Pennsylvania has an energy efficiency resource standard in place, however Phase IV electric savings targets under Act 129 were lowered somewhat this year to levels among the lowest relative to other states with an EERS. 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. The governor signed an executive order last October directing the state to join the Regional Greenhouse Gas Initiative through the regulatory process. The state’s Environmental Quality Board approved the draft regulation for public comment earlier this year.

**Utilities**
Utilities implement electricity efficiency programs and some natural gas efficiency programs. Electricity savings have hovered around the national average in recent years, but state regulators also recently lowered annual electric savings targets from 0.8% to roughly 0.6% for 2021–26. 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 2018 signing of HB 1782, 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**
Pennsylvania encourages efficient transportation systems through tailpipe emissions standards, a dedicated revenue stream for transit projects, a comprehensive freight plan, and complete streets legislation. In 2019 Governor Wolf issued Executive Order 2019-01 directing state agencies to evaluate opportunities to reduce vehicle miles traveled.

**Building Energy Efficiency Policies**
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 U.S. 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.

**State Government-Led Initiatives**
The state offers several loans and grants for efficiency projects in homes, businesses, and public buildings. The state government leads by example by requiring energy-efficient public buildings and fleets, benchmarking energy use, and encouraging energy savings performance contracts. Governor Wolf’s Executive Order 2019-01 set 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.

**Appliance Standards**
Pennsylvania has not set appliance standards beyond those required by the federal government.