Pennsylvania has an energy efficiency resource standard in place, and saw utility electric savings increase somewhat in 2018, rising above the national median. To deliver more energy savings to businesses and residents, Pennsylvania could remove the cost cap for efficiency measures and set more aggressive savings targets. In June 2018, the state legislature passed a bill allowing public utilities to petition the public utilities commission to consider alternative rate-making mechanisms, potentially paving the way for decoupling of utility sales and revenues. Following significant updates to strengthen state building energy codes in 2018, Pennsylvania continued to show commitment to efficiency with the signing of an executive order establishing the first statewide goal to reduce carbon pollution. The order also set targets for state agencies to reduce energy consumption and transition to electric vehicles.

**UTILITIES (4.5 OF 20 POINTS)**
Utilities implement electricity efficiency programs and some natural gas efficiency programs. Electricity savings have hovered around the national average in recent years. Although the state’s energy efficiency targets under Act 129 have been successful at creating jobs and helping customers save energy, a cost cap limits the potential savings available to utilities. Following the signing of HB 1782 in 2018, which allows utilities to propose new rate-making approaches, the state has an opportunity to better align business models to encourage long-term utility investment in energy efficiency.

**TRANSPORTATION (5.5 OF 10 POINTS)**
Pennsylvania encourages efficient transportation systems through tailpipe emissions standards, a dedicated revenue stream for transit projects, a comprehensive freight plan, and complete streets legislation. Pennsylvania has seen a reduction in vehicle miles traveled per capita and an increase in electric vehicle registrations in recent years.

**BUILDING ENERGY EFFICIENCY POLICIES (7 OF 8 POINTS)**
The state updated residential and commercial buildings energy codes to the 2015 International Energy Conservation Code (IECC) in 2018. The state is working with the US Department of Energy to conduct follow-up on a code compliance study. In addition, Pennsylvania has completed a gap analysis, offers code training and outreach, and convenes stakeholder groups regularly.

**COMBINED HEAT AND POWER (2 OF 3 POINTS)**
The state includes cost-effective and efficient combined heat and power (CHP) as an eligible resource within its energy efficiency standard. CHP systems are eligible to receive incentives through the state’s Alternative Energy Portfolio Standard, the Pennsylvania Energy Development Authority, and the Commonwealth Financing Authority’s Alternative Clean Energy Program. In 2018, Pennsylvania’s public utility commission also formally adopted a policy statement in support of CHP and initiated a CHP Working Group to address funding opportunities, standby rates, interconnection processes, and other technical issues. The plan encourages utilities to make CHP an integral part of their energy efficiency and resilience plans. One new CHP system was installed in 2018.

**STATE GOVERNMENT-LED INITIATIVES (4.5 OF 6 POINTS)**
The state offers several loans and grants for efficiency projects in homes, businesses, and public buildings. The governor signed an executive order in early 2019, setting goals to reduce energy consumption within stage agencies by 3% per year (21% by 2025) and to replace 25% of the state passenger car fleet with battery electric and plug-in electric hybrid cars by 2025. Several research centers focus on energy efficiency within the state. The state does not yet have any carbon pricing policies in place.

**APPLIANCE STANDARDS (0 OF 3 POINTS)**
Pennsylvania has not set appliance standards beyond those required by the federal government.