



Written Testimony of the Keystone Energy Efficiency Alliance
Rachel Goodgal, Government Affairs Manager
Pennsylvania Reliable Energy Sustainability Standard (House Bill 2277)
Before the House Environmental Resources & Energy Committee

July 29, 2024

Dear Chair Vitali, Chair Causer, and Honorable Members of the Committee,

The Keystone Energy Efficiency Alliance (“KEEA”) appreciates the House Environmental Resources & Energy Committee for your work on HB 2277, the Pennsylvania Reliable Energy Sustainability Standard (“PRESS”).

The Keystone Energy Efficiency Alliance is Pennsylvania's trade association for the energy efficiency industry. With our sister organization the Energy Efficiency Alliance of New Jersey, we represent 65 business members across Pennsylvania and New Jersey. Our mission is to champion efficiency as the foundation of a clean, just, and resilient energy economy.

PRESS is a much-needed update to Pennsylvania's Alternative Energy Portfolio Standard (“AEPS”). The AEPS spurred diversification of our energy mix but plateaued in 2021 with requirements that lag behind those of our neighbors. This has left Pennsylvania overly reliant on gas for electricity generation, with only 4% coming from renewable energy sources.¹ By gradually increasing the targets in three tiers of energy sources through 2035, PRESS will diversify our electricity generation and send a signal to covered industries that now is the time to invest in Pennsylvania. Multiple studies and modeling have demonstrated that increasing our Alternative Energy Portfolio Standard, as PRESS does, will drive billions of dollars in private investment to Pennsylvania and create thousands of jobs per year.^{2,3} Without PRESS, this money – and with it, billions in federal tax incentives – flows to our neighbors who have far stronger renewable portfolio standards, like Maryland (50% by 2030), New Jersey (50% by 2030), and New York (70% by 2030).

¹ PA PUC. *Alternative Energy Portfolio Standards Act of 2004: Compliance for Reporting Year 2022-23*. <https://pennaeps.com/wp-content/uploads/2024/05/aeps-2023-report-final.pdf>. Page 22

² Advanced Energy United. *Economic and Environmental Impact of Governor Shapiro's “30 x 30” Alternative Energy Pledge*. <https://blog.advancedenergyunited.org/reports/economic-and-environmental-impact-of-governor-shapiros-30-x-30-alternative-energy-pledge>.

³ NRDC. *NRDC Modeling of PRESS and PACER*. <https://www.nrdc.org/sites/default/files/2024-06/nrdc-modeling-pacer-press-presentation-20240604.pdf>.

Energy efficiency and demand response are key components of any reliable, sustainable energy system. “Demand-side management,” as defined in HB 2277, both reduces the base load needed to power our economy and shaves peak demand. These two critical load-balancing steps reduce strain on the electricity grid and help to lessen the need for higher-priced peak generation resources. We strongly support the larger role PRESS enables for energy efficiency and demand-side management as a component of the energy portfolio standard for the state. FERC Order 2222, which seeks to better enable distributed energy resources (DERs) to participate in the electricity markets run by regional grid operators, further demonstrates the widely-recognized value of demand-side management and other DERs in grid management. Therefore, we appreciate PRESS’s recognition that demand-side management is a crucial reliability and sustainability resource, on par with generation resources, and we applaud its encouragement for investment in these solutions.

Demand-side management provides additional benefits to the customers who undertake the projects. These projects save residents and businesses significant money on their utility bills. For example, the U.S. DOE reports that low-income Pennsylvanians can save an average of 53% on their utility bills when they receive comprehensive efficiency upgrades.⁴ In small and large businesses, utility savings can be reinvested into growth of the business. In addition, energy-efficient homes, offices, and buildings offer superior indoor air quality and comfort, leading to healthier residents and workers. Finally, energy efficiency already employs almost 70,000 Pennsylvania residents, more than any other energy sector.⁵ These jobs are spread across our Commonwealth and cannot be outsourced. Because Tier II is, rightly, limited to in-state resources, all of the co-benefits of increased demand-side management will accrue to Pennsylvanians.

PRESS is an exciting opportunity that will spur continued diversification of Pennsylvania’s energy mix, bring investment and jobs to our state, and provide many co-benefits to our residents. Thank you for the opportunity to provide comments. The Keystone Energy Efficiency Alliance, and our members, are happy to provide further information or answer questions.

Sincerely,



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⁴ US Department of Energy. *Energy Facts: Impact of the Investing in America Agenda on Pennsylvania*. <https://www.energy.gov/articles/energy-facts-impact-investing-america-agenda-pennsylvania>.

⁵ E4theFuture. Pennsylvania: Energy Efficiency Jobs in America. <https://e4thefuture.org/wp-content/uploads/2023/10/Pennsylvania.pdf>.