



# pennsylvania

## DEPARTMENT OF GENERAL SERVICES

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Pennsylvania Public Utility Commission  
Attn.: Secretary  
P.O. Box 3265  
Harrisburg, PA 17105

These comments are in response to the Pennsylvania Public Utilities Commission's (PUC) invitation for the submission of comments by interested parties regarding the Energy Efficiency and Conservation Program and EDC Plans—**Docket No. M-2008-2069887**. The Department of General Services (DGS) has reviewed Act 129 of 2008, §§2806.1- 2806.2 and noted with interest, that a minimum of 10 percent of the required consumption reductions shall be obtained from federal and state and local governments, including municipalities, school districts, institutions of higher education and nonprofit entities.

### **Question 2. Program Design:**

**c) Should the Commission seek to harmonize Act 129 programs with other Federal, State, local, RTO, or other group programs? If so, what specific programs should this Commission encourage EDCs to replicate, incorporate, or leverage as part of their compliance filings? How can this best be achieved?**

We would like to bring to your attention that fact that since 2000, DGS has been operating the Guaranteed Energy Savings Program for agencies of the Commonwealth. This program was developed under the provisions of 62 Pa. C.S. §3752-3758, also known as the Guaranteed Energy Savings Act. To date, there have been 45 guaranteed energy savings projects initiated by 11 Commonwealth agencies, 30 of which have completed construction and are in repayment. These 30 projects represent over \$300 million in financed capital improvements which will be repaid using over \$350 million in guaranteed utility cost savings and yield a net benefit to the Commonwealth of over \$50 million. In addition, for 28 of these projects, DGS has calculated that greenhouse gas emissions have been reduced by approximately 112,000 tons on an annual basis.

As part of this program DGS has qualified a pool of 18 Energy Service Companies (ESCOs) that are eligible to implement guaranteed energy savings projects in Commonwealth agencies. The qualified status of these companies is renewed every three years to ensure that each ESCO meets and maintains the rigorous technical and financial standards established by DGS. The next qualification period will be June 1, 2009 and expire on May 30, 2012, which also coincides with the timetable set forth in referenced Act. Given the rigor with which DGS examines ESCO qualifications, we would urge the PUC to consider designating DGS' qualified pool of ESCOs as qualified Conservation Service Providers (CSPs).

DGS has developed all of the standardized program procedures, procurement and contracting documents required to efficiently implement guaranteed energy savings projects for both large and smaller facilities for Commonwealth agencies. We would like to suggest that the PUC consider using DGS' program documents and protocols to achieve the consumption reductions required under the Act from the broader public sector market including federal and local government facilities, school districts, higher education and nonprofit entities. Also it should be noted that under current federal law, the federal government has the authority to

enter into these types of projects. As well, there is a provision contained in Pennsylvania's Guaranteed Energy Savings Act that directs all governmental units to review all proposed capital improvement projects and consider proceeding with a guaranteed energy savings contract where appropriate.

DGS would like to work cooperatively with the PUC and EDCs to assist in the achievement of the ambitious goals set forth for public buildings in Act 129 of 2008, §§2806.1- 2806.2 and we look forward to continuing to monitor this important program's progress.

Respectfully Submitted,

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