

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 491 Session of 2023

INTRODUCED BY YOUNG, McNEILL, MEHAFFIE, KINSEY, HOHENSTEIN, BURGOS, SIEGEL, MADDEN, KENYATTA, SANCHEZ, PARKER, DELLOSO, BRENNAN, SOLOMON, KHAN, T. DAVIS, GUENST, MARSHALL, GREEN, PIELLI, MALAGARI, KIM, FLEMING AND McANDREW, MARCH 16, 2023

AS REPORTED FROM COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND UTILITIES, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 26, 2024

AN ACT

1 ~~Amending Title 66 (Public Utilities) of the Pennsylvania~~ <--
2 ~~Consolidated Statutes, in restructuring of electric utility~~
3 ~~industry, further providing for energy efficiency and~~
4 ~~conservation program.~~

5 PROVIDING FOR ENERGY EFFICIENCY AND CONSERVATION PLANS WITH <--
6 INCLUSION OF MECHANICAL INSULATION.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 ~~Section 1. Section 2806.1(e) (2) and (m) of Title 66 of the~~ <--
10 ~~Pennsylvania Consolidated Statutes are amended to read:~~

11 ~~§ 2806.1. Energy efficiency and conservation program.~~

12 * * *

13 ~~(e) Commission approval.~~

14 * * *

15 ~~(2) The commission shall approve or disapprove a plan~~
16 ~~filed under subsection (b) within 120 days of submission. The~~
17 ~~following shall apply to an order disapproving a plan:~~

18 ~~(i) The commission shall describe in detail the~~

1 ~~reasons for the disapproval.~~

2 ~~(ii) The electric distribution company shall have 60~~
3 ~~days to file a revised plan to address the deficiencies~~
4 ~~identified by the commission. The revised plan shall be~~
5 ~~approved or disapproved by the commission within 60 days.~~

6 ~~(iii) The commission may not disapprove a plan due~~
7 ~~to the inclusion of mechanical insulation which is not~~
8 ~~demonstrated to be cost effective using a total resource~~
9 ~~cost test approved by the commission.~~

10 * * *

11 ~~(m) Definitions. As used in this section, the following~~
12 ~~words and phrases shall have the meanings given to them in this~~
13 ~~subsection:~~

14 ~~"Conservation service provider." An entity that provides~~
15 ~~information and technical assistance on measures to enable a~~
16 ~~person to increase energy efficiency or reduce energy~~
17 ~~consumption and that has no direct or indirect ownership,~~
18 ~~partnership or other affiliated interest with an electric~~
19 ~~distribution company.~~

20 ~~"Electric distribution company total annual revenue."—~~
21 ~~Amounts paid to the electric distribution company for~~
22 ~~generation, transmission, distribution and surcharges by retail~~
23 ~~customers.~~

24 ~~"Energy efficiency and conservation measures."~~

25 ~~(1) Technologies, management practices or other measures~~
26 ~~employed by retail customers that reduce electricity~~
27 ~~consumption or demand if all of the following apply:~~

28 ~~(i) The technology, practice or other measure is~~
29 ~~installed on or after the effective date of this section~~
30 ~~at the location of a retail customer.~~

1 ~~(ii) The technology, practice or other measure~~
2 ~~reduces consumption of energy or peak load by the retail~~
3 ~~customer.~~

4 ~~(iii) The cost of the acquisition or installation of~~
5 ~~the measure is directly incurred in whole or in part by~~
6 ~~the electric distribution company.~~

7 ~~(2) Energy efficiency and conservation measures shall~~
8 ~~include solar or solar photovoltaic panels, energy efficient~~
9 ~~windows and doors, energy efficient lighting, including exit~~
10 ~~sign retrofit, high bay fluorescent retrofit and pedestrian~~
11 ~~and traffic signal conversion, geothermal heating,~~
12 ~~insulation, air sealing, reflective roof coatings, energy~~
13 ~~efficient heating and cooling equipment or systems and energy~~
14 ~~efficient appliances and other technologies, practices or~~
15 ~~measures approved by the commission.~~

16 ~~"Mechanical insulation." Insulation materials, facings and~~
17 ~~accessory products used for thermal requirements for mechanical~~
18 ~~pipng and equipment, hot and cold applications and heating,~~
19 ~~venting and air conditioning applications.~~

20 ~~"Peak demand." The highest electrical requirement occurring~~
21 ~~during a specified period. For an electric distribution company,~~
22 ~~the term shall mean the sum of the metered consumption for all~~
23 ~~retail customers over that period.~~

24 ~~"Quality assurance." All of the following:~~

25 ~~(1) The auditing of buildings, equipment and processes~~
26 ~~to determine the cost effectiveness of energy efficiency and~~
27 ~~conservation measures using nationally recognized tools and~~
28 ~~certification programs.~~

29 ~~(2) Independent inspection of completed energy~~
30 ~~efficiency and conservation measures completed by third party~~

1 ~~entities to evaluate the quality of the completed measure.~~

2 ~~"Real time price." A rate that directly reflects the~~
3 ~~different cost of energy during each hour.~~

4 ~~"Time of use rate." A rate that reflects the costs of~~
5 ~~servicing customers during different time periods, including off-~~
6 ~~peak and on peak periods, but not as frequently as each hour.~~

7 ~~"Total resource cost test." A standard test that is met if,~~
8 ~~over the effective life of each plan not to exceed 15 years, the~~
9 ~~net present value of the avoided monetary cost of supplying~~
10 ~~electricity is greater than the net present value of the~~
11 ~~monetary cost of energy efficiency conservation measures.~~

12 ~~Section 2. This act shall take effect in 60 days.~~

13 SECTION 1. SHORT TITLE.

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14 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE MECHANICAL
15 INSULATION ACT.

16 SECTION 2. DEFINITIONS.

17 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
18 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
19 CONTEXT CLEARLY INDICATES OTHERWISE:

20 "COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

21 "ELECTRIC DISTRIBUTION COMPANY." AS DEFINED IN 66 PA.C.S. §
22 2803 (RELATING TO DEFINITIONS).

23 "MECHANICAL INSULATION." INSULATION MATERIALS, FACINGS AND
24 ACCESSORY PRODUCTS USED FOR THERMAL REQUIREMENTS FOR MECHANICAL
25 PIPING AND EQUIPMENT, HOT AND COLD APPLICATIONS AND HEATING,
26 VENTING AND AIR CONDITIONING APPLICATIONS.

27 "TOTAL RESOURCE COST TEST." AS DEFINED IN 66 PA.C.S. §
28 2806.1 (M) (RELATING TO ENERGY EFFICIENCY AND CONSERVATION
29 PROGRAM).

30 SECTION 3. ENERGY EFFICIENCY AND CONSERVATION PLANS WITH

1 INCLUSION OF MECHANICAL INSULATION.

2 THE COMMISSION MAY NOT DISAPPROVE AN ENERGY EFFICIENCY AND
3 CONSERVATION PLAN FILED BY AN ELECTRIC DISTRIBUTION COMPANY
4 UNDER 66 PA.C.S. § 2806.1(B) (RELATING TO ENERGY EFFICIENCY AND
5 CONSERVATION PROGRAM) SOLELY DUE TO THE INCLUSION OF MECHANICAL
6 INSULATION WHICH IS NOT DEMONSTRATED TO BE COST EFFECTIVE USING
7 A TOTAL RESOURCE COST TEST APPROVED BY THE COMMISSION.

8 SECTION 4. EFFECTIVE DATE.

9 THIS ACT SHALL TAKE EFFECT IN 60 DAYS.