

November 3, 2008

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265

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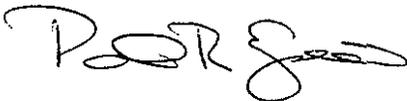
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Energy Efficiency and Conservation Program and EDC Plans
Docket No. M-2008-2069887

Dear Secretary McNulty:

Enclosed please find 6 paper copies and one electronic copy of comments from Augusta Systems, Inc. in response to the Pennsylvania Public Utility Commission's Secretarial Letter dated October 21, 2008 soliciting comments on the Energy Efficiency and Conservation Program and EDC Plans. Copies are included for FUS, CEEP, and Law Bureau.

Sincerely,



Pat Esposito, Ph.D., P.E.
Chief Executive Officer

Enclosures

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Energy Efficiency and Conservation Program and EDC Plans
Docket No. M-2008-2069887**

Comments of Augusta Systems, Inc.

Augusta Systems, Inc. provides technologies that power the intelligent convergence of devices, systems and networks. By supporting integration of data and control functions from diverse sources, regardless of manufacturer or communications protocol, Augusta Systems creates open, interoperable solutions in such areas as safety and security, energy and utilities, asset tracking and other business functions.

The use of devices and systems for monitoring and control is fast emerging as a key to effective and efficient operations. As industrial challenges become more complex and businesses require advanced capabilities, such as remote monitoring and distributed processing for more effective data collection and convergence, they are turning toward integrated information technology solutions that feature openness, scalability and interoperability of the various data collection devices and equipment. This is a growing area of opportunity for electric distribution companies (EDC), in particular. Through the intelligent convergence of devices, systems and networks for monitoring and control, EDCs can better utilize data from the host of devices that exist throughout the distribution system, from meters to line monitors to reclosers and beyond, creating more efficient and reliable distribution systems. These measures, and the various technologies that enable them, create opportunities that could impact the manner in which Pennsylvania's energy efficiency and conservation (EE&C) program is implemented.

While the ultimate goal of the EE&C program is reduction in consumption and demand, as defined under Section 2806.1(c) and (d), the measures available to meet those goals are limited per the definitions under Section 2806.1(m)(1). This section defines EE&C measures as

“technologies, management practices or other measures employed by retail customers that reduce electricity consumption or demand...” One of several requirements – in this case the requirement listed under Section 2806.1(m)(1)(l) – is installation “at the location of a retail customer.” Further, Section 2806.1(m)(2) notes:

Energy efficiency and conservation measures shall include solar or solar photovoltaic panels, energy efficient windows and doors, energy efficient lighting, including exit sign retrofit, high bay fluorescent retrofit and pedestrian and traffic signal conversion, geothermal heating, insulation, air sealing, reflective roof coatings, energy efficient heating and cooling equipment or systems and energy efficient appliances and other technologies, practices or measures approved by the commission.”

No doubt, these EE&C measures, as defined above, are important to meeting consumption and reduction goals. However, they are not the only measures that should be made available to EDCs. By deploying technologies that integrate and converge data from new and legacy distribution system monitoring and control devices (enabling openness, scalability, interoperability and protocol conversion and, thus, ensuring cost-effective solutions for the customer), EDCs can reduce consumption and demand in a manner that compliments the types of EE&C measures defined in Section 2806.1(m). Ideally, customer-side EE&C measures, per the definition above, should be deployed in conjunction with other technologies, some of which would be customer-side installations, others distribution system installations, that seek to reduce consumption and demand.

For instance, the deployment of technologies that power the intelligent convergence of data from remote line monitoring devices (deployed among the distribution system infrastructure) and smart meters (deployed at the customer location) can provide insights into real-time power usage, system efficiency and electricity loss occurrences. Improved efficiency and loss reduction, through the use of these technologies, can reduce the overall amount of energy injected into the system, creating overall reductions in consumption and demand. Similarly, the use of demand management technologies over such a converged, intelligent network can have significant impacts upon customer consumption and demand.

Under Section 2806.1(a)(6), the EE&C program is required to include, “procedures to make recommendations as to additional measures that will enable an electric distribution company to improve its plan and exceed the required reductions in consumption under subsections (c) and (d).” It is important that intelligent networking technologies, coupled with monitoring and control devices, be included in the “additional measures” cited in Section 2806.1(a)(6). These various measures, whether labeled smart grid, intelligent grid, modern grid, intelligent networking, Advanced Utility Infrastructure or the like, are crucial components to meeting consumption and demand reduction requirements. Ideally, a mix of different measures, customized to the unique needs of individual EDCs and including the types of EE&C measures defined under Section 2806.1(m), as well as the “additional measures” outlined above, would be utilized to meet consumption and demand reduction targets.

Therefore, as the commission moves forward with implementation of an EE&C program, it would be wise to consider the use of measures and technologies beyond those defined as EE&C measures under Section 2806.1(m), which, nonetheless, provide important consumption and demand reduction opportunities. If the end goal is a reduction in consumption and demand, flexibility in the means of achieving that goal, through the use of various measures and technologies, can prove useful to both the commission and EDCs.