

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105-3265**

**Procurement, Conservation and Energy Efficiency  
Implementation**

**PUBLIC MEETING  
October 9, 2008  
OCT-2008-C-0010  
Docket No. M\_\_\_\_\_**

**JOINT MOTION OF COMMISSIONER KIM PIZZINGRILLI  
AND COMMISSIONER ROBERT F. POWELSON**

Over the past several months the General Assembly and the Administration have been considering many proposals to ensure the affordable, reliable, and sustainable supply of electricity to Pennsylvania residents and businesses. This dialogue is timely, given the negative impact of rising energy prices on Pennsylvania's economy that will follow the expiration of rate caps, and the potential for over reliance on traditional sources of energy. Yesterday, both the Senate and the House overwhelmingly passed House Bill 2200, which now is on the Governor's desk for signature.

This legislation expands the Public Utility Commission's (PUC) oversight responsibilities and imposes new requirements on the Electric Distribution Companies (EDCs), with the overall goal of enhancing procurement; reducing energy demand and consumption; and expanding alternative energy sources. Highlights include the following:

- Directs the PUC to adopt an energy efficiency and conservation program to require electric distribution companies to submit and implement plans to reduce energy demand and consumption within each service territory. Effective energy efficiency and demand response may reduce the magnitude of needed, but costly, investments in new electric generation and transmission infrastructure.
- Requires the EDC to file a plan for smart meter procurement and installation; requires the installation of smart meters in new building construction and upon customer request if the customer agrees to pay the cost of the meter; and in accordance with a depreciation schedule. It also requires EDCs to submit time-of-use rates and real-time price plans which may be offered to those customers with smart meters. Smart meters and time-based rates are essential components of any plan to reduce peak demand.
- Confirms that EDCs must obtain energy through a prudent mix of contracts, with an emphasis on competitive procurements to ensure that adequate and reliable electricity is supplied at the least cost to customers.

- Encourages energy independence by providing greater incentives for the development of Pennsylvania biomass energy resources and regional hydropower resources.
- Imposes an affirmative obligation on electric distribution companies to seek monetary damages from energy suppliers for market misconduct, and to refund any monies recovered to ratepayers.

Over the past several months, PUC staff members were asked to provide technical input on many of the proposed amendments. We would like to commend our staff for their valuable contribution to this dialogue.

As with the passage of any significant piece of legislation, the Commission will convene an internal working group to develop an implementation plan to ensure that guidance is provided to EDCs and that consumers realize the benefits of energy efficiency and conservation measures. The Commission recognizes the importance of implementing this law in a prompt manner, and will move forward with all deliberate speed, while allowing for stakeholder participation and input.

**THEREFORE, WE MOVE THAT:**

1. As soon as the Governor signs House Bill 2200 into law, the Director of Operations convene a working group to develop an implementation plan.

**October 9, 2008**  
Date

\_\_\_\_\_  
**KIM PIZZINGRILLI, COMMISSIONER**

\_\_\_\_\_  
**ROBERT F. POWELSON, COMMISSIONER**