

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Act 129 Energy Efficiency Program
– Phase 2

Public Meeting: May 10, 2012
2289411-LAW
Docket Nos. M-2012-2289411; M-2012-
2069887

STATEMENT OF COMMISSIONER GARDNER

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the tentative Order which establishes the energy efficiency and conservation (EE&C) reductions in consumption that the Commonwealth's electric distribution companies (EDC) must attain during the second phase of the EE&C Program of Act 129 beginning on June 1, 2013. 66 Pa. C.S. §§ 2806.1 and 2806.2.

Act 129 directed the Commission to design an EE&C Program with procedures that would enable the EDCs to exceed the required 1% and 3% reductions in consumption by May 31, 2011 and May 31, 2013, and the required 4.5% reduction in peak demand usage by May 31, 2013. 66 Pa. C.S. § 2806.1(a)(4),(6). Likewise, 66 Pa. C.S. § 2806.1(b)(A-B) and (D) directed the EDCs to meet or exceed those consumption and demand reductions.

The Commission is not proposing a second phase of the peak demand reduction Program at this time because the Statewide Evaluator's (SWE) study of the cost-effectiveness of compliance with the current demand response requirements, and of potential improvements to the demand response program design, will not be completed until later this year. As an interim measure and to prevent various demand response programs offered by the EDCs from "going dark" while we evaluate the overall Program's cost-effectiveness, this tentative Order encourages the EDCs to review the cost-effectiveness of continuing their peak demand response measures outside of the realm of Act 129's EE&C Program.

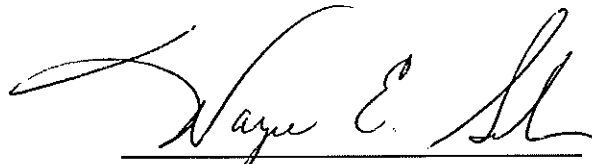
I do not believe that the majority's counsel to the EDCs to individually evaluate the cost-effectiveness of their DR plans and seek approval outside of the Act 129 process is wise. The Commission must first establish rigorous standards and processes by which to evaluate any peak demand response reduction program that is filed with us. Our resources would be best used analyzing the SWE's study on peak demand response cost-effectiveness and potential improvements.

I do not believe that the EDCs' demand services need to go dark. The EDCs have the option of continuing their DR measures by participating in PJM's load curtailment and DR programs.

Another issue of concern for me is the change to the low income program that is being proposed. In order to facilitate the EDCs' attainment of a 4.5% reduction in consumption for the low-income sector, the Commission today proposes that the EDCs have the flexibility to voluntarily expand the low-income programs to include households up to 250% Federal Poverty Income Guidelines. Additionally, the Commission proposes that the EDCs be allowed to count savings attained from low-income customer participation in non-low-income programs towards this goal.

I believe that measures offered to customers who fall within the 151-250% of the Federal Poverty Income Guidelines should not be used to meet Act 129's requirement to offer measures for households at or below the 150% Federal Poverty Income Guidelines. Any dilution of the EE&C assistance offered to the Commonwealth's poorest households is not in the public interest.

May 10, 2012



Wayne E. Gardner, Commissioner