



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

Docket No.
M-2008-
2069887

October 21, 2008
(Corrected)

To: All Pennsylvania EDCs and
DSR Working Group Members:

Re: *Energy Efficiency and Conservation Program and EDC Plans*
Docket No. M-2008-2069887

On October 15, 2008, Governor Rendell signed HB 2200 into law as Act 129 of 2008, with an effective date of November 14, 2008. The Act expands the Commission's oversight responsibilities and imposes new requirements on electric distribution companies (EDCs), with the overall goal of reducing energy consumption and demand, enhancing default service procurement and expanding alternative energy sources.

In particular, the Act adds several new sections to, and amends several existing sections of, the Public Utility Code. The Act contains numerous time frames and deadlines, the earliest of which occurs early in 2009, so time is of the essence. In order to comply with the Act in an orderly and efficient manner, the Commission will implement the Act in phases.

The first phase will deal with the Commission's obligation to adopt an energy efficiency and conservation program by January 15, 2009. 66 Pa. C.S. §2806.1(a). To initiate the first phase, the Commission hereby solicits comments, due **October 31, 2008**,¹ on each of the individual aspects of the energy efficiency and conservation (EE&C) program required under section 2806.1(a)(1)-(11). The Commission seeks stakeholder input on likely procedural, technical, interpretive, and implementation issues; measurement of EDC compliance; and the level of detail required for providing adequate direction to EDCs in regard to their plans.² While the associated EDC program filings under section 2806.1(b) are not due until July 1, 2009, parties may include comments on the section 2806.1(b) requirements if such comments have a bearing on developing the EE&C program.

After reviewing the comments filed in this docket, Commission staff will formulate and distribute a draft staff proposal regarding the EE&C program in late November 2008. To provide for further opportunity for stakeholder input on the draft staff proposal prior to finalization of Commission's implementation plan, Commission staff will convene a working group meeting in mid-December 2008.³ The Commission order implementing the mandated EE&C program must be entered by January 15, 2009

¹ The mail box rule does not apply. Comments must be filed in hard copy, with an accompanying electronic version on disk, with the Commission's Secretary, and courtesy hard and electronic copies must be provided to the Commission's Bureau of Fixed Utility Services (FUS), Bureau of Conservation, Economics, and Energy Planning (CEEP), and Law Bureau (Law).

² Section 2806.1 does not apply to EDCs with fewer than 100,000 customers. Nonetheless, all EDCs and other interested parties may submit comments.

³ The exact date will be announced later.

Subsequent phases of the Commission's Act 129 implementation process will address such matters as EDC and default service provider (DSP) responsibilities, conservation service providers (CSPs), smart meter technology, time-of-use rates, real-time pricing plans, default service procurement, market misconduct, alternative energy sources, and cost recovery. The Commission will announce comment and input processes for these matters by Secretarial letter or entered order at a later date.

If there are any questions regarding the timeline or filing dates for this docket, please contact Louise Fink Smith, finksmith@state.pa.us, 717-787-8866, or Kriss Brown, kribrown@statepa.us, 717-787-4518, in the Commission's Law Bureau.

As the Act 129 implementation process ramps up, please also keep in mind the Commission's public *en banc* hearing on Thursday, November 13, 2008, at 12:30 p.m. in Hearing Room 1 of the Commonwealth Keystone Building in Harrisburg. The purpose of the *en banc* hearing, a continuation of the DSM investigation at Docket No. M-00061984,⁴ is to seek information from experts on alternative energy resources, energy conservation and efficiency, DSR tools, and programs to assist consumers. Written testimony is due November 10, 2008. Reply comments in Docket M-00061984 will be due December 1, 2008.⁵ The scope of the *en banc* hearing is much broader than the Act 129 phase one implementation process. While presenters and commenters are welcome to address Act 129 subjects at the *en banc* hearing docket, they are advised to file any comments related to implementation of Act 129 that may be included in their *en banc* hearing testimony or reply comments also in the Docket M-2008-2069887.

Questions regarding the management of the *en banc* hearing may be directed to ALJ David Salapa, dsalapa@state.pa.us, 717-787-7304. Questions regarding the scope of or participation in the *en banc* hearing should be directed to Tom Charles, thcharles@state.pa.us, 717-787-9504.

Very truly yours,

James J. McNulty
Secretary

cc: Chairman's Office
Vice Chairman's Office
Commissioners' Offices
Karen Oill Moury, Director of Operations
Robert F. Wilson, Director, Fixed Utility Services
Paul Diskin, Manager, Energy, Fixed Utility Services

⁴ See http://www.puc.state.pa.us/electric/PDF/DSR/DSRWG_Report060607.pdf.

⁵ See http://www.puc.state.pa.us/general/pdf/En_Banc_Sec_Letter_11_13_08.pdf for further details. The Commission has posted questions for discussion in Docket M-00061984 at this site. Please check the site for any additions or revisions to the questions reflecting the passage of Act 129.

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Cheryl Walker Davis, Director, Office of Special Assistants
Docket No. M-00061984, *Investigation of Conservation, Energy Efficiency Activities, &
DSR by Energy Utilities & Ratemaking Mechanisms to Promote Such Efforts*