

**LEGISLATIVE REFERENCE BUREAU**

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**Legislative Reference Bureau**

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in restructuring of electric utility industry, further providing for energy efficiency and conservation program.

**INTRODUCED** \_\_\_\_\_

By Young, Regina G. District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

See next page for additional co-sponsors.

Prior Session \_\_\_\_\_

<b>Referred to Committee on</b>	
<b>Date</b>	_____
<b>Reported</b>	_____
<b>As Committed-Amended</b>	
<b>Recomendation</b>	_____
<b>By Hon.</b>	_____

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, in restructuring of electric utility  
3 industry, further providing for energy efficiency and  
4 conservation program.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Section 2806.1(e) (2) and (m) of Title 66 of the  
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 2806.1. Energy efficiency and conservation program.

10 \* \* \*

11 (e) Commission approval.--

12 \* \* \*

13 (2) The commission shall approve or disapprove a plan  
14 filed under subsection (b) within 120 days of submission. The  
15 following shall apply to an order disapproving a plan:

16 (i) The commission shall describe in detail the  
17 reasons for the disapproval.

18 (ii) The electric distribution company shall have 60

1 days to file a revised plan to address the deficiencies  
2 identified by the commission. The revised plan shall be  
3 approved or disapproved by the commission within 60 days.

4 (iii) The commission may not disapprove a plan due  
5 to the inclusion of mechanical insulation which is not  
6 demonstrated to be cost effective using a total resource  
7 cost test approved by the commission.

8 \* \* \*

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

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

18 "Electric distribution company total annual revenue."  
19 Amounts paid to the electric distribution company for  
20 generation, transmission, distribution and surcharges by retail  
21 customers.

22 "Energy efficiency and conservation measures."

23 (1) Technologies, management practices or other measures  
24 employed by retail customers that reduce electricity  
25 consumption or demand if all of the following apply:

26 (i) The technology, practice or other measure is  
27 installed on or after the effective date of this section  
28 at the location of a retail customer.

29 (ii) The technology, practice or other measure  
30 reduces consumption of energy or peak load by the retail

1 customer.

2 (iii) The cost of the acquisition or installation of  
3 the measure is directly incurred in whole or in part by  
4 the electric distribution company.

5 (2) Energy efficiency and conservation measures shall  
6 include solar or solar photovoltaic panels, energy efficient  
7 windows and doors, energy efficient lighting, including exit  
8 sign retrofit, high bay fluorescent retrofit and pedestrian  
9 and traffic signal conversion, geothermal heating,  
10 insulation, air sealing, reflective roof coatings, energy  
11 efficient heating and cooling equipment or systems and energy  
12 efficient appliances and other technologies, practices or  
13 measures approved by the commission.

14 "Mechanical insulation." Insulation materials, facings and  
15 accessory products used for thermal requirements for mechanical  
16 pipng and equipment, hot and cold applications and heating,  
17 venting and air conditioning applications.

18 "Peak demand." The highest electrical requirement occurring  
19 during a specified period. For an electric distribution company,  
20 the term shall mean the sum of the metered consumption for all  
21 retail customers over that period.

22 "Quality assurance." All of the following:

23 (1) The auditing of buildings, equipment and processes  
24 to determine the cost-effectiveness of energy efficiency and  
25 conservation measures using nationally recognized tools and  
26 certification programs.

27 (2) Independent inspection of completed energy  
28 efficiency and conservation measures completed by third-party  
29 entities to evaluate the quality of the completed measure.

30 "Real-time price." A rate that directly reflects the

1 different cost of energy during each hour.

2 "Time-of-use rate." A rate that reflects the costs of  
3 serving customers during different time periods, including off-  
4 peak and on-peak periods, but not as frequently as each hour.

5 "Total resource cost test." A standard test that is met if,  
6 over the effective life of each plan not to exceed 15 years, the  
7 net present value of the avoided monetary cost of supplying  
8 electricity is greater than the net present value of the  
9 monetary cost of energy efficiency conservation measures.

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