



**Keystone
Energy Efficiency
Alliance (KEEA)**

*Ask First About
Saving Energy*

**Testimony to the Senate Environmental Resources and Energy Committee
Hearing on Energy Independence Strategy Legislation**

January 31, 2008

Submitted by Maureen Mulligan

The Keystone Energy Efficiency Alliance (KEEA) is pleased to submit comments to the House Consumer Affairs Committee on pending energy legislation, particularly Representative George's bill HB#2200. KEEA was organized in response to the impending rise in electric costs as rate caps on electricity expire in the next two years. KEEA is a coalition comprised of over 50 energy service companies, non-profit organizations and others with a focus on helping Pennsylvanians deal with rising energy cost. (List of members attached) Many of the companies involved have a business interest in energy efficiency in buildings, both residential and commercial. The KEEA partners represent more than 400 technicians, educators and advocates who work each day to help people make informed choices about energy use in their homes and businesses. Energy use in buildings accounts for at least 30% of the total energy use in Pennsylvania. Attached is a list of members. I have summarized a few key points we support:

- Reduction goals based on 2007 consumption levels instead of June 1, 2012 through May 31, 2013 load forecast targets. We can't continue at the pace of consumption we are currently at, let alone several years out. It only makes the job harder and consumers need to see those benefits sooner.
- Interim goals to ensure we get to those stated in HB#2200 by 2013 are necessary, particularly since the impact of the rate caps expiration dates will hit before the goals in the Act are met. Interim goals will serve as a progress report to the legislature and other state agencies.
- There should be funding for a statewide energy efficiency education program housed under the Program Administrator who reported to the Public Utility Commission,
- Training will be needed to develop a qualified workforce in building sciences that uses nationally accepted standards to ensure quality and persistent energy savings. Local, well paying jobs will be created for businesses engaged in insulation, HVAC, roofing and window retrofit, new construction & remodeling, in addition to equipment manufacture and supply, to name just a few. Job training will be needed to achieve a skilled work force, which in turn will result in measurable savings that take into account health & safety, comfort and durability as well as properly prioritized and implemented energy saving improvements. Further, any resource cost test should reflect these priorities as is used in other states.
- We support creation of an independent Program Administration that would report to the PUC but would be truly independent and have the following responsibilities: Design programs, select program implementers from a national pool of candidates who respond to an RFP, coordinate with other state agencies on training of the market force, be responsible for quality control of all efforts, both statewide and within each EDC service territory and coordinate customer education. The reason this is

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important is because the Program Administrator needs to be independently evaluated and responsible for outcomes.

- Support rebates and other incentives for solar water and space heating and photovoltaic systems for homes and businesses.

Energy efficiency" and "demand response" measures include more than just products and equipment.

The deepest and most persistent savings come from comprehensive improvements to homes and businesses that assess and address all cost effective opportunities. Programs such as EPA's Home Performance with Energy Star® and Energy Star Homes® take a whole house approach that works well with other strategies including appliance rebates and sales promotions. Average savings through Home Performance with Energy Star exceed 20% in states with mature programs. Clear performance standards, certification of auditors and the "whole house" approach will insure homeowners harvest the deepest savings in the most cost effective manner. Program standards, training, infrastructure development, incentives, service offers and awareness campaigns should not stop at utility borders. contractors, builders, manufacturers and service providers are not restricted by utility service territory. A commonwealth-wide coordinated approach using national standards will provide the best results by using economies of scale to deliver consistent reductions across the state. Neighboring homes or businesses should benefit from equal access to best practice programs.

The Keystone Energy Efficiency Alliance strongly supports a legislative requirement for a standardized suite of programs under the oversight of a single, independent, statewide administrator. Evaluation of the overall program including the program administrator will be the best way to guarantee state resources are spent effectively.

We further support a specific requirement for Administrator approved programs be based on proven performance-based approaches, such as the EPA ENERGY STAR suite of programs for the residential market. It is time for Pennsylvania to learn from the experience of surrounding states (such as New York, New Jersey and now Delaware) with legislation that embodies goals that the state can begin working toward this year based on electricity consumption as measure it today, leverages federally supported initiatives, and better serves customers with consistent, comprehensive programs regardless of where in the Commonwealth they live or work.

It is time for Pennsylvania to learn from the experience of surrounding states (such as New York, New Jersey and now Delaware) with legislation that embodies aggressive goals, leverages federally supported initiatives, and better serves customers with consistent, comprehensive programs regardless of where in the Commonwealth they live or work.

Thank you.

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Based on the utility conservation spending in the states with successful market transformation programs, we would expect the funding levels for energy conservation and efficiency, demand response and education programs to grow to approach two percent of utility revenues by the third year of the programs and thereafter. This is the level of support provided in other states with successful market transformation programs.

KEEA would be happy to provide more specific details on how these funds should be allocated, but priority in the first year should be given to those elements with the most immediate impact, such as energy education for consumers and businesses, expanding the Keystone HELP program, the ENERGY STAR initiatives, and training of building science technicians and professionals.

Appendix A

The following organizations endorse the KEEA position

ACI (Affordable Comfort Inc.), Waynesburg, PA, Helen Perrine
AFC First Financial, Keystone Home Energy Loan Program, Allentown, PA, Peter Krajcsa
Barry K. Hinkle & Associates, Lansdowne, PA, Barry Hinkle
BP Consulting, Balston Spa, NY, William Parlapiano, III
CEC (Commission on Economic Opportunity), Wilkes Barre, PA, Gene Brady
CEC/PA Solar.org, Wilkes Barre, PA, Darrell Brubaker
CEC/The Weatherization Providers Task Force, Wilkes Barre, PA, Gene Brady
Celentano Energy Services, Wyndmoor, PA, Ron Celentano
Comfort Home Corporation, Lancaster, PA, H. Edward Carr
Communications Consulting, Shermans Dale, PA, Maureen Mulligan
Conservation Consultants Inc., Pittsburgh, PA, Ann Gerace
Conservation Services Group, Boston, MA, Steven Cowell
E2 Consulting, Pittsburgh, PA, Matt Smuts
EAM Associates, White Haven, PA, Frank Migneco
EIC (Energy Information Center, Inc.), Randolph, NJ, Kyle C. Haddock
Empire Keystone Assoc. Refriger. Service Engineers, Ballston Spa, NY, Bruce Robertson
Energy Coordinating Agency, Philadelphia, PA, Liz Robinson
Energy Professionals Insulation, Lock Haven, PA, Jay Crust
Envinity, Inc., State College, PA, Liam Goble
EOS - Energy Solutions, Philadelphia, PA, Andrew Kleeman
EPS Capital Corp., Inc., Villanova, PA, Bruce Colburn
Field's Service, Inc., Easton, PA, Ken Field
G. S. Fultz and Associates, Richfield, PA, Gloria Fultz
Green Building Association of Central Pennsylvania, Harrisburg, PA, David Sheridan
Heatshed, Inc., Charlie Reichner, Revere, PA
HomeNet Solutions, Springhouse, PA, Lawrence Klaus
Honeywell Utility Solutions, Marlton, NJ, John Augustino
J. W. Crouse, Inc. Plumbing & Heating, West Chester, PA, Jesse Crouse
MaGrann Associates, Moorestown, NJ, Ben Adams
MAXLITE, Fairfield, NJ, David Shiller

Monitor Data Corporation, Glenside, PA, Thomas McHugh
Newton Consulting, Havertown, PA, Tom Newton
Nu-Tech Energy Solutions, Lackwaxen, PA, Peter Vargo
Performance Systems Development, Inc., Ithaca, NY, Ethan McCormick
Practical Energy Solutions, West Chester, PA, Paul Spiegel
Residential Energy Solutions, Elverson, PA, Craig Arbaugh
Schlosser Construction, Saegertown, PA, Mark Schlosser
Solair Energy, Inc., Ralston, PA, Pamela Denlinger
Solar Power Industries, Belle Vernon, PA, Richard Rosey
SunPower Builders, Collegeville, PA, Jon Costanza
Sustainable Community Development Company, Harrisburg, PA, David Sheridan
Sustainable Development Fund, Philadelphia, PA, Roger Clark
Testo, Inc., Gibsonia, PA, Bill Spohn
The Energy Doctor, Irwin, PA, Rhett Major
Therma-View Infrared & Energy Consultants, Williamsport, PA, Larry Armanda
US Green Home, Philadelphia, PA, Hap Haven
Warren Energy Engineering, LLC, West Chester, PA, Kevin Warren, P.E.
West Penn Power Sustainable Energy Fund, University Park, PA, Joel Morrison
Zerodraft Central Pennsylvania, Mechanicsburg, PA, Brian and Laurie Johnson

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Mid-Atlantic Solar Energy Association and the Solar Alliance appreciate the opportunity to submit very brief comments on House Bill #2101 which amends Title 66 (Public Utilities). MSEIA is a not for profit trade association of companies and businesses working in Pennsylvania, New Jersey and Delaware who are involved in the development, manufacturing, design, construction and installation of solar photovoltaic (PV) and solar thermal systems. MSEIA is a local chapter of the national Solar Energy Industries Association (SEIA) which has nearly 500 members, including solar equipment manufacturers, installation companies, financing companies and electric utilities.

The Solar Alliance is a state focused alliance of manufacturers, integrators and financiers that are dedicated to accelerating the promise of solar energy in the United States. They specifically target efforts to help legislators, regulators and utilities make the transition to solar power by providing the technical and policy expertise that is in the best interest of residential, commercial and government customers. Current Solar Alliance Board Members include BP Solar, Conergy, Energy Innovations, Evergreen Solar, Schott Solar, Sharp Electronics Corp., Solar Energy Solutions Group, Solar World, SunEdison, SunPower, Suntech and Uni-Solar. Associate members are American Solar Electric, DT Solar-Turner Renewable Energy, REC Solar, Mitsubishi Electric and Xantrex.

Our comment relates to House Bill #2201 and long term contracts. We thank the author and other sponsors, for including language that supports long term contracts. Long term contracts and rebates are the "life blood" of the current market for solar development in the United States. The bill supports long term contracts through a competitive procurement process. The solar industry relies heavily on the ability to enter into long term contracts of fifteen years or more to provide for a competitively priced solar product. Long term contracts provide financial stability and insure solar resources will be built at the lowest possible cost. Since solar resources will be developed without fuel volatility risks, fixed term contracts for solar provide market stability. The solar industry can attract lower priced financing from lending institutions when we can produce a long term funding stream for the renewable energy credits. At this time, lenders often refuse to accept any projections from spot market revenue and deeply discount short term contracts for renewable energy credits. This, in turn, raises the cost of implementing the solar requirement of the AEPS. Providing for long term contracts of fifteen years or more will build confidence with the financial institutions which will decrease the costs of funding projects dramatically. Thank you for your support of long term contracts that will help build another energy industry in Pennsylvania.

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