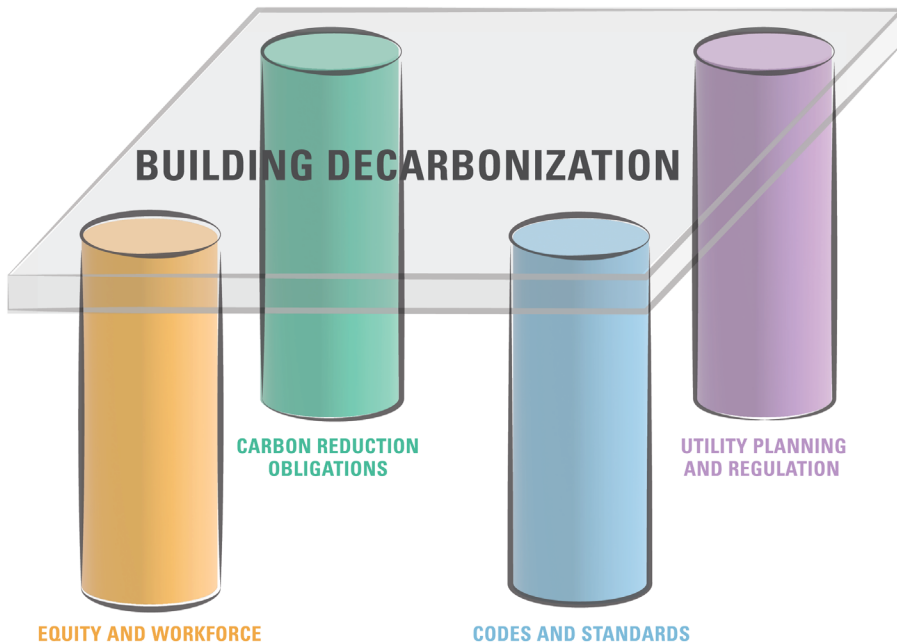


NEEP’s 2024 Regional Roundup provides a snapshot of Pennsylvania’s current policies and progress towards greater energy efficiency and building decarbonization.

Policies and performance are organized across the four categories from NEEP’s 2024 report, *Decarbonizing Buildings: How States can Set the Table for Success*. The categories, or “legs of the table,” include Utility Planning and Regulation, Codes and Standards, Carbon Reduction Obligations, and Equity and Workforce.



- In 2008, Pennsylvania passed Act 129 which required the state’s large electric utilities to implement energy efficiency programs to reduce energy consumption and save homeowners money.
- The Commonwealth is currently running Phase IV of Act 129, and planning for Phase V; each phase runs for five years. Over the past few years, Pennsylvania has adopted some policies and programs to invest in statewide equitable building energy upgrades. For example, Pennsylvania administers the Whole Homes Repair Program, which addresses health and safety concerns, improves efficiency, and makes units habitable for individuals with disabilities.
- In 2019, Pennsylvania joined the Regional Greenhouse Gas Initiative, a cap-and-trade program that imposes carbon reduction obligations on participating jurisdictions, but lawsuits have halted the Commonwealth’s participation. In April 2024, the governor proposed a state-wide carbon pricing program for power plants as an alternative to the state joining RGGI.



UTILITY PLANNING AND REGULATION



UTILITY PLANNING AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers		
	Pennsylvania	Regional Average
Savings as a Percent of Retail Sales in 2021*	Electric: 0.62% Gas: 0.06%	Electric: 1.13% Natural Gas: .43%
Low Income Spending Per Qualified Resident in 2021*	\$25.82	\$36.00
Current Program Goals	2025 Electricity Savings Goal†: 0.33%	

* Data from 2022 ACEEE State Scorecard.

† Goal calculated as average annual savings as a percentage of 2022 sales. Sales data from EIA. Goal from Phase IV Energy Efficiency and Conservation Plan.

Climate-Forward Energy Efficiency

Energy Efficiency Program Administrator	<p>Pennsylvania’s energy efficiency programs are implemented by electric utilities across the state in five-year cycles under the state’s Act 129 Energy Efficiency and Conservation Program. As of November 2024, utilities are implementing Phase IV (2021 – 2026) and planning Phase V.</p> <p>In addition to electric utility programs, UGI Electric and several natural gas utilities not covered under Act 129 run voluntary natural gas energy efficiency programs. These programs are not covered in the Regional Roundup.</p>
Program Goals	<p>Electric Efficiency Performance Goals for 2021 – 2026</p> <ul style="list-style-type: none"> • Consumption Reduction: 4,513,871 MWh • Peak Demand Savings: 809 MW • Low-Income Savings: 261,744 MWh
Benefit Cost Analysis	<p><i>Base Test:</i> Total Resource Cost test</p> <p>Additional non-energy impacts of water savings, fossil fuel savings, and avoided future replacement costs and labor are also included.</p>
Utility Performance Incentives	<p>Pennsylvania does not provide performance incentives, but utilities regulated under Act 129 are subject to penalties. Under Act 129, a civil penalty of between \$1 million and \$20 million is imposed for failure to meet program goals in consumption reduction and peak demand savings for the five-year phase. Failure to meet annual and low-income savings targets is not subject to this penalty, but utilities that fail to meet the low-income savings target do face a civil penalty of not more than \$1,000.</p>

UTILITY PLANNING AND REGULATION



UTILITY PLANNING AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers		
	Pennsylvania	Regional Average
Savings as a Percent of Retail Sales in 2021*	Electric: 0.62% Gas: 0.06%	Electric: 1.13% Natural Gas: .43%
Low Income Spending Per Qualified Resident in 2021*	\$25.82	\$36.00
Current Program Goals	2025 Electricity Savings Goal†: 0.33%	

* Data from 2022 ACEEE State Scorecard.

† Goal calculated as average annual savings as a percentage of 2022 sales. Sales data from EIA. Goal from Phase IV Energy Efficiency and Conservation Plan.

Climate-Forward Energy Efficiency

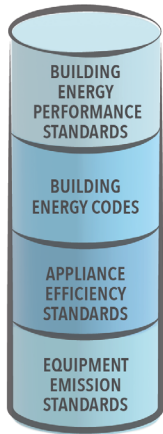
Fuel Switching Policies	No policies in place.
Statewide Qualified Contractor Network	No current policies in place.
Centering Equity in Climate-Forward Efficiency Programs	For Phase IV , each utility has a low-income savings targets . For this cycle, utilities are required to achieve savings of 260,179 MWh or 5.8% of their portfolio from programs solely directed at low-income customers or low-income verified participants in multifamily housing programs. If utilities do not meet this target, they are subject to penalties.

Long-Term Planning

Utility Clean Heat and Building Decarbonization Programs	No current policies in place.
Long-Term Utility Planning	No current policies in place.



CODES AND STANDARDS



**CODES
AND STANDARDS**

Codes and standards establish a clear timetable for improving the energy performance of new and existing buildings, appliances, and equipment, spurring changes in technologies and building practices. The Regional Roundup provides additional information on policies in this area that operate at the city level to highlight how communities are taking the lead. Programs such as benchmarking and home energy labeling programs are also included, even when just voluntary, as they can be a precursor for BPS or mandatory home energy score programs.

Building Energy Codes	The Pennsylvania Uniform Construction Code is based on the 2018 IECC.
Stretch Energy Codes	No current policies in place.
Building Performance Standards	There is no statewide building performance standard, but Philadelphia established a Building Energy Performance Program in 2021. The program requires all non-residential buildings in the city that are greater than 50,000 sq ft to conduct a “tune-up” that finds ways to achieve more efficient energy and water use in the building or certify they are high performing. Buildings can also receive an exemption.
Benchmarking	There is no statewide benchmarking policy, but the cities of Philadelphia and Pittsburgh have local ordinances which cover municipal and commercial buildings. Both cities require that non-residential buildings over 50,000 sq. ft. report energy and water use annually.
Home Energy Labeling	No current policies in place.
Appliance Efficiency Standards	No current policies in place.
Equipment Emission Standards	No current policies in place.



CARBON REDUCTION OBLIGATIONS



CARBON REDUCTION OBLIGATIONS

Carbon reduction obligations set performance requirements for obligated parties, such as energy providers, to reduce greenhouse gas (GHG) emissions or install clean heating systems. This section also includes any policies that articulate statewide climate goals and involvement in a regional cap and invest program because both programs are aligned with the policies under carbon reduction obligations and can be a part of a future clean heat standard or statewide cap and invest.

Climate Goals	There are no legislative goals for emissions reductions in Pennsylvania. However, Executive Order 2019-01 from Governor Wolf set a GHG emissions reduction goal of 26% by 2025 and 80% by 2050 from 2005 levels.
Clean Heat Standard	No current policies in place.
Regional Cap-and-Invest	Pennsylvania announced its intention to join RGGI but as of fall 2024, it has been stopped due to lawsuits.
State Cap-and-Invest	In 2024, Governor Shapiro’s proposed Pennsylvania Climate Emissions Reduction Act (PACER) would establish a Pennsylvania-specific cap-and-invest program and take Pennsylvania out of RGGI. As of fall 2024, the program is still being designed.
Centering Equity in Carbon Reduction Obligations	Under the proposed PACER , 70% of the revenue would be spent on direct bill assistance to consumers and the remainder on clean energy projects in energy communities that have hosted coal, oil, or gas infrastructure.



EQUITY AND WORKFORCE



EQUITY AND WORKFORCE

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

Statewide Equity Initiatives

<p>Community Empowerment</p>	<ul style="list-style-type: none"> PA Department of Environmental Protection (DEP) has an Environmental Justice Office, a Climate Change Advisory Committee, an Environmental Justice Interagency Council, and an Environmental Justice Advisory Board. Each is charged with working with the PA DEP to advance community engagement, environmental justice, and energy equity. The Interim Final Environmental Justice Policy that came out of the Environmental Justice Office was adopted in September 2023. The Environmental Justice Public Participation Policy of 2018 defines “environmental justice areas” as the 20% highest scoring census tracts from PennEnviroScreen, which captures pollution, environmental, and population characteristics. The PA Whole Homes Repair Program, run by the Department of Community and Economic Development, provides funding for counties to address home habitability and safety concerns, to improve energy or water efficiency, and to make housing units accessible for individuals with disabilities. Additionally, this program provides funding for construction-related workforce development.
<p>Metrics and Goals</p>	<p>Utilities regulated under Act 129 have a low-income savings target and are subject to a fine if they do not achieve the target. For this cycle, utilities are required to achieve a total of 260,179 MWh or 5.8% of their portfolio from programs solely directed at low-income customers.</p>
<p>Home Upgrade Hubs</p>	<p>No current policies in place.</p>

EQUITY AND WORKFORCE



EQUITY AND WORKFORCE

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

Inclusive Workforce Development

Inclusive Workforce Development	No current policies in place.
--	-------------------------------



PENNSYLVANIA'S BUILDING DECARBONIZATION TABLE

UTILITY PLANNING AND REGULATION



Act 129 Energy Efficiency Programs

EQUITY AND WORKFORCE



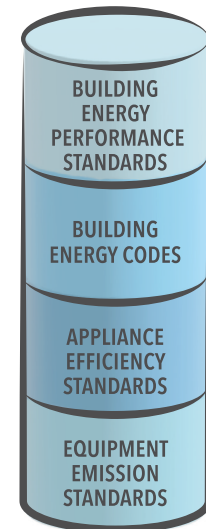
Environmental Justice Advisory Board and Environmental Justice Interagency Council

CARBON REDUCTION OBLIGATIONS



Climate Goals

CODES AND STANDARDS



2018 IECC