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**PAPUC**

Energy Efficiency & Conservation Information for Your Business

Act 129 of 2008 provides Pennsylvania businesses, governments and non-profits opportunities to take energy efficiency and conservation to the next level. The General Assembly enacted Act 129 to require Pennsylvania's seven largest electric distribution companies (EDCs) to develop energy efficiency and conservation (EE&C) plans and adopt other methods of reducing the amount of electricity consumed by customers. Pennsylvania's EDCs that are subject to Act 129 include Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation, and West Penn Power Company.

The General Assembly charged the Pennsylvania Public Utility Commission (PUC) with implementing Act 129 and guiding businesses, governments, non-profits and electric utilities toward achieving the legislation's overall goals of reducing energy consumption and peak electric demand.

The Act is being implemented in phases that address the EDCs multiple responsibilities to establish EE&C program plans. Phases I, II and III are now complete. Phase I began on 6/1/2009 and ended on 5/31/2013; Phase II began on 6/1/2013 and ended on 5/31/2016; and Phase III began on 6/1/2016 and ended on 5/31/2021. All seven EDCs met their mandated energy consumption reduction and demand reduction targets in the previous three phases. Phase IV of Act 129, the current five-year phase, began on 6/1/2021 and will end on 5/31/2026.

Energy Efficiency & Conservation Programs

In March 2021, the PUC approved plans from the seven EDCs, detailing how the companies intend to achieve consumption and peak demand reductions in Phase IV.

In creating EE&C program guidelines, the Commission recognized a "one-size-fits-all" approach would not be the best approach. The Commission balances the needs of businesses, governments and non-profits with those of the EDCs, as they work to meet the requirements of the legislation. The PUC's program standards provided each EDC with the ability to tailor its energy efficiency and conservation plan to its service territory and consumers. The PUC monitors the EDC plan implementation to ensure the programs are cost-effective and achieve the intended results.

In general, the EDC plans for business, government and non-profit customers include:

- Commercial heating, ventilation and air conditioning (HVAC) efficiency programs that encourage small commercial and industrial, and governmental/non-profit customers to purchase high efficiency systems;
- Lighting efficiency programs that provide rewards for installing occupancy sensors and systems that will reduce the number of lamps per fixture or replace existing lighting with higher efficiency options;
- Programs focused on reducing energy and demand in the small to medium sector of commercial and industrial, and governmental/non-profit customers, that will provide incentives to customers for improving the energy efficiency for specific processes and applications;
- Direct load control programs of certain systems for small commercial and industrial, and governmental/non-profit customers;
- Programs for business customers that install variable speed drives to replace mechanical throttling devices or new variable speed drive applications;
- Customer-owned standby generation which focuses on reducing kW demand by deploying generation during peak load hours.

Businesses, government entities and non-profit institutions will receive specific information from their EDC on the money-saving EE&C programs available to them because of Act 129. These programs are designed to help businesses use electricity more efficiently, invest in technologies and measures they might not consider otherwise, curb consumption and reduce overall demand for electricity. Many of these programs include subsidies from the EDCs to encourage the use and deployment of energy efficiency and conservation measures. Businesses, government entities and non-profit institutions are encouraged to contact their electric utility for more information.

Why Energy Efficiency & Conservation

The EE&C programs established in Act 129 offer many meaningful resources that help business customers save money and reduce their impact on the environment.

The EE&C plans are designed to help the EDCs meet established electricity consumption and peak demand reduction targets. EDCs can be fined up to \$20 million for failing to meet these reduction targets.

Act 129 Mandated Consumption Reduction Targets				
EDC	Phase III Savings Target (MWh)	Phase III Savings Achieved (MWh)	Phase III Total Savings Achieved (MWh)*	Phase IV Savings Target (MWh)
Duquesne	440,916	469,053	569,520	348,126
Met-Ed	599,352	746,655	777,137	463,215
PECO	1,962,659	2,068,877	2,068,877	1,380,837
Penelec	566,168	696,193	745,888	437,676
Penn Power	157,371	223,948	237,814	128,909
PPL	1,443,035	1,749,310	1,749,310	1,250,157
West Penn	540,986	709,466	730,006	504,951
Total	5,710,487	6,663,502	6,878,552	4,513,871

* including carryover of excess savings from Phase II (MWh)

All the efforts under Act 129 help to reduce the cost of electricity and enhance safety and reliability of electric service.

The EE&C program requirements of Act 129 also help to offset the need to build new electric generation facilities and the need to upgrade transmission and distribution systems. The energy savings from Phases I, II, and III are equivalent to the electric generation from a very large coal-fired or nuclear power plant.

More information is available on the PUC website dedicated to Act 129 – <https://www.puc.pa.gov/filing-resources/issues-laws-regulations/act-129/>.



The Pennsylvania Public Utility Commission

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For people with speech or hearing loss,
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