VIA E-FILE

October 23, 2020

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105


Dear Secretary Chiavetta:

Attached for filing, please find the Answer of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) to PECO Energy Company’s Petition for Expedited approval to Extend its De Facto Heating Pilot Program and to use Unspent 2020 Pilot Program and Health and Safety Funds 2021, at the above noted docket.

Copies were served electronically consistent with the attached certificate of service.

Respectfully submitted,

[Signature]

Elizabeth R. Marx, Esq.
Counsel for CAUSE-PA

CC:   Certificate of Service
Joseph Magee, Bureau of Consumer Services, imagee@pa.gov
Louise Fink-Smith, Esq., Law Bureau, finksmith@pa.gov
BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION


CERTIFICATE OF SERVICE

I hereby certify that I have, on this day, served copies of the Answer of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania in the above captioned matter upon the following persons and in accordance with the requirements of 52 Pa. Code § 1.54.

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Respectfully submitted,

Dated: October 23, 2020

Elizabeth R. Marx, PA ID 309014
Counsel for CAUSE-PA
BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION


ANSWER OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA

Counsel for CAUSE-PA

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October 23, 2020
I. **INTRODUCTION**

Pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (PUC or Commission), 52 Pa. Code §§ 5.61(e), 5.71-.76, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, hereby files this Answer to PECO Energy Company’s (PECO or Company) Petition for Expedited Approval to Extend its De Facto Heating Pilot Program and to Use Unspent 2020 Pilot Program and Health and Safety Funds in 2021 (hereinafter Petition).

CAUSE-PA is supportive of PECO’s Petition. As a result of work delays associated with the pandemic, PECO has been unable to fully expend the funds dedicated to its De Facto Heating Pilot Program (De Facto Pilot) and Low Income Usage Reduction (LIURP) Health and Safety program to provide critically important electric usage reduction services to low and moderate income households.\(^1\) PECO’s De Facto Pilot and Health and Safety program funds were budgeted and approved to be spent to address identified needs, and CAUSE-PA asserts that PECO is obligated to use those budgeted and approved funds for their intended purpose. CAUSE-PA urges

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Notwithstanding its support for the instant Petition, CAUSE-PA urges PECO to consider ways to increase the availability of additional programming, beyond the funding it has already committed to spend through negotiated settlements, to serve the additional acute needs of consumers during the pandemic.
the swift approval of PECO’s request for expedited consideration of this Petition to ensure the Company may fully spend funds consistent with its prior approved commitments.

II. BACKGROUND

1. PECO’s 2016-2018 USECP was submitted on October 1, 2015 and approved by the Commission on August 11, 2016.²

2. On November 2, 2017, the Company submitted a revised addendum to its 2016-2018 USECP to establish a De Facto Pilot to assist customers in reducing their dependency on the use of electric portable space heaters or other inefficient electric heating sources due to a broken or inoperable heating system.³ The addendum was submitted after the Commission directed PECO to provide a detailed implementation plan and budget for its De Facto Pilot, which was previously approved at a $700,000 annual budget, as well as an additional $1 million in additional LIURP funding that could be used to support general LIURP programming or to supplement funding for its new De Facto heating program.⁴ These provisions had been


previously approved by the Commission as a part of the Joint Settlement relative to PECO’s 2013-2015 USCEP at Docket M-2012-02290911 (hereinafter Joint USECP Settlement).  

3. In 2018, as part of a subsequent Joint Settlement in PECO’s 2018 rate case (Rate Case Settlement), the Commission approved PECO to increase its annual LIURP budget by $1 million to resolve health, safety, and structural issues in low-income customers’ homes that would otherwise prohibit or hamper LIURP measures/treatments for these customers – referred to as PECO’s Health and Safety program.

4. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency due to the emergence of COVID-19 in the United States and the Commonwealth of Pennsylvania.

5. On March 13, 2020, the Commission issued an Emergency Order establishing a moratorium on the termination of public utility service, which followed the Governor’s statewide shutdown of non-essential businesses and services. As a result, PECO suspended all in-home appointments between March 23, 2020 and October 5, 2020 in order to protect the health and safety of program participants and contractors. These necessary precautionary measures caused substantial and lengthy delays in LIURP services, diminishing the projected

\[\text{\footnotesize 5 Notably, the provisions of the Joint USECP Settlement to increase funding to address de facto heating and to provide additional LIURP funding was originally included in the Joint Settlement because customers with very high usage are most at risk of receiving an unaffordable bill under the proposed Fixed Credit Option. The increased funding helped balance the varied interests at stake, helping to ensure that high users would not exceed their maximum annual CAP credits, and at the same time benefits other residential ratepayers who will not shoulder the increased cost of raising the maximum credit designations to otherwise accommodate low-income high users. See CAUSE-PA Statement in Support of Joint Settlement Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4 at Docket No. M-201202290911 at 13.}\]


completed jobs for year three of its De Facto Pilot program and impeding the delivery of services to resolve health, safety, and structural issues that hinder LIURP treatments in customer’s households.

6. As of October 22, 2020, the Pennsylvania Department of Health has reported 180,483 cases of COVID-19 in the Commonwealth, with a total of 8,592 COVID-19 deaths.9 Since mid-March, over 2.2 million Pennsylvanians have filed unemployment claims.10

III. STANDING

7. Pursuant to the requirements contained in 52 Pa. Code § 5.61(e), CAUSE-PA asserts that it has standing to intervene and file an Answer in this proceeding.

8. Eligibility to intervene in Commission proceedings is governed by Section 5.72, which provides that “[a] petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought.”11

9. Section 5.72 further provides that the right or interest may be one “which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.”12

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10. While Section 5.72 speaks of the rights of a “person” to intervene, the Commonwealth Court has consistently stated that “an association may have standing as a representative of its members… as long as the organization has at least one member who has or will suffer a direct, immediate, and substantial injury to interest as a result of the challenged action, [the organization] has standing.”

11. CAUSE-PA is an unincorporated association of low-income individuals that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating, and telecommunication services.

12. CAUSE-PA membership is open to individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low-income Pennsylvanians to connect and maintain affordable utility services.

13. CAUSE-PA is located, c/o Pennsylvania Legal Aid Network, 118 Locust Street, Harrisburg, PA 17101.

14. As a party to the Joint USECP Settlement and Rate Case Settlement establishing PECO’s De Facto Pilot and Health and Safety program, CAUSE-PA has a direct interest in the full expenditure of all funding committed to support these programs. More broadly, as advocates for the rights of low income utility consumers, CAUSE-PA also has a distinct interest in ensuring that programming is available to serve clear and identified needs of low income consumers for comprehensive energy efficiency and usage reduction programming.

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14 Joint Settlement at 10-12; Rate Case Settlement at Appendix C & Statement F at 10-11.
15. CAUSE-PA has standing to intervene because at least one member of CAUSE-PA may suffer a direct, immediate, and substantial injury to their interests as a result of this proceeding.15

16. CAUSE-PA is represented in this proceeding by:

   Elizabeth R. Marx, Esquire
   Ria M. Pereira, Esquire
   John Sweet, Esquire
   Pennsylvania Utility Law Project
   118 Locust Street
   Harrisburg, PA 17101
   Telephone: 717-236-9486
   Facsimile: 717-233-4088
   E-mail: pulp@palegalaid.net

17. Counsel for CAUSE-PA consents to the service of documents by electronic mail to pulp@palegalaid.net, as provided in 52 Pa. Code § 1.54(b)(3).

IV. **ANSWER**

18. As explained in further detail below, CAUSE-PA is supportive of PECO’s Petition for approval to extend its De Facto Heating Pilot and use unspent program funds from 2020 in 2021 for both the De Facto Pilot and LIURP Health and Safety programs. While CAUSE-PA does not believe additional Commission approval is needed to spend already-approved program funds, and questions the need for the instant Petition, CAUSE-PA nevertheless supports the request and urges the Commission to be swift in its review and approval.

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15 See Energy Cons. Council of Pa., 995 A.2d at 476. Ms. Marsha White Mathis, Mr. Carl Bailey, and Ms. Sonia Brookins are among several CAUSE-PA members who are also customers of PECO.
A. CAUSE-PA supports PECO’s request for approval to extend its De Facto Heating Pilot to provide the remaining services and measures using all unspent funds from the final 2020 program year.

19. PECO’s De Facto Pilot is intended for Rate R (nonelectric heating) customers, whose residence is nominally heated by a source other than electricity, but where the customer is in fact heating with electricity, usually portable space heaters, because the customer’s primary heating system is broken or otherwise inoperable. Mitigation measures may be repair or replacement of a broken heater or furnace.

20. Due to the pandemic, PECO suspended all in-home services between March 23, 2020 and October 5, 2020. As a result, the Company was unable to spend an estimated $422,000 in approved funding prior to the scheduled program end on September 30, 2020.

21. In 2020, PECO plans to complete twenty-four de facto jobs that were previously scheduled for March and April but were cancelled due to the pandemic. As we enter into the colder season in Pennsylvania, time is of the essence to ensure that the De Facto Heating Pilot funds are promptly used to fulfill PECO’s obligations to achieve the intended purpose of the program.

22. CAUSE-PA urges the Commission to issue an Order to expeditiously approve PECO to complete its pending projects without any further delay.

B. CAUSE-PA supports PECO’s request for approval to use unspent De Facto and LIURP Health and Safety program funds in 2021 and asserts that the Company has an obligation to do so.

23. In addition to its proposal to extend the De Facto Pilot, PECO proposes to rollover all budgeted, non-incremental LIURP Health and Safety funds unspent in 2020 to calendar year 2021, and to add those funds to its budget for 2021.

24. As PECO notes, it is obligated to use its best efforts to spend its incremental LIURP funds each year. CAUSE-PA asserts that unspent funds previously approved by the Commission for a
particular program and/or to serve an identified need should always be fully expended while that need persists. It is indisputable that there is a clear, identified, and overwhelming unmet need for LIURP services to reduce uncontrollably high usage that drives unnecessary costs across the board, and Commission approved funding should be spent to serve this identified need.

25. PECO suspended all in-home LIURP appointments between March 23, 2020 and October 5, 2020 due to the pandemic. This was a necessary and appropriate step to protect consumers and contractors. But as a result of this suspension, the Company estimates that $264,000 of its $1 million 2020 LIURP Health and Safety budget will remain unspent. This funding is critically important to serve persistent and growing need precipitated by the pandemic. CAUSE-PA asserts that it would be unreasonable to deny PECO’s request to fully spend available funds to help meet this need – especially given the delays were also precipitated by the pandemic.

26. In light of continuing COVID-related limitations and vendor capacity, CAUSE-PA supports PECO plans to roll over unspent 2020 funds and allocate those funds to provide services across the 2021 and 2022 program years.

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16 Rate Case Settlement at Appendix C, p. 3. to Under the terms of the Rate Case Settlement, “PECO is [sic] shall use its best efforts to spend these incremental LIURP funds.”
C. PECO’s Petition is reasonable, necessary, and should be approved without delay.

27. When a low income household is unable to afford energy services, they are often forced to make dangerous decisions between utility services and critical medical care, food, clothing, and other basic necessities.\(^{17}\) Inoperable or unaffordable primary heating sources leading to persistent use of unsafe and inefficient space heaters, which generate increased electric bills, exacerbates this inherent tension, causing more households to go without service or to make other dangerous tradeoffs which impact the health and safety of household members and the greater community.\(^{18}\)

28. While high energy usage and associated costs caused by de facto heating and LIURP-related health and safety issues have always been critical issues to address, the importance of delivering programs to address these issues is even more profound today, in light of the devastating, widespread, and likely long-term economic impact that the pandemic has and continues to have on low income communities. Indeed, low wage workers have been hit hardest by pandemic-related wage and income losses,\(^{19}\) while at the same time many residential


\(^{18}\) See id.


[W]orkers who earn low wages and do not have employer-sponsored health care account for 22 percent or 32 million of the country’s workforce. In a crisis, these workers are least attached to their employer and thus the most likely to be laid off or have their hours reduced. And nearly 40 percent
households – especially those with school-age children – have faced increased usage as families have stayed at home in compliance with widespread school, work, and business closures designed to stop the spread of the virus.20

29. It is critical – especially now – that the Commission make prompt and decisive policy determinations which ensure that all low-income consumers are able to access energy reduction benefits.

30. For the aforementioned reasons, CAUSE-PA supports expedited consideration of PECO’s Petition to extend its De Facto Heating Pilot Program and to fully utilize unspent funds associated with its De Facto Pilot and LIURP Health and Safety programs.21

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of them, 12.3 million individuals, work in the hospitality and retail sectors, the two sectors most immediately impacted by COVID-19-related layoffs.

Id.; see also Stephanie Deluca et al., Johns Hopkins Univ. of Medicine, The Unequal Cost of Social Distancing, https://coronavirus.jhu.edu/from-our-experts/the-unequal-cost-of-social-distancing.


21 If the unspent De Facto Pilot and LIURP Healthy and Safety funds are not made available in the remainder of 2020 and calendar year 2021, PECO’s most vulnerable customers will not receive the treatments and measures needed to reduce their energy consumption, before the cold winter months during the pandemic, arguably when it is most needed.
V. CONCLUSION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) supports PECO’s proposals, as described above, and urges the Commission’s expeditous approval.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA

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Dated: October 23, 2020
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Verification

I, Elizabeth R. Marx, legal counsel for the Coalition for Affordable Utility Services and Energy Efficiency (“CAUSE-PA”), on behalf of CAUSE-PA, hereby state that the facts contained in the foregoing pleadings are true and correct to the best of my knowledge, information, and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Elizabeth R. Marx, Esq.
On behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)

October 23, 2020