

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

**Implementation of Act 129 of 2008, Phase 4 – Amendments to
the Alternative Energy Portfolio Standards Act**

**PUBLIC MEETING
April 16, 2009
2093383-LAW
Docket No. M-2009-2093383**

STATEMENT OF COMMISSIONER KIM PIZZINGRILLI

The General Assembly, through Act 129 of 2008, addressed a number of important and interrelated issues involving the regulation of retail electric service. These include energy efficiency and peak demand reduction, the procurement of energy supply for retail customers, and the utilization of alternative energy sources. The Commission has been tasked with developing the standards necessary to implement these provisions of Act 129. Throughout the first few months of 2009, the Commission has focused on complying with the timetable identified in Act 129 for the implementation of the energy conservation and demand reduction provisions of the Act. The Commission must establish a process and identify guidelines to enable electric distribution companies to develop and file their energy conservation and demand reduction compliance plans by July 1, 2009, and, separately, their smart meter procurement and installation plans by August 14, 2009.

Today the Commission is addressing Act 129's amendments to the Alternative Energy Portfolio Standards Act of 2004. This Tentative Order identifies proposed standards governing the inclusion of low impact hydro and biomass in the Tier I alternative energy source category. We encourage all AEPS Act stakeholders to review and comment on this Tentative Order, as implementation of this provision will require a coordination of certain reporting activities by generators, electric distribution companies, and electric generation suppliers.

This is also an appropriate opportunity to provide a snapshot of the status of Act 129 implementation. The Commission has taken final action on the following issues in the past few months:

- Adoption of the program identifying the standards which the Commission will review proposed implementation plans, monitor execution, and enforce compliance with the efficiency provisions of the Act at the January 15, 2009 Public Meeting.
- Adoption of the rules for the Conservation Services Provider Registry, and the development of a standard application package, at the February 5, 2009 Public Meeting.
- Quantification of the energy consumption and peak demand reduction targets for Act 129 at the March 26, 2009 Public Meeting.

Implementation continues to proceed on four separate tracks on the following issues:

- The development of a standard filing template for the July 1, 2009 compliance plan. A draft template has been circulated to the stakeholder working group for comment.
- Revision of the technical reference manual that establishes levels of deemed savings for certain energy efficiency and conservation measures. Revisions have been released for public comment, and the Commission has hosted a technical conference on the matter.
- The development of standards by which the Commission will review and evaluate smart meter installation and procurement plans. A draft proposal has been circulated to the stakeholder working group for comment.
- The development of a Request for Proposal for the statewide energy efficiency and conservation program evaluator. The Commission expects to issue this Request for Proposal in the near future.

In conclusion, I would like to commend our staff for their work on these issues, and the stakeholders for their many constructive comments and participation in the technical conferences we have hosted.

April 16, 2009
Date

KIM PIZZINGRILLI, COMMISSIONER