

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council**

Meeting of May 28, 2019

P.O. Box 3265
Harrisburg, PA 17105-3265

www.puc.pa.gov

Call to Order and Introductions

Chairman Ralph Douglass called the meeting to order at 10 a.m.

The Council could not approve the January 22, 2019, or March 26, 2019, minutes due to lack of quorum. Chairman Douglass said he would seek email votes to approve the minutes following the meeting.

Attendance

The following members of the Council were present:

Ralph Douglass, Chairman	Sonny Popowsky
Patrick Cicero, Vice Chairman	Joe Toner (Telephone)
Troy Geanopulos	

The following members of the Council were unable to be present:

Lillian Carpenter	Tina Serafini
Tim Hennessey	George Silvestri
Chad Quinn	Chris Winters

Public Utility Commission Staff Present:

Joe Witmer, Chairman Brown's Office
Angela Kassahun, Vice Chairman Sweet's Office
Labros Pilalis, Commissioner Place's Office
Tom Charles, Office of Communications
Lori Shumberger, Office of Communications
Tiffany Tran, Law Bureau
Tom Beene, Office of Legislative Affairs

Guests Present:

Heather Yoder, Office of Consumer Advocate

Legislative Update

Tom Beene, from Legislative Affairs, was asked to give an update on legislation.

House Bill 11, Rep. Mehaffie's bill, and Senate Bill 510, Senator Aument's bill, are the two Alternative Energy Portfolio Standard bills that deals with the nuclear issues. The PUC testified at a hearing for each. Currently neither bills are moving.

Exelon stated they are closing the TMI plant by September 2019. Since this news, neither side has moved its bill forward and may wait until fall for future discussion.

Tom Beene said this bill could come back in a smaller form. Ralph Douglass asked if the bills could disappear. Tom Beene said yes, and, if nothing happens in the next 30 days, the bills will wait until fall time.

The Senate said the House could not get their stuff together. Ralph Douglass asked about the Beaver plant. Patrick Cicero said, at this time, it is listed for closure in 2021.

Ralph Douglass asked if there will be a summer recess. Tom Beene said at the end of June if the budget is final. They would not be back until September.

Tom Beene said there are a lot of pipeline bills dealing with safety. The Chairman will be testifying before the PA House of Veterans Affairs and Emergency Preparedness Committee in the Southeast. She will explain what the PUC handles with pipeline safety. Patrick Cicero asked if there will be a special bill for this. Tom Beene said no. At this time, the legislators are focused on the budget and on the nuclear issue.

Tom Beene said pipeline siting and safety is a large concern. Joe Toner said the pipeline is too close to neighborhoods, businesses and schools. Tom Beene said the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) is involved since they oversee siting and safety. Companies do need to do a better job communicating with residents.

At this time, no one has been nominated for the Commissioner spot. Commissioner Kennard can continue to serve six months past his date.

Joe Toner stressed that pipeline companies need to be limited to the number of pipelines allowed in each right-of-way.

Patrick Cicero asked about the Act 129 bill that Senator Boscola would like to use to lift the 2 percent spending cap and combine it with industry being able to opt out. Tom Beene said he heard about this two sessions ago. We will need to wait and see if anything will happen. If something does take form, we will be following its progress.

Ralph Douglass asked about all the new committee chairs and whether the Council could receive a list of all the committees. Tom Beene said he would send the information to Tom Charles to send out.

PUC's Jurisdiction on Electric Transmission Siting Update

Robert Young, from the Law Bureau, was asked to give an update. He handed out two presentations.

Robert Young said the overview of the PUC electric transmission siting regulations starts with the history. The Notice of Proposed Rulemaking was released in the PA Bulletin on March 27, 1976. There were four separate Orders. They are definitions, siting and construction, disclosure of eminent domain, and annual transmission planning reports. The hearings were held in November 1976.

In Title 15, Section 1511(c), the General Assembly explained what entities are granted eminent domain power. The PUC must preapprove the exercise of eminent domain by utilities for aerial electric, aerial telephone and aerial telegraph projects.

The underground utilities do not need to get preapproval from the PUC except for electric. All electric sites must be PUC approved. If the transmission line is greater than 100,000 volts, they are considered high voltage, and must receive siting preapproval and must be sited above ground. If the transmission line carries over 35,000 volts, we would still need to preapprove the transmission line.

A transmission line carries higher voltage from substation to substation. All lines that carry 23,000 volts are normally used for residential customers. The greater factor is lines above 35,000 volts must give notice to customers for the power of eminent domain. The utility cannot communicate with the property owner until 15 days after receipt by the owner or owner's representative of the notice.

There are two exceptions to this rule, one to verify the owner of the property and to do a land check. The second one is the siting regulations covered under Section §57.72. Back in 1970s, the utility would need to do either a short application form or long application form for line sighting. This is covered under §57.72 (c). The short form has only five requirements. For a full application siting, it is covered under §57.72 (c) 7 through 15.

If a consumer does not have a pole on their property, and the utility would like to place one on there, the utility would likely need to do a siting application as opposed to a letter of notification as the new pole would be a "substantial alteration of the right of way."

Patrick Cicero asked if the PUC granted preapproval of eminent domain. What are the standards the PUC follows? Robert Young said, PowerPoint Slide 3 covers the authority. "The required finding to exercise the power of eminent domain is necessary or proper for the service, accommodations, convenience or safety of the public."

Patrick Cicero asked about the flow of energy through the lines. Sonny Popowsky said that is connected from a party by certification of need, based on economics. Robert Young said that is cost allocation and is a different subject. The issue about the Transource PA is under litigation at this time and cannot be discussed.

Sonny Popowsky said, Pennsylvanians are not receiving any benefit from the Transource lines and Pennsylvania will have to pay for the cost of this transmission line. All the power from these lines is being sent to Maryland and other states. Robert Young said the PUC is evaluating all of these issues. The one thing is the PUC does not regulate generation power. There will be some difficult decisions that will need to be made. This issue is still with the PUC's Administrative Law Judges (ALJ), and there are still more hearings to be held. Sonny Popowsky said hundreds of witnesses have testified.

Robert Young said all transmission lines generally do not benefit the consumers the lines cross over.

Ralph Douglass asked about the one-time payment for the right-of-way. Robert Young said the utility purchases the right-of-way for transmission lines as easements, but purchases the land outright ("in fee") for substations. Each contract can be different due to the negotiation with each landowner.

Ralph Douglass asked if power from other states is being sent into Pennsylvania for our use. Robert Young said PJM does use other states to send power to Pennsylvania.

Ralph Douglass asked how long has the Transource case been going on. Robert Young said, at least a year now.

Ralph Douglass asked if there is a timeframe on the ruling? Robert Young said no, due to new evidence and new developments that have happened throughout the case. Each time this happens, PJM will reset the clock and issue a new plan into evidence.

Ralph Douglass asked if the Council could submit comments. Sonny Popowsky said the Council cannot submit comments, but could be kept informed on this case.

Default Service Proceedings Comments

Patrick Cicero said the default service proceedings comments were discussed at the April subcommittee call and to be discussed at today's meeting. The request for feedback was asked for and not much was received. Sonny Popowsky said Troy Geanopulos and Tim Hennessey had given some positive comments.

The due date for the comments is now July 28, 2019. The PUC extended the deadline. The Council needs to vote on the comments so they can be submitted to the PUC.

Tom Charles said since there are four members present and one on the phone, the Council would only need two more votes. Ralph Douglass asked for a vote on approving the

comments. All in attendance said yes. Ralph Douglass said he would send an email requesting additional votes from the Council.

Patrick Cicero suggested, that Ralph Douglass sign the comments, and, once there were enough votes, the comments could be submitted. Lori Shumberger said she would add the correct date and eFile the comments when approved.

Nuclear Issue Discussion

Patrick Cicero said he has sent letters and comments on behalf of his clients. There have been six hearings over a four-week timeframe. Four of the hearings were held in the House. Two hearings were held in the Senate. There are two bills pending. Both bills would allow the nuclear plants to get credits. The bills have stalled in committee.

Exelon had said they needed legislation passed by May to save TMI. Since that did not happen, TMI will be closing in September 2019. With this happening, it took the away the urgency for the legislators. If TMI closes, then the current legislation is dead. There are four other nuclear plants in Pennsylvania. They are Limerick, Peach Bottom, Beaver Valley and Susquehanna. All of these plants are profitable.

Sonny Popowsky said TMI is the only single-unit plant operating. The other four plants have two units. TMI is the least economically unit and is losing money. Ralph Douglass asked, if the other plants are profitable, why would they need the bailout? Sonny Popowsky stated he was not sure.

Patrick Cicero stated that consumers would have to pay to support this. \$170 million total.

Sonny Popowsky said the important issue is fossil fuel plants. The carbon emission is not good. There must be a better way to address this. Ralph Douglass asked what amount does TMI produce. Sonny Popowsky said between 30 to 40 percent non-carbon.

Patrick Cicero said his office will continue to follow this issue. Ralph Douglass asked if the Council can do anything in the meantime. Patrick Cicero said no. If a bill passes, the PUC would receive some part of jurisdiction then. Currently, nuclear is not under the PUC's jurisdiction. Ralph Douglass requested to be kept informed.

Ralph Douglass said the Council should keep this issue on the future agenda items. Patrick Cicero said to move to the bottom of the agenda list.

CAC ANOPR/Appointments Update

Tiffany Tran and Tom Charles were asked to give an update on the CAC ANOPR.

Tiffany Tran said the Law Bureau is in the process of drafting the proposed Order with recommendations and should have something completed soon. Patrick Cicero asked if it

must be voted on at a Public Meeting and if it will be published. Tiffany Tran said it is still a work in progress and will need to be submitted to the Commissioners for their consideration at a Public Meeting. She said, once it is voted on, the Order will be sent to the PA Bulletin. When it is published in the PA Bulletin, that will trigger the comment period.

Tom Charles said, over the summer months, there is only one Public Meeting a month and, if it is not finished prior to that meeting, it will need to wait until the next month's Public Meeting.

Patrick Cicero asked if, once the order is published, then the two-year rulemaking will start? Tiffany Tran said yes.

Tom Charles said the PUC is working on Council appointments for the next term. Some of the legislators and the Lt. Governor are new this year. Chris Winters was appointed by Rep. Caltagirone, George Silvestri was appointed by Rep. Godshall and Troy Geanopulos was appointed by Lt. Governor Stack. None of whom are in the same positions as when they made appointments. Javier Toro has retired, but was appointed by Sen. Boscola.

Troy Geanopulos thanked everyone for the opportunity he had working with everyone on the Council and said he learned a lot. Ralph Douglass thanked Troy Geanopulos and said it was great working with him.

Troy Geanopulos said he will be changing jobs and will need to step down from the Council even if he could be reappointed. He is the Co-Founder and Chief Executive Officer of The Efficiency Network (TEN) which is being acquired by Duquesne Light holding company.

Troy Geanopulos said he will still be accessible to the Council if anyone needs to get in touch with him. The company will be handling renewable energy and some nuclear, wind and solar energy. Tom Charles thanked Troy Geanopulos and stated he was a very active member.

Tom Charles said he is waiting to hear back from some of the legislators about pending appointments. He is working with the PUC's Office of Legislative Affairs to help get replies on the Council's appointments. Ralph Douglass said he would contact Sen. Tomlinson about his reappointment.

Joe Toner said he would like to be reappointed if you are asking the members. Tom Charles said yes, if members are interested, please let him know. Joe Toner said he would like to be reappointed.

Future Agenda Items

Ralph Douglass said the next step is to review the agenda items for the July meeting. Are there any suggestions from the members?

Tom Charles said, at the July meeting, we always did an overview of the Council and will add to the agenda. We had talked with Bureau of Consumer Services about an overview at the July meeting.

Patrick Cicero requested a low-income energy affordability update. Comments should be in by then.

Tom Charles said there is a new Executive Director, Seth Mendelsohn, and will see if he can attend an upcoming meeting.

The Council requested for a legislative update and a termination/reconnection update as well.

Tom Charles said the next meeting is July 23, 2019. He will send out a schedule of upcoming meetings to everyone.

Patrick Cicero said to add nuclear bailout to the bottom of the list.

Tom Charles said he would get the requested information and the agenda items out to all within a week or two.

Ralph Douglass said he will email everyone about voting on the comments and approving the January and March minutes.

Future Agenda List:

- BCS Overview
- CAC ANOPR/Appointments Update
- Chapter 56 Update
- Default Service Proceeding Comments
- Distribution Rates
- DSIC Project Update
- Electric Price to Compare, Shopping
- Electric Vehicles
- Legislative Update/Circulation of New Committee Chairs
- Low-Income Energy Affordability Update
- Pipeline Issues
- Rural Broadband Update
- Robocalls and Door-to-Door Marketing
- Smart Meters Update
- Nuclear Issue Discussion

###