



ClearChoice Energy  
A World Of Possibilities.

October 30, 2008

Mr. James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RE: Docket No. M- 2008-2069887

Dear Secretary McNulty:

Enclosed are our comments regarding the development of energy efficiency and conservation plans as part of the implementation of Act 129 of 2008.

Sincerely,

Carolyn Pengidore  
President/CEO  
ClearChoice Energy

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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**BEFORE THE**  
**PUBLIC UTILITY COMMISSION**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Implementation of Act 129 of 2008 : Docket No. M-2008-2069887  
Energy Efficiency and Conservation :  
Program

**Comments of ClearChoice Energy regarding the development of Energy Efficiency and Conservation (EE&C) Programs required under section 2806.1 (a)(1)-(11)**

ClearChoice Energy appreciates the opportunity to file comments regarding the Implementation of Act 129 of 2008 on the development of Energy Efficiency and Conservation Programs by Electric Distribution Companies.

ClearChoice Energy is a certified woman-owned business headquartered in Pennsylvania, providing energy management services including conservation services under PJM's demand response programs. We are registered as a Curtailment Service Provider as a member of the PJM Interconnection and serve on the PJM Demand Response Steering Committee. We are currently working with retail electric customers including school districts and municipalities to enroll them in PJM demand response programs for the upcoming PJM planning year that begins June 1, 2009. We also work with partner companies that provide energy efficiency services, including newer technologies, to commercial, industrial and institutional customers.

Our comments cover five topics relating to the development of EE&C plans by the Electric Distribution Companies (EDCs):

1. Opportunities for small, privately-owned conservation service providers;
2. Infrastructure requirements to enable demand response programs;

3. Coordination with the PJM's measurement and verification requirements for energy efficiency;
4. Funding for school districts and governmental units; and
5. Requirements for inclusion of new technologies into the EE&C programs.

**Opportunities for Small Business.** Section 2806.1(A)(7) of the Act requires procedures by EDC's to competitively bid all contracts with conservation service providers, while section 2806.1(B)(10) provides for the participation of conservation service providers in all or a part of the plan. Section 2806.1(M) of the Act defines "Conservation Service Provider" to exclude EDC's and their affiliates. As a privately-owned and financed business, we want to ensure the EE&C plans that are developed provide opportunities for small, women and minority-owned businesses to participate as Conservation Service Providers and that the EDC contracting process does not result in market barriers to small businesses. In other jurisdictions that have implemented similar programs, EDC's have aggregated customer requirements and contracted with large, publicly-owned energy service providers under multiple year contracts. This could create a market barrier for firms such as ours. In some EDC service territories within Pennsylvania we currently compete with the marketing of the PJM demand response programs by the EDCs themselves. We believe the Commission should limit EDC recovery of costs to the provision of those conservation services that cannot be cost effectively provided by independent third parties. Secondly, we encourage the Commission to require a set aside for small, women and minority owned businesses in the EDC contracting procedures. Third, in order to encourage competition, we

recommend “open market” type programs similar to those run by PJM Interconnection where any party that meets the qualifications can participate. With respect to qualifying for providing conservation services such as the PJM demand response programs, we believe firms meeting the PJM (or other RTO/ISO) membership and training qualifications should automatically qualify for providing those same conservation services under rules established for Pennsylvania programs. In order to qualify for providing other conservation services, we recommend EE&C plans provide for training programs to help small businesses meet the qualifications established by the program. We believe following these guidelines will encourage innovation, competition and cost effective service, as well as contribute to the growth of jobs from Pennsylvania based companies.

**Infrastructure Requirements for Demand Response.** Participation in the PJM demand response program which pays customers to reduce demand in peak hours requires measurement and verification from interval meter data. Many smaller commercial and industrial customers do not currently have interval meters and this is currently a barrier to customer participation in demand response programs due to both the cost and time to order and install interval meters. We recommend the EE&C programs fund the installation of interval meters for customers who sign up to participate in a demand response program. Collection of meter data is another barrier to customer participation. Our experience with Pennsylvania EDCs is that the procedures and amount of time to obtain historical usage data varies with each EDC. The time to obtain data has ranged from one day to one month. In some cases, the EDCs will charge for the data, and

one EDC has required their own unique form of customer authorization. We request that the Commission require EDCs to develop uniform procedures for requesting and obtaining historical meter data, including interval data. This data should be provided in a timely manner at no additional cost to the customer or the customer's authorized representative. Our experience in other jurisdictions, namely Illinois and Texas, has shown that this information can be made easily available over the internet and can be provided in less than one day.

**Coordination with PJM's measurement and verification requirements for energy efficiency.** PJM is under a FERC mandate to enable energy efficiency projects to qualify as a capacity resource under PJM's reliability pricing model beginning in 2009. Measurement and verification (M&V) procedures for the PJM program are under development and will likely be similar to those used in the New England ISO's programs. In order to minimize costs associated with measurement and verification, it would be helpful to collect M&V information once and use it across all state and regional programs. We encourage the Commission to consider the PJM M&V protocols in the development of the EE&C plans.

**Funding for School Districts and Municipalities.** As a weakening economy undermines consumers and businesses, school districts and government entities are facing a decline in personal and corporate income taxes, property taxes and sales taxes. Moreover, the financial crisis in the credit markets have made it more difficult and expensive for these entities to issue bonds necessary to fund capital improvements. The

implementation of Act 129 provides an opportunity for the Commission to provide low cost funding for school districts and government entities to implement energy efficiency and conservation measures. We encourage the Commission to provide flexible financing mechanisms to school districts and municipalities to cover the cost of energy conservation services. Such mechanisms could include grants or low cost loans available to school districts, government units or the conservation service provider, to pay for energy efficiency and conservation measures.

**Inclusion of New Technologies.** The Act provides that not more than 2% of the funding available to implement a plan can be allocated to experimental equipment or devices. We'd like the Commission to define what constitutes "experimental" under the Act.

We thank the Commission for their time and attention to these issues and respectfully request the Commission consider and adopt as appropriate the above comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carolyn Pengidore". The signature is fluid and cursive, with a large initial "C" and "P".

Carolyn Pengidore  
President/CEO  
ClearChoice Energy

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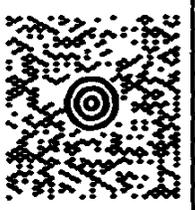
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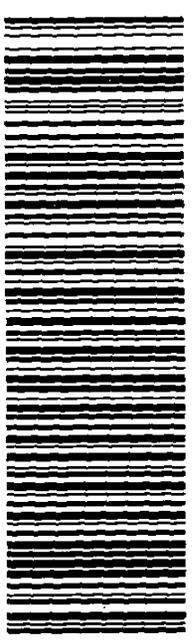
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