Power program staff</p>
Long term outcomes	<p>Energy saving goals of the Residential Whole Home Appliance Efficiency Program are achieved within budgetary constraints</p>	<p>Increased trade ally stocking and sales of HVAC and water heating equipment with higher efficiency than required by federal standard</p> <p>HVAC contractors more likely to carry equipment necessary for enhanced HVAC tune-up</p> <p>The majority of trade ally population participate and/or recommend energy efficient equipment and services</p> <p>Increased participation of customers in the program</p>	<p>Increased residential customer awareness of, and demand for energy efficiency equipment and services</p>	<p>Ensure that all rebated equipment meets program requirements</p> <p>Increased customer satisfaction with rebate completion process</p>	<p>Increased penetration of energy efficient HVAC and hot water heating equipment among West Penn Power's residential customers</p> <p>Increased frequency of efficiency maintenance on existing HVAC equipment among West Penn Power's residential customers</p>

4.6.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys.

4.6.3 Program Sampling

Refer to Section 4.6.2 above.

4.6.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.6.5 Program Partners and Trade Allies

Trade ally contractors have been educated over the past several months on the WPP Whole Home Appliance Efficiency Program. This contractor-based strategy centers on outreach with distributors to help identify potential contractors. WPP then implements targeted contractor mailings. Contractors knowledgeable about the program rebates leverage the program rebate to up-sell their customers. In addition, contractors reduce a key customer participation barrier by aiding in the completion of the rebate application form. The form has also been revised since the program's inception to increase application efficiency, with contractor feedback acknowledging its ease of completion as compared to prior form versions.

The company also partners with Columbia Gas and UGI Utilities to promote the ENERGY STAR Domestic Water Heating measure.

Trade allies interviewed for the evaluation feel that the market for high efficiency equipment is strong in Pennsylvania. Most trade allies stated that demand for high efficiency equipment, including heat pumps and air conditioners with a SEER rating above 14, is strong in Pennsylvania. All reported that they actively promote high efficiency equipment to their customers and many noted that customers have become more informed about the benefits of high efficiency equipment over the course of the last ten to fifteen years. As a whole, the trade allies feel that high efficiency equipment makes sense in Pennsylvania; the climate makes high efficiency equipment practical and cost effective, especially for heat pumps.

Interviewed trade allies also reported that there is a strong correlation between demand for high efficiency HVAC equipment and rebate levels. Nearly all of the trade allies interviewed indicated that 2010 was a good year in the HVAC business in Pennsylvania despite the economic downturn. Most attributed this directly to the federal tax credits and rebates offered by the utilities.

With the reduction/elimination of the federal tax credits, the participation in this program has decreased from the prior year.

4.6.6 Program Finances

A summary of the project finances are presented in Table 4-6.

Table 4-6: Summary of Residential Whole Home Appliance Efficiency Program Finances: TRC Test³²

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 54,044	\$ 115,569	\$ 470,269
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 54,044	\$ 115,569	\$ 470,269
B.1	Design & Development	\$ 843	\$ 3,169	\$ 122,139
B.2	Administration	\$ 6,915	\$ 15,158	\$ 130,455
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 9,172	\$ 20,109	\$ 222,486
B.5	Technical Assistance	\$ 31,255	\$ 41,846	\$ 181,099
B	Subtotal EDC Implementation Costs	\$ 48,185	\$ 80,282	\$ 656,179
C	EDC Evaluation Costs	\$ 2,530	\$ 35,232	\$ 110,142
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 104,759	\$ 231,083	\$ 1,236,590
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³² Definitions for terms in following table are subject to TRC Order.

4.7 Residential Efficiency Rewards Rate

The Company's amended September 10, 2010 EE&C/DR Plan removed this Smart Meter enabled program to reduce reliance of the Plan on the rapid deployment of Smart Meters.

4.7.1 Program Logic

Not applicable.

4.7.2 Program M&V Methodology

Not applicable.

4.7.3 Program Sampling

Not applicable.

4.7.4 Process Evaluation

Not applicable.

4.7.5 Program Partners and Trade Allies

Not applicable.

4.7.6 Program Finances

A summary of the project finances are presented in Table 4-7. *Not applicable.*

Table 4-7: Summary of Residential Efficiency Rewards Rate Program Finances: TRC Test

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants			
A.2	EDC Incentives to Trade Allies			
A	Subtotal EDC Incentive Costs			
B.1	Design & Development			
B.2	Administration			
B.3	Management			
B.4	Marketing			
B.5	Technical Assistance			
B	Subtotal EDC Implementation Costs			
C	EDC Evaluation Costs			
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs			
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

4.8 Pay Ahead (Smart) Service Rate

The Company's amended September 10, 2010 EE&C/DR Plan removed this Smart Meter enabled program to reduce reliance of the Plan on the rapid deployment of Smart Meters.

4.8.1 Program Logic

Not applicable.

4.8.2 Program M&V Methodology

Not applicable.

4.8.3 Program Sampling

Not applicable.

4.8.4 Process Evaluation

Not applicable.

4.8.5 Program Partners and Trade Allies

Not applicable.

4.8.6 Program Finances

A summary of the project finances are presented in Table 4-8. *Not applicable.*

Table 4-8: Summary of Pay Ahead (Smart) Service Rate Program Finances: TRC Test

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants			
A.2	EDC Incentives to Trade Allies			
A	Subtotal EDC Incentive Costs			
B.1	Design & Development			
B.2	Administration			
B.3	Management			
B.4	Marketing			
B.5	Technical Assistance			
B	Subtotal EDC Implementation Costs			
C	EDC Evaluation Costs			
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs			
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

4.9 Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program

The Program consists of a Home Check-Up Audit along with standard installed measures. The auditors will provide and install standard EE&C measures, with the customer's consent. The installed measures are as follows:

- Non Electric Hot Water heating customers – up to 6 CFLs and energy education.
- Electric Hot Water heating customers – 6 CFLs, up to 3 Faucet Aerators, 1 Low Flow Shower Head, and energy education.
- Electric heat and Electric Hot Water heating customers – 6 CFLs, up to 3 Faucet Aerators, 1 Low Flow Shower Head, and energy education.

Under the Appliance Replacement component, the refrigerator and/or room air conditioner may qualify for replacement.

- Refrigerator – The auditor will determine if the customer's existing refrigerator is eligible for replacement based on the age and operational effectiveness. If eligible, the refrigerator will be replaced with a like-size ENERGY STAR model. In addition, should the customer also have an older, inefficient freezer in use, the customer will be provided the opportunity to replace both the refrigerator and freezer with a larger, more efficient refrigerator, so that the freezer may be removed.
- Room Air Conditioner - The auditor will determine if the customer's existing room air conditioner is eligible for replacement based on the age and operational effectiveness. Up to two existing room air conditioners can be replaced.

This Program launched in January 2010.

4.9.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program Logic Model

Inputs/ Resources	Sufficient budget is allocated	West Penn Power / Dollar Energy	Community action agencies (contractors)	West Penn Power
Activities	Develop Program Infrastructure	Refer and Enroll Customers	Perform Home Performance Check-up	Process Invoices
Resources	West Penn Power program staff Dollar Energy (PA)	Thirteen community action agencies and Dollar Energy	Lowes	Dollar Energy / community action agencies
Outputs	<p>The Low Income Home Performance Check-up Audit and Appliance Replacement Program launched January 1, 2010.</p> <p>Program measures, forms, marketing strategy, Technical Resource Manual developed, refined and documented.</p> <p>Inform contractors and West Penn Power of program requirements and procedures.</p> <p>Centralized on-line tracking system developed and available by program launch date (Dollar Energy)</p>	<p>Identify potentially eligible customers via West Penn Power call center. Customers referred to partnering community action agencies associated with customers' location (by county).</p> <p>Collect household data to confirm eligibility (e.g., rental status, household income at or below 150% FPL)</p> <p>Identify renters in need and obtain approval from landlords. Collect any qualifying information from renters.</p> <p>West Penn Power develops the "Governor's List" of LIHEAP recipients to identify potential LIURP participants based on usage (high is priority). Dollar Energy conducts outbound outreach calls.</p>	<p>Contractor direct installs up to 6 CFLs, 3 faucet aerators, and 1 low flow showerhead. Prioritize high usage faucets/sockets.</p> <p>Identify equipment and service needs in the home that can be funded through LIURP and/or DOE funds.</p> <p>Complete 30 minute walk-through interactive education with customer. Provide and discuss energy usage analysis.</p> <p>Work orders created, documenting measures to be installed and services to be provided through Dollar Energy's online system by contractors.</p> <p>Specifically identify the need for refrigerator replacement (up to 1) and/or room air conditioning replacement (up to 2).</p>	<p>Process invoices for direct installation measures, refrigerators and room air conditioners, and audit services.</p> <p>Receive documentation for all measures that are installed in the home and source of funding for the installation regardless of funding</p> <p>Enter recipient and measure information into Dollar Energy's program database.</p> <p>Date of weatherization is entered into West Penn Power's CIS system for the premise. SAP may in the future include fields for reporting and tracking.</p>
Short to medium term outcomes	<p>Program serves low income customers within annual budget not to exceed \$5.381M through 2012.</p> <p>Program administrative functions ready for launch</p> <p>West Penn Power staff knowledgeable about the program and its resources</p>	<p>Up to 5,085 customers that are in financial need are identified and served through the program through program year 2012</p> <p>Strong communication and referral mechanisms are maintained between West Penn Power and the community action agencies.</p> <p>The program serves multi-family buildings not served through the comprehensive LIURP program.</p>	<p>West Penn Power claims the savings resulting from the audit and direct installation</p> <p>Room air conditioners and refrigerators are properly recycled (West Penn Power contracting with Lowes)</p> <p>Capture energy savings from the multi-unit sector.</p>	<p>6,071 MWh and 1.2 MW savings by the end of 2012</p> <p>LIURP and/or the federal program are able to serve a greater number of households.</p>
Long term outcomes	<p>Energy saving goals of the program are achieved within budgetary constraints</p>	<p>The program serves a higher percentage of low income customers through active identification and enrollment.</p>	<p>Ensure that as many customers as possible receive comprehensive weatherization services.</p> <p>Reduce energy usage and improve customer bill payment behaviors.</p> <p>Customers make behavioral changes based on education provided and reinforced by savings.</p>	<p>Increased penetration of energy efficiency equipment among West Penn Power's low income residential customers</p>

4.9.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys. A limited number of on-site inspections will also be completed.

4.9.3 Program Sampling

Refer to Section 4.9.2 above.

4.9.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.9.5 Program Partners and Trade Allies

Lowe's and Sears provide replacement and recycling of the Refrigerator and Room Air Conditioner component for this program. Dollar Energy Fund staff, private contractors and community action agencies perform in-home energy audits.

4.9.6 Program Finances

A summary of the project finances are presented in Table 4-9.

Table 4-9: Summary of Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program Finances: TRC Test³³

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 1,162,587	\$ 2,288,446	\$ 5,157,805
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 1,162,587	\$ 2,288,446	\$ 5,157,805
B.1	Design & Development	\$ 843	\$ 3,169	\$ 27,561
B.2	Administration	\$ 21,077	\$ 41,797	\$ 154,601
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 1,705	\$ 3,293	\$ 12,107
B.5	Technical Assistance	\$ 103,780	\$ 214,614	\$ 503,607
B	Subtotal EDC Implementation Costs	\$ 127,405	\$ 262,873	\$ 697,876
C	EDC Evaluation Costs	\$ (1,190)	\$ 8,741	\$ 36,242
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 1,288,802	\$ 2,560,060	\$ 5,891,923
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³³ Definitions for terms in following table are subject to TRC Order.

4.10 Residential Low Income Joint Utility Usage Management Program

The program consists of a Home Check-Up Audit with Appliance Replacement and/or LIURP Program measures for gas and electric customers in conjunction with partnering gas utilities.

The program consists of a Home Check-Up Audit along with standard installed measures. The auditors provide and install standard EE&C measures, with the customer's consent. The installed measures are as follows:

- Non Electric Hot Water heating customers – up to 6 CFLs and energy education.
- Electric Hot Water heating customers – 6 CFLs, up to 3 Faucet Aerators, 1 Low Flow Shower Head, and energy education.
- Electric Heat and Electric Hot Water heating customers – 6 CFLs, up to 3 Faucet Aerators, 1 Low Flow Shower Head, and energy education.

Under the Appliance Replacement component, the refrigerator and/or room air conditioner may qualify for replacement.

- Refrigerator – The auditor will determine if the customer's existing refrigerator is eligible for replacement based on the age and operational effectiveness. If eligible, the refrigerator will be replaced with a like-size ENERGY STAR model. In addition, should the customer also have an older, inefficient freezer in use, the customer will be provided the opportunity to replace both the refrigerator and freezer with a larger, more efficient refrigerator, so that the second freezer may be removed.
- Room Air Conditioner - The auditor will determine if the customer's existing room air conditioner is eligible for replacement based on the age and operational effectiveness.

The program may also fund additional measures, such as electric water heaters. This Program launched in January 2010.

4.10.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Residential Low Income Joint Utility Usage Management Program Logic Model

Inputs/ Resources	Sufficient budget is allocated West Penn Power and gas utility program staff Dollar Energy (PA)	West Penn Power / gas utility Thirteen community action agencies and Dollar Energy	Community action agencies (contractors) Lowe's	West Penn Power, gas utility, and DCED funds Community action agencies	West Penn Power, gas utility, and community action agencies Dollar Energy / community action agencies
Activities	Develop Program Infrastructure	Refer and Enroll Customers	Perform Home Performance Check-up	Weatherize Homes	Process Invoices
Outputs	The Low Income Joint Utility Usage Mangement Program launched January 1, 2010.	Potentially eligible customers are identified via West Penn Power or gas utility call center. Customers referred to partnering community action agencies or utility.	Contractor direct installs up to 6 CFLs, 3 faucet aerators, and 1 low flow showerhead	Contractors follow work orders developed through the check-up and holistically weatherize home, addressing both cost-effective gas and electric measures	Process invoices for electric measures and audit services funded through West Penn Power's JUUMP program.
	Establish relationship and procedures with gas utility (e.g., Columbia Gas) and other interested utilities. Understand utility program requirements.	Household data is collected and documented confirming eligibility (e.g., household income at or below 150% FPL, between 150% to 200% FPL, gas heating customer)	Identify equipment and service needs in the home including refrigerators and room air conditioners. Identify both gas and electric opportunities.	DCED, ARRA, and LIURP (gas and electric utility) funding is leveraged where necessary to ensure holistic weatherization	Receive documentation for all measures that are installed in the home and source of funding for the installation regardless of funding
	Establish income requirements consistent with gas utility's program eligibility (up to 200% FPL)	Referrals are communicated between gas utility, West Penn Power, Dollar Energy, and participating Community Action agency	Specifically identify the need for refrigerator replacement and/or room air conditioning replacement.	Seamless services are provided to customer; customer time is minimized by coordinating services.	Enter recipient and measure information into program database.
	Inform contractors, West Penn Power staff, and gas utility staff of program requirements and procedures. Centralized on-line tracking system developed and available by program launch date (Dollar Energy)	West Penn Power develops the "Governor's List" of their LIHEAP recipients to identify potential LIURP participants based on usage (high is priority). Dollar Energy conducts outbound outreach calls.	Complete 30 minute walk-through interactive education with customer. Provide and discuss energy usage analysis. Work orders created, documenting measures to be installed and services to be provided through Dollar Energy's online system by contractors.		Savings resulting from households with incomes between 150%-200% FPL are not counted toward low income portfolio goals but contribute to program goals Date of weatherization is entered into West Penn Power's CIS system for the premise. SAP may in the future include fields for reporting and tracking.
Short to medium term outcomes	Program serves low income customers within annual budget not to exceed \$6.363M through 2012.	Up to 11,937 customers that are in financial need are identified and served through the program through program year 2012	West Penn Power claims the savings resulting from the audit and direct installation of electric measures	Services address the house as a system, improving overall household conditions	11,319 MWh and 1.2 MW savings by the end of 2012
	Program administrative functions ready for launch	Strong communication and referral mechanisms are maintained between West Penn Power, gas utility, and the community action agencies.	Room air conditioners and refrigerators are properly recycled (West Penn Power contracting with Lowes)	Participants maintain high satisfaction in both gas utility and West Penn Power through the program's streamlined services	LIURP and/or the federal program are able to serve a greater number of households.
	West Penn Power and gas utility staff establish procedures for processing invoices and serving participants	Households with higher income levels not eligible for West Penn Power's low income programs (between 150% to 200% FPL) are served.	Appropriate measures and services are identified (cost-effective, health and safety, etc.)	Participant experiences non-energy benefits (e.g., improved comfort, home appearance).	West Penn Power identifies the effectiveness of this program model and whether other partnerships should be formed
Long term outcomes	Energy saving goals are achieved within budgetary constraints	The program serves a higher percentage of low income customers through active identification and enrollment.	Ensure that as many customers as possible receive comprehensive weatherization services.	Holistic services provide sustainable saving and reduce households' overall energy burden	Increased penetration of energy efficiency equipment among West Penn Power's and gas utility low income residential customers
	Procedures are transferrable to other gas utilities with whom West Penn Power partners	The enrollment and referral mechanisms are effective, efficient, and transferrable should other partnerships be formed.	Customers make behavioral changes based on education provided and reinforced by savings.	Participants have an increased energy usage awareness and reduce energy use through behavioral changes	The programs, working in cohort with each other, provide comprehensive services to a high percentage of eligible low to moderate income customers

4.10.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated, which includes 70 completed surveys. A limited number of on-site inspections will also be completed.

4.10.3 Program Sampling

Refer to Section 4.10.2 above.

4.10.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.10.5 Program Partners and Trade Allies

WPP is partnering with Columbia Gas, Equitable Gas, Peoples Gas, TW Phillips and National Fuel Gas for the completion of the Home Check-Up Audit and the installation of full program measures. Lowe's and Sears provide replacement and recycling of the Refrigerator and Room Air Conditioner component for this program. Dollar Energy Fund staff, private contractors, and community action agencies perform in-home energy audits.

4.10.6 Program Finances

A summary of the project finances are presented in Table 4-10.

Table 4-10: Summary of Residential Low Income Joint Utility Usage Management Program Finances: TRC Test³⁴

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 96,569	\$ 169,503	\$ 345,297
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 96,569	\$ 169,503	\$ 345,297
B.1	Design & Development	\$ 843	\$ 3,169	\$ 23,399
B.2	Administration	\$ 14,019	\$ 33,417	\$ 147,353
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 1,905	\$ 3,609	\$ 11,733
B.5	Technical Assistance	\$ 66,980	\$ 139,345	\$ 245,420
B	Subtotal EDC Implementation Costs	\$ 83,747	\$ 179,540	\$ 427,905
C	EDC Evaluation Costs	\$ (688)	\$ 10,631	\$ 43,465
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 179,628	\$ 359,674	\$ 816,667
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁴ Definitions for terms in following table are subject to TRC Order.

4.11 Residential Low Income Room Air Conditioner Replacement Measure

The Company's amended September 10, 2010 EE&C/DR Plan removed this program.

4.11.1 Program Logic

Not applicable.

4.11.2 Program M&V Methodology and Program Sampling

Not applicable.

4.11.3 Program Sampling

Not applicable.

4.11.4 Process Evaluation

Not applicable.

4.11.5 Program Partners and Trade Allies

Not applicable.

4.11.6 Program Finances

A summary of the project finances are presented in Table 4-11. Expenses incurred reflect costs charged prior to decommissioning.

Table 4-11: Summary of Residential Low Income Room Air Conditioner Replacement Program Finances: TRC Test

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ -
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ -
B.1	Design & Development	\$ -	\$ -	\$ 10,433
B.2	Administration	\$ -	\$ -	\$ 104,377
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ -	\$ -	\$ 2,007
B.5	Technical Assistance	\$ -	\$ -	\$ 54,533
B	Subtotal EDC Implementation Costs	\$ -	\$ -	\$ 171,350
C	EDC Evaluation Costs	\$ -	\$ -	\$ 7,111
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ -	\$ -	\$ 178,461
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

4.12 Governmental/School/Non-Profit Portfolio Program

The program encourages government, school, and non-profit customers in WPP's Pennsylvania service territory to upgrade to state-of-the-art energy efficient lighting technologies. The program provides increased incentives and equipment to these customer classes for installing:

- T8 lamps; replacing inefficient lighting
- LED Exit Signs: Replacing or retrofitting existing incandescent exit signs w/LED;
- LED Traffic Signals: Retrofit LED packs into existing incandescent units;
- CFLs: Replacing or retrofitting existing incandescent lighting with CFLs

This Program launched in April 2010. Changes per the October 28, 2011 filing were launched in the second quarter of PY3.

4.12.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Government/Non-profit Lighting Efficiency Program Logic Model

Inputs/Resources	Sufficient budget is allocated West Penn Power program staff Statewide Technical Resource Manual (TRM)	Marketing plan and collateral, program website West Penn Power program staff	Marketing materials and campaign, program website Lighting installation contractors Marketing to LDDA's and other local organizations	West Penn Power program staff; Rebate processor Submitted (mail-in) rebate forms	Program rebate processing (vendor) Incentives budget; possible tax credits; other funding Sales receipt (UPC label)
Activities	Develop Program Infrastructure	Outreach to Trade Allies	Customer Communications	Rebate Application approval	Rebate Measures
Outputs	The Govt/Schools/Non-profit Lighting Program launched 4th quarter of 2009 Program measures defined, forms, rebates and marketing strategy developed, refined and documented Program website and tracking system developed	Work with the Local Development District Associations (LDDA) and other local organizations to market program to Govt/Non-profits Provide information to lighting contractors for leveraging federal/state funding (stimulus dollars, tax incentives, grants) Work with Facilities Engineering Institute (FEI) to promote programs to State Agencies.	Key account managers and trade allies refer eligible customers to the program Targeted direct communications to Govt/Non-profit customers such as direct mailings and bill inserts Mass marketing activities, including AP website, business customer newsletter, print and radio mass advertising	Program staff validates customer eligibility Monthly review of participation rates by program manager Project data entered into program tracking database	West Penn Power validates customer rebate form and all checklist items completed; payment initiated Data tracking "opportunity" status to "complete," phase to "paid"; Participants receive rebates in timely manner Necessary EM&V data collected
Short to medium term outcomes	Program Administrative functions can handle expected application numbers Tracking system supports program processes, reporting requirements, and evaluation efforts West Penn Power staff knowledgeable about the program and its resources	Trade allies are knowledgeable about the rebate structure and program guidelines Trade allies regularly communicate the program to customers and include rebate with lighting installation bids Increase participation of customers in the program	Program offering is meaningful and customers understand benefits/value Govt/Non-profit customers' awareness of and participation in the program increases Customers plan for future program participation in their equipment purchase budget cycles	Customers install lighting equipment that has a higher efficiency than federal standards require Customers aware of exact rebate amount before installation Minimize customer dissatisfaction with program by managing customer expectations	59,091 MWh and 13.5 MW savings by the end of 2012 for Govt/Non-profit Lighting Achieve cumulative TRC of 9.6 Summary reports for West Penn Power program staff
Long term outcomes	Energy saving goals of the Watt Watchers program are achieved within budgetary constraints	Increased trade allies' stocking and sales of lighting equipment with higher efficiency than required by federal standard The majority of trade allies participate and/or recommend energy efficient equipment	Increased awareness of and demand for energy efficiency lighting in all eligible Govt/Non-profit segments	Monitor participation and modify if necessary marketing, incentive levels, lighting measures offered Increased satisfaction with pre-approval process	Increased penetration of energy efficiency lighting in all targeted Govt/Non-profit businesses

4.12.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated for the free measures, which includes 70 completed surveys. On-site verifications will also be conducted for the prescriptive measures.

4.12.3 Program Sampling

Refer to Section 4.12.2 above.

4.12.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.12.5 Program Partners and Trade Allies

WPP is leveraging the Local Development District Associations (LDDA) of Pennsylvania to market this program to this customer sector. These associations have established relationships with this target market. The Company is also working with the Facilities Engineering Institute (FEI) to market to PA State entities such as PennDOT, LCB, etc., as they are the contracted energy consultants for these entities by the State of PA. Third party program administrator (SAIC) was contracted and began operations during second quarter PY3, various seminars with trade allies (electrical distributors, contractors, etc.) have been enacted.

4.12.6 Program Finances

A summary of the project finances are presented in Table 4-12.

Table 4-12: Summary of Government/School/Non-Profit Measure Portfolio Program Finances: TRC Test³⁵

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 192,463	\$ 402,056	\$ 809,436
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 192,463	\$ 402,056	\$ 809,436
B.1	Design & Development	\$ 843	\$ 3,169	\$ 108,669
B.2	Administration	\$ 35,188	\$ 71,119	\$ 370,449
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 17,458	\$ 18,051	\$ 35,646
B.5	Technical Assistance	\$ 63,708	\$ 89,540	\$ 209,048
B	Subtotal EDC Implementation Costs	\$ 117,197	\$ 181,879	\$ 723,812
C	EDC Evaluation Costs	\$ 4,758	\$ 59,989	\$ 232,140
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 314,418	\$ 643,924	\$ 1,765,388
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁵ Definitions for terms in following table are subject to TRC Order.

4.13 Commercial HVAC Efficiency Program

The September 10, 2010 Amended EE&C/DR Plan replaces the incentive for the commercial installation of new energy efficient HVAC units with a \$25 rebate per unit incentive for the annual maintenance of existing HVAC units.

The revised Program was soft launched in June 2011. Third party program administrator (SAIC) was contracted and began operations during the second quarter PY3.

4.13.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model capturing approved changes.

Commercial HVAC Efficiency Program Logic Model

Inputs/ Resources	Sufficient budget is allocated	Program website	Program website	Program infrastructure
	West Penn Power program staff	West Penn Power program staff	Key account managers and trade allies	Incentives budget; possible tax credits; other funding
	Statewide Technical Resource Manual	Presentation materials	Direct mail campaign materials	Project invoices, receipts, and documentation
Activities	Develop Program Infrastructure	Outreach to Trade Allies	Customer Communications	Rebate Measures
Outputs	The Commercial HVAC Efficiency Program launches March 18, 2011 (all receipts dated after Jan 13, 2011 will be accepted).	Participate in events sponsored by local HVAC association chapters and attend energy efficiency fairs	Conduct a direct mailing campaign to Large Industrial customers who perform annual HVAC Maintenance with on-staff HVAC personnel	West Penn Power validates customer project and initiates payment
	Program measures defined, forms, rebates and marketing strategy developed, refined and documented.		Account managers and trade allies refer customers to the program	Participants receive rebates in timely manner
	Program website and tracking system developed		Targeted direct communications to business customers and other outreach such as newsletters, energy efficiency fairs	Necessary EM&V data collected
Short to medium term outcomes	Program administrative functions ready for launch	Trade allies are knowledgeable about the rebate structure and program guidelines	Program offering is meaningful and customers understand benefits/value	3,665 MWh and 1.8 MW savings by the end of 2012
	Tracking system supports program processes, reporting requirements, and evaluation efforts	Trade allies regularly communicate the program to customers and include rebate with maintenance contracts	Business customers' awareness of and participation in the program increases	Provide rebates for 57,344 participants by the end of 2012
	West Penn Power staff knowledgeable about the program and its resources	Increase participation of customers in the program	Educate customers on the availability of incentives from other sources	Summary reports for West Penn Power program staff
Long term outcomes	Energy saving goals of the Commercial HVAC program are achieved within budgetary constraints	The majority of trade allies participate and/or recommend efficiency maintenance	Increased awareness of and demand for efficiency maintenance in all business segments	Increased frequency of efficiency maintenance on HVAC equipment in all business segments

4.13.2 Program M&V Methodology and Program Sampling

Due to limited program uptake, no PY3 M&V is currently planned.

4.13.3 Program Sampling

Refer to Section 4.13.2 above.

4.13.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.13.5 Program Partners and Trade Allies

WPP is developing a network of residential/commercial HVAC distributors/dealers that will be used to promote/implement the Commercial HVAC Maintenance Program. This program was soft launched in June 2011 and we have had no participation in this program to date. Third party program administrator (SAIC) was contracted and began operations during the second quarter PY3, various seminars with trade allies (electrical distributors, contractors, etc.) have been enacted.

4.13.6 Program Finances

A summary of the project finances are presented in Table 4-13.

Table 4-13: Summary of Commercial HVAC Efficiency Program Finances: TRC Test³⁶

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 3,231	\$ 5,197	\$ 5,422
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 3,231	\$ 5,197	\$ 5,422
B.1	Design & Development	\$ 843	\$ 3,169	\$ 92,849
B.2	Administration	\$ 3,196	\$ 7,609	\$ 181,291
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 1,242	\$ 2,429	\$ 31,763
B.5	Technical Assistance	\$ 12,444	\$ 17,415	\$ 132,500
B	Subtotal EDC Implementation Costs	\$ 17,725	\$ 30,622	\$ 438,403
C	EDC Evaluation Costs	\$ (220)	\$ 10,450	\$ 37,638
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 20,736	\$ 46,269	\$ 481,463
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁶ Definitions for terms in following table are subject to TRC Order.

4.14 Commercial Products Efficiency Program³⁷

The Commercial Products Efficiency Program encourages small and large, commercial, and industrial customers to upgrade to state-of-the-art energy efficient lighting technologies. The Company's September 10, 2010 amended EE&C/DR Plan revised the Commercial Lighting Efficiency Program, and renamed Commercial Products Efficiency Program to expand the eligible lighting measures, including CFLs, by leveraging the June 2010 Technical Reference Manual update. This provides the opportunity for more customers to participate in the program and for additional energy and demand savings due to the addition of different lighting types and sizes that are contained in Appendix C of the Technical Reference Manual.

Under SAIC's new Non-Standard Lighting Incentive Program, Commercial & Industrial customers will now receive rebates for installing energy efficient lighting and controls including, but not limited to the following:

- T8 lamps: Replacing T12 lamps and other inefficient lighting
- T5 lights: Replacing high-intensity discharge (HID) and other inefficient lighting
- Occupancy Sensors (wall-plate style sensors to replace conventional switches)
- Power Strips (controlling lights and appliances)
- LED Exit Signs: Replacing incandescent exit signs
- CFLs: Replacing incandescent bulbs and/or fixtures

The Program launched in February 2010. Program changes were implemented in PY2 Q4. Third party program administrator (SAIC) was contracted and began operations during second quarter PY3.

4.14.1 Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model capturing approved changes.

³⁷ This Program was previously called the Commercial Lighting Efficiency Program.

Commercial Products Efficiency Program Logic Model

Inputs/ Resources	Sufficient budget is allocated West Penn Power program staff Statewide Technical Resource Manual (TRM)	Marketing plan and collateral, program website West Penn Power program staff	Marketing materials and campaign, program website Lighting installation contractors POS Rebate packet	West Penn Power program staff; Rebate processor Submitted (mail-in) rebate forms	Program rebate processing (vendor) Incentives budget; possible tax credits; other funding Sales receipt (UPC label)
Activities	Develop Program Infrastructure	Outreach to Trade Allies	Customer Communications	Rebate Application approval	Rebate Measures
Outputs	The Commercial Lighting Efficiency Program was launched 1st quarter of 2010. Smart Strips and CFL components will be launched on March 18, 2011 (rebates will be retroactive back to Jan 13, 2011) Program measures defined, forms, rebates and marketing strategy developed, refined and documented. Program website and tracking system developed	Key account managers work with lighting installers to market program to eligible customers Information to lighting contractors for leveraging federal/state funding (stimulus dollars, tax incentives, grants)	Key account managers and trade allies refer customers to the program Targeted direct communications to business customers such as seminars, workshops, bill inserts, and direct mailings Mass marketing activities, including AP website, business customer newsletter, print and radio mass advertising	Program staff validates customer eligibility Monthly review of participation rates by program manager Project data entered into program tracking database	West Penn Power validates customer rebate form and all checklist items completed; payment initiated Data tracking "opportunity" status to "complete," phase to "paid"; Participants receive rebates in timely manner Necessary EM&V data collected
Short to medium term outcomes	Program Administrative functions can handle expected application numbers Tracking system supports program processes, reporting requirements, and evaluation efforts West Penn Power staff knowledgeable about the program and its resources	Trade allies are knowledgeable about the rebate structure and program guidelines Trade allies regularly communicate the program to customers and include rebate with lighting installation bids Increase participation of customers in the program	Program offering is meaningful and customers understand benefits/value Business customers' awareness of and participation in the program increases Customers plan for future program participation in their equipment purchase budget cycles	Customers install equipment that has a higher efficiency than federal standards require Customers aware of exact rebate amount before installation Minimize customer dissatisfaction with program by managing customer expectations	256,837 MWh and 51.6 MW savings by the end of 2012 for Commercial Lighting Achieve cumulative TRC of 6.2 Summary reports for West Penn Power program staff
Long term outcomes	Energy saving goals of the program are achieved within budgetary constraints	Increased trade allies' stocking and sales of lighting equipment with higher efficiency than required by federal standard The majority of trade allies participate and/or recommend energy efficient equipment	Increased awareness of and demand for energy efficiency lighting in all eligible business segments	Monitor participation and modify if necessary marketing, incentive levels, measures offered Increased satisfaction with pre-approval process	Increased penetration of energy efficient lighting and power management in all targeted business

4.14.2 Program M&V Methodology and Program Sampling

During PY3, the PY2 survey verification efforts will be repeated for the deemed measures, which includes 70 completed surveys. On-site verifications will also be conducted for the prescriptive measures.

4.14.3 Program Sampling

Refer to Section 4.14.2 above.

4.14.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.14.5 Program Partners and Trade Allies

WPP has established partnerships with PennTAP (Fayette & Greene Counties) and ALL Facilities (Westmoreland County). WPP is also partnering with the Hite Company, Scott Electric and other lighting trade allies to promote the Act 129 Programs to commercial and industrial customers. In addition, the Company is providing Act 129 presentations to local Chambers of Commerce, at trade shows and other public events throughout its service territory. Third party program administrator (SAIC) was contracted and began operations during the second quarter PY3, various seminars with trade allies (electrical distributors, contractors, etc.) have been enacted.

4.14.6 Program Finances

A summary of the project finances are presented in Table 4-14.

Table 4-14: Summary of Commercial Products Efficiency Program Finances: TRC Test³⁸

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 132,167	\$ 263,629	\$ 606,562
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 132,167	\$ 263,629	\$ 606,562
B.1	Design & Development	\$ 842	\$ 3,168	\$ 109,184
B.2	Administration	\$ 36,917	\$ 99,661	\$ 399,678
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 43,182	\$ 45,728	\$ 60,621
B.5	Technical Assistance	\$ 165,137	\$ 202,775	\$ 318,297
B	Subtotal EDC Implementation Costs	\$ 246,078	\$ 351,332	\$ 887,780
C	EDC Evaluation Costs	\$ 11,812	\$ 79,748	\$ 260,817
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 390,057	\$ 694,709	\$ 1,755,159
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁸ Definitions for terms in following table are subject to TRC Order.

4.15 Custom Technology Applications Program

This program is targeted to improve the efficiency of customer operations through the application of custom measures that will result in energy usage reduction and improved operating efficiency identified and verified through an onsite energy audit.

The program focuses on improving the energy efficiency for specific processes and applications such as: lighting systems, compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems, fan and pump systems, renewable energy, LED, and combined heat-power systems, for which there are no current prescriptive measures offered.

The Custom Technology Applications Program is focused on reducing energy use and demand in the small and large, commercial and industrial and governmental/non-profit customers with usage of 1 million to 2.5 million kWh / year. Customers are eligible for up to 25% of the capital investment, and up to \$100,000 of the project cost to obtain the energy and demand savings.

This program along with the Custom Applications Program absorbed the Commercial and Industrial Drives Program effective January 2011 for all new approved customer applications.

This program launched in March 2010.

4.15.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model capturing approved changes.

Custom Technology Applications Program Logic Model

Inputs/ Resources	Sufficient budget is allocated. West Penn Power program staff. Statewide Technical Resource Manual.	Marketing materials and campaign, program website. Key account managers. Rebate packet.	West Penn Power program staff. Submitted pre-qualification form.	Program infrastructure. Incentives budget; possible tax credits; other funding. Project invoices, receipts, and documentation.
Activities	Develop Program Infrastructure →	Customer Communications →	Rebate Application Pre-approval →	Rebate Measures
Outputs	The Custom Technology Apps Program launched March 1, 2010. Program measures defined, forms, rebates and marketing strategy developed, refined and documented. Rebate levels developed (25% of capital investment not to exceed \$100,000). Program website and tracking system developed.	Account managers identify customers for the program and solicit applications.	West Penn Power approves customer applications with dollar limit. Site visits at Program Manager's direction. Project data entered into program tracking database.	West Penn Power validates customer project and initiates payment. Participants receive rebates in timely manner. Necessary EM&V data collected.
Short to medium term outcomes	Program administrative functions ready for launch. Tracking system supports program processes, reporting requirements, and evaluation efforts. West Penn Power staff knowledgeable about the program and its resources.	Program offering is meaningful and customers understand benefits/value. Business customers' awareness of and participation in the program increases. Customers decide to participate and submit pre-qualification forms for approval. Educate customers on the availability of incentives from other sources.	Customer installs measures outlined in application. Customers aware of exact rebate amount before installation. Minimize customer dissatisfaction with program by managing customer expectations.	19,910 MWh and 3.5 MW savings by the end of 2012. Provide rebates for 57 participants by the end of 2012. Rebate reduces the payback period for customers. Summary reports for West Penn Power program staff.
Long term outcomes	Energy saving goals of the Custom Tech Apps program are achieved within budgetary constraints.	Increased awareness of and demand for energy efficiency equipment in all business segments.	Insure that incentivized equipment meets program requirements.	Increased penetration of energy efficiency equipment in all business segments.

4.15.2 Program M&V Methodology and Program Sampling

During PY3, on-site verifications will be conducted.

4.15.3 Program Sampling

Refer to Section 4.15.2 above.

4.15.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, the PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.15.5 Program Partners and Trade Allies

WPP has joined the Pennsylvania Rural Water Association and Pennsylvania Municipal Authority Association to help promote and advertise this program.

Third party program administrator (SAIC) was contracted and began operations during second quarter PY3, various seminars with trade allies (electrical distributors, contractors, etc.) have been enacted.

4.15.6 Program Finances

A summary of the project finances are presented in Table 4-15.

Table 4-15: Summary of Custom Technology Applications Program Finances: TRC Test³⁹

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 89,514	\$ 264,395	\$ 418,405
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 89,514	\$ 264,395	\$ 418,405
B.1	Design & Development	\$ 842	\$ 3,168	\$ 100,025
B.2	Administration	\$ 15,017	\$ 40,177	\$ 224,671
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 20,627	\$ 21,528	\$ 45,199
B.5	Technical Assistance	\$ 150,932	\$ 200,982	\$ 319,818
B	Subtotal EDC Implementation Costs	\$ 187,418	\$ 265,855	\$ 689,713
C	EDC Evaluation Costs	\$ 16,951	\$ 37,191	\$ 63,632
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 293,883	\$ 567,441	\$ 1,171,750
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

³⁹ Definitions for terms in following table are subject to TRC Order.

4.16 Time of Use (TOU) with Critical Peak Pricing Rate

TOU encourages commercial, industrial, government, school, and non-profit customers under 500 kW to lower their demand and energy consumption during on-peak periods by charging a higher price that reflects the higher cost of serving customers, and charging lower prices during off-peak periods that reflects the lower cost of serving customers. TOU also includes critical peak pricing that is designed to address the short-term need to reduce demand at the time of the system peak by charging prices significantly higher than on-peak periods. Critical peak pricing periods will vary in frequency and duration using predefined or notified peak hours, but will balance the need to keep the period as short as possible to effectively allow customers to reduce demand or shift usage to lower cost periods. TOU is voluntary and is only available to customers that are receiving utility-provided default service. TOU relies on a smart meter to measure the customer's demand and energy usage during the various TOU periods.

Marketing is planned for December 2011 with rollout/operation to commence for June 1 – September 30 2012 CPP period.

4.16.1 Program Logic

Program Logic will be determined in PY3.

4.16.2 Program M&V Methodology

Program M&V Methodology will be determined in PY3.

4.16.3 Program Sampling

Program Sampling will be determined in PY3.

4.16.4 Process Evaluation

Process Evaluation will be determined in PY3.

4.16.5 Program Partners and Trade Allies

Garrison Hughes has been contracted to market and procure customers for the June 1 – September 30 2012 CPP Period.

4.16.6 Program Finances

A summary of the project finances are presented in Table 4-16.

Costs associated with this program in CPITD reflect initial administrative cost.

Table 4-16: Summary of Time of Use (TOU) with Critical Peak Pricing Rate Program Finances: TRC Test⁴⁰

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ -
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ -
B.1	Design & Development	\$ 842	\$ 3,168	\$ 5,740
B.2	Administration	\$ 2,957	\$ 3,268	\$ 31,439
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 318	\$ 891	\$ 14,643
B.5	Technical Assistance	\$ 4,008	\$ 5,929	\$ 27,670
B	Subtotal EDC Implementation Costs	\$ 8,125	\$ 13,256	\$ 79,492
C	EDC Evaluation Costs	\$ (591)	\$ 5,862	\$ 10,808
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 7,534	\$ 19,118	\$ 90,300
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴⁰ Definitions for terms in following table are subject to TRC Order.

4.17 Hourly Pricing Option (HPO) Rate

The Company's amended September 10, 2010 EE&C/DR Plan removed this Smart Meter enabled program to reduce reliance of the Plan on the rapid deployment of Smart Meters.

4.17.1 Program Logic

Not applicable.

4.17.2 Program M&V Methodology

Not applicable.

4.17.3 Program Sampling

Not applicable.

4.17.4 Process Evaluation

Not applicable.

4.17.5 Program Partners and Trade Allies

Not applicable.

4.17.6 Program Finances

A summary of the project finances are presented in Table 4-17. Not applicable.

Table 4-17: Summary of Hourly Pricing Option (HPO) Rate Program Finances: TRC Test

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants			
A.2	EDC Incentives to Trade Allies			
A	Subtotal EDC Incentive Costs			
B.1	Design & Development			
B.2	Administration			
B.3	Management			
B.4	Marketing			
B.5	Technical Assistance			
B	Subtotal EDC Implementation Costs			
C	EDC Evaluation Costs			
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs			
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

4.18 Custom Applications Program

This program encourages energy and demand reductions for commercial and industrial customers by providing custom rewards for highly specialized processes and applications. The program will focus on improving the energy efficiency for specific processes and applications, such as: lighting systems, compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems, fan and pump systems, combined heat-power systems, and other relevant measures, for which there are no current prescriptive measures offered.

The customer is eligible for up to 50% of the customer's total capital project cost, with a per project cap of \$500,000. Awards will be based on a review of kWh savings per project's cost.

This program along with the Custom Technology Applications Program absorbed the Commercial and Industrial Drives Program effective January 2011 for all new approved customer applications.

This Program launched in March 2010.

4.18.1 Program Logic

A program logic model is a visual representation of the program's theory that illustrates a set of interrelated program activities that combine to produce a variety of outputs that lead to key short-, mid- and long-term outcomes. Below is the PY3 Program Logic Model.

Custom Applications Program Logic Model

Inputs/ Resources	Sufficient budget is allocated . West Penn Power program staff. Statewide Technical Resource Manual.	Marketing materials and campaign, program website. Key account managers. Rebate packet.	West Penn Power program staff. Submitted pre-qualification form.	Program infrastructure. Incentives budget; possible tax credits; other funding. Project invoices, receipts, and documentation.
Activities	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;">Develop Program Infrastructure</div> → <div style="border: 1px solid black; padding: 5px; text-align: center;">Customer Communications</div> → <div style="border: 1px solid black; padding: 5px; text-align: center;">Rebate Application Pre-approval</div> → <div style="border: 1px solid black; padding: 5px; text-align: center;">Rebate Measures</div> </div>			
Outputs	The C&I Custom Apps Program launched March 1, 2010. Program measures defined, forms, rebates and marketing strategy developed, refined and documented. Program website and tracking system developed.	Account managers identify customers for the program and solicit bids. Pre-qualified customers receive a detailed audit from an ESCO.	West Penn Power approves customer applications with dollar limit. Site visits at Program Manager's direction. Project data entered into program tracking database.	West Penn Power validates customer project and initiates payment. Participants receive rebates in timely manner. Necessary EM&V data collected.
Short to medium term outcomes	Program administrative functions ready for launch. Tracking system supports program processes, reporting requirements, and evaluation efforts. West Penn Power staff knowledgeable about the program and its resources.	Program offering is meaningful and customers understand benefits/value. Business customers' awareness of and participation in the program increases. Customers decides to participate and submits pre-qualification forms for approval. Educate customers on the availability of incentives from other sources.	Customer installs measures outlined in application. Customers aware of exact rebate amount before installation. Minimize customer dissatisfaction with program by managing customer expectations.	74,261 MWh and 14.6 MW savings by the end of 2012. Provide rebates for 21 participants by the end of 2012. Rebate reduces the payback period for customers. Summary reports for West Penn Power program staff.
Long term outcomes	Energy saving goals of the C&I Custom Applications program are achieved within budgetary constraints.	Increased awareness of and demand for energy efficiency equipment in all business segments.	Insure that incentivized equipment meets program requirements.	Increased penetration of energy efficiency equipment in all business segments.

4.18.2 Program M&V Methodology and Program Sampling

During PY3, on-site verifications will be conducted for the customer measures.

4.18.3 Program Sampling

Refer to Section 4.18.2 above.

4.18.4 Process Evaluation

A comprehensive process evaluation was recently completed for the program in PY2. Therefore, PY3 process evaluation will be more targeted, collecting key process evaluation information on the customer surveys.

4.18.5 Program Partners and Trade Allies

WPP has joined the Pennsylvania Rural Water Association and Pennsylvania Municipal Authority Association to help promote and advertise this program.

Third party program administrator (SAIC) was contracted and began operations during second quarter PY3, various seminars with trade allies (electrical distributors, contractors, etc.) have been enacted.

4.18.6 Program Finances

A summary of the project finances are presented in Table 4-18.

Table 4-18 Summary of Custom Applications Program Finances: TRC Test⁴¹

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 302,058	\$ 980,099	\$ 1,393,032
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 302,058	\$ 980,099	\$ 1,393,032
B.1	Design & Development	\$ 842	\$ 3,168	\$ 341,239
B.2	Administration	\$ 41,474	\$ 93,375	\$ 351,814
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 26,604	\$ 32,160	\$ 48,678
B.5	Technical Assistance	\$ 138,790	\$ 326,189	\$ 743,873
B	Subtotal EDC Implementation Costs	\$ 207,710	\$ 454,892	\$ 1,485,604
C	EDC Evaluation Costs	\$ 18,222	\$ 41,048	\$ 64,113
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 527,990	\$ 1,476,039	\$ 2,942,749
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴¹ Definitions for terms in following table are subject to TRC Order.

4.19 Customer Load Response Program

West Penn Power will assist customers by providing load management services by actively educating and providing assistance for customers to participate in the Act 129 Demand Response programs. WPP will contract directly with customers for load reduction, as well as, assisting customers with planning a load reduction schedule and fulfilling their commitments to the program.

This program's marketing was launched in April 2011, and a pilot was conducted with several customers from July to September. This pilot dispatched 12 demand response events, approximately 63 hours. The pilot tested the predictive modeling that was developed to determine the top 100 peak hour and the customers' acceptance of the program. The results of the pilot are presently being reviewed to determine best practices for the summer of 2012.

4.19.1 Program Logic

Program Logic will be determined in PY3.

4.19.2 Program M&V Methodology

Program M&V Methodology will be determined in PY3.

4.19.3 Program Sampling

Program Sampling will be determined in PY3.

4.19.4 Process Evaluation

Process Evaluation will be determined in PY3.

4.19.5 Program Partners and Trade Allies

This program is being implemented by WPP.

4.19.6 Program Finances

A summary of the project finances are presented in Table 4-19. Charges incurred to date are associated with design and development as well as program start-up costs.

Table 4-19 Summary of Customer Load Response Program Finances: TRC Test⁴²

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ 8,050	\$ 14,831	\$ 14,831
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ 8,050	\$ 14,831	\$ 14,831
B.1	Design & Development	\$ 842	\$ 3,168	\$ 87,328
B.2	Administration	\$ 9,831	\$ 20,107	\$ 49,806
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 60	\$ 345	\$ 2,043
B.5	Technical Assistance	\$ 11,577	\$ 18,508	\$ 49,249
B	Subtotal EDC Implementation Costs	\$ 22,310	\$ 42,128	\$ 188,426
C	EDC Evaluation Costs	\$ (480)	\$ 3,058	\$ 12,240
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 29,880	\$ 60,017	\$ 215,497
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴² Definitions for terms in following table are subject to TRC Order.

4.20 Customer Resources Demand Response Program

The Customer Resources Demand Response Program is focused on reducing kW demand by deploying customer load resources. Curtailment Service Providers (DR-CSPs) will provide services to register and dispatch customer curtailable load during the targeted hours of WPP's 100 hours of highest demand. WPP has divided this program into the following options: 100 hour Mandatory Program, 50 hour Mandatory Program, and a Voluntary Program. WPP contracted in March 2011 with a DR-CSP to deliver services under the 100 hour Mandatory Program. .

The Company plans to issue an RFP for additional capacity for the 100 Hour Mandatory and 50 Hour Mandatory Programs. Through those programs, WPP will pay the DR-CSP based on the actual load reduction that occurred during the curtailment events, based on the contracted rate established through an RFP process. A customer who participates in this program will be provided an incentive by their DR-CSP according to the DR-CSPs contract with the customer for each hour the customer's load is dispatched under this program. All payments to the customer will be from the customer's Curtailment Service Provider. The customer's DR-CSP can also register the customer's load in the available PJM load response programs for additional benefits.

For the Voluntary Program, WPP will pay DR-CSPs to deliver peak load reductions during WPP's top 100 hours. The DR-CSP will provide a notification of the load curtailment events that occurred in the PJM Economic Load Response Program (ELRP) that are coincident with Act 129 DR events. WPP will pay incentives for hourly load reductions that occurred during the top 100 hours (June 1, 2012 to September 30, 2012) at a fixed hourly price of \$150/MWh based on a review of actual summer hourly loads in October/November.

A 100 Hour Mandatory Program's pilot was launched in April 2011 and pilot events were performed from July to September. During this pilot, 12 demand response events, approximately 63 hours, were dispatched. This pilot tested the predictive modeling that was developed to determine the top 100 peak hours, customers' acceptance of the program, and overall operations with the DR-CSPs. The results of the pilot are presently being reviewed to support best practices for the summer of 2012.

4.20.1 Program Logic

Program Logic will be determined in PY3.

4.20.2 Program M&V Methodology

Program M&V Methodology will be determined in PY3.

4.20.3 Program Sampling

Program Sampling will be determined in PY3.

4.20.4 Process Evaluation

Process Evaluation will be determined in PY3.

4.20.5 Program Partners and Trade Allies

A third party curtailment service provider, Energy Connect, Inc., is under contract to register, recruit, and dispatch load curtailments for the 100 Hour Mandatory Program.

4.20.6 Program Finances

A summary of the project finances are presented in Table 4-20. Charges incurred to date are associated with design and development as well as program start-up costs.

Table 4-20 Summary of Customer Resources Demand Response Program Finances: TRC Test⁴³

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ -
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ -
B.1	Design & Development	\$ 842	\$ 3,168	\$ 5,360
B.2	Administration	\$ 8,299	\$ 21,355	\$ 53,781
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 45,950	\$ 46,334	\$ 48,032
B.5	Technical Assistance	\$ 15,585	\$ 241,922	\$ 263,663
B	Subtotal EDC Implementation Costs	\$ 70,676	\$ 312,779	\$ 370,836
C	EDC Evaluation Costs	\$ (625)	\$ 3,243	\$ 16,029
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 70,051	\$ 316,022	\$ 386,865
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴³ Definitions for terms in following table are subject to TRC Order.

4.21 Commercial and Industrial Drives Program

The Company's amended September 10, 2010 EE&C/DR Plan removed this program and instead provides for the installation of energy efficient drives through the Company's existing Custom Technology Applications and Custom Applications Programs.

4.21.1 Program Logic

Not applicable.

4.21.2 Program M&V Methodology and Program Sampling

Not applicable.

4.21.3 Program Sampling

Not applicable.

4.21.4 Process Evaluation

Not applicable.

4.21.5 Program Partners and Trade Allies

Not applicable.

4.21.6 Program Finances

A summary of the project finances are presented in Table 4-21. Expenses reflected include costs for customer approved applications received prior to approval to decommission received in January 2011.

Table 4-21 Summary of Commercial & Industrial Drives Program Finances: TRC Test⁴⁴

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ 10,350
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ 10,350
B.1	Design & Development	\$ -	\$ -	\$ 323,418
B.2	Administration	\$ -	\$ -	\$ 186,729
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ -	\$ -	\$ 12,249
B.5	Technical Assistance	\$ -	\$ -	\$ 307,833
B	Subtotal EDC Implementation Costs	\$ -	\$ -	\$ 830,229
C	EDC Evaluation Costs	\$ -	\$ -	\$ 15,697
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ -	\$ -	\$ 856,276
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴⁴ Definitions for terms in following table are subject to TRC Order.

4.22 Distributed Generation Program

Customers will contract with a Distributed Generation Manager to provide the customer with operation and maintenance services on the customer's generator. The DG Manager will dispatch the generator up to 100 hours in response to curtailment event notices issued by WPP during the targeted hours of WPP's 100 hours of highest demand. A customer who participates in this program will be provided an incentive on a \$/MWh basis for each hour that their generator is dispatched to target WPP's hours of highest demand.

In order for the customer to realize the maximum benefits from participating in WPP's demand response programs, the customer's Curtailment Service Provider can register the customer's load in the PJM load response programs.

WPP initiated a Request For Proposal (RFP) on December 19, 2011 for PJM Curtailment Service Providers to deliver the load reductions from customer's standby generation resources.

4.22.1 Program Logic

Program Logic will be determined in PY3.

4.22.2 Program M&V Methodology

Program M&V Methodology will be determined in PY3.

4.22.3 Program Sampling

Program Sampling will be determined in PY3.

4.22.4 Process Evaluation

Program Evaluation will be determined in PY3.

4.22.5 Program Partners and Trade Allies

A third party Curtailment Service Provider will be contracted based on the results of the December 19th 2011 Request for Proposal.

4.22.6 Program Finances

A summary of the project finances are presented in Table 4-22.

Table 4-22 Summary of Distributed Generation Program Finances: TRC Test⁴⁵

	Category	IQ	PYTD	CPITD
A.1	EDC Incentives to Participants	\$ -	\$ -	\$ -
A.2	EDC Incentives to Trade Allies	\$ -	\$ -	\$ -
A	Subtotal EDC Incentive Costs	\$ -	\$ -	\$ -
B.1	Design & Development	\$ 842	\$ 3,168	\$ 4,789
B.2	Administration	\$ 1,077	\$ 2,345	\$ 35,518
B.3	Management	\$ -	\$ -	\$ -
B.4	Marketing	\$ 16	\$ 95	\$ 1,793
B.5	Technical Assistance	\$ 3,189	\$ 4,726	\$ 26,467
B	Subtotal EDC Implementation Costs	\$ 5,124	\$ 10,334	\$ 68,567
C	EDC Evaluation Costs	\$ -	\$ -	\$ -
D	SWE Audit Costs			
E	Participant Costs			
	Total Costs	\$ 5,124	\$ 10,334	\$ 68,567
F	Annualized Avoided Supply Costs			
G	Lifetime Avoided Supply Costs			
	Total Lifetime Economic Benefits			
	Portfolio Benefit-to-Cost Ratio			
NOTES:				

⁴⁵ Definitions for terms in following table are subject to TRC Order.