

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17105-3265

Energy Efficiency and  
Conservation Program

Public Meeting: February 20, 2014  
2289411-LAW  
Docket No. M-2012-2289411 and  
M-2008-2069887

STATEMENT OF COMMISSIONER JAMES H. CAWLEY

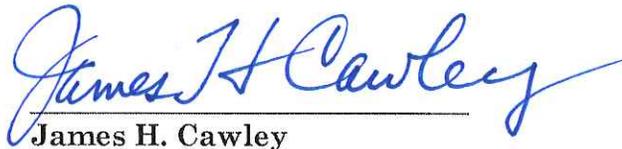
On November 14, 2013, the Commission released for comment a Peak Demand Reduction Cost Effectiveness Determination Tentative Order,<sup>1</sup> as well as the Statewide Evaluator's (SWE's) Preliminary Wholesale Price Suppression and Prospective TRC Analysis (Amended DR Study).<sup>2</sup> A notice of the DR Tentative Order and the SWE's Amended DR Study were published in the *Pennsylvania Bulletin* on November 30, 2013.<sup>3</sup> Comments were due December 30, 2013. Reply Comments were due January 14, 2014.

With this Final Order, the Commission directs the Act 129 Statewide Evaluator (SWE) to perform a Demand Response Potential Study (Study) using the proposed residential direct load control (DLC) and commercial and industrial (C&I) load curtailment (LC) models included therein. This Final Order also provides for the use of a day-ahead model to be utilized by the SWE in its Demand Response Potential Study. This model provides for an evaluation of compliance hours which are based on a comparison of the Electric Distribution Company's (EDC's) day-ahead forecast with the EDC's annual peak load forecast. If the day-ahead forecast rises above a certain threshold (97%-99%) of the EDC's summer peak demand forecast, a demand response event would be called for no longer than four hours.

The intent of this Final Order, however, is focused on models used by the SWE for the Study. I fully encourage EDCs not to limit future demand response programs in Phase 3 to the sole use of day-ahead peak usage triggers only. Given the recent volatility in hourly energy prices and threats to system reliability caused by non-peak usage related transmission and generation outages and cold weather events, it would be premature to preclude the use of event triggers outside of the peak summer usage hours.

February 20, 2014

Date

  
James H. Cawley

---

<sup>1</sup> See *Energy Efficiency and Conservation Program Tentative Order*, Docket Nos. M-2012-2289411 and M-2008-2069887 (*DR Tentative Order*) (November 14, 2013).

<sup>2</sup> See *Act 129 Demand Response Study – Final Report*, Prepared for the Pennsylvania Public Utility Commission by GDS Associates, et al., Submitted May 13, 2013, Addendum added November 1, 2013, available at [http://www.puc.pa.gov/filing\\_resources/issues\\_laws\\_regulations/act\\_129\\_information/act\\_129\\_statewide\\_evaluator\\_swe.aspx](http://www.puc.pa.gov/filing_resources/issues_laws_regulations/act_129_information/act_129_statewide_evaluator_swe.aspx).

<sup>3</sup> See <http://www.pabulletin.com/secure/data/vol43/43-48/index.html>.