

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120

Petition of PECO Energy Company for
Expedited Approval of Temporary
Universal Service Measures To Address
COVID-19 Related Economic Hardship
And Provide Additional Opportunities
For Electric Usage Reduction

Public Meeting August 6, 2020
3020555 - LAW
Docket No. P-2020-3020555

MOTION OF VICE CHAIRMAN DAVID W. SWEET

Before the Commission for consideration and disposition is the Petition of PECO Energy Company (PECO or Company), filed pursuant to 52 Pa. Code § 5.41 on June 26, 2020. In its Petition, PECO seeks expedited approval of proposed temporary universal service measures to address economic hardship related to COVID-19, as well as additional opportunities for electric usage reduction. Specifically, PECO requests permission to (1) provide a \$50 bill credit for all of its Customer Assistance Program (CAP) customers, (2) implement a temporary expedited CAP enrollment and recertification process that waives certain income verification and program participation requirements, and (3) implement a temporary Summer Cooling Initiative which would utilize anticipated unused funds from PECO's 2020 Low Income Usage Reduction Program (LIURP) to install energy efficient cooling units in low-income households.

Since mid-March of this year, over 3.3 million Pennsylvanians have sought some form of unemployment assistance as a result of the current pandemic.¹ In Philadelphia – a considerable portion of PECO's service territory – 20 percent of the city's workforce has filed for unemployment since the crisis began.² In light of this economic devastation, PECO's proposal is necessary to provide immediate protection to its most vulnerable customers during this unprecedented time.

Furthermore, the proposed temporary assistance measures outlined in PECO's Petition are supported by the Company's most recent external evaluation of its CAP. On June 28, 2019, PECO filed its Universal Service Program Six-Year Evaluation Report, where it was found that its current CAP model is unaffordable for the poorest households within its service territory.³ As a result, and in addition to recent Commission action on energy affordability, PECO has laid out a series of

¹ Benshoff, Laura. *As Deadline Looms to Renew \$600 Jobless benefits, PA Workers are Terrified*. WHYY. July 21, 2020. <https://whyy.org/articles/as-deadline-looms-to-renew-600-jobless-benefits-pa-workers-are-terrified/>

² *Impact of COVID-19 Across Philadelphia's Neighborhoods*, Office of Controller, Rebecca Rynhart. June 9, 2020. <https://controller.phila.gov/philadelphia-audits/covid-small-biz-series-part-1/>

³ Applied Public Policy Research Institute for Study and Evaluation (APPRISE), PECO Energy Universal Service Program Final Evaluation Report. June 2019. Docket No. M-2019-3011281. See Tables VIII-8F (page 131) and VIII-81 (page 133).

“next steps” and has been working with stakeholders to address these issues in the future.⁴ In the meantime, however, the proposed \$50 CAP credit, which is equivalent to a month of utility costs for many of PECO’s CAP customers, will provide immediate relief to the 113,000 low-income customers estimated to be enrolled in the Company’s assistance program.⁵

The evaluation report also found that removal from PECO’s CAP is largely caused by the customer’s failure to re-verify their household income.⁶ For example, of the nearly 19,000 customers that were removed from the Company’s CAP in 2018, 70% of those customers were removed for not returning the required income verification documentation.⁷

In its Petition, PECO proposes to waive certain CAP enrollment and recertification requirements through December 1, 2020 to facilitate the prompt receipt and continuation of CAP benefits by low-income customers. Specifically, the Company proposes to temporarily waive the requirement that a customer supply written income documentation and instead accept income information that can be provided verbally by a customer during the CAP enrollment or recertification process.⁸ It is worth noting that the Department of Human Services (DHS), the state administrator of the Low Income Home Energy Assistance Program (LIHEAP), is also accepting verbal assertions of income if the household is unable to provide income documentation due the pandemic.⁹ For these reasons, I find PECO’s proposal to temporarily waive its income verification processes to be justified and reasonable.

Regarding the Summer Cooling Initiative, the Company estimates that it will spend \$1.5 million less in electric LIURP services in 2020 as a result of COVID-19 business restrictions (*e.g.* social distancing and other restrictions). Therefore, PECO has proposed to transfer \$1.5 million from its 2020 electric LIURP budget to fund a Summer Cooling Initiative for households with incomes at or below 200% of the Federal Income Poverty Guidelines (FPIG). This initiative would replace window air conditioning (AC) units that are at least 10 years old with more energy-efficient units and would provide fans to low-income households with cooling needs. The distribution of fans would be prioritized to vulnerable households based on the age and the disability status of the

⁴ Letter Update Regarding Universal Service Program Six-Year Evaluation. Docket No. M-2015-2507139, page 1.

⁵ Petition of PECO Energy Company for Expedited Approval of Temporary Universal Service Measures to Address COVID-19 Related Economic Hardship and Provide Additional Opportunities for Electric Usage Reduction, page 6.

⁶ See APPRISE Report, page 90.

⁷ See APPRISE Report, page 90.

⁸ Each customer enrolled or recertified in CAP under this expedited process will be asked to provide written documentation six months after the enrollment or recertification. See Petition, page 7.

⁹ Due to the COVID-19 health crisis, DHS now accepts a client’s statement as verification of income or household composition for LIHEAP eligibility if they are unable to acquire the requested documentation, third-party verification by the caseworker has not been possible, or the household is receiving other benefits that have already accepted the client’s statement. See LIHEAP Policy Clarification (PLA-19822-678).

http://services.dpw.state.pa.us/oimpolicymanuals/liheap/PLA-19822-678_-PC-LIHEAP_Client_Statement_due_to_COVID-19_.pdf

household members. PECO proposes to end the Summer Cooling Initiative by December 31, 2020 and roll any unexpended funds into the 2021 electric LIURP budget.

I commend PECO for proposing a program that makes use of unspent LIURP funds that specifically address cooling assistance during one of the hottest summers on record. Unlike PECO's *de facto* heating pilot program, or other COVID-19-related relief programs that have recently come before this Commission, the Company's cooling initiative is temporary and has a finite budget that does not impact the availability of LIURP services to its income eligible customers.¹⁰ For these reasons, I am inclined to support the Company's Summer Cooling Initiative, however, given the lack of detailed information in the Petition regarding the funding allocation of this program (*e.g.* costs associated with administration, equipment, installation, etc.), I instruct PECO to provide the Commission with detailed monthly reports as this program is implemented. This report should identify, at a minimum, the number of customers served through the Summer Cooling Initiative and the costs related to this service.

Given the proposed benefits combined with the demonstrated need, I believe this program is well within the public interest, and I applaud PECO for taking quick action to assist its CAP and LIURP customers during this crisis

THEREFORE, I MOVE:

- 1) That PECO's Petition for Expedited Approval of Temporary Universal Service Measures to Address COVID-19 Related Economic Hardship is granted;
- 2) That PECO file and serve monthly progress reports on the implementation of its Temporary Universal Service Measures to Address COVID-19, in addition to detailed monthly budget reports on its Summer Cooling Initiative to Commission's Law Bureau and Bureau of Consumer Service as well as the parties listed at this docket;
- 3) That the Commission's Law Bureau prepare an Opinion and Order Consistent with this Motion

August 6, 2020
DATE



DAVID W. SWEET
VICE CHAIRMAN

¹⁰ PECO's *De Facto* Heating Pilot Program is a three-year program (2017-2020) with an additional budget of up to \$4 million. See Revised Addendum F, pages 1&2. Docket No. M-2015-2507139. See also *Petition of Columbia Gas of Pennsylvania for Expedited Approval to Use a Portion of the Residential Pipeline Penalty Credit and Refund Proceeds as Funding for a Temporary Program that Provides Grants to Residential Customers Experiencing a Reduction of Income Due to the COVID-19 Pandemic*. Docket No. P-2020-301-9578. Order entered July 16, 2020.