

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105**

**Energy Affordability For
Low-Income Customers**

**Public Meeting: January 17, 2019
2587711-BCS
Docket No. M-2017-2587711**

STATEMENT OF COMMISSIONER ANDREW G. PLACE

Today the Commission is releasing the report entitled *Home Energy Affordability for Low-Income Consumers in Pennsylvania* as directed by the March 16, 2017 joint motion to examine energy affordability for low-income customers. This is the first comprehensive energy burden and affordability study of Pennsylvania households undertaken by the Commission using customer income, billing and payment information. The report contains a substantial amount of data, representing a significant contribution of time from the Commission, utilities, statutory advocates and other parties. I would like to personally thank the Bureau of Consumer Services for their work, specifically Sarah Dewey and Joseph Magee, who have done yeoman's work over an extensive period. While I congratulate them for their perseverance and skill, there remains work to do.

In 2017, the Commission ordered the Bureau of Consumer Services, in conjunction with other bureaus, to undertake a study to determine what constitutes an affordable energy burden for Pennsylvania's low-income households and, based on this analysis, whether any changes in the Commission's CAP Policy Statement or other Universal Service and Energy Conservation guidelines are, consequently, necessary.

While today's report presents the gathered data and staff's analyses – noting variable reporting standards and specificity – valid empirical conclusions regarding affordability have not been proffered. Consequently, in addition to the specific data requests by Commission staff, I am requesting that interested stakeholders comment on the following questions and observations. What analysis is left to be done and are there meaningful trends that the report has yet to illuminate? Additionally, I encourage the parties to ground-truth the material and offer additional insights, if supported by the data we have in hand.

While, at this juncture, staff make no recommendations, per se, regarding affordability, the report highlights, and forecasts future program costs based on the affordability threshold of 10% utilized by the state of Ohio. Is a 10% threshold appropriate given the movement of other states to 6% -- with Oregon, most recently, announcing that households spending more than 6% of their income on energy-

related costs are considered “energy-burdened”?¹ What have the results been for ratepayers or program participants of Ohio’s adoption of 10%?

Also, of analytical concern is how the adoption of a flat affordability threshold might impact consumers compared to the income-tiered thresholds currently in place. Would a flat percentage be harmful to customers, especially for those at the lowest tier (0-50%) of the federal poverty income guidelines? This staff report clearly identifies that this group is already unduly burdened under the current guidelines. It is worth noting that based on current Commission affordability guidelines, households which now might only pay 7% of income would see their obligations rise under a 10% threshold. Is there reason to believe that this upward adjustment would be untenable?

As I highlight, there are questions that are yet to be answered before we can put forth a final recommendation, and of course we anticipate this to be put forward in conjunction with our recommendations regarding the Universal Service docket. I look forward to the continued engagement with stakeholders as we progress forward. This continues to be an important and complex undertaking, a task to which we remain committed.

DATE: January 17, 2019



Andrew G. Place, Commissioner

¹ Ten- Year Plan- Reducing the Energy Burden in Oregon Affordable Housing - <https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf>