

Metropolitan Edison Company
Energy Efficiency and Conservation Plan

Act 129 of 2008

Docket No. M-2009-2092222

July 1 Revised Plan

September 21, 2009

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1. OVERVIEW OF PLAN

1.1. Summary description of plan, plan objectives, and overall strategy to achieve energy efficiency and conservation goals.

FirstEnergy has coordinated EE&C development efforts across its three Pennsylvania operating companies: Metropolitan Edison Company (“Met-Ed” or “Company”), Pennsylvania Electric Company (“Penelec”), and Pennsylvania Power Company (“Penn Power”), to achieve cost efficiencies and offer a consistent set of programs to customers served by these its three companies. In accordance with Act 129 of 2008¹ (“Act 129”), 66 Pa. C.S. §2806.1 et seq., Met-Ed, Penelec and Penn Power each submitted on July 1, 2009, an initial are submitting separate Energy Efficiency and Conservation (“EE&C”) plans for Commission approval. This Revised Plan, dated in accordance with Act 129 of 2008² (“Act 129”), 66 Pa. C.S. §2806.1.

In this revised report dated September 21, 2009, incorporates the Company has considered and implemented some of the suggestions made by other parties either through the Company’s stakeholder process, settlement negotiations or litigation in the Commission’s proceeding established to evaluate the Company’s EE&C Plan Docket No. M-2009-209222. These revisions have been possible due to the availability of programmatic funding from both a reallocation of Direct Load Control (“DLC”) Operating and Maintenance (“O&M”) costs and an increase in the available budget due to a change in the budget calculation basis from 43 months to 48 months. For example, at the request of several parties, the Company has increased its program focus and budgets for the Low Income Customer segment. Other parties have discussed the need to intensify the focus on a more comprehensive Evaluation Measurement and Verification (“EM&V”) process. Both suggestions have been incorporated into this Revised Plan, with additional low income programs and measures now included and an increase in EM&V funding that is more in line with national averages for such these activities now reflected³. are

Met-Ed has prepared an Revised EE&C Plan (“Plan”) that balances near-term energy savings opportunities among all rate classes with longer-term programs that will create jobs and build capacity for delivering even greater energy and demand reduction impacts. For selected programs, cooperative efforts may go even further such that all the major Pennsylvania electric distribution companies (“EDCs”) subject to Act 129 will offer coordinated statewide programs to their customers. The result of these efforts is a comprehensive set of programs that will enable Met-Ed to achieve the goals established under Act 129 for energy savings by 2011 and for energy and peak demand reductions by 2013, all achieved within the spending caps as required under

¹ Act 129 of 2008 became effective on November 14, 2008, and imposed new requirements on Pennsylvania’s electric distribution companies (“EDCs”) in the areas of energy efficiency and conservation, smart meters, procurement and alternative energy sources. Act 129 requires an EDC with at least 100,000 customers to adopt and implement a plan, approved by the Commission, to reduce energy demand and consumption within its service territory. 66 Pa. C.S. §§ 2806.1 and 2806.2.

² Act 129 of 2008 became effective on November 14, 2008, and imposed new requirements on Pennsylvania’s electric distribution companies (“EDCs”) in the areas of energy efficiency and conservation, smart meters, procurement and alternative energy sources. Act 129 requires an EDC with at least 100,000 customers to adopt and implement a plan, approved by the Commission, to reduce energy demand and consumption within its service territory. 66 Pa. C.S. §§ 2806.1 and 2806.2.

³ The remaining funds created by the DLC and budget changes are being held back for the purpose of financing important programmatic changes and, perhaps, additions that may be found to be necessary and/or desirable as the Company and its stakeholders collect and assess key program performance metrics over the course of each program’s deployment and operation. Given the uncertain economic conditions at the state, federal and global levels, as well as the newness of this entire Act 129 process, the Companies believe this approach to be prudent and reasonable.

Act 129 and as prescribed by the Pennsylvania Public Utility Commission (“PUC” or “Commission”). Met-Ed’s goals are highlighted in grey in Met-Ed Tables 1 and 2 below⁴:

⁴ In addition to the tables required by the Commission (which are designated as “PUC Tables”), the Company developed additional Tables 1 – 6 which are designated as “Met-Ed Tables” and have been included as additional support.

Met-Ed Table 1: FirstEnergy Energy Savings Targets per Act 129

Energy Consumption Forecasts and Act 129 Mandated Consumption Reductions as Measured in Megawatt-Hours			
EDC	Forecast	1% at 5/31/2011 Reduction	3% at 5/31/2013 Reduction
Penelec	14,399,289	143,993	431,979
Penn Power	4,772,937	47,729	143,188
Met-Ed	14,865,036	148,650	445,951

Source: Energy Consumption and Peak Demand Reduction Targets, Docket No. M-2008-2069887 (Order entered March 30, 2009).

Met-Ed Table 2: FirstEnergy Peak Load Reduction Targets per Act 129

Average Peak Loads Top 100 Hours and Act 129 Mandated Peak Demand Reductions as Measured in Megawatts		
EDC	Load	4.5% Reduction
Penelec	2,395	108 MW
Penn Power	980	44
Met-Ed	2,644	119

Source: Energy Consumption and Peak Demand Reduction Targets, Docket No. M-2008-2069887 (Order entered March 30, 2009).

These targets are to be achieved for the expenditure levels noted below in Met-Ed Table 3, which represent the annual spending caps established by Act 129:

Met-Ed Table 3: FirstEnergy Goals and Spending Caps per Act 129

Revenues 2006	Met-Ed
Total Revenues	\$1,243,344,716
2% of Revenues	\$ 24,866,894

Met-Ed Table 4a-4c summarizes the programs that are included in this Plan. Detailed descriptions of the programs are provided in Section 2 as required by the Commission template. It is the intention of the Company to attempt to coordinate with other EDCs on a statewide basis those programs marked with an asterisk (*). Met-Ed Table 5 separately lists the rebate amounts per measure for those programs that involve customer incentives. Other programs were considered and analyzed, as were more energy efficiency technologies, but were eliminated from the EE&C Plan for various reasons, including cost effectiveness.