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**PRESS RELEASE**

Date: Oct. 15, 2009

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**PUC Approves Energy Efficiency, Conservation Plan for Allegheny Power Co.**

HARRISBURG –The Pennsylvania Public Utility Commission (PUC) today approved an energy efficiency and conservation plan (EE&C) for Allegheny Power Co. as required by Act 129 of 2008.

The Commission voted 5-0 to approve a [motion](http://www.puc.state.pa.us/pcdocs/1056916.doc) by PUC Chairman James H. Cawley to adopt the plan with modifications as outlined. Vice Chairman Tyrone J. Christy issued a [statement](http://www.puc.state.pa.us/general/pdf/Comm-SM/Christy_Stmt_OSA2093218_101509.pdf). Commissioner Kim Pizzingrilli issued a [statement](http://www.puc.state.pa.us/pcdocs/1056934.pdf). Commissioner Robert F. Powelson issued a [statement](http://www.puc.state.pa.us/general/pdf/Comm-SM/Powelson_Stmt_OSA2093218_101509.pdf).

The plan includes:

* Residential EnergyStar and high efficiency appliance programs that provide rebates to customers for the purchase of certain energy efficiency appliances;
* Residential compact fluorescent lighting (CFL) rewards programs that provide rebates and point of sale discounts for the purchase and installation of CFLs;
* Residential HVAC efficiency programs that encourage consumers to purchase a high efficiency central air conditioner or heat pump;
* Residential home performance programs that provide for home audits and rebates toward implementing audit recommendations;
* Low-income home audit and appliance and air conditioner replacement programs;
* Time of use (TOU) with critical peak pricing rates to reflect the cost of serving customers during peak times; and
* Hourly-pricing options with rates reflecting the cost of energy during each hour, encouraging customers to lower their demand or shift to lower-priced periods.

The plan also includes various programs for commercial, industrial, government and non-profit customers to increase energy efficiency and conservation efforts.

The Commission also will convene a working group composed of Allegheny Power representatives, consumer advocates, community-based organizations and other interested parties to address some issues surrounding low-income consumers and clarify other matters affecting the annual reconciliation process. According to the plan, the company also must meet with stakeholders annually until May 31, 2013 to discuss the implementation of the plan.

As required by Act 129, the seven largest Pennsylvania EDCs – Allegheny Power Co.; Duquesne Light Co.; Metropolitan Edison Co.; PECO Energy Co.; Pennsylvania Electric Co.; Pennsylvania Power Co. and PPL Electric Utilities Corp. – filed plans by July 1, 2009, detailing how they intend to achieve consumption and peak demand reductions.  On Jan. 15, 2009, the PUC established the [standards](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=2177) each EDC’s plan must meet.

The EE&C plans were to be designed to help the EDCs meet established electricity consumption reduction [targets](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=2224) of 1 percent by May 31, 2011, and 3 percent by May 31, 2013. The EDCs also are required to meet a 4.5 percent reduction in peak demand by May 31, 2013. Peak demand is defined as the systems top 100 hours of highest demand.

Act 129 expanded the PUC’s oversight responsibilities and imposed new requirements with the overall goal of reducing electricity consumption and demand. It added several new sections to and amended several existing sections of the Public Utility Code.  The Commission is implementing the Act in phases that address EDC responsibilities to implement energy efficiency and conservation programs; smart meter technology; time-of-use rates; real-time pricing plans; default service procurement; market misconduct; alternative energy sources; and cost recovery.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

For recent news releases, audio of select Commission proceedings or more information about the PUC, visit our website at [www.puc.state.pa.us](http://www.puc.state.pa.us/).

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