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**PRESS RELEASE**

Date: Dec. 17, 2009

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**PUC Sets Guidelines for Smaller Electric Utilities Wishing to Develop Energy Efficiency, Conservation Programs**

HARRISBURG – The Pennsylvania Public Utility Commission (PUC) today set guidelines for the state’s smaller electric distribution companies (EDCs) wishing to develop energy efficiency and conservation (EE&C) programs similar to those required for the larger EDCs under Act 129 of 2008.

The Commission voted 5-0 to offer the state’s smaller EDCs guidance on filing plans. The companies include: Citizens’ Electric Co.; Pike County Light & Power Co.; UGI Utilities Inc. – Electric; and Wellsboro Electric Co.

The Commission asked that each of the plans include:

* A detailed plan with a description of EE&C measures to be offered;
* Sufficient supporting documentation and verified statements or testimony or both;
* Proposed energy consumption or peak demand reduction objectives or both, with proposed dates the objectives are to be met;
* A budget showing total planned expenditures by program and customer class;
* Tariffs and a section 1307 cost recovery mechanism; and
* A description of the method for monitoring and verifying plan results.

In outlining the suggested guidelines for the voluntary EE&C programs, the Commission recognized a “one-size-fits-all” approach would not work. The PUC’s program guidelines provide each EDC with the ability to tailor its EE&C plan to its service territory and consumers. While the Commission did not establish mandatory energy reduction targets as found in Act 129, it will monitor the EDC plan implementation to ensure the programs are cost-effective and achieving the intended results.

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.

Under Act 129, the seven largest Pennsylvania EDCs – Allegheny Power Co.; Duquesne Light Co.; Metropolitan Edison Co.; PECO Energy Co.; Pennsylvania Electric Co.; Pennsylvania Power Co. and PPL Electric Utilities Corp. – were required to file plans detailing how they intend to achieve consumption and peak demand reductions.  Adopted in October 2009, the EE&C plans are 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 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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