



March 31, 2021

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

Re: PECO Energy Company's 2016-2018 Universal Service and Energy Conservation Plan, Docket No. M-2015-2507139

CAUSE-PA Answer to PECO Emergency Grant Program Petition

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 Establish a COVID-19 Emergency Grant Program for Low-Income Customers**, at the above noted docket.

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

Respectfully submitted,

A handwritten signature in black ink that reads "John W. Sweet". The signature is written in a cursive style with a horizontal line above the name.

John W. Sweet, Esq.
Counsel for CAUSE-PA

CC: Certificate of Service
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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company 2016-2018 Universal :
Service and Energy Conservation Plan : Docket No. M-2015-2507139

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, and consistent with the Commission's March 20 Emergency Order at Docket M-2020-3019262.

SERVICE BY EMAIL ONLY

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Dated: March 31, 2021

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company 2016-2018 Universal : Docket No. M-2015-2507139
Service and Energy Conservation Plan :
:

ANSWER OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA)
TO PECO ENERGY COMPANY'S PETITION FOR EXPEDITED
APPROVAL TO ESTABLISH A COVID-19 EMERGENCY GRANT
PROGRAM FOR LOW-INCOME CUSTOMERS

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March 31, 2021

I. INTRODUCTION

Pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (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 the Company) Petition for Expedited approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers (hereinafter Petition).

CAUSE-PA is generally supportive of PECO's Petition. In 2020, the emergence of the COVID-19 pandemic caused work delays for PECO's Low Income Usage Reduction Program (LIURP) leading to the Company having excess budget left over at the end of the year. At the same time, the pandemic has caused severe economic hardship to many of PECO's low income customers, leading to huge increases in residential arrearages. While more must be done to address the economic effects of the COVID-19 pandemic on PECO's low income customers, PECO's proposal to use its unspent LIURP funds to establish a grant program to help address the growing arrearages is a meaningful step. CAUSE-PA recommends that the Commission approve PECO's Petition on an expedited basis to ensure that the Company may promptly begin offering this additional assistance to its low income customers.

II. BACKGROUND

1. PECO's 2016-2018 USECP was submitted on October 1, 2015 and approved by the Commission on August 11, 2016.¹

¹ See PECO Energy Company Universal Service and Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4, Order, Docket No. M-2015-2507139 (Order entered August 11, 2016) (hereinafter, August 2016 Order on 2016-2018 USECP).

2. The 2016-2018 USECP remains in effect at this time as directed by the Commission while PECO's proposed USECP for 2019-2024 is under Commission review.
3. LIURP is a usage reduction program approved as part of PECO's USECP for low income, residential customers with household gross income at or below 200% of the Federal Poverty Level (FPL) with high usage under certain eligibility criteria. LIURP assistance to customers includes direct weatherization and conservation measures as well as in-home education that promotes energy usage reductions.
4. PECO's LIURP programs have an annual budget of \$5.6 million for electric programs and \$2.25 million for gas programs, for a combined total of \$7.85 million.
5. 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.²
6. On March 19, 2020, the Governor ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations to slow the spread of COVID-19.³
7. PECO indicates that, in response to the Governor's Proclamation of Disaster Emergency, PECO suspended all in-home weatherization program services between March 23, 2020 and October 5, 2020.⁴
8. As result of this work suspension, PECO indicates that it now has \$3.7 million of unspent funds allocated to LIURP funding in 2020.⁵

² Proclamation of Disaster Emergency pursuant to Section 7301(c) of the Emergency Management Services Code, 35 Pa. C.S. §§ 7101, et seq.

³ Order of the Governor of the Commonwealth of Pennsylvania Regarding the Closure of All Businesses That Are Not Life Sustaining, as amended.

⁴ Petition at ¶10.

⁵ Id. at ¶ 11.

9. PECO also indicates that the amount of low-income customer arrearages has increased during the COVID-19 pandemic and that arrearages for customers with confirmed incomes at or below 200% FPL amounts to more than \$52 million.⁶
10. On March 23, 2021, PECO filed a Petition to use its \$3.7 million in unspent LIURP funds to establish a grant program to help address low income customer arrearages. This Answer responds to that Petition.

III. STANDING

11. 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.
12. 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.”⁷
13. 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.”⁸
14. 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,

⁶ Id. at ¶ 12.

⁷ 52 Pa. Code. § 5.72(a).

⁸ 52 Pa. Code. § 5.72(a)(2).

immediate, and substantial injury to interest as a result of the challenged action, [the organization] has standing.”⁹

15. 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.

16. 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.

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

18. As a party to the Joint USECP Settlement and Rate Case Settlement establishing PECO’s LIURP budget, 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 to help address the economic effects of the COVID-19 pandemic.

19. 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.¹⁰

⁹ Energy Cons. Council of Pa. v. Pa. PUC, 995 A.2d 465, 476 (Pa. Commw. Ct. 2010) (alteration in original) (citing Tripps Park v. Pa. PUC, 415 A.2d 967 (Pa. Commw. Ct. 1980); Parents United for Better Schools v. School District of Phila., 646 A.2d 689 (Pa. Commw. Ct. 1994).

¹⁰ 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.

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

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Elizabeth R. Marx, Esquire
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21. 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

As explained in further detail below, CAUSE-PA is supportive of PECO's Petition. While CAUSE-PA strongly believes that additional steps must be taken to help address the staggering levels of low income customer arrearages accrued during the pandemic, CAUSE-PA supports PECO's instant request as an important first step toward addressing the crisis. Thus, CAUSE-PA recommends approval of PECO's Petition on an expedited basis so that the Company may promptly begin offering this much needed additional assistance to its low income customers.

A. CAUSE-PA supports PECO's request for approval to use its unspent 2020 LIURP funds to establish a COVID-19 Emergency Grant Program for Low-Income Customers.

22. LIURP is a usage reduction program approved as part of PECO's USECP for low income, residential customers with household gross income at or below 200% of the FPL with high usage under certain eligibility criteria. LIURP assistance to customers includes direct

weatherization and conservation measures as well as in-home education that promotes energy usage reductions.

23. 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 \$3.7 million in approved funding prior to the scheduled program year end on September 30, 2020.
24. Also due to the pandemic, arrearages for residential customers with confirmed incomes at or below 200% FPL increased to amounts exceeding \$52 million.
25. PECO plans to use the \$3.7 million in unspent 2020 LIURP funds to establish a COVID-19 Emergency Grant Program for Low-Income Customers. Through this program, any customer who has income at or below 200% FPL who also has any past due balance with PECO from prior electric or gas service will be able to apply for a grant of up to \$1,000. Grants will be provided on a “first-come, first-served” basis and will be available beginning no later than 45 days after Commission approval of the Emergency Grant Program. If a customer receiving a grant still has a past-due PECO balance after the application of the grant, the customer will be placed on a 5-year payment arrangement.
26. CAUSE-PA agrees with PECO that establishing a COVID-19 Emergency Grant Program for Low-Income Customers is an appropriate use of the unspent 2020 LIURP funds. While PECO’s proposed Emergency Grant Program will only address a small fraction of the \$52 million low income customer arrears, it is an important first step. Thus, CAUSE-PA urges the Commission to issue an Order to expeditiously approve PECO’s Petition.
27. CAUSE-PA notes that LIURP is a critical universal service program that meaningfully and effectively helps low income, high usage customers achieve bill reductions through energy

conservation.¹¹ The LIURP program is, itself, is designed to “decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.”¹² Under normal circumstances, CAUSE-PA would otherwise recommend that unused funds be rolled over and added to the budget for the following year. However, as the emergence of the COVID-19 pandemic in 2020 has caused both a drastic increase in low income arrears as well as impediments to completing LIURP jobs throughout the year, CAUSE-PA agrees that PECO’s proposal to use the funds to establish a low income grant program is a logical and appropriate use of the unspent LIURP funds from the year 2020.

B. PECO’s Petition is reasonable, necessary, and should be approved without delay.

28. 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.¹³ 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.¹⁴

¹¹ PECO 2018-2020 USECP at 24.

¹² 52 Pa. Code § 58.1.

¹³ See Review of Universal Service and Energy Conservation Programs, Joint Comments of CAUSE-PA & TURN et al., at 11-12, Docket No. M-2017-2596907 (Joint Comments filed August 8, 2017); see also Energy Affordability for Low-Income Customers in Pennsylvania, Joint Comments of TURN et al. & CAUSE-PA, at 12, Docket No. M-2017-258-7711 (comments filed May 8, 2019); US EIA, Residential Energy Consumption Survey (2015), <https://www.eia.gov/consumption/residential/reports/2015/energybills/>; see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), <http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf> (hereinafter NEADA Survey).

¹⁴ See id.

29. Even in relatively good economic times, low income customers already struggled to afford utility service. The emergence of the COVID-19 pandemic has exponentially worsened these struggles. The importance of ensuring these customers' ability to maintain service 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,¹⁵ while at the same time many residential 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.¹⁶
30. It is critical – especially now – that the Commission make prompt and decisive policy determinations which ensure that all low-income consumers are able to connect to and maintain utility service.
31. For the aforementioned reasons, CAUSE-PA supports expedited consideration of PECO's Petition for Expedited Approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers.

¹⁵ See, e.g., Martina Hund-Mehjean & Marcela Escobari, Brookings, [Our Employment System has Failed Low-Wage Workers. How Can We Rebuild](https://www.brookings.edu/blog/up-front/2020/04/28/our-employment-system-is-failing-low-wage-workers-how-do-we-make-it-more-resilient/) (April 28, 2020), <https://www.brookings.edu/blog/up-front/2020/04/28/our-employment-system-is-failing-low-wage-workers-how-do-we-make-it-more-resilient/>.

[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 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), <https://coronavirus.jhu.edu/from-our-experts/the-unequal-cost-of-social-distancing>.

¹⁶ See, e.g., Electric Power Research Institute, [Impact of COVID-19 on Consumer Energy Use & Outlook](http://mydocs.epri.com/Docs/public/covid19/COVID-19_survey_report.pdf) (April 29, 2020), http://mydocs.epri.com/Docs/public/covid19/COVID-19_survey_report.pdf; see also Christoph J. Meinrenken et al., Columbia University, [New Data Suggest COVID-19 is Shifting the Burden of Energy Costs to Households](https://blogs.ei.columbia.edu/2020/04/21/covid-19-energy-costs-households/) (April 21, 2020), <https://blogs.ei.columbia.edu/2020/04/21/covid-19-energy-costs-households/>.

V. **CONCLUSION**

For the forgoing reasons, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) supports PECO's proposals, set forth in the Petition for Expedited Approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers, and urges the Commission's expeditious approval.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA

A handwritten signature in black ink, appearing to read "John Sweet", with a horizontal line above it.

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Dated: March 31, 2021

Verification

I, **John W. Sweet**, 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).



John W. Sweet, Esq.

*On behalf of the Coalition for Affordable Utility Services
and Energy Efficiency in Pennsylvania (CAUSE-PA)*

March 31, 2021