

Summary of PECO's presentation on the SL-E tariff

DVRPC/PECO Roundtable: Strategies to Save Money and Energy in Street Lighting

- PECO's rate expert, Scott Neumann, provided an extensive overview of how rates are structured, with a focus on the fixed costs associated with street lighting service. In short, PECO takes the total amount of cost, including a return, they are entitled to, determined by a third-party Cost of Service Study, and allocates the recovery of that revenue to each of its defined customer classes. These allocations are not based on actual usage of any one customer, but averages of usage according to different allocators (e.g. poles, cables, etc.) and the total number of customers within the class and the total energy delivered to each class. PECO noted that the allocators for street lighting service do take into account that this service is provided off-peak. The primary reason why the street lighting class has a higher percentage of funds recovered as a fixed cost relative to other classes is that most of the 200,000 or so streetlights have their own service connections, with only one lamp attached, with a load of around 100 Watts. A typical residential service connection has a much larger load attached.
- Changes in rates are made through a formal process governed by the Pennsylvania Utility Commission (PUC). This process is typically initiated when an electricity distribution company, such as PECO, projects that their total revenue from the current tariff will be exceeded by the cost of providing service. PECO most recently updated their rates in 2011, and has no current plans to propose a change in rates in the near-term. While technically the PUC may be petitioned for rate changes by customers, historically the rate-setting process is initiated by the utility.
- PECO has drafted a plan for Phase 2 of Act 129, slated for review by the PUC in November. This second plan includes similar rebates for outdoor lighting measures, including LED and induction streetlights, as were included in Phase 1. Currently, there is no clear guidance from PECO or the PUC on whether Phase 2 Act 129 incentives will be retroactive to customers who are currently on the waitlist or to those who install measures prior to the launch of Phase 2 (expected June 2013). DVRPC will stay informed of this update, and will notify municipalities once this information becomes available.
- Marie Hoey presented on various aspects of how a municipality can update information on its street lighting system with PECO's billing accounts:
 - Marie highlighted that municipalities can update emerging technologies (LED, induction) as well as other types of upgrades (timers on photocells)
 - LEDs and induction are embedded into the tariff, but for retrofitting other aspects of your system (ballasts, timers on photocells), municipalities will receive a credit for the upgrade. PECO is working to update their system so that this credit is reflected on a monthly basis, though that feature is not yet currently available.