

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Consolidation of Proceedings and Approval of Act 129 Phase II Energy Efficiency and Conservation Plans

**Public Meeting: March 14, 2013
2334387-OSA
Docket No. M-2012-2334387, M-2012-2334392, M-2012-2334395 and M-2012-2334398**

STATEMENT OF COMMISSIONER CAWLEY

Before us is the Joint Petition (Joint Petition) of Metropolitan Edison Company (Met Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) (collectively, FirstEnergy) for Consolidation of Proceedings and Approval of Act 129 Phase II Energy Efficiency and Conservation Plans (Plans), filed on November 13, 2012. Also before us is the Joint Petition for Full Settlement of Non-Reserved Issues (Joint Settlement) filed by the parties on January 28, 2013.

FirstEnergy's efficiency plan projects savings that it asserts will meet the minimum requirements of the Commission's Phase II Orders. In approving these plans, the Commission usually defers to the Electric Distribution Company's (EDC's) judgment as to how best to achieve these efficiency requirements, because the EDC bears the risk of non-compliance penalties.

Here, we again defer to an EDC's judgment as to the optimal means of achieving the Phase II requirements. However, FirstEnergy relies more heavily on free energy kits (proposing to distribute 354,000 of them over a three year period) with multiple CFLs that may be more susceptible to adjustments in realization rates, which could cause FirstEnergy to miss its requirements. On a policy level, giving away entirely free products, or relying heavily on short term behavioral measures, may not be the most optimal means of promoting a sustainable energy efficiency economy. Additionally, savings estimates in the Plan leave little room for error, especially for Penn Power.

For these reasons, FirstEnergy should closely monitor the progress of its Plan, listen to the experienced advice of its stakeholders, and make adjustments in order to promote a long term, sustainable efficiency economy in Pennsylvania.

March 14, 2013


James H. Cawley, Commissioner