

# Energy Efficiency and Electric Infrastructure in the State of Pennsylvania

The simple choice for energy efficiency.



In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Pennsylvania, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

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## Electric Market Overview

### Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.<sup>1</sup> The following summarizes electric utilities in Pennsylvania by type:

- *Investor-Owned Electric Utilities:*
  - Pennsylvania Power Company (Penn Power): [https://www.firstenergycorp.com/content/customer/penn\\_power.html](https://www.firstenergycorp.com/content/customer/penn_power.html)
  - Metropolitan Edison Company (Met-Ed): [https://www.firstenergycorp.com/content/customer/met\\_edison.html](https://www.firstenergycorp.com/content/customer/met_edison.html)
  - Pennsylvania Electric Company (Penelec): <https://www.firstenergycorp.com/content/customer/penelec.html>
  - PPL Electric: <https://www.pplelectric.com/>
  - PECO Energy Company: <https://www.peco.com/Pages/Home.aspx>
  - Pike County Light & Power Company: <http://www.oru.com/aboutoru/servicearea/>
  - UGI Utilities Inc.: <http://www.ugi.com/portal/page/portal/UGI/Home>
  - Wellsboro Electric Company: <https://wellsboroelectric.com/>
  - West Penn Power: [https://www.firstenergycorp.com/content/customer/west\\_penn\\_power.html](https://www.firstenergycorp.com/content/customer/west_penn_power.html)
  - Citizens Electric Of Lewisburg: <https://www.citizenselectric.com/>
  - Duquesne Light Company (DQE): <https://www.duquesnelight.com/>
- *Member-Owned (Electric Cooperative):* Pennsylvania has 12 electric membership corporations (EMCs).
- *Municipally-Owned/Publicly-Owned Utilities:* Pennsylvania has 4 municipally- or publicly-owned electric systems in the state.
- *Other:* 13 Retail Power Marketers<sup>2</sup>

*Electric utility service areas (as available):*

<http://www.electricrates.com/areas-we-serve/pennsylvania/>

<sup>1</sup> Source: EIA

<sup>2</sup> Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and the Pennsylvania Public Utility Commission (<http://www.puc.pa.gov/>)

## Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.<sup>3</sup>

- Pennsylvania is a restructured utility. <http://www.eia.gov/electricity/policies/restructuring/pennsylvania.html>

## Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.<sup>4</sup>

- Pennsylvania is part of PJM: <http://www.pjm.com/>

## Utility Oversight and Planning

### Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.<sup>5</sup>

- The PUC has jurisdiction over 11 electric distribution companies which serve the majority of the Commonwealth. Rural electric cooperatives and most utilities owned and operated by cities, boroughs or townships are not regulated by the Commission. [http://www.puc.state.pa.us/consumer\\_info/electricity/electric\\_companies\\_suppliers.aspx](http://www.puc.state.pa.us/consumer_info/electricity/electric_companies_suppliers.aspx)

### Integrated Resource/Procurement Planning

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.<sup>6</sup>

Pennsylvania does not have an IRP requirement. Under October 2008 legislation, the PUC must implement programs that encourage conservation and efficiency by every major rate class. Each public utility which produces, generates, distributes, or furnishes electricity must annually submit to the Commission information concerning its future plans to meet its customers' demands (*Annual Resource Planning Reports*). The latest statewide summary report for Pennsylvania is available at: [http://www.puc.state.pa.us/General/publications\\_reports/pdf/EPO\\_2015.pdf](http://www.puc.state.pa.us/General/publications_reports/pdf/EPO_2015.pdf)

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<sup>3</sup> Source: The Regulatory Assistance Project (RAP)

<sup>4</sup> Source: [EPA Energy and Environment Guide to Action](#)

<sup>5</sup> Sources: [EPA Energy and Environment Guide to Action](#) and RAP

<sup>6</sup> Source: [EPA Energy and Environment Guide to Action](#)

## Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- Energy = Jobs, 2014: <http://www.naseo.org/Data/Sites/1/documents/stateenergyplans/pa-state-energy-plan-web.pdf>

## Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- Potential for Energy Efficiency, Demand Response, and Onsite Solar Energy in Pennsylvania 2009: <http://www.aceee.org/research-report/e093>
- Electric Energy Efficiency Potential for Pennsylvania 2012: [https://www.puc.state.pa.us/electric/pdf/Act129/Act129-PA\\_Market\\_Potential\\_Study051012.pdf](https://www.puc.state.pa.us/electric/pdf/Act129/Act129-PA_Market_Potential_Study051012.pdf)
- Estimating the Energy-Efficiency Potential in the Eastern Interconnection (2013): <http://info.ornl.gov/sites/publications/files/Pub40408.pdf>

## Energy Efficiency Policies/Activities

### Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.<sup>7</sup>

- Pennsylvania has a mandatory energy efficiency resource standard.

### Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state<sup>8</sup>:

- *Program Administrator:* PECO: <https://www.peco.com/Savings/ProgramsandRebates/Pages/default.aspx>  
Most recent program filing: [https://www.peco.com/CustomerService/RatesandPricing/RateInformation/Documents/PDF/New%20Filings/PECO%20Phase%20I%20PLAN%20v64\\_final.pdf](https://www.peco.com/CustomerService/RatesandPricing/RateInformation/Documents/PDF/New%20Filings/PECO%20Phase%20I%20PLAN%20v64_final.pdf)  
ENERGY STAR Partner since 2008
- *Program Administrator:* Met-Ed: [https://www.firstenergycorp.com/save\\_energy/save\\_energy\\_pennsylvania/met\\_ed.html](https://www.firstenergycorp.com/save_energy/save_energy_pennsylvania/met_ed.html)  
Most recent program filing: <https://www.firstenergycorp.com/content/dam/customer/Customer%20Choice/Files/PA/tariffs/Met-Ed-Minor-Energy-Efficiency-Conservation-Plan-Changes-Ph2-Filed-11-25-13-Approved-12-18-13.pdf>  
ENERGY STAR Partner since 2011
- *Program Administrator:* Penelec: [https://www.firstenergycorp.com/save\\_energy/save\\_energy\\_pennsylvania/penelec.html](https://www.firstenergycorp.com/save_energy/save_energy_pennsylvania/penelec.html)

<sup>7</sup> Ibid.

<sup>8</sup> For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=Ok>

Most recent program filing:

<https://www.firstenergycorp.com/content/dam/customer/Customer%20Choice/Files/PA/tariffs/Penelec-Minor-Energy-Efficiency-Conservation-Plan-Changes-Ph2-Filed-11-25-13-Approved-12-18-13.pdf>

ENERGY STAR Partner since 2011

- *Program Administrator:* Penn Power:

[https://www.firstenergycorp.com/save\\_energy/save\\_energy\\_pennsylvania/pennpower.html](https://www.firstenergycorp.com/save_energy/save_energy_pennsylvania/pennpower.html)

Most recent program filing: <https://www.firstenergycorp.com/content/dam/customer/Customer%20Choice/Files/PA/tariffs/Penn-Power-Minor-Energy-Efficiency-Conservation-Plan-Changes-Ph2-Filed-11-25-13-Approved-12-18-13.pdf>

ENERGY STAR Partner since 2011

- *Program Administrator:* Duquesne: <https://www.duquesnelight.com/>

Most recent program filing: <http://www.puc.state.pa.us/pcdocs/1213694.pdf>

ENERGY STAR Partner since 2006

- *Program Administrator:* PPL: <https://www.pplelectric.com/>

Most recent program filing: <http://www.puc.state.pa.us/pcdocs/1366314.pdf>

ENERGY STAR Partner since 2007

- *Program Administrator:* West Penn Power:

[https://www.firstenergycorp.com/save\\_energy/save\\_energy\\_pennsylvania/west\\_penn\\_power.html](https://www.firstenergycorp.com/save_energy/save_energy_pennsylvania/west_penn_power.html)

Most recent program filing: <http://www.puc.state.pa.us/pcdocs/1266779.pdf>

ENERGY STAR Partner since 2012

## Other Key Stakeholders

### State Air Office:

- State Air Office – Bureau of Air Quality:

<http://www.portal.state.pa.us/portal/server.pt/community/Bureau%20of%20Air%20Quality/14528/>

### State Energy Office:

- PA Department of Environmental Protection:

[https://www.portal.state.pa.us/portal/server.pt/community/pa\\_state\\_energy\\_program/10396](https://www.portal.state.pa.us/portal/server.pt/community/pa_state_energy_program/10396)

### Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.<sup>9</sup>

- Pennsylvania Office of Consumer Advocate: <http://www.oca.state.pa.us/>

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<sup>9</sup> Source: [EPA Energy and Environment Guide to Action](#)

## Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Northeast Energy Efficiency Alliance (NEEA): <http://neea.org/>
- Sierra Club: <http://www.pennsylvania.sierraclub.org/>
- PennPirg: <http://www.pennpirg.org/>

ENERGY STAR is the simple choice for energy efficiency. For more than 20 years, EPA's ENERGY STAR program has been America's resource for saving energy and protecting the environment. Join the millions making a difference at [energystar.gov](http://energystar.gov)

\* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact [eeaccountmanager@icfi.com](mailto:eeaccountmanager@icfi.com)