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AN EXELON COMPANY

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June 22, 2022

**VIA eFILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**Re: PECO Energy Company's 2019-2024 Universal Service and Energy  
Conservation Plan  
Docket No. M-2018-3005795**

Dear Secretary Chiavetta:

Pursuant to the June 16, 2022, Order of the Pennsylvania Public Utility Commission in the above referenced docket, please find enclosed PECO Energy Company's plan to address expanding CAP outreach efforts to increase participation for customers with annual income less than 50% of the Federal Poverty Income Guidelines (the "Outreach Plan"). A copy of the Outreach Plan is being served upon all parties of record as noted on the enclosed Certificate of Service.

In light of restrictions related to the COVID-19 pandemic, some of PECO's office personnel are working remotely. PECO requests that all communications with PECO be transmitted by email.

**Rosemary Chiavetta, Secretary**  
**Pennsylvania Public Utility Commission**  
**June 22, 2022**  
**Page 2**

If you have any questions, please contact me directly at 215.841.4353.

Very truly yours,

A handwritten signature in blue ink that reads "JS Johnson". The initials "JS" are written in a stylized, cursive font, followed by the name "Johnson" in a similar cursive style.

Jennedy S. Johnson

Enclosures

c: Per the Certificate of Service (w/encls.)

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PECO ENERGY COMPANY'S 2019- 2024 UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN</b>	: : : :	<b>Docket No. M-2018-3005795</b>
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**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of **PECO Energy Company's Outreach Plan** on the persons listed below, in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

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Dated: June 22, 2022

*Counsel for PECO Energy Company*

# PECO CAP 0-50% FPL Outreach Plan

## BACKGROUND

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PECO has a unique opportunity to have a positive impact on poverty in our service territory by ensuring **Energy Security** for vulnerable populations. A primary “Social Determinant” of health is Energy Security. This can be accomplished via Awareness, Access and “Ease of Enrollment” in our assistance programs at PECO, in particular CAP – Customer Awareness Program.

PECO recognizes the societal ills that can come from Energy Insecurity including:

- Homelessness
- Health Disparities
- Childhood malnutrition
- Family separation

Income eligibility for PECO’s CAP, is 0 - 150% FPL (*Federal Poverty Level*). Generally, that number is broken down into 3 tiers (0-50% FPL; 51-100% FPL; and 101-150% FPL). **0-50% FPL is** considered the lowest tier and also referred to as the “poorest of the poor”. Historically, this has been not only the poorest tier, but also **the hardest customer group to reach**. Given the extreme poverty in this customer segment, there are various reasons why access and enrollment are a challenge. Many don’t have access to consistent communication methods (*i.e., cell phone, internet, etc.*), or transportation. Additionally, given the extreme poverty in this customer segment, mental / emotional challenges tend to be more prevalent given the additional stressors associated with deep poverty.

PECO recognizes there are unique challenges with this customer segment and has over the years implemented different techniques to increase their enrollment in CAP. With the previous CAP Rate program, PECO referred to this tier as “Special Needs” customers. PECO offered additional benefits to this tier including priority for LIURP (*Low-Income Usage Reduction Program*), and additional payment agreements. In 2006, PECO had an independent evaluation conducted on this customer segment. This evaluation was a supplement to the regular Universal Services’ 6-Year evaluation.<sup>i</sup>

The 2006 Special Needs evaluation had a few recommendations, key of which was targeted outreach and marketing. Another recommendation was specialized attention and “hand holding”. Again, the depth of poverty experienced by this customer group creates unique challenges and obstacles.

Since that 2006 Special Needs evaluation, PECO continues to be concerned with this customer base. To that end, PECO has done sporadic outreach to this population over the years. Given the continued lag in CAP enrollment of this customer segment as compared to the other 2 higher CAP tiers (*i.e., 51-100 and 101-150% FPL*), PECO will implement targeted, sustained outreach techniques to ensure consistent and continuous focus on increasing enrollment in the 0-50% FPL customer base.

## DATA

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PECO CAP customers in the lowest tier (i.e., 0-50% FPL), have always been the smallest tier in both numbers and percentages. **Historically, and currently, the 0-50% FPL CAP customer base has the lowest enrollment.** The 51 – 100% FPL CAP customer base has the highest enrollment, and the 101 – 150 FPL CAP customer base has the second highest enrollment. As CAP enrollment increases, so too does the 0-50% FPL CAP tier, however, never as much as the other two higher tiers. <sup>ii</sup>

### CAP enrollment by the 3 tiers over the past 3 years

Date	0-50% FPL	51-100% FPL	101-150% FPL	Total CAP
Jan 2019	25,834	56,455	32,928	115,217
April 2019	25,103	55,071	31,909	112,083
Sept 2019	24,944	53,975	31,127	110,046
Dec 2019	25,535	54,485	31,384	111,404
Jan 2020	25,852	54,669	31,593	112,114
April 2020	26,343	55,041	32,010	113,394
Sept 2020	26,913	55,389	32,057	114,359
Dec 2020	27,182	55,680	32,145	115,007
Jan 2021	27,345	55,642	32,181	115,168
April 2021	28,430	56,197	32,403	117,030
Sept 2021	31,291	56,587	32,495	120,373
Dec 2021	32,829	56,422	32,495	121,746

As noted in the chart above, in 2019 and 2020, the 0-50% FPL CAP customer population has lagged behind every tier by about 6,000 customers. In 2021, that separation started to dwindle. By December 2021, the 0-50% FPL population exceeded the 101-150% FPL tier by 334 customers. And the prior quarter (i.e., *September 2021*), the difference between the first and third tier was only a delta of 1,204. Both of those 2 data points represent significant improvement and can be credited to the increased focus PECO has put on this population in 2021. Specifically, targeted phone calls, social media (*to specific zip codes*), and mailings.

### CIMS Data

A primary data source for this population (0-50% FPL), is PECO's Customer Information Management System – CIMS. In CIMS, PECO captures financial data that determines a customer's FPL. Some data is **verified / confirmed** (*meaning the customer has provided proof of income via verifiable documentation*), and other data is **unverified / unconfirmed** (*meaning the customer has provided verbal information but has not followed up with formal documentation*).

**There are currently 22,144 verified PECO customers with a household income under 50% FPL. Of that, 19,293 are on CAP.** The remaining 2,851 are not on CAP. Per CIMS data, there are **currently 85,821 unverified PECO customers with household incomes under 50% FPL.** Given these numbers, PECO has a potential opportunity of 88,000 customers who could be eligible for PECO’s CAP program.<sup>iii</sup>

<b>Category</b>	<b>Total</b>	<b>On CAP</b>	<b>Opportunity</b>
<b>Verified Income</b>	22,144	19,293	2,851
<b>Unverified Income</b>	85,821	0	85,821

Clearly the verified customers who are 50% FPL or below represents a direct opportunity for PECO’s CAP program. The remaining 85,000+ represent strong prospects for PECO’s CAP program. The high likelihood that most unverified 0-50% FPL customers are eligible for CAP is demonstrated in zip code data. When looking at the top 20 zip codes of PECO’s CAP population with household FPL’s less than 50%, 18 out of 20 of those zip codes are the same as unverified customers with household income’s less than 50% FPL. The remaining 2 zip codes are high on the list.

Given that specific communities have high concentrations of residents in particular income brackets, we were not surprised by this data. This brings us to another data point for CAP outreach – CIMS zip code data. **Using zip code data, PECO knows where to concentrate outreach efforts.** To bring this closer to home, the top 5 zip codes of verified customers with incomes less than 50% FPL are identical to the top 5 zip codes of unverified customers with incomes less than 50% FPL, almost in the exact same order.

### **Government Data**

Another data point is government data. The data noted below is from the ACS – American Community Survey. ACS data provide information on household characteristics, including income level. **Using data from the ACS, there are 76,385 customers in PECO’s service territory that have household incomes less than 50% FPL.**<sup>iv</sup>

Here's a breakdown by commodity and tier per the ACS:

<b>FPL</b>	<b>Electric</b>	<b>Combination</b>	<b>Gas Only</b>	<b>Total</b>
<b>0 – 25%</b>	44,098	5,612	300	50,010
<b>26 – 50%</b>	23,024	3,289	62	26,375
<b>Total</b>	67,122	8,901	362	<b>76,385</b>

Given the similarities in CIMS data and ACS data, we have good reason to believe that a significant number of the unverified 0-50% FPL PECO customers are likely CAP eligible. For that reason, PECO will actively solicit both populations for CAP (i.e., *verified 0-50% FPL non-CAP and unverified 0-50% FPL*).

## TACTICS / METHODOLOGIES

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The primary goal of PECO's Outreach team is to inform and educate customers on the comprehensive, complimentary suite of assistance programs offered by PECO. The ultimate goal is to increase enrollment in our programs, in particular CAP. A supplemental goal is ensuring ease of enrollment by increasing enrollment methods and removing barriers. To that end, PECO has 5 primary CAP enrollment methods:

1. Mail
2. Fax
3. Email
4. Online
5. CAP Enrollment Sites (*mixture of in-person and virtual support during the COVID-19 pandemic*)

The first 4 methods have been in place for decades. The last method, CAP Enrollment Sites, is new. This enrollment mechanism was introduced early 2020. At that time, PECO onboarded 23 community agencies to assist with CAP enrollment. PECO refers to these agencies as "**CAP Enrollment Sites**". The goal of this initiative is to:

- Increase CAP enrollment
- Enhance collaborations between PECO and Social Service Agencies
- Create a more streamlined customer experience by:
  - ✓ Reducing the need for customers to submit the same income documentation to multiple agencies for benefits
  - ✓ Increasing locations where customers can get in-person (*or virtual*) assistance

PECO will use data from both CIMS, and Census as noted in the previous section to determine where to target the 0-50% FPL population.

The specific tactics PECO will employ to increase outreach and ultimately enrollment in the 0-50% FPL population is as follows:

- **Engage CAP Enrollment Sites** that serve zip codes that have high concentrations of customers with FPL below 50%; Provide PECO resources at these sites on a cyclic basis
- **Increase outreach events** / presence in zip codes that have high concentrations of customers with FPL's below 50%
- **Out of Home Advertising** – Billboards, public transportation, bus shelters, etc.
- **Direct mail** – Postcard mailings – Postcard mailings have been deemed a best practice given the higher readership; Postcards don't have to be opened and are more engaging and less intimidating than standard letters
- **Email** – With the recent pandemic, PECO has used emails more often to reach customers; Even customers in deep poverty tend to have an email address, especially millennials.

- **Direct Dialed Phone Calls** – Friendly calls to encourage customers to enroll in CAP
- **Social Media** – Using zip code data, we know where there are large segments of customers under 50% FPL – We can target these areas with specific messaging
- **Posters with tear-off's** – These posters would be prominently displayed in high traffic locations
- **Flyers / brochures** at known locations where 0-50% FPL customers frequent
- **Employ Innovative Outreach Techniques**– Current possibilities include virtual enrollment; Will continue to do research and employ new techniques as they become available
- **Collaborate** with special interest groups that serve the 0-50% FPL population, such as:
  - Elected Official Offices
  - Neighborhood Energy Centers (NEC's)
  - Welfare to Work programs
  - Elderly organizations
  - Returning citizens
  - Job training programs (i.e., OIC)
  - Faith Based Organizations
  - Food pantries
  - School Districts
  - Housing agencies
  - Etc.
- **Work Force Development (WFD)** – PECO recently launched a Work Force Development department to help break the cycle of poverty by providing access to education and training that will lead to family sustaining wage employment. As an added benefit for the 0-50% FPL population, PECO will connect customers in this population with WFD opportunities inclusive of but not limited to the following:
  - Educational assistance (GED, Literacy) – Offer educational support which may be needed before embarking on job training. Connect customers with WFD partners like Philadelphia OIC and Beyond Literacy
  - Connect with WFD partners like “First Step Staffing” to provide support during job training or while employed. First Step Staffing also facilitates transportation to job sites and ensures workers are paid weekly to help them manage their bills
  - Connect with “Uplift Solutions” for returning citizens to provide employment pathways to success for justice involved individuals
  - Jobseekers needing assistance determining a career pathway can take advantage of The Free Library of Philadelphia’s Career Launch program which offers career exploration sessions and a comprehensive database of training programs to prepare individuals for their chosen career. Additionally, jobseekers can search for relevant career opportunities via the PropelPHL app powered by HirePhilly.

**The aforementioned tactics will be done specifically for the 0-50% FPL population. That notwithstanding, PECO will employ other tactics to solicit CAP enrollment for all eligible customers. Those tactics will be inclusive of the 0-50% FPL population.**

Additionally, PECO will solicit this vulnerable population for other assistance products and services inclusive of the entire suite of assistance programs at PECO to help supplement utility bill payment. PECO will target both existing, temporary, and new programs:

***Usage Reductions programs:***

- LIURP – Low-Income Usage Reduction Program – Usage reduction program that provides an extensive energy audit as well as remediation measures to reduce usage; This program also offers ongoing assistance via monthly touchpoints to encourage ongoing usage reduction behaviors
- Defacto Heating (*when available*) – Program for customers who use an alternate heating source because their primary heating source is inoperable
- Health and Safety – Provides usage reduction services / repairs that are outside of regular LIURP, examples include asbestos, windows, etc.
- LEEP – Low-Income Energy Efficiency Program – low-income component of Act 129 – Similar to LIURP; Provides supplemental usage reduction measures; Program focus could change annually, examples of program elements could be appliance swaps

***Grant Programs:***

- LIHEAP – Low-Income Home Energy Assistance Program – Government grant program – available during the heating season, typically November to March; Cash and Crisis programs to help with utility bill payment for primary or secondary heating sources
- ERAP – Emergency Rental Assistance Program – Temporary government grant program that provides rent and utility assistance – funding appropriated as a part of COVID relief
- PAHAF – Pennsylvania Home Assistance Fund – Temporary government grant program that provides mortgage and utility assistance – funding appropriated as a part of COVID relief
- MEAF – Matching Energy Assistance Fund – PECO Hardship fund for customers whose service is terminated or in threat of termination; PECO partners with community partners in each county to administer this program

***Situational / Individualized Assistance:***

- CARES – Customer Assistance Referral and Evaluation Services – Individualized assistance for customers with extenuating circumstances or special needs
- Other Referral programs – Findhelp.org – Expansive portal that provides assistance for residents across the United States; PECO has purchased a subscription with Findhelp (formerly Aunt Bertha) to provide additional assistance for our customers

## METRICS / OUTCOMES – MEASURES OF SUCCESS

### COVID-19 Impacts

Total CAP enrollment is a product of new enrollees as well as recert removals. With the current COVID-19 pandemic, one of the protections PECO afforded CAP customers was a temporary moratorium from recert removals. As a result, **as of the end of 2021, we have a total of 51,213 CAP customers who are eligible for removal from CAP for failure to recertify, of which 12,140 are between 0-50% FPL.** <sup>v</sup>

<b>Recert Removal Eligible</b>	<b>Total CAP Eligible for Removal</b>	<b>0-50% FPL Eligible for Removal</b>
<b>As of December, 2021</b>	51,213	12,140

**To that end, metrics for this Plan will focus on both new enrollment as well as recert removals.** The goal of this Plan is to both identify and enroll new customers in CAP who are less than 50% FPL while simultaneously retaining existing customers on CAP who are less than 50% FPL.

**The percentage of CAP customers below 50% FPL has been flat over the past 5 years** as illustrated in the table below: The years chosen are 2015 to 2019 inclusive (*pre-COVID-19*), however, the past 2 years (*2020 and 2021*), have been similar in terms of percentages. January 2020 the percentage of CAP customers under 50% FPL was 23% while January 2021, the percentage of CAP customers under 50% FPL was 24%.

**Metrics for this plan are COVID normalized due to the anomalies created by COVID in calendar years 2020 and 2021,** but for different reasons. In calendar year 2020, PECO offered several protections due to the financial impacts of COVID. Those protections caused customers to not act with a great sense of urgency. In 2021, PECO removed many of those protections which changed customer behavior again, but in the opposite direction – customers were more responsive.

<b>Date</b>	<b>0-50% FPL</b>	<b>Total CAP</b>	<b>% Less than 50%</b>
<i>Jan 2019</i>	25,834	115,217	22%
<i>Jan 2018</i>	26,153	118,691	22%
<i>Jan 2017</i>	30,323	132,104	23%
<i>Jan 2016</i>	30,412	138,379	22%
<i>Jan 2015</i>	30,985	140,844	22%

**Total CAP enrollment has been in the negative numbers for the past decade.** In the past 5 years, it has been as low as negative 53%. Per the previous chart, total CAP enrollment went from a high of 140K CAP customers in 2015 to a low of 115K CAP customers in 2019. That notwithstanding, giving the tactics noted in the previous section of this Plan to do specific outreach to the 0-50% FPL population, PECO has set aggressive targets for the 0-50% FPL customer population.

**PECO’s target for 0-50% FPL customers for the next 5 years (2022 – 2026 inclusive), is a 5% increase in total enrollment over 2019 (pre-COVID).** Again, total enrollment is a product of both new enrollment and recertification retentions, to that end, **PECO will focus on both new enrollees as well as recertification retentions for the 0-50% FPL population.**

The 5-year goal for CAP enrollment for customers under 50% FPL is as follows:

<b>Calendar Year Ending</b>	<b>CAP 0-50% FPL Customers</b>
<i>2022</i>	27,125
<i>2023</i>	28,481
<i>2024</i>	29,905
<i>2025</i>	31,400
<i>2026</i>	32,970

**PECO recognizes this is an aggressive goal given the unique challenges associated with reaching this uniquely vulnerable population.** Again, extreme poverty brings additional challenges associated with everyday living not to mention communication and accessibility. **That notwithstanding, PECO will employ all tactics noted in the Methodologies section of this Plan and believes these goals are attainable.**

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<sup>i</sup> APPRISE – Applied Public Policy Research Institute for Study and Evaluation

<sup>ii</sup> Monthly CAP Participation Reports

<sup>iii</sup> PECO Customer Analytics Data Team in Customer Financial Operations

<sup>iv</sup> APPRISE Evaluation

<sup>v</sup> Universal Services