



Pennsylvania Demand Side Response Activities

February 6, 2007



Background

- PaPUC held a roundtable discussion in November 2000, during which participants:
 - Overwhelmingly supported DSR as a way to enhance reliability and economic efficiency of wholesale market
 - Emphasized link between healthy wholesale and retail markets
- Led to formation of DSR Working Group
 - Inaugural meeting in January 2001

Initial Focus of DSR Working Group

- Programs for Summer 2001 targeting medium to large C&I customers
- Pilots for residential and small business customers
- Long-term goal of expanding programs for residential and small business customers

Early Successes of DSR Working Group

- Summer 2001 programs
 - Voluntary Load Reduction
 - Real-Time Pricing
 - Smart Thermostats
- Consumer Education
 - Explanation of DSR
 - Tips for reducing consumption

DSR Hearing

- PaPUC presided over en banc hearing in December 2002 to consider next steps
- Testimony supported continuation of working group and expansion of programs

Expansion of Programs

- 2002 and 2003 saw an expansion of those early programs and addition of new ones
- More residential and small business customers given the opportunity for
 - Smart thermostats
 - Direct load control programs
 - Time of use rates

Working Group's Efforts through 2004

- Gathered information that could lead to development of PUC Policy Statement
 - Reasonable targets for amount of load or number and type of customers who should have access
 - Which programs are particularly beneficial
 - Funding sources or financial incentives
 - Role of consumer education

Subgroup Reports

- Working Group produced four subgroup reports:
 - Technology Deployment
 - Cost Recovery
 - Benefits
 - Consumer Surveys

Proposed Policy Statement

- PaPUC staff drafted a proposed policy statement, using information from the subgroup reports
- PUC action was delayed to consider effect of intervening state and federal legislation
 - Alternative Energy Portfolio Standards Act
 - Energy Policy Act of 2005

Working Group Reconvened

- In September 2006, the PaPUC initiated an investigation into reasonable, cost-effective programs that can be implemented to help retail electric customers conserve energy or use it more efficiently
- Reconvened the DSR Working Group to facilitate that investigation

Charge of the DSRWG

- PUC asked for recommendations on:
 - Energy efficiency and conservation measures
 - Specific DSR programs
 - Advanced metering infrastructure – standards, timeline
 - Consumer education
 - Ratemaking mechanisms – i.e. revenue decoupling

Newly Reconvened DSR Working Group

- Inaugural meeting held on November 16
 - Information-gathering
 - Consensus resolutions if possible
 - Staff recommendations if no consensus
- Timeline
 - PUC asked for report of Working Group and Staff recommendations to allow action by mid-May

Mission of Working Group

- Three primary themes:
 - Provide information that considers the mandate in EPCRA of 2005 for EDCs to offer time-based rates and metering to all customers
 - Give PUC policy recommendations to improve the current offerings
 - Identify barriers that may be precluding alternative providers from offering or consumers from participating in programs

Information-Gathering Efforts

- On December 7, staff outlined the plan for moving forward:
 - Data Requests
 - Subgroups
 - White papers/Straw man proposals
 - Panel Presentations
 - Drafting of Report

Data Requests

- Staff sent data requests to EDCs to update:
 - Program activity chart
 - Current status of metering availability and capability
 - What is needed, including cost estimates and projected timelines, for full metering deployment
 - Existing evaluations of current/present programs



Subgroups



- Consumer Education
- Programs: Conservation/Energy Efficiency, Demand Side Response
- Advanced Metering Infrastructure
- Cost Recovery

White Papers/Straw Man Proposals

- Written factual descriptions of existing programs in Pennsylvania or elsewhere that should be considered for expansion or implementation
- Straw man proposals on specific topics, such as the value of time of use rates or the timeline for full metering deployment

Panel Presentations

- January 19 and February 9
- Experts who have:
 - Implemented advanced metering, energy efficiency and demand side response programs
 - Regulated the deployment of such technology or programs
 - Focus on NY, NJ, CA experiences

Next Steps

- February 20 – Proposed Outline of Report
- February 23 – Working Group Meeting
- March 9 – Comments to Proposed Outline
- March 23 – Draft Report
- April 6 – Comments to Draft Report

Information on Website

- For more information, access to panel presentations, audio of January 19 meeting, etc., please go to:

[http://www.puc.state.pa.us/electric/electric_d
mndsideresp.aspx](http://www.puc.state.pa.us/electric/electric_d
mndsideresp.aspx)

- Questions or comments, please send to:
ra-dsrwg@state.pa.us

Governor's Energy Independence Strategy

- Governor Rendell proposed several DSR-related initiatives on February 1:
 - Smart meters for all customers
 - Rebates for customers who trade-in old appliances for energy efficient models
 - Subsidies for solar panel installations in homes and businesses