

# Energy Efficiency & Conservation Information for Your Home

Act 129 of 2008 provides Pennsylvania electric utility consumers 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 plans (EE&C) and adopt other methods of reducing the amount of electricity consumed by customers.

The General Assembly charged the Pennsylvania Public Utility Commission (PUC) with implementing Act 129 and guiding consumers and electric utilities toward achieving the legislation's overall goals of reducing energy consumption and peak electric demand. The PUC is implementing the Act in phases that address EDC responsibilities to implement EE&C programs; smart meter technology; time-of-use rates; real-time pricing plans; default service procurement; market misconduct; alternative energy sources; and cost recovery. The schedule for putting into practice this landmark legislation, while aggressive, is reflective of the immediacy of the energy challenges the Commonwealth is addressing.

## **Energy Efficiency & Conservation Programs**

In October 2009, the PUC approved plans from seven 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. – detailing how the companies intend to achieve consumption and peak demand reductions.

In creating the EE&C program guidelines, the Commission recognized a "one-size-fits-all" approach would not work. The Commission is working to balance the needs of consumers 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 will monitor the EDC plan implementation to ensure the programs are cost-effective and achieving the intended results.

In general, the EDC plans for residential consumers include:

- Residential EnergyStar and high efficiency appliance programs that provide rebates to customers for the purchase of certain energy efficiency appliances;
- Residential compact fluorescent lighting (CFL) rewards programs that provide rebates and point of sale discounts for the purchase and installation of CFLs;
- Residential HVAC efficiency programs that encourage consumers to purchase a high efficiency central air conditioner or heat pump;
- Residential home performance programs that provide for home audits and rebates toward implementing audit recommendations;
- Low-income home audit and appliance and air conditioner replacement programs;
- Time of use (TOU) with critical peak pricing rates to reflect the cost of serving customers during peak times; and
- Hourly-pricing options with rates reflecting the cost of energy during each hour, encouraging customers to lower their demand or shift to lower-priced periods.



Consumers 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 consumers use electricity efficiently, curb consumption and reduce overall demand for electricity. Many of these programs include subsidies from the EDC to encourage the use and employment of the energy efficiency measures. Consumers 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 tools to allow consumers to take control of their energy bills and cushion the rate increases anticipated with the expiration of rate caps.

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

<b>Act 129 Mandated Consumption Reductions, Impact</b>				
<b>Utility</b>	<b>1% Reduction (MWh)</b>	<b># of households typical energy use</b>	<b>3% Reduction (MWh)</b>	<b># of households typical energy use</b>
<b>Duquesne</b>	140,855	13,415	422,565	40,244
<b>Met-Ed</b>	148,650	14,157	445,951	42,472
<b>Penelec</b>	143,993	13,714	431,979	41,141
<b>Penn Power</b>	47,729	4,546	143,188	13,637
<b>PPL</b>	382,144	36,395	1,146,431	109,184
<b>PECO</b>	393,860	37,510	1,181,580	112,531
<b>Allegheny</b>	209,387	19,942	628,160	59,825
<b>Total</b>	<b>1,466,618</b>	<b>139,678</b>	<b>4,399,854</b>	<b>419,034</b>
* In 2007, the average PA home used 10,500 kWh per year, according the Energy Information Administration.				

The Act also requires a 4.5 percent reduction (1,193 MW) in peak demand by May 31, 2013. Peak demand is defined as the systems' top 100 hours of highest demand. Meeting those goals for peak demand would offset the need to build new generation facilities equal to one large coal-fired or nuclear plant. All of the efforts under Act 129 should ultimately reduce the cost of electricity, and enhance safety and reliability of electric service.

Throughout the implementation process, the PUC has provided the opportunity for stakeholders to take an active role. The Commission has engaged consumer advocates, energy efficiency and conservation experts, EDCs, customers, electric generation suppliers and other interested groups at every step, providing various opportunities for stakeholder comment in every aspect of the implementation of Act 129. To date, more than 50 interested parties have participated in various phases as we move through the implementation process.

More information is available on the PUC website dedicated to Act 129 – [www.puc.state.pa.us/electric/Act\\_129\\_info](http://www.puc.state.pa.us/electric/Act_129_info).

### For further information, contact the Public Utility Commission:

#### Write

PA Public Utility Commission  
Bureau of Consumer Services  
P.O. Box 3265  
Harrisburg, PA 17105-3265

#### Call

1-800-692-7380  
For people with speech  
or hearing loss, dial 7-1-1  
(Telecommunications Relay  
Service)

#### Visit our website

[www.puc.state.pa.us](http://www.puc.state.pa.us)

