

We are writing in support of strong Energy Efficiency and Conservation targets under Act 129, the Energy Savings Act. In Phase I the Act has saved 2073 GWh and \$278 million annually on electricity bills. We support a 1% annual savings goal for each of year of the program. In addition we support the continuation of the peak demand management program and the introduction of on-bill financing.

As organizations that represent the interests of low-income people, we are especially committed to ensuring that their needs are met.

The first phase of EE&C programs under Act 129 included a funding carve-out for households at or below 150% of the Federal Poverty Income Guidelines. The Commission now seeks comment on whether or not that carve-out should be carried forward to the second phase of programs, and whether or not the carve-out should be expanded to 250% of the Guidelines.¹

We support continuing the carve-out for low-income households, and note that such a carve-out is consistent with the requirements of Act 129.² There are strong economic and environmental justice reasons in favor of ensuring that funds are directed towards low-income households: such households spend a higher proportion of their income on energy expenses than do wealthier households, and therefore the savings from EE&C programs are more meaningful to them. Similarly, low-income households usually lack the financial resources to cover the up-front costs of energy efficiency improvements, and thus directing funds under Act 129 towards the low-income sector is particularly important. Additionally, many low-income households suffer from the problem of split incentives: although renters often pay utility bills, they do not control capital investment decisions. Directing funds to landlords serving the lower income market can help rectify this issue.

As a result, the carve-out should remain in the second phase programs. The Commission should expand the carve-out to households at or below 250% of the Federal Poverty Income Guidelines and encourage utilities to conduct comprehensive outreach to all low-income customers to ensure that the most needy households can benefit from energy efficiency services.

We also support energy efficiency measures because efficiency opportunities mean more than just savings for ratepayers, however—there are enormous environmental, economic development and public health benefits flowing from efficiency, and since low income communities disproportionately suffer from air pollution problems they will disproportionately benefit from cleaning up our air. Even a relatively modest second phase of EE&C programs under Act 129 could result in reductions in carbon dioxide emissions from Pennsylvania of 80 million tons. This is in addition to the significant reductions in air pollutants like mercury, sulfur dioxide, and nitrous oxides that are

¹ *Id.*

² See 66 Pa.C.S. § 2806.1(b)(1)(i)(G) (“The plan shall include specific energy efficiency measures for households at or below 150% of the Federal poverty income guidelines.”).

emitted by coal-fired generation that could be rendered unnecessary by investment in efficiency.

Sincerely,

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Ronell Guy, Executive Director, Northside Coalition for Fair Housing

Alethea Sims BOD Chair, The Coalition of Organized Residents of East Liberty (COR)

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