

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120**

**Petition of PECO Energy  
Company for Approval of its  
Act 129 Energy Efficiency and  
Conservation Plan and  
Expedited Approval of its  
Compact Fluorescent Lamp  
Program**

**Public Meeting October 15, 2009  
2093215-OSA  
Docket No. M-2009-2093215**

**STATEMENT OF  
COMMISSIONER ROBERT F. POWELSON**

Before us today for disposition is the Energy Efficiency and Conservation Plan filed by PECO Energy Company ("PECO" or "Company") pursuant to Act 129 of 2008 ("Act 129").

Let me first commend Commission staff for all of the hard work they have put in since Act 129 was passed last fall, and specifically, for their recent efforts in reviewing the extensive documents filed by the parties, analyzing the positions, and producing comprehensive Orders. This was truly a team effort on all fronts and your efforts do not go unnoticed.

I also want to recognize PECO's efforts in formulating their plan.

With the passage of Act 129, Pennsylvania's electric distribution companies ("companies" or "EDCs") were tasked with meeting ambitious consumption reduction targets. The companies were given great latitude in designing programs to meet these goals. It is my belief that the Commission's role is not to second guess the design of the companies' energy efficiency and conservation programs. Similarly, I believe the Commission should not micro-manage the implementation of those programs. Rather, it is the Commission's duty to ensure that the plans presented meet the requirements set forth in Act 129.

I would, however, like to put the companies on notice that the Commission will be monitoring their progress very closely. While the EDCs were given great latitude in designing their programs, to quote President Truman, the buck stops with them – I will not hesitate to push for the maximum allowable penalty of \$20 million should any of the companies fail to meet the consumption reduction targets.

With regard to PECO's Act 129 Plan, specifically, I believe on balance that the Company proposed many excellent and innovative measures and I commend them for building in an ample cushion with regard to Act 129's consumption reduction targets. As a PECO ratepayer, I look forward to taking advantage of as many measures as possible.

I do take issue with one part of PECO's plan, however. The Company proposed within its Home Energy Incentives program a fuel-switching component, whereby residential electric heating customers would be incented to replace their electric space and water heating sources with energy efficient gas space and water heating sources. While this program may ultimately reduce energy consumption due to the higher efficiency nature of gas space and water heating sources, I believe this program component should be denied for two reasons.

First, the Commission is convening a working group to study the total resource cost and technical resource manual issues related to fuel-switching programs, and I believe it would be more prudent to deny such programs in the short term until the issues are resolved, at which time the companies would be encouraged to file updated plans.

Second, I believe that any program that uses ratepayer dollars to incent customers to switch to an affiliate company – in this case, PECO Gas – is suspect.

Consequently, I would like to note my partial dissent to PECO's Energy Efficiency and Conservation Plan, consistent with the discussion herein.

**DATE: October 15, 2009**



**ROBERT F. POWELSON  
COMMISSIONER<sub>v</sub>**