



Senate Environmental Resources and Energy Committee

Senator Mary Jo White
Chairman

Patrick Henderson, Executive Director

Room 168 • State Capitol Building
Mailing address: Senate Box 203021 • Harrisburg, PA 17120-3021
Phone: 717-787-9684 • FAX: 717-787-6088

To: All Republican Senators

From: Senator Mary Jo White, Chairman
Senate Environmental Resources & Energy Committee

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Re: PennFuture & Energy Conservation Programs

PennFuture has recently ratcheted up its rhetoric regarding House Bill 2200, the proposed energy conservation/demand side management (DSM) legislation. Upon closer inspection of this issue, the group's motives may not be as pure as they initially appeared.

Many of your offices have been inundated with form emails initiated by PennFuture which claim that the recent changes to HB 2200 "cripple" the bill and "condemn" ratepayers to higher electric rates because the House bill does not contain the specific energy conservation approach favored by PennFuture, such as mandatory smart meters for all consumers.

Many energy conservation/DSM companies will fare well should HB 2200 pass. The amount of profit for some will no doubt depend on the specific programs in the bill. Therefore it is worth noting that PennFuture has significant ties to at least one of these companies – PaceControls LLC – which according to its website has successfully implemented hundreds of demand side management programs for electric utilities.

PennFuture spent over \$50,000 in tax-exempt funds to acquire up to a 2/3 ownership stake in PaceControls. Moreover, PaceControls has chosen to license its patented technology through PennFuture, which has earned thousands of dollars in income from its ownership stake. Pennfuture's former president John Hanger (Governor Rendell's DEP Secretary nominee) is also a former chairman of the Board of Managers for PaceControls.

While there is significant merit in implementing DSM programs, we should be mindful that this is also a highly profitable business for many businesses and perhaps some non-profits.