

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265**

**Re: Energy Efficiency and
Conservation Program
Implementation Order**

**Public Meeting: January 15, 2009
2069887-LAW
M-2008-2069887**

**JOINT STATEMENT OF CHAIRMAN CAWLEY AND
COMMISSIONER GARDNER**

Before the Commission is the Energy Efficiency and Conservation Program Implementation Order (Order). The Order establishes the guidelines and requirements for electric distribution company (EDC) energy efficiency and conservation plans to be filed on or before July 1, 2009. In this Order, the Commission seeks to enhance the ability of EDCs to attain the goals established under Act 129 of 2008.

In order to achieve lasting efficiency gains, it may be necessary for some customers to invest significant amounts of capital in their homes, apartments or small businesses – capital they may not have at hand. To eliminate this financial barrier, we strongly encourage EDCs to support, design and implement a statewide program similar to Keystone HELP.

Keystone HELP is a loan program administered by AFC Financial, and funded in part by the PA Treasury, and supported by PA Home Energy, which provides needed capital to customers throughout Pennsylvania for projects that reduce energy consumption.

To date, Keystone HELP has loaned \$23 million to 3511 households across the Commonwealth. Loan rates range from 5.99% to 8.875% depending upon customer qualifications. The program has a remarkably low default rate of 0.33% and has successfully helped the often overlooked middle income segment of our population undertake conservation and energy efficiency projects that those individuals may have not otherwise been able to afford.

Similarly, the Pennsylvania Housing Finance Agency (PHFA) initiated a program to provide funding for the implementation of energy upgrades in multifamily developments throughout the Commonwealth to address the energy efficiency needs of over 139,000 affordable rental units, over 50% of which were placed into service at least 25 years ago. PHFA is in the process of providing training for the certification of energy auditors to become skilled in auditing multifamily buildings. They are also pooling together various funding sources for low-interest loans for the upgrades. Additionally, they

have an agreement with the West Penn Sustainable Energy Fund where they will help defray the costs of the energy audits on developments in their footprint and will provide some funding for training of the energy auditors.

We strongly encourage the EDCs, EAPA, PA Treasury, AFC Financial, PA Home Energy, sustainable energy funds/economic development funds and other interested stakeholders to work collaboratively to develop such programs prior to July 1, 2009. Important program goals would include the following elements:

- Identify a sustainable source of low cost capital for funding of these programs in conjunction with the PA Treasury, EDCs, sustainable energy funds/economic development funds, federal sources and others.
- Develop additional mechanisms for interest buy-down and bad debt reserve to further mitigate consumer interest charges.
- Design programs to maximize efficiencies achievable with a “whole home” or “whole building” approach.
- Ensure adequate contractor training is available regionally to support these programs.
- Ensure that participating EDCs are provided a mechanism for recovery of program contributions, and receive efficiency credits towards Act 129 Goals. Any EDC contributions should be matched with customers in that EDC’s service area.

January 15, 2009

James H. Cawley
Chairman

Wayne E. Gardner
Commissioner