

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Act 129 Energy Efficiency and)
Conservation Program Phase Two)

Docket No. M-2012-2289411

COMMENTS OF CITIZEN POWER, INC.

Citizen Power provides these comments to the Pennsylvania Public Utility Commission (“PA PUC”) in response to the Tentative Implementation Order dated May 10, 2012 in Docket No. M-2012-2289411.

Comments

Citizen Power would like to thank the PA PUC for this opportunity to comment on phase two of the Energy Efficiency and Conservation Program. We strongly support the Commission’s determination to continue the EE&C program into a second phase. Energy efficiency and conservation programs have historically been significantly more cost effective and environmentally beneficial than the construction of new generation.

We would like to briefly address the issue of bidding energy efficiency and demand response into the PJM Capacity Market. Not only does energy efficiency and demand response that is bid into the PJM Capacity Market produce revenue for resources which clear the market, but it also potentially lowers the auction’s marginal clearing bid, which provides benefits for all consumers. We agree with the proposal that energy efficiency resources should be bid, when

prudent, into PJM capacity market auctions. However, we respectfully request that the Commission extend this proposal to any interim demand response programs which may carry over from phase I.

In addition, given the potential cost savings that result from the inclusion of energy efficiency and demand response into the PJM Base Residual Auctions, we believe that more needs to be done to make sure these resources can qualify. Specifically, one of the main barriers is PJM's requirement that resources must be bid three years in advance of the delivery year. Although we understand the Commission's reasons for the decision to have a three year EE&C program, the short time-frame makes it difficult to bid all the possible resources into the PJM auctions. We propose that the Commission convene a working group to investigate mechanisms to maximize the amount of EE&C resources eligible for these auctions. In addition, we propose that each EDC's annual report detail their participation in the PJM auctions.

Respectfully Submitted,

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