



August 30, 2022

VIA ELECTRONIC FILING

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027, Docket No. M-2021-3029323

Dear Secretary Chiavetta,

Please find enclosed the Stakeholder Comments of POWER Interfaith. As indicated by the Certificate of Service, service on the parties to the above-referenced proceeding was accomplished by email. Should you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

/s/ Devin McDougall

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the enclosed document upon the parties to the above-referenced proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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Dated: August 30, 2022

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Philadelphia Gas Works Universal Service
and Energy Conservation Plan for 2023-
2027**

Docket No. M-2021-3029323

**STAKEHOLDER COMMENTS OF
POWER INTERFAITH
ON PGW'S PROPOSED UNIVERSAL SERVICE
AND ENERGY CONSERVATION PLAN 2023-2027**

August 30, 2022

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I. Introduction

On October 29, 2021, Philadelphia Gas Works (“PGW”) filed its proposed Universal Service and Energy Conservation Plan (“Proposed USECP”) for 2023–2027.¹ On June 16, 2022, the Pennsylvania Public Utility Commission (“Commission”) issued an Order Directing Supplemental Information and Establishing Comment Period (“Order”), directing PGW to provide additional information on certain specified issues and setting timelines for comment by parties and stakeholders.² On July 12, 2022, the Commission issued a Secretarial Letter extending the Order’s timelines for submitting comments (“Secretarial Letter”).³ On July 21, 2022, PGW submitted supplemental information in response to the Order.⁴

Pursuant to the Order, as modified by the Secretarial Letter, POWER Interfaith (“POWER”) respectfully submits these stakeholder comments (“Comments”) on PGW’s Proposed USECP. POWER thanks the Commission for this opportunity to comment on the important programs and policies contained in the Proposed USECP.

II. Background

POWER is a racial and economic justice organizing force in the state of Pennsylvania, helping people put faith and values into strategic action to win concrete change in the public sphere. POWER organizes in southeastern Pennsylvania and in coalitions across the state for racial and economic justice on a livable planet by shifting the moral and policy universe towards possibilities that support the common good. POWER’s Climate Justice and Jobs team draws

¹ PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, Docket No. M-2021-3029323 (Oct. 29, 2021).

² Commission, Order Directing Supplemental Information and Establishing Comment Period, Docket No. M-2021-3029323 (June 16, 2022).

³ Secretarial Letter, Docket No. M-2021-3029323 (July 12, 2022).

⁴ PGW Supplemental Information, Docket No. M-2021-3029323 (July 21, 2022).

people from both marginalized and privileged neighborhoods into the public struggle over land and energy, considering key land and energy issues as contested space in this world. POWER fights against dirty fossil fuel expansion and for green economy solutions. In POWER's integrated strategy, POWER centers racial and economic equity issues as an essential part of every single building block of policy.

POWER has engaged in several prior proceedings relating to PGW's operations. As context, it is important to note that PGW is currently engaged in a process of re-evaluating its business model in order to identify new revenue streams and develop a plan to meet the City of Philadelphia's goal of net zero greenhouse gas emissions by 2050.⁵ As part of this process, the City has instructed PGW to set "mid-term (i.e., 2025 and 2030) GHG reduction goals for PGW that are consistent with achieving the City's carbon neutrality goal by 2050" while also "supporting rate affordability and public health."⁶

POWER has participated extensively in PGW's business diversification process, including commenting on a Business Diversification Study released by PGW⁷ and participating in City Council hearings relating to that study.⁸ POWER has also participated in proceedings of the Philadelphia Gas Commission to review PGW's proposed FY 2023 Capital Budget and Operating Budget, advocating for investments that advance PGW's decarbonization goals in a just and equitable fashion that ensures low-income ratepayers are protected.⁹ Many of POWER's

⁵ PGW, Business Diversification Study, at 3 (Dec. 9, 2021), *available at* <https://www.phila.gov/media/20211207134817/PGW-Business-Diversification-Study-2021-12.pdf>.

⁶ Letter of Mayor James Kenney to the Philadelphia Facilities Management Corporation, at 2 (Dec. 7, 2021).

⁷ POWER Interfaith, Written Testimony on Draft PGW Diversification Study (May 28, 2021), *available at* <https://www.phila.gov/media/20210729142838/OOS-public-comment-PGW-study.pdf>.

⁸ *See, e.g.*, Philadelphia City Council, Committee on Finance and Transportation and Public Utilities – Transcript, at 195:23–199:14 (Feb. 9, 2022).

⁹ *In the Matter of the FY 2023 Budget and Oversight Review of PGW's FY 2023 Operating Budget and Forecast for FY 2024-FY 2028*, Direct Testimony of Mark Kleinginna on behalf of POWER Interfaith (June 24, 2022); *In the Matter of the Proposed FY 2023 Capital Budget/Oversight Proceeding of the Philadelphia Gas Works*, Direct Testimony of Mark Kleinginna (Mar. 3, 2022).

members have experienced energy insecurity and have struggled to keep up with their PGW bills, and this experience has informed POWER’s advocacy on PGW issues.

POWER believes that PGW’s operations must be aligned to advance the four critical values of (1) affordability, (2) decarbonization, (3) fair labor, and (4) health and safety in an integrated fashion, and not simply pose false choices between them. POWER sees community-informed solutions that integrate these four goals as a necessary response to the challenging juncture of climate impacts and extreme inequality in Philadelphia. PGW’s Proposed USECP is an essential mechanism for protecting affordability, and the Commission must take action to ensure that it serves low-income Philadelphians as effectively as it can.

III. Stakeholder Comments

A. Customer Responsibility Program

One of the core components of PGW’s Proposed USECP is its Customer Responsibility Program (“CRP”), which has as its objective “help[ing] low-income residential customers meet their energy needs by offering payment assistance in the form of an affordable bill consistent with PUC requirements.”¹⁰ The CRP is part of PGW’s implementation of universal service and energy conservation policies under the Natural Gas Choice and Competition Act (“Competition Act”).¹¹ The CRP is a “customer assistance program” (“CAP”) as described in the Competition Act,¹² and is evaluated with reference to the Commission’s CAP Policy Statement.¹³ As a city

¹⁰ PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, at 5, Docket No. M-2021-3029323 (Oct. 29, 2021).

¹¹ Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2201–2212 (1999).

¹² Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2202 (1999).

¹³ See 2019 Amendments to CAP Policy Statement, Final Policy Statement and Order, Docket No. M-2019-3012599 (Nov. 5, 2019), codified at 52 Pa. Code §§ 69.261-.267 (“CAP Policy Statement”).

natural gas distribution operation, PGW is subject to the same requirements and policies as a natural gas distribution company under the Public Utility Code.¹⁴

POWER strongly supports the recommendations of the Tenant Union Representative Network (“TURN”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) (collectively, “Low-income Advocates”) in their Joint Comments on PGW’s Proposed USECP (“Joint Comments”), including as relating to the CRP.¹⁵ The Commission should, in its final review of PGW’s proposed CRP, require PGW to implement all of the recommendations in the Joint Comments, in order to ensure that PGW’s next USECP is as effective as possible in serving those who need it.

However, POWER would like to briefly highlight several key themes of particular interest to its members. As a general matter, it is critical that the process for enrolling for CRP be made as simple and efficient as possible. Presently, PGW estimates that it has 121,496 low-income customers,¹⁶ but PGW projects it will have a CRP enrollment of only 65,429 customers in 2023.¹⁷

This indicates an urgent need for improvements to how CRP is managed to ensure it is reaching all whom it could benefit. Such improvements can and should include an online CRP portal that does not require the creation of an account; increased support for community-based organizations to directly submit CRP applications to PGW electronically; flexible income verification that allows applicants to provide either their last 12 months of income or their last 30 days of income; a halt to requesting Social Security numbers from CRP applicants; and striking

¹⁴ 66 Pa. C.S. § 2212.

¹⁵ Low-income Advocates, Joint Comments, Docket No. M-2021-3029323 (Aug. 30, 2022).

¹⁶ PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, at 9, Docket No. M-2021-3029323 (Oct. 29, 2021).

¹⁷ *Id.* at 35.

all language from its USECP about using external credit reporting bureaus to verify household composition and income.

As climate change imposes increasing stresses on PGW's business model in coming years, likely driving increased rates, it is essential that all low-income ratepayers can access CRP protections for which they are eligible.¹⁸ This will require streamlining and removing many of the procedural barriers described above and discussed in more detail in the Joint Comments as well as more extensive outreach to and engagement with potentially eligible customers.

As a related matter, PGW must improve its data practices relating to CRP and bottom-line customer outcomes, including shut-offs. In order to support evaluation of whether CRP is working as well as it can be, PGW should make publicly available data on how well CRP is functioning, including how it is helping customers avoid shut-offs. This data should include, ideally, a real-time online dashboard indicating the number of customers per census tract in PGW's service territory at risk of being shut-off in the near future as well as whether they have been contacted regarding CRP enrollment or other available means of support, including the Hardship Fund.¹⁹ A spatial dimension to the data is key because it can help identify neighborhoods where additional investment may be needed or where additional support to community-based organizations should be provided. With so many low-income customers not participating in CRP, this type of data-forward approach can help avoid eligible customers falling through the cracks and experiencing a shut-off, which imposes extremely onerous burdens on households already in very difficult circumstances.

¹⁸ PGW, Business Diversification Study, at 8 (Dec. 9, 2021) *available at* <https://www.phila.gov/media/20211207134817/PGW-Business-Diversification-Study-2021-12.pdf> (“In past years, PGW’s gas consumption per residential customer has been declining due to improved appliance efficiencies, conservation efforts, and a warming climate. These factors are likely to intensify as temperatures continue to rise and policymakers place a stronger focus on reducing the greenhouse gases (GHGs) in the atmosphere.”).

¹⁹ PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, at 25, Docket No. M-2021-3029323 (Oct. 29, 2021).

It is also important for PGW to expand its efforts to engage with and support customers who may not fit the regulatory definition of low-income at 150% of Federal Poverty Income Guidelines (“FPIG”), but who nonetheless struggle to keep up with their PGW bills. This should include more active efforts to ensure customers are aware of the potential availability of PGW’s Hardship Fund to provide a grant for assistance with bills. However, it should also include robust stakeholder engagement with low-income customers themselves to help design more durable policy solutions to the affordability challenges faced by customers who may not be eligible for CRP under its current rules.

More broadly, POWER believes that the 150% of FPIG definition of low-income for purposes of CRP eligibility is no longer appropriate, and urges PGW to engage directly with low-income customers and other stakeholders on the development of a more suitable definition of low-income. POWER would like to emphasize, however, that it is critical any such expansion must not cut the level of relief to the lowest income families. As we work towards a just and equitable future for PGW, it is essential to truly expand affordability protections, and not array low-income families against each other.

B. Low-Income Usage Reduction Program

Another key component of PGW’s Proposed USECP is its Low-Income Usage Reduction Program (“LIURP”).²⁰ Like CRP, LIURP is part of PGW’s implementation of the universal service and energy conservation plan policies of the Competition Act.²¹ PGW’s primary LIURP implementation, Home Comfort, “provides free, in-home weatherization and energy

²⁰ *Id.* at 18.

²¹ Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2202 (1999).

conservation education services”²² for eligible low-income customers and “seeks to make the homes of eligible low income customers more energy efficient, which improves comfort and reduces the subsidy cost of those customers enrolled in CRP.”²³ The services offered by Home Comfort include “weatherization measures, such as air sealing, insulation, equipment repair and replacement, hot water reduction measures and energy conservation education.”²⁴

Additionally, the Proposed USECP contains several proposed LIURP pilots: (1) a Low-Income Multifamily Efficiency (“LIME”) pilot, to provide energy efficiency and weatherization services to eligible multifamily properties;²⁵ (2) a Repair and Renew pilot designed to “address heating system hazards and weatherize the homes” of low-income households with a heating system that is not functioning safely or at all;²⁶ and (3) a Health and Safety pilot to support the installation of health and safety measures necessary to allow for energy savings measures to be implemented.²⁷

POWER strongly supports the recommendations on PGW’s USECP contained in the Joint Comments of the Low-income Advocates, including relating to LIURP, and respectfully requests that the Commission require PGW to implement all of the Joint Comments’ recommendations.²⁸ POWER would also like to briefly highlight several key themes relating to LIURP that are of particular interest to its members

To start, it is important that PGW better reach tenants, especially those in multifamily buildings. It is concerning to note that the PGW’s proposed LIME pilot only plans to provide

²² PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, at 18, Docket No. M-2021-3029323 (Oct. 29, 2021).

²³ *Id.*

²⁴ *Id.* at 20.

²⁵ *Id.* at 18.

²⁶ *Id.* at 19.

²⁷ *Id.* at 21.

²⁸ Low-income Advocates, Joint Comments, Docket No. M-2021-3029323 (Aug. 30, 2022).

weatherization and energy conservation services to two multifamily buildings per year.²⁹ Many low-income Philadelphians are renters and live in multifamily homes and it is a matter of equity that they have the same access to weatherization and energy conservation services as do homeowners and residents of single-family homes. Accordingly, PGW should increase its LIME pilot budget by allocating new and additional funds to it and increasing its overall LIURP spend (and not through simply shifting LIURP dollars currently allocated to serving single family homes).

Next, PGW must do more to support health and safety improvements necessary to enable weatherization and energy conservation measures. To that end, the Health and Safety pilot should be fully integrated into PGW's Home Comfort program, so that health and safety improvements are routinely implemented when they are flagged as a barrier to weatherization and energy conservation work as part of the Home Comfort assessment process.³⁰ PGW should also increase its spending on such health and safety measures by allocating new and additional funds to it and increasing its overall LIURP spend (and not through simply reallocating LIURP dollars).

PGW should also ensure that its contractors implementing health and safety measures are informed about other home repair programs and make referrals as needed to ensure that customers have access to all applicable home repair funding. POWER supports the proposal in the Joint Comments of PGW hosting an annual meeting to facilitate such information sharing and maintaining and distributing a list of relevant programs and providers.

PGW should also improve its data practices relating to health and safety issues. The Commission should require PGW to gather data on the number of homes "screened out" of

²⁹ PGW, Proposed Universal Service and Energy Conservation Plan for 2023–2027, at 21, Docket No. M-2021-3029323 (Oct. 29, 2021).

³⁰ *Id.* at 20.

LIURP services due to health and safety problems, including the specific health and safety problems at issue. PGW should be required to file this data with the Commission in the form of publicly-accessible reports. Such information collection is critical for ensuring that PGW's LIURP services are provided to low-income ratepayers as well as they can be.

Finally, as noted above, PGW's overall LIURP budget is simply too low to meet existing needs. The LIURP budget should be increased to ensure that efforts to meet the needs of residents of multifamily buildings and to address health and safety hazards are truly additive, rather than taking away from the use of the same dollars for other important work. Increasing PGW's LIURP budget is also important in light of the difficult economic conditions faced by low-income customers, including inflationary pressures on home energy prices. Accordingly, POWER strongly supports the recommendation of the Low-income Advocates to increase PGW's LIURP budget, at a minimum, to a level necessary to fully meet projected service needs.

IV. Conclusion

POWER respectfully requests that the Commission consider the foregoing comments in its review of PGW's Proposed USECP. As PGW notes, it "serves a customer base with the highest proportion of poverty in the Commonwealth."³¹ As such, PGW is well-positioned to be a leader in best practices for USECP design and administration. To that end, the Commission should require PGW to implement the Joint Comments of the Low-income Advocates in full.³²

The need for excellence in PGW's USECP is all the more acute given the accelerating impacts of

³¹ *Id.* at 33.

³² Low-income Advocates, Joint Comments, Docket No. M-2021-3029323 (Aug. 30, 2022).

climate change, and PGW must do all it can to ensure that its low-income customers are protected as pressures mount on PGW's business model in a warming world.³³

August 30, 2022

Respectfully submitted,

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³³ PGW, Business Diversification Study, at 8 (Dec. 9, 2021), available at <https://www.phila.gov/media-/20211207134817/PGW-Business-Diversification-Study-2021-12.pdf>.