



May 8, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dear Secretary Chiavetta:

As a group of manufacturers, trade associations, large energy consumers, and service providers with a significant Pennsylvania presence and investment interests, we urge you to support the successful Energy Efficiency and Conservation (EE&C) programs established under Act 129 and oppose any attempts to weaken or suspend these programs.

Our companies have a long and successful history of doing business in Pennsylvania. We have a dedicated and loyal workforce composed of several thousand employees in the state that we hope to grow in the future. As large employers, major energy consumers, and providers of energy products and services, we understand firsthand how Pennsylvania’s energy policies affect the cost of doing business and the state’s economic competitiveness. All Pennsylvania consumers and businesses benefit when we eliminate energy waste.

Act 129 EE&C programs are good for Pennsylvania’s businesses and economy.

Act 129 has been a tremendous success for Pennsylvania. According to the Public Utilities Commission, every dollar invested in energy-saving programs returns \$1.31 in benefits.¹ Benefits will exceed \$453 million for last year’s programs.² All consumers experience these benefits - whether or not they participate in energy-saving efforts. In addition to these benefits,

¹ “Act 129 Statewide Evaluator Annual Report: Program Year 9: June 1, 2014 – May 31, 2015,” Presented to the Pennsylvania Public Utilities Commission, February 28, 2019, http://www.puc.pa.gov/Electric/pdf/Act129/Act129-SWE_AR_Y9_022819.pdf.
² Ibid.

EE&C programs support local jobs that cannot be outsourced. Meanwhile, the EE&C programs are costing less than anticipated.³

Energy efficiency is Pennsylvania’s least expensive energy option.

Investing in energy efficiency keeps Pennsylvania’s energy costs affordable, reliable, and stable. According to the Public Utilities Commission, the EE&C programs are Pennsylvania’s least expensive option.⁴ Other sources of energy cost more and do not provide the same level of savings.⁵ Thus any reduction in EE&C program investment means that Pennsylvania would forgo its least expensive energy option for more expensive alternatives. As a result, *all* Pennsylvania customers would pay more.

While we recognize and applaud Pennsylvania’s energy efficiency leadership, we are concerned that others in the state may seek to weaken or suspend Act 129 and the EE&C programs.

This concerns us because it would raise energy costs for everyone. Additionally, it would introduce uncertainties that make it harder for us to consider Pennsylvania in our long-term investment decisions. For these reasons, we urge you to send a strong signal that proposals to eliminate, suspend or modify Act 129 and the EE&C programs are not in Pennsylvania’s best interest. Instead, we urge you to build upon the successes of Act 129 and these programs.

In closing, our companies stand ready to work with you to support a sound energy policy for Pennsylvania. We would welcome the opportunity to meet with you and your staff and to provide additional information about the benefits that Act 129 has delivered for Pennsylvania.

Sincerely,

AB Energy
Air-Conditioning, Heating, and Refrigeration
Institute (AHRI)
Capstone Turbine Corporation
Cree Lighting
E-Finity Distributed Generation, LLC
EATON
Energy Management Solutions, Inc.
Geisinger
Goshen Mechanical
Integrated CHP Systems Corp.
Legrand

Lutron Electronics
National Association of Energy Service
Companies (NAESCO)
Sheet Metal and Air Conditioning Contractors'
National Association (SMACNA)
Sheet Metal and Air Conditioning Contractors'
National Association of Western
Pennsylvania
Sheet Metal Contractors Association of
Philadelphia & Vicinity
Solar Turbines

³ Ibid.

⁴ Ibid. p. 21, reports that the acquisition cost per first year kWh saved is \$0.197 per kWh. Assuming a measure life of approximately 10 years, this equates to 1.97 cents/kWh.

⁵ “Pennsylvania Act 129 Phase IV Energy Efficiency and Peak Demand Reduction Market Potential Study Report ,” Prepared for the Pennsylvania Public Utilities Commission, February 2020, <http://www.puc.pa.gov/pcdocs/1656474.pdf>. The Phase IV SWE Potential Study reports that avoided energy costs over the next 10 years in Pennsylvania would result in total incremental annual savings of 4,513 GWh and 878 MW of peak demand savings. This does not include avoided capacity or transmission costs.