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SMC Government Relations Committee  
Energy & Environment Working Group Conference Call  
*Brief notes are embedded in blue*  
Thursday, January 25, 2018  
2:00 - 300 PM

**I. Welcome and Introductions**

Bob Henry, Chair, Energy & Environment Working Group: President, Command Systems, Inc. Attending:  
*Bob Henry, John Nikoloff, Eileen Anderson*

**II. Today's Meeting** - Eileen Anderson, Director, Government Relations:

- *Define legislative issues to recommend to the full Government Committee's February meeting.*
- *Determine actions SMC can take to directly help members.*

**III. Update - Federal Energy & Environment Issues and Legislation**

- **12/14/2017 Meeting - President Trump withdrew the U.S. from the Paris Climate Change Accord. PA Senate Bill 15 - Post-1/25/2018 meeting recommendation HENRY:** *SMC should oppose PA SB 15 in its present form; the bill's goal is to re-create the Paris Climate Change Action at our state level. There is no cost benefit analysis associated with this bill that indicates the consequences to the state economy in terms of jobs or dollars as a result of these actions, nor does it indicate the specific benefits to PA. The bill references PA's duty to the international efforts to curb climate change when it is in need of a federal solution. PA should not be burdened with trying to solve this.*
  - **STATUS: Senate Bill 15 - OPPOSE**
- **Federal Energy Regulatory Commission (FERC) new grid rule -See 12/14/2017 Meeting Secretary Perry, U.S. DOE, initiated a rule to review resiliency of the electric grid. The rule's goal is to address market mechanisms to provide full cost recovery for power plants that can store 90 or more days of fuel on site such as coal and nuclear power generation.**
  - *FERC rejected the proposed rule stating that it would create pricing distortions in the market, and that it is an issue better handled at the state level.*
  - **HENRY:** *This is a contentious issue that was again kicked down the road; those on one side of the issue claim fossil fuels cause global climate change and they support renewable sources. The other side views grid resiliency as a national security issue; there still is a need for coal and gas and nuclear energy.*
  - **See 12/14/2017 Meeting - HENRY:** *There is a significant effort to lobby against power generation from fossil fuels, but currently over 60% of electricity comes from coal and gas. Reasonable growth from renewables should be promoted. SMC's energy policy points to the need for an "all-of-the-above" strategy. As we migrate to sectors other than fossil fuels and nuclear it is important to keep in mind that we should not put all of our eggs in one basket. Resiliency and reliability are required.*
    - **STATUS: FERC - MONITOR**

**III. Update - State Energy Issues and Legislation**

- **Senate Bill 234 - Property Assessed Clean Energy Program (PACE) promotes clean energy programs for commercial and industrial properties.**

- **See 12/14/2017 Meeting** - *The goal of the SB 234 is to make loans available to large commercial and industrial energy efficiency projects through voluntary tax assessments. The group agreed with the concept and noted that many people cannot afford energy efficiency upgrades so this may make it more feasible. It relates to bullets in the SMC Energy Policy for efficiency and energy conservation measures.*
  - **STATUS: SB 234 - SUPPORT**
- **House Bill 1782 - Alternative Ratemaking Mechanisms** - This legislation serves to clarify the Public Utilities Commission to approve, but not require specific alternative ratemaking mechanisms that are petitioned by electric distribution companies and natural gas distribution companies including but not limited to various mechanisms such as decoupling and performance based rates.
  - **HENRY:** *This debate has been going on for years. Traditionally utilities earned revenue from the generation and delivery of electricity. Since PA has deregulated, it is challenging to meet revenue requirements from delivery because consumers are conserving and using less energy. The problem now for the utilities has been historical underinvestment in upgrading and maintenance of the delivery systems.*
  - **NIKOLOFF:** *The other side of that issue is that six nuclear power plants have received \$12 billion from ratepayers over the years.*
    - **STATUS: HB 1782 - MONITOR**

#### V. Building a Long-Term Energy Policy for PA

- **See 12/14/2017 Meeting** - The U.S. and PA have no long-term energy strategy, mostly due to the nature of election cycles. Anderson has been working for several months with no success to have Henry appointed to a state level energy related committee
  - **HENRY:** *This can be a grassroots lobbying talking point on April 30. Express to lawmakers SMC's interest in having a voice in long-term energy policy development and ask what avenues can be explored to become involved. With a long term policy state government can save money and clean up the environment at the same time.*
  - **NIKOLOFF:** *The climate change plan is worked on by the DEP. There are a number of lawmakers in western PA who are involved in energy and environmental issues. SMC can share our position and they may be willing to assist and serve as a liaison to DEP to have questions answered.*
    - **STATUS:** *Anderson will determine next steps of SMC long-term energy policy.*

#### V. Implementing SMC's new focus on building awareness among members RE: energy efficiency and conservation

- **See 12/14/2017 Meeting** - The group agreed to focus on energy conservation. We can educate members about ways to conserve energy and where to locate services for energy audits and assessments. This is consistent with SMC's Energy policy since it states that SMC supports cost-effective energy.
  - **HENRY & NIKOLOFF:** *Discussed how to carry out the focus on energy conservation and efficiency and how to build awareness among members. They suggested the following:*
    - Teach them to become responsible consumers of energy
    - Teach them how to shop and save money via electric choice programs.
    - Promote resources such as PennTAP who do free energy assessments.
    - Make members aware of state grant money available.