

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Act 129 Energy Efficiency Program – Phase III**

**Public Meeting – March 11, 2015**  
**2424864-LAW**  
**Docket No. M-2014-2424864**

**STATEMENT OF**  
**COMMISSIONER PAMELA A. WITMER**

Before the Pennsylvania Public Utility Commission (Commission) today is the Tentative Implementation Order for Phase III of the Energy Efficiency and Conservation (EE&C) Program (Tentative Order). The Tentative Order finds that an additional phase of EE&C Programs would be cost effective, proposes that the Phase III program length be five years, establishes draft targets for each Act 129 electric distribution company (EDC), and proposes other various changes to the program's implementation. In addition, after reviewing the results of the Statewide Evaluator's (SWE) Demand Potential Study, the Commission preliminarily proposes to adopt additional required incremental reductions in peak demand for all Act 129 EDCs, with the exception of Penelec. Further, the Commission suggests the appropriate allocation of spending between EE&C and DR programs in order to achieve the proposed consumption and peak demand requirements for each EDC.

I am a strong advocate of both EE&C and DR programs, and commend the work of Commission Staff, the SWE and stakeholders to date. As stated during the last review of these programs, I continue to firmly believe that the cheapest, most efficient kilowatt hour is the one you never have to use. These programs, when cost-effective, provide numerous positive benefits to all customers.

Understanding the importance of this proceeding and with a sincere desire to design the most cost effective and beneficial EE&C and DR programs possible, I request commenters to focus on the following issues in response to the Tentative Order:

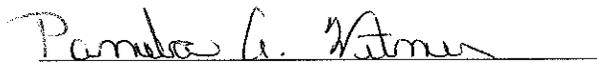
1. As noted in the Order, the Commission's Phase II Implementation Order required EDCs to develop EE&C Plans that contain at least one comprehensive measure, including whole house treatments, for residential and small commercial rate classes. In this Tentative Order, the Commission declines to define what qualifies as a "comprehensive program" under Act 129, but does propose that EDCs include at least one comprehensive program for residential and one comprehensive program for non-residential customer

classes. Commenters are encouraged to explain whether the Commission should be more prescriptive in this area (e.g., requiring a “whole-building” program), instead of generally requiring that two comprehensive programs be included in Phase III EE&C Plans.

2. The SWE’s DR Potential Study shows that the SWE was not able to find any cost-effective peak demand reductions in Penelec’s service territory. Accordingly, the Commission proposes that Penelec have no specific peak demand reduction target, but reserves the possibility that Penelec could voluntarily include a DR program in its EE&C Plan for Phase III if it demonstrates cost effectiveness. Commenters are encouraged to explain whether these determinations are consistent with the policy goals and statutory requirements of Act 129 as well as whether the corresponding result is in the public interest.
3. The Tentative Order recommends continuing the low-income carve-out, which requires a specific number of energy measures for households at or below 150% of the Federal poverty income guidelines. Additionally, rather than retaining the minimum 4.5% consumption reduction as used in Phases I and II, the Commission is proposing to require that each EDC obtain a minimum of 5.5% of their total consumption reduction target from the low-income sector, with the additional requirement that no less than 2% of this consumption reduction target be obtained exclusively from direct-installed low-income measures. Commenters are encouraged to explain whether these determinations are consistent with the policy goals and statutory requirements of Act 129 as well as whether the corresponding result is in the public interest.

Consistent with previous phases, I look forward to reviewing comments on these and other issues related to the Tentative Order, and continuing the dialogue on optimal EE&C and DR program design for Pennsylvania.

**DATE: March 11, 2015**

  
**PAMELA A. WITMER, COMMISSIONER**