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**PRESS RELEASE**

Date: July 2, 2009

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**PUC Begins Consideration of Act 129 Energy Efficiency, Conservation Plans Submitted by the State’s Seven Largest Electric Utilities**

HARRISBURG –The Pennsylvania Public Utility Commission (PUC) today began consideration of the energy efficiency and conservation plans (EE&C) filed by the state’s seven largest electric distribution companies (EDCs) as required by Act 129 of 2008.

“Act 129 and the expiration of long-standing caps on electric generation prices will changing the way Pennsylvanians look at their energy usage for years to come,” said Commission Chairman James H. Cawley. “The expedited implementation of this law underscores the importance of altering the way we use electricity. The PUC will continue to move quickly with input from stakeholders to make certain the utilities’ plans take energy efficiency and conservation to the next level, across all customer classes.”

“In my opinion, implementing energy efficiency and conservation programs to drive down demand should also drive down wholesale electricity prices by freeing up available supply,” said Commissioner Wayne E. Gardner. “Anything we can do to decrease the number of hours of peak priced supply that our EDCs buy on the wholesale market should translate into lower retail electricity rates. Energy efficiency and conservation are also guaranteed ways for Pennsylvania's electricity consumers to manage their electricity bills as energy prices increase.”

Under Act 129, the seven largest Pennsylvania EDCs were required to file a plan for by July 1, 2009, detailing how they intend to achieve consumption and peak demand reductions.  All seven – Allegheny Power Co.; Duquesne Light Co.; Metropolitan Edison Co.; PECO Energy Co.; Pennsylvania Electric Co.; Pennsylvania Power Co. and PPL Electric Utilities Corp. – have filed their plans.

The EE&C plans were to be designed to help the EDCs meet established electricity consumption reduction [targets](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=2224) of 1 percent by May 31, 2011, and 3 percent by May 31, 2013. The EDCs also are required to meet a 4.5 percent reduction in peak demand by May 31, 2013. Peak demand is defined as the systems top 100 hours of highest demand.

The PUC may direct the EDC to “modify or terminate” an approved EE&C plan if, after implementation, it is determined that the plan will not achieve results in a cost-effective manner.

The Commission has 120 days to approve, reject or modify each of the EE&C plans. Interested parties may intervene in the review of the plans by filing petitions with the PUC. The Commission review will include hearings on each individual plan before PUC Administrative Law Judges where parties in the case may present evidence on the proposals. All of this will make up the record on which the Commission will base its final decision during a public meeting in Harrisburg.

On Jan. 15, 2009, the PUC established the [standards](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=2177) each EDC’s plan must meet. The plans were required to include:

* Specific proposals and programs for achieving usage reductions;
* Cost-recovery provisions;
* Programs for low-income households (150 percent of poverty);
* The use of one or more conservation service providers selected through competitive bidding; and
* Annual independent evaluation of cost effectiveness.

Act 129 expanded the PUC’s oversight responsibilities and imposed new requirements with the overall goal of reducing electricity consumption and demand. It added several new sections to and amended several existing sections of the Public Utility Code.  The Commission is implementing the Act in phases that address EDC responsibilities to implement energy efficiency and conservation programs; smart meter technology; time-of-use rates; real-time pricing plans; default service procurement; market misconduct; alternative energy sources; and cost recovery.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner. For recent news releases, audio of select Commission proceedings or more information about the PUC, visit our website at [www.puc.state.pa.us](http://www.puc.state.pa.us/).

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Docket Nos. – M-2009-2093218 (Allegheny)

M-2009-2093217 (Duquesne)

M-2009-2092222 (Met-Ed)

M-2009-2093215 (PECO)

M-2009-2112952 (Penelec)

M-2009-2112956 (Penn Power)

M-2009-2093216 (PPL)