

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION v. WEST PENN
POWER COMPANY d/b/a
ALLEGHENY ENERGY**

**PUBLIC MEETING – AUGUST 7, 2008
AUG-2008-OSA-0209*
DOCKET NO. P-00072349; R-00072753;
R-00072754**

MOTION OF COMMISSIONER TYRONE J. CHRISTY

Before the Commission are the Recommended Decision of Administrative Law Judge Susan D. Colwell; the Exceptions thereto filed by West Penn Power Company d/b/a Allegheny Energy (Allegheny), the Office of Trial Staff, and the Office of Consumer Advocate; and the Petition to Intervene and Exceptions of Community Energy, Inc. (CEI).

This proceeding concerns two proposed tariff supplements titled “Wind Energy Service Riders” pursuant to which Allegheny’s distribution customers will be able to voluntarily buy renewable energy credits (RECs) from CEI in advance of, and separate from, Allegheny’s compliance obligations under the Alternative Energy Portfolio Standards Act of 2004, 73 P.S. §§1648.1-1648.8. The RECs will be priced at 2.5 cents per kwh¹, and a customer will be able to buy RECs in blocks of 100 kwh up to the amount of the customer’s total energy usage.

In general terms, I support efforts of electric distribution companies (EDCs), such as Allegheny, to provide their distribution customers with the option of supporting the development of alternative and renewable resources through voluntary programs such as the one before us today. In fact, I would encourage EDCs to broaden the scope of their voluntary programs to include Pennsylvania alternative resources, such as waste coal, in addition to renewable resources such as wind or solar. Broadening the scope of voluntary programs would provide customers with more choices, consistent with the spirit and intent of the Electricity Generation Customer Choice and Competition Act of 1996.

That being said, I believe that customer choice must be *informed* choice. Toward that end, the Commission must ensure that all relevant information is provided to customers at the time that these voluntary programs are being marketed to them, and continuing throughout their continued participation in the programs.

One of the major issues raised by the parties to this particular proceeding was the necessity of providing customers with information concerning the nature of a REC, and information clarifying that participating customers will be buying environmental attributes associated with the generation of wind energy, as opposed to actual wind generation. I support

¹ Allegheny is seeking a determination from the PA Department of Revenue regarding the application of the gross receipts; if the Department of Revenue determines that the gross receipts tax does not apply, Allegheny will reduce the cost per kwh to 2.35 cents. Joint Stipulation, Attachment A-2 at 2.

Allegheny's agreement to work with interested parties prior to the distribution of informational and educational materials to ensure that the materials are accurately and clearly written, and to clarify the language in its tariff to state that wind energy will not be provided to customers under the Wind Energy Service Riders. Joint Stipulation at 2-3. I believe that this educational effort should be expanded to include information concerning the source of the RECs that customers will be asked to purchase. Specifically, customers should be informed that 20% of the RECs that they will be purchasing under Allegheny's Wind Energy Service Riders will be produced by wind turbines located in Pennsylvania, 20% will be produced in PJM states other than Pennsylvania, and 60% will be produced in MISO states. This information should be added to Allegheny's tariffs, and included in the informational and education materials that will be developed to market and explain this program. The terms "PJM" and "MISO" should be briefly explained, and the states within PJM and MISO should be listed since these terms are not commonly understood outside of the industry.

These changes will help ensure that customers are able to make educated choices about the product that they are buying, and further the goal of ensuring that customer choice is indeed informed choice.

THEREFORE, I MOVE THAT:

1. Allegheny is directed to work with interested parties and the Commission's Office of Communications to revise the language in its proposed tariff supplements prior to their filing in accordance with this motion;
2. That Allegheny is directed to work with interested parties and the Commission's Office of Communications to develop all bill inserts, informational materials and educational materials prior to their dissemination in accordance with this motion; and
3. The Office of Special Assistants prepare an Opinion and Order consistent with this Motion.

DATE

TYRONE J. CHRISTY, COMMISSIONER