



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

December 10, 2009

To: Interested Parties

Re: Fuel Switching Working Group

Docket No. M-00051865

By orders adopted on October 15 and October 22, 2009, the Commission addressed the Energy Efficiency and Conservation (EE&C) Plans filed by electric distribution companies (EDCs) pursuant to Act 129 of 2008. In reviewing those plans, the Commission directed the Fuel Switching Working Group to provide recommendations by March 31, 2010 as to the appropriate treatment of fuel switching programs in the context of Act 129 requirements and whether revisions to the Technical Reference Manual (TRM) or Total Resource Cost Test are warranted. The Commission had initiated the Fuel Switching Working Group in June 2009 in the TRM proceeding at Docket No. M-00051865 to identify, research and address issues related to fuel switching with the possibility of its inclusion in future versions of the TRM.

Fuel switching proposals were included in some EE&C plans filed on July 1, 2009. An example is a monetary incentive offered by an EDC to encourage a customer to switch from electric to natural gas heat. The Commission approved some fuel switching programs, noting that it is reasonable to assume that some uses of natural gas may be energy efficient and finding that it was premature to prohibit EDCs from including such programs in their plans at that time. In addition, a contested issue in those proceedings was whether the EE&C plans should be substantially revised to include broad based fuel switching programs.

The initial meeting of the Fuel Switching Working Group will be held on January 6, 2010 at 10:00 a.m. in Executive Chambers, Third Floor, Commonwealth Keystone Building, Harrisburg. A proposed list of topics for discussion at this meeting is attached. Interested parties may suggest additional topics by sending an email to [ra-Act129@state.pa.us](mailto:ra-Act129@state.pa.us) no later than December 30, 2009. A full agenda will be released by January 5, 2010.

Stakeholders who plan to actively participate in the discussion should plan to attend the meeting in person. A call-in number will be provided for interested parties who wish to simply monitor the discussions. If you plan to attend the meeting or wish to be provided with a call-in number, please send an email to [ra-Act129@state.pa.us](mailto:ra-Act129@state.pa.us) by December 30. Likewise, please direct any questions you have about the meeting to this email address.

Sincerely,

Karen Oill Moury  
Director of Operations

## Fuel Switching Working Group Issues/Topics

1. Are energy efficiency and conservation measures that offer incentive to customers to switch from electric heat to gas heat or vice versa appropriate for EDC EE&C programs?
2. Is it appropriate for electric customers to be subsidizing such a conversion?
3. Is it appropriate in service territories where access to natural gas is not universally accessible? What data is needed or available to determine this penetration rate?
4. If permitted, should there be a cap on the level of subsidy provided, if so, what should that cap be?
5. If permitted, should there be a minimum efficiency rating for the new equipment, if so what should the minimum efficiency rating be?
6. If permitted, what level of electric energy savings should be attributable to the conversion?
  - a. Should it be the total electric load reduction?
  - b. Should it be the difference between the btu ratings of the system being replaced and the new system?
7. If permitted, what costs and benefits should be included in the TRC test analysis of such programs?
8. Should the Commission establish an EE&C program for Gas Distribution Companies before allowing fuel switching programs?
  - a. Can the Commission establish such a program?
  - b. What elements should be included in any such program?