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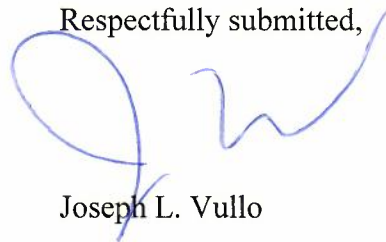
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, Filing Room
Harrisburg, PA 17120

RE: PPL Electric Utilities Corporation's Proposed Universal Service and Energy Conservation Plan for 2023-2027
Docket No. M-2022-3031727

Dear Secretary Chiavetta:

Please accept for filing Comments of the Commission on Economic Opportunity to PPL's Proposed Universal Service and Energy Conservation Plan for 2023-2027. A copy of this filing was served in accordance with the attached Certificate of Service.

Respectfully submitted,



Joseph L. Vullo

JLV/jar
encl.

cc: All Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation's :
Proposed Universal Service and Energy : Docket No. M-2022-3031727
Conservation Plan for 2023-2027 :

**COMMENTS OF THE COMMISSION ON ECONOMIC OPPORTUNITY
TO PPL'S PROPOSED UNIVERSAL SERVICE AND
ENERGY CONSERVATION PLAN FOR 2023-2027**

I. Introduction

The Commission on Economic Opportunity (CEO) is a private nonprofit Pennsylvania corporation. The mission of CEO is to promote self-sufficiency among low-income and vulnerable populations by confronting the causes and reducing the effects of poverty.

CEO was incorporated in 1966 as a community action agency to alleviate poverty. This multi-service nonprofit organization is governed by a Board of Directors comprised of three constituencies with equal representation: consumers, public sector, and private sector.

CEO provides its clients with a broad range of assistance in the areas of energy assistance, housing, veterans' programs, education and food/nutrition. CEO also operates the Weinberg Northeast Regional Food Bank, serving four counties-Luzerne, Wyoming, Lackawanna and Susquehanna. Operating those programs with a staff that exceeds 175 full- and part-time employees, CEO annually serves more than thirty thousand individuals from approximately twelve thousand households.

In regard to energy assistance, CEO has been the LIHEAP Crisis contractor in Luzerne and Wyoming counties since the inception of LIHEAP and is the Crisis Interface contractor in Luzerne County through its contract with the PA Department of Community and Economic Development (DCED). Through that contract, CEO provides LIHEAP Crisis Interface services (no-heat

emergencies) and standard weatherization services for eligible individuals in Luzerne County. CEO has operated the U.S. Department of Energy's Weatherization Assistance Program (WAP) since its inception in 1976. CEO has weatherized more than 25,000 homes under WAP. CEO also serves as the subcontractor for the LIURP programs of PPL Electric and UGI's gas and electric divisions. CEO has operated PPL's WRAP program in Luzerne County since the program's inception. CEO also operates other universal service programs on behalf of PPL and UGI. In addition to weatherization, those programs provide bill assistance, energy education, and hardship funding.

In addition to its energy activities above-described, CEO also intervenes in matters before the Pennsylvania Public Utility Commission to address issues that impact low-income ratepayers and programs that aid those ratepayers. These comments are submitted pursuant to CEO's advocacy efforts on behalf of its low-income clients and ratepayers.

II. Comments

A. LIURP Funding

In its Plan, PPL proposes \$10 million annual LIURP funding for its Winter Relief Assistance Program (WRAP) for the years 2023 through 2027. PPL's WRAP funding has been set at \$10 million annually since its 2015 rate case. (R-2015-2469275) so if the WRAP funding proposed by PPL in its Plan is accepted WRAP funding will remain the same for more than a decade.

It appears that PPL has not considered the impact of inflation on the number of WRAP jobs it can complete nor the need of its ratepayers for WRAP services in proposing the same level of WRAP funding it has had since 2015. CEO can attest to the impact of inflation on the number of LIURP jobs it has been able to complete. We are in a period of extreme inflation where the cost

of materials used in weatherization along with the fuel to get to the jobs and the labor costs to complete the jobs have increased dramatically.

In its WRAP needs assessment submitted with its Plan, the Company indicates that as of April 1, 2022, there are 85,825 customers who can benefit from WRAP services and estimates a total cost of \$236,735,254 to serve those customers. At the proposed funding of \$10 million per year and 3,500 jobs per year one can see the need for additional funding.

With funding remaining the same since 2015 along with the impact of inflation and need of its ratepayers, CEO is proposing that WRAP funding be increased to \$14 million annually and that any unspent funds be carried over to the next year's budget.

B. Use of Community Based Organizations

The Company's current Plan differs substantially from its prior plan in the use of community-based organizations in its WRAP and other universal service programs. In its USECP for the years 2017-2019 (M-2016-2554787), the Company used at least seven community-based organizations (CBOs) in its WRAP program. In its current Plan, the Company proposes to use just one CBO in WRAP, the Commission on Economic Opportunity.

CEO participated in PPL's RFP process for WRAP work during the latter part of 2021 and was awarded a contract in January of 2022 to perform WRAP work in Luzerne and Wyoming counties for the years 2022 through 2024. To CEO's knowledge other CBOs, CBOs who had traditionally done the Company's WRAP work for years, submitted proposals during the recent RFP process but were not awarded a contract. These contracts were awarded to private non-CBOs to the exclusion, except in CEO's case, to the CBOs who had been performing WRAP work under

the Company's prior USECP.¹ The Company's recent RFP process for WRAP contractors provided no preference for CBOs and presumably was based solely on price.

The Electricity Generation Customer Choice and Competition Act provides for a preference in the use of CBOs in a company's universal programs:

The Commission shall encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce the energy consumption or otherwise assist low-income customers to afford electric service.

66 Pa. C.S. § 2804 (9)

It is CEO's recommendation that utility companies continue to utilize CBOs to both administer and deliver WRAP services as well as other universal service programs. Like CEO, many CBOs also provide DCED's WAP program thus having the same entity administer both programs makes sense not only for the utility company but also the customers they serve. Many low-income households in our local communities are familiar with the services and programs offered by their community-based organizations. Because of this, a CBO can coordinate the services of the WRAP program and DCED's WAP program.

The use of a CBO also makes these programs work more efficiently. If a customer is eligible for both programs, the CBO can ensure there is no duplication of services. Community Based Organizations are aware of services above and beyond LIURP and WAP. The connection CBOs have to other entities allow us to make the appropriate referrals to agencies that may be able to assist a customer with issues that prevent them from being eligible for WRAP activities.

Integrated delivery has many advantages. Eliminating redundant administrative structures will save money for ratepayers and allow a greater portion of WRAP and WAP dollars to be

¹ There is no evidence that PPL received approval from the PUC to modify its USECP to allow for the exclusion of the CBOs who had been listed under that USECP as WRAP contractors.

devoted to providing services to customers. Providing customers with a single service delivery that provides efficiency services across all fuels in a single interaction will dramatically reduce confusion and fatigue among customers, increasing their willingness to participate in the programs. Integrated program delivery will also maximize the cost-effectiveness of the programs by reducing the unnecessarily high financial costs and time commitment of the multiple customer and program transactions that occur under the current, fragmented delivery structure.

Aside from the coordination across the energy assistance sources, CBOs serve thousands of low income and disadvantaged members of the community; they have direct knowledge of the barriers and impediments to self-sufficiency, and continually innovate and evolve the service delivery system to better meet the needs of the population they serve. Community based organizations are governed by volunteer Boards of Directors; accountable to the communities they serve and are not conflicted by a duty to shareholders and investors. The focus and active experience of community-based organizations make them singularly suited to speak for the needs of the community. Local, experienced community-based organizations must continue to operate these programs; CEO, and other CBOs, operate as a one stop facility for the problems of the poor. A CBO doing WRAP work on behalf of this Company can provide, or refer, the low-income ratepayer with other, non-energy related assistance, that can help that ratepayer better afford their utility costs and further reduce costs for the Company. The above reasons are why the legislature in the Electricity Generation Customer Choice and Competition Act tasked the PUC with encouraging the use of CBOs.

C. Health and Safety Costs

Under the Company's proposed USECP, WRAP contractors can spend up to \$650 in health and safety measures without PPL's approval. Health and safety measures would include dryer

venting, carbon monoxide detectors, exhaust fans and other measures not related to weatherization but improve the safety of the home. Although PPL can approve health and safety measures beyond the \$650 ceiling, CEO is recommending, due to increased cost of labor and materials, that the ceiling not requiring pre-approval be increased to \$1,500 per participant household for owners and \$750 per participant household for renters.

III. Recommendations

CEO, pending comments submitted by other parties and reserving the right to submit reply comments, at this time recommends the following:

1. That annual WRAP funding be increased to \$14 million and that any unspent funds be carried over to the next year's budget;
2. That the Company use the community-based organizations it has traditionally used in its universal service programs;
3. That the health and safety ceiling costs not requiring pre-approval be increased to \$1,500 per participant household for owners and \$750 per participant household for renters.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the foregoing Comments of the Commission on Economic Opportunity upon the following participants this 22nd day of September, 2022, via electronic mail:

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