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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**  M-2014-2424864 |

TO ALL INTERESTED PARTIES:

Re: Act 129 Statewide Evaluator Energy Efficiency and Demand Response Market Potential Studies Stakeholder Meeting

Docket No. M-2014-2424864

With this Secretarial Letter, the Pennsylvania Public Utility Commission (Commission) would like to provide notice of an Act 129 Stakeholders’ Meeting on Thursday, July 10, 2014, from 1:30 P.M. to 3:30 P.M. in Hearing Room 1 of the Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania, 17120. The attached Appendix provides an agenda for the meeting. The purpose of the meeting is to allow the Statewide Evaluator to present its energy efficiency and demand response potential study methodologies and to answer any questions posed by stakeholders with regard to those methodologies.

In its planning for a potential Phase III of the Act 129 Energy Efficiency and Conservation Program, the Commission directed the Act 129 Statewide Evaluator to conduct an energy efficiency market potential study to determine the remaining opportunities for cost effective electricity savings in the service areas of the seven Pennsylvania EDCs that are subject to the energy efficiency requirements of Act 129.[[1]](#footnote-1) The Commission also directed its Statewide Evaluator to perform a demand response potential study to determine if there is potential for peak demand reduction as a component of the Act 129 Energy Efficiency and Conservation Program.[[2]](#footnote-2)

At this meeting, Commission Staff will also provide stakeholders with Staff’s tentative schedule for the implementation of Phase III of the Act 129 Energy Efficiency and Conservation Program. In further preparation for this meeting, the presentation(s) on the studies will be posted on the Statewide Evaluator webpage of the Commission’s website[[3]](#footnote-3) no later than Friday, June 27, 2014, to provide stakeholders the opportunity to prepare any questions in advance of the meeting. This will be an informal meeting and as such, there will be no transcription and no written comments will be accepted. The Commission anticipates that it will solicit formal comments on the Statewide Evaluator’s studies at a later date.

The Commission was charged by the Pennsylvania General Assembly with establishing an energy efficiency and conservation program. The energy efficiency and conservation program requires each electric distribution company (EDC) with at least 100,000 customers to adopt a plan to reduce energy demand and consumption within its service territory. 66 Pa. C.S. § 2806.1. The Commission was also charged with the responsibility to evaluate the costs and benefits of the energy efficiency and conservation program by November 30, 2013 and every five years thereafter. 66 Pa. C.S. § 2806.1(c)(3). Additionally, the Commission, by November 30, 2013, was to determine if the benefits of peak demand reduction programs exceed the costs and, if so, was to set additional incremental requirements for reduction in peak demand for the 100 hours of greatest demand or an alternative reduction approved by the Commission. 66 Pa. C.S. § 2806.1(d)(2).

On November 14, 2013, the Commission released, for comment, a Peak Demand Reduction Cost Effectiveness Determination Tentative Order,[[4]](#footnote-4) as well as the SWE’s Preliminary Wholesale Price Suppression and Prospective TRC Analysis (Amended DR Study).[[5]](#footnote-5) A notice of the DR Tentative Order and the SWE’s Amended DR Study were published in the *Pennsylvania Bulletin* on November 30, 2013.[[6]](#footnote-6) Comments were due December 30, 2013. Reply Comments were due January 14, 2014. In its Tentative Order, the Commission agreed with the SWE that the statutory top 100 hours methodology was not cost-effective and, as such, could not be continued. However, based on the SWE’s Amended DR Study, the Commission proposed an alternative peak demand reduction methodology.[[7]](#footnote-7) The demand response potential studies being discussed at the meeting will inform the Commission on the cost-effectiveness of the proposed alternative peak demand reduction methodology.

Any questions regarding this stakeholder meeting should be directed to Megan Good at 717-425-7583 or [megagood@pa.gov](mailto:megagood@pa.gov).



Sincerely,

Rosemary Chiavetta

Secretary

cc: Chairman’s Office

Vice Chairman’s Office

Commissioners’ Offices

Jan Freeman, Executive Director

Mary Beth Osborne, Director of Regulatory Affairs

Bohdan R. Pankiw, Chief Counsel

Robert F. Young, Deputy Chief Counsel

Kriss Brown, Assistant Counsel

Paul T. Diskin, Director, Technical Utility Services

Darren D. Gill, Deputy Director, Technical Utility Services

Joseph M. Sherrick, Supervisor, Technical Utility Services

Megan G. Good, Analyst, Technical Utility Services

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**ACT 129 STATEWIDE EVALUATOR ENERGY EFFICIENCY AND DEMAND RESPONSE MARKET POTENTIAL STUDIES STAKEHOLDER MEETING**

**COMMONWEALTH KEYSTONE BUILDING**

**HEARING ROOM 1**

**400 NORTH STREET**

**HARRISBURG, PA 17120**

**JULY 10, 2014**

**1:30 – 3:30 P.M.**

**AGENDA**

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| I. | WELCOME - Paul Diskin, Director, TUS | | |
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| II. | INTRODUCTIONS & OPENING REMARKS – Darren Gill, Deputy Director, TUS | | |
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| III. | PRESENTATION OF ENERGY EFFICIENCY MARKET POTENTIAL STUDY METHODOLOGY (30 min) – Jeffrey Huber and Patrick Burns, Statewide Evaluator Team | | |
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| IV. | QUESTION & ANSWER SESSION REGARDING ENERGY EFFICIENCY MARKET POTENTIAL STUDY METHODOLOGY (30 min) | |  |
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| V. | PRESENTATION OF DEMAND RESPONSE MARKET POTENTIAL STUDY METHODOLOGY (30 min) – Dick Spellman and Jesse Smith, Statewide Evaluator Team | |  |
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| VI. | QUESTION & ANSWER SESSION REGARDING DEMAND RESPONSE POTENTIAL STUDY METHODOLOGY (30 min) | |  |
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| VII. | CLOSING REMARKS – Darren Gill, Deputy Director, TUS | |  |

1. *See, Request for Proposals – Act 129 Statewide Evaluator*, RFP-2012-8, Pennsylvania Public Utility Commission – Bureau of Technical Utility Services, (November 30, 2012). [↑](#footnote-ref-1)
2. *See, Energy Efficiency and Conservation Program* Final Order, at Docket No. M-2012-2289411, (February 20, 2014). [↑](#footnote-ref-2)
3. <http://www.puc.pa.gov/filing_resources/issues_laws_regulations/act_129_information/act_129_statewide_evaluator_swe_.aspx>. [↑](#footnote-ref-3)
4. *See, Energy Efficiency and Conservation Program* Tentative Order, Docket Nos. M-2012-2289411 and M-2008-2069887, (November 14, 2013). [↑](#footnote-ref-4)
5. *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>. [↑](#footnote-ref-5)
6. *See* <http://www.pabulletin.com/secure/data/vol43/43-48/index.html>. [↑](#footnote-ref-6)
7. *See, Energy Efficiency and Conservation Program* Final Order, Docket Nos. M-2012-2289411 and M-2008-2069887, (February 20, 2014) at 6. [↑](#footnote-ref-7)