

# ***Saving Money on Electric Bills: H.B. 2803***

## ***Integrated Resource Planning (IRP) for West Virginia***

### **What is Integrated Resource Planning (H.B. 2803)?**

Integrated Resource Planning is used by public service commissions to evaluate the costs and benefits of different power company plans for meeting electric power demand (including traditional power plants, small-scale generation, energy efficiency and demand response) to determine the right mix of resources to meet state electricity needs.

Integrated Resource Planning is used **in twenty-seven states** to ensure that power company investment decisions - with long-term impacts on electric rates - are in the public interest, and that power companies are sufficiently investing in saving energy through energy efficiency.

**Integrated Resource Planning requires utilities to treat energy efficiency and demand management on the same footing as investments in power plants.**

### **Why does West Virginia need Integrated Resource Planning?**

- Rising electric rates have a serious impact on West Virginian businesses and residents. Appalachian Power's residential rates have increased more than 50% since 2006. Residential rates for FirstEnergy (Mon Power and Potomac Edison) have increased more than 30% since 2008 from a higher base rate.
- WV power companies are not investing significantly in energy efficiency, although it is less expensive to save energy through efficiency than it is to generate energy by building new power plants. On average, energy efficiency costs \$0.03/kWh saved, which is cheaper than investing in any other power source.

### **West Virginia needs new legislation to:**

- Require the state's major electric utilities (Appalachian Power, Mon Power and Potomac Edison) to file an integrated resource plan by September 2015 and every two years thereafter.
- Require the utilities to consider supply-side and demand-side resources on a consistent and integrated basis when developing their plans.
- Require the commission to consider the information in the plans when reviewing requests for rate increases.