

House bill 2200 Printer's number 3233
Prime sponsor: Representative George

This bill requires the Pennsylvania Public Utility Commission (PUC) to develop a program to provide for the implementation of cost-effective programs that reduce energy demand and consumption in the Commonwealth.

The PUC would select a state-wide program administrator through a competitive request-for proposals process to oversee the new program. The state-wide program administrator is charged with ensuring that energy efficiency and demand-side response programs are implemented within the service territory of each electric distribution company (EDC). Financial performance mechanisms would be included in the contract with the program administrator based on exceeding or not meeting the established goals of the contract.

Energy efficiency programs are those technologies, management practices or other strategies or measures employed by retail consumers that reduce electricity consumption.

The energy efficiency and demand-side response programs within each EDC territory must (1) meet the following energy efficiency goals: By May 31, 2011, reduce the load by a minimum of 1%, by May 31, 2013, reduce the load by a minimum of 2.5%.

(2). Meet the following demand-side goals: By May 31, 2013, reduce peak demand by a minimum of 4% in the 100 hours of highest demand.

The PUC Commissioners are responsible for overseeing the statewide program administrator and for establishing standards for the EDC territory programs. They are also charged with evaluating the program expenditures, measurement and verification of savings resulting from the programs, and the cost-effectiveness of the expenditures.

EDCs may, if they are selected through the competitive procurement process, provide a program of energy efficiency and demand-side response programs to residential, commercial and industrial consumers to an EDC territory. The bill requires that all EDCs cooperate with the program administrator and provide information and assistance to facilitate the work of the EDC territory program administrator. The bill also authorizes EDCs to fully recover all administrative costs that are prudently incurred for these duties through a reconcilable automatic adjustment clause.

Smart Meters and Rate Options

Within 9 months after the effective date of the act, EDCs must file a smart meter and procurement and installation plan with the PUC. Smart meters are metering and network communications technology capable of bidirectional communication and that records electricity usage on at least an hourly basis and gives information on a consumer's consumption and that would allow for time-of-use rates and real-time price programs in addition to supporting the automatic control of a consumer's electricity consumption. EDC's are required to furnish smart meters to consumers responsible for 40% of the EDC's annual peak demand within 4 years, consumers responsible for 75% of the EDC's annual peak demand within 6 years, and all of an EDC's consumers within 10 years.

By January 1, 2010, or at the end of the applicable generation rate cap period, EDCs are required to submit to the PUC a time-of-use rate plan and a real-time price rate plan. A time-of-use rate is a rate that reflects the costs of serving consumers during different time periods, including off-peak and on-peak periods, but not as frequently as each hour. A real-time price rate reflects the different costs of energy during each hour. Once approved, EDCs are required to make each of these plans available to all residential and commercial consumers that have been provided with smart meters. Consumer participation in a time-of-use or real-time price rate plan is voluntary.

This bill inserts a new section into Chapter 13 of Title 66 (relating to rates and rate making) that would expressly prohibit a public utility from recovering costs through rate recovery for any direct or indirect expenses associated with the utility's efforts to dissuade the employees of the utility, or the employees of any affiliated interest of the utility, from becoming or remaining a member in, or otherwise being represented by, any labor union.

The bill would take effect immediately.