

AMENDMENTS TO SENATE BILL NO. 805

Sponsor: SENATOR BOSCOLA

Printer's No. 1900

1 Amend Bill, page 1, lines 7 through 18; page 2, lines 1
2 through 30; page 3, lines 1 through 18; by striking out all of
3 said lines on said pages and inserting

4 Section 1. Section 2806.1(a)(10), (b)(1) introductory
5 paragraph and (i)(B) and (I), (c)(3), (d)(2), (f)(1)(i) and (ii)
6 and (2)(i) and (ii) introductory paragraph and (A) and the
7 definition of "conservation service provider" in subsection (m)
8 of Title 66 of the Pennsylvania Consolidated Statutes are
9 amended, subsection (m) is amended by adding a definition and
10 the section is amended by adding subsections to read:
11 § 2806.1. Energy efficiency and conservation program.

12 (a) Program.--The commission shall, by January 15, 2009,
13 adopt an energy efficiency and conservation program to require
14 electric distribution companies to adopt and implement cost-
15 effective energy efficiency and conservation plans to reduce
16 energy demand and consumption within the service territory of
17 each electric distribution company in this Commonwealth. The
18 program shall include:

19 * * *

20 (10) A requirement for the [participation] utilization
21 of conservation service providers [in] to facilitate the
22 implementation of all or part of a plan.

23 * * *

24 (b) Duties of electric distribution companies.--

25 (1) The following apply:

26 (i) By July 1, 2009, each electric distribution
27 company shall develop and file an energy efficiency and
28 conservation plan with the commission for approval to
29 meet the requirements of subsection (a) and the
30 requirements for reduction in consumption under
31 subsections (c) and (d). The plan shall be implemented
32 upon approval by the commission. The following are the
33 plan requirements:

34 * * *

35 [(B) A minimum of 10% of the required reductions
36 in consumption under subsections (c) and (d) shall be
37 obtained from units of Federal, State and local

government, including municipalities, school districts, institutions of higher education and nonprofit entities.]

* * *

(I) The electric distribution company shall demonstrate that the plan is cost effective using a total resource cost test approved by the commission and provides a diverse cross section of alternatives for participating customers of [all] rate classes included in the plan.

* * *

(c) Reductions in consumption.--The plans adopted under subsection (b) shall reduce electric consumption as follows:

* * *

(3) By November 30, 2013, [and every five years thereafter,] the commission shall evaluate the costs and benefits of the program established under subsection (a) and of approved energy efficiency and conservation plans submitted to the program. The evaluation shall be consistent with a total resource cost test or a cost-benefit analysis determined by the commission. If the commission determines that the benefits of the program exceed the costs, the commission shall adopt additional required incremental reductions in consumption. Following May 31, 2021, the term of a plan shall be determined by the commission but shall not exceed five years.

(c.1) Option.--

(1) Prior to each phase of implementation of the program beginning after May 31, 2021, by a date determined by the commission, a customer that is a member of a large commercial class or industrial class may opt to cease participation in the electric distribution company plan for all of the customer's eligible accounts. A customer that opts to cease participation in a plan under this paragraph shall remain opted out of the electric distribution company plan for all subsequent phases of implementation of the program unless and until the customer, by a date determined by the commission prior to implementation of a subsequent phase, opts to resume participation in the electric distribution company plan.

(2) A customer that opts out of a plan under paragraph (1):

(i) shall not be eligible to receive grants, rebates or other funding contained in the plan for the opt-out accounts during the applicable phase; and

(ii) shall not be required to pay a recovery under subsection (k) for the opt-out accounts during the applicable phase.

(3) By December 31, 2017, the commission shall establish guidelines to implement this subsection.

(c.2) Refund.--Any over collections or under collections from any customer classes shall be refunded or recovered, as

1 appropriate in accordance with the commission's implementation
2 order for the subsequent phase.

3 (d) Peak demand.--The plans adopted under subsection (b)
4 shall reduce electric demand as follows:

5 * * *

6 (2) [By November 30, 2013, the commission shall compare
7 the total costs of energy efficiency and conservation plans
8 implemented under this section to the total savings in energy
9 and capacity costs to retail customers in this Commonwealth
10 or other costs determined by the commission. If the
11 commission determines that the benefits of the plans exceed
12 the costs, the commission shall set additional incremental
13 requirements for reduction in peak demand for the 100 hours
14 of greatest demand or an alternative reduction approved by
15 the commission. Reductions in demand shall be measured from
16 the electric distribution company's peak demand for the
17 period from June 1, 2011, through May 31, 2012. The
18 reductions in consumption required by the commission shall be
19 accomplished no later than May 31, 2017.] The commission
20 shall not mandate any peak demand reductions in any new plan
21 implemented after May 31, 2021.

22 * * *

23 (f) Penalties.--

24 (1) The following shall apply for failure to submit a
25 plan:

26 (i) An electric distribution company that fails to
27 file a plan under subsection (b) or (c.1)(2) shall be
28 subject to a civil penalty of not more than \$100,000 per
29 day until the plan is filed.

30 (ii) An electric distribution company that fails to
31 file a revised plan under subsection (e)(2)(ii) shall be
32 subject to a civil penalty of not more than \$100,000 per
33 day until the plan is filed.

34 * * *

35 (2) The following shall apply to an electric
36 distribution company that fails to achieve the reductions in
37 consumption required [under subsection (c) or (d)] by the
38 commission under subsection (c):

39 (i) The electric distribution company shall be
40 subject to a civil penalty [not less than \$1,000,000 and]
41 not to exceed [\$20,000,000] \$5,000,000 for failure to
42 achieve the [required] reductions in consumption [under
43 subsection (c) or (d)] required by the commission under
44 subsection (c). Any penalty paid by an electric
45 distribution company under this subparagraph shall not be
46 recoverable from ratepayers.

47 (ii) If an electric distribution company fails to
48 achieve the [required] reductions in consumption [under
49 subsection (c) or (d)] required by the commission under
50 subsection (c), responsibility to achieve the reductions
51 in consumption shall be transferred to the commission.

1 The commission shall do all of the following:

2 (A) Implement a plan to achieve the [required]
3 reductions in consumption [under subsection (c) or
4 (d)] required by the commission under subsection (c).

5 * * *

6 (m) Definitions.--As used in this section, the following
7 words and phrases shall have the meanings given to them in this
8 subsection:

9 "Conservation service provider." An entity that provides
10 information and technical assistance on measures to enable a
11 person to increase energy efficiency or reduce energy
12 consumption [and that has no direct or indirect ownership,
13 partnership or other affiliated interest with an electric
14 distribution company].

15 * * *

16 "Large commercial class or industrial class." The group of
17 customers categorized as large commercial or as industrial by an
18 electric distribution company in its original energy efficiency
19 and conservation plan under subsection (b)(1)(i) or as filed in
20 the company's tariff.

21 * * *

22 Section 2. This act shall take effect in 60 days.