



June 20, 2023

**VIA E-MAIL**

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

**Re: FirstEnergy Companies Joint Proposed Universal Service and Energy Conservation Plan for 2024-2028: Metropolitan Edison Company Universal Service and Energy Conservation Plan for 2024-2028; West Penn Power Company Universal Service and Energy Conservation Plan for 2024-2028; Pennsylvania Power Company Universal Service and Energy Conservation Plan for 2024-2028; Pennsylvania Electric Company Universal Service and Energy Conservation Plan for 2024-2028**

**Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, M-2022-3036535**

Dear Secretary Chiavetta:

Attached for filing, please find the **Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** for the above related proceeding.

As indicated by the attached Certificate of Service, service on the parties was by email only.

Respectfully submitted,

Ria M. Pereira, Esq.  
*Counsel for CAUSE-PA*

CC: Certificate of Service  
Joseph Magee, Bureau of Consumer Services – [jmagee@pa.gov](mailto:jmagee@pa.gov)  
Jennifer Johnson, Bureau of Consumer Services – [jennifjohn@pa.gov](mailto:jennifjohn@pa.gov)  
Regina Carter, Bureau of Consumer Services – [regincarte@pa.gov](mailto:regincarte@pa.gov)  
Christina Chase-Pettis, Office of Communications – [cchasepett@pa.gov](mailto:cchasepett@pa.gov)  
Louise Fink Smith, Law Bureau – [finksmith@pa.gov](mailto:finksmith@pa.gov)

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Metropolitan Edison Company Universal Service : Docket No. M-2022-3036532  
and Energy Conservation Plan for 2024-2028 :

West Penn Power Company Universal Service : Docket No. M-2022-3036533  
and Energy Conservation Plan for 2024-2028 :

Pennsylvania Power Company Universal Service : Docket No. M-2022-3036534  
and Energy Conservation Plan for 2024-2028 :

Pennsylvania Electric Company Universal : Docket No. M-2022-3036535  
Service and Energy Conservation Plan for 2024- :  
2028

---

**Certificate of Service**

I hereby certify that I have, on this day, served copies of the **Comments of the Coalition for Affordable Utility Services 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.

**VIA EMAIL ONLY**

Angelina Umstead  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
[aumstead@firstenergycorp.com](mailto:aumstead@firstenergycorp.com)

Christy Appleby, Esq.  
Darryl A. Lawrence, Esq.  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
[CAappleby@paoca.org](mailto:CAappleby@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)

Todd S. Stewart, Esq.  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

NazArah Sabree, Small Business Advocate of  
Pennsylvania  
Office of the Small Business Advocate  
555 Walnut Street  
1<sup>st</sup> Floor, Forum Place  
Harrisburg, PA 17101  
[ra-sba@pa.gov](mailto:ra-sba@pa.gov)

Richard Kanaskie, Esq.  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
P.O. 3265  
Harrisburg, PA 17105-3265  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)

Respectfully Submitted,  
**Pennsylvania Utility Law Project**  
*Counsel for CAUSE-PA*



Ria M. Pereira, Esq., PA ID 316771  
The Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[PULP@pautilitylawproject.org](mailto:PULP@pautilitylawproject.org)  
*Counsel for CAUSE-PA*

Date: June 20, 2023

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Metropolitan Edison Company Universal Service and Energy : M-2022-3036532  
Conservation Plan for 2024-2028 :

West Penn Power Company Universal Service and Energy : M-2022-3036533  
Conservation Plan for 2024-2028 :

Pennsylvania Power Company Universal Service and Energy : M-2022-3036534  
Conservation Plan for 2024-2028 :

Pennsylvania Electric Company Universal Service and : M-2022-3036535  
Energy Conservation Plan for 2024-2028 :

---

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

---

**PENNSYLVANIA UTILITY LAW PROJECT**

Ria M. Pereira, Esq., PA ID: 316771  
Elizabeth R. Marx, Esq., PA ID: 309014  
John W. Sweet, Esq., PA ID: 320182  
Lauren Berman, Esq., PA ID: 310116

*Counsel for CAUSE-PA*

118 Locust Street  
Harrisburg, PA 17101  
Tel.: 717-236-9486  
Fax: 717-233-4088

[pulp@pautilitylawproject.org](mailto:pulp@pautilitylawproject.org)

June 20, 2023

**TABLE OF CONTENTS**

- I. INTRODUCTION..... 3**
- II. BACKGROUND ..... 4**
- III. COMMENTS..... 9**
  - 1. Pennsylvania Customer Assistance Program (PCAP) ..... 9**
    - a. CAUSE-PA supports FirstEnergy’s proposed PIP and adoption of the energy burdens included in the Commission CAP Policy Statement. .... 9
    - b. CAUSE-PA supports FirstEnergy’s proposal to eliminate maximum annual CAP credit limits. .... 15
    - c. CAUSE-PA supports FirstEnergy’s proposal to accept 30 days or 12 months of income. .... 18
    - d. CAUSE-PA supports the 12-month PPA arrearage forgiveness timeframe. .... 19
    - e. CAUSE-PA supports adoption of the Commission’s zero income form. .... 26
    - f. CAUSE-PA supports FirstEnergy’s proposal to adopt the maximum recertification timeframes as recommended in the CAP Policy Statement. .... 26
    - g. CAUSE-PA shares the Commission’s concern that FirstEnergy does not allow continued PCAP enrollment when a customer moves from one FirstEnergy EDC to another. .... 28
    - h. CAUSE-PA shares the Commission’s concern regarding the lack of paper PCAP application. .... 31
    - i. CAUSE-PA supports text to recertify, with additional processes in place to ensure consumer protection. .... 32
    - j. CAUSE-PA supports FE’s proposal to identify PCAP participants who exceeded 125% of their prior year usage at the same residence and FE’s stated exemptions to the limits. .... 35
    - k. CAUSE-PA supports one-time PPA debt forgiveness expansion and recommends a higher threshold. .... 36
    - l. CAUSE-PA supports the return of security deposits to low income customers and customers deciding how funds are received or applied..... 38
    - m. CAUSE-PA recommends FirstEnergy amend its PCAP Final Billing policy to align with the restructured PCAP..... 40
    - n. CAUSE-PA supports FirstEnergy’s prompt adoption of updates to the federal poverty income guidelines..... 43
    - o. CAUSE-PA supports FirstEnergy’s planned outreach and recommends additional data collection..... 43
    - p. CAUSE-PA recommends decreasing the minimum payment..... 47

q.	CAUSE-PA recommends FirstEnergy allow autoenrollment/auto-recertification once data sharing is authorized. ....	48
r.	CAUSE-PA opposes FirstEnergy’s LIHEAP requirement for PCAP eligibility... 50	
<b>2.</b>	<b>WARM (LIURP) .....</b>	<b>51</b>
a.	CAUSE-PA shares the Commission’s concerns regarding potential PCAP removal for “unreasonable” consumption after WARM measures installed. ....	51
b.	CAUSE-PA supports PCAP customers with higher usage receiving in-home energy audits, suggests lowering usage threshold or evaluating energy used per square foot. ....	53
c.	CAUSE-PA supports FirstEnergy’s proposal to allow customers to decline WARM measures without risk of PCAP removal. ....	54
d.	CAUSE-PA shares the Commission’s concern regarding process for obtaining landlord consent and customer consent for data release and recommends FirstEnergy update its landlord consent to comply with LIURP regulations.....	55
e.	CAUSE-PA does not oppose FirstEnergy’s re-weatherization policy as long as exceptions are explicitly adopted. ....	60
f.	CAUSE-PA supports the use of additional health and safety funding. ....	61
g.	CAUSE-PA supports continued coordination with Act 129 multifamily projects and disagrees with the removal of this provision from the 2024-28 USECP.....	63
h.	CAUSE-PA supports continuation of regulatory waivers to allow for installation of comprehensive measures. ....	65
i.	CAUSE-PA recommends FirstEnergy adjust its WARM budget to more appropriately meet the projected need for WARM services within a reasonable timeframe.....	65
j.	CAUSE-PA supports FirstEnergy’s waiver of the high usage threshold with coordinated jobs and recommends additional coordination considerations. ....	70
<b>3.</b>	<b>Hardship Fund.....</b>	<b>71</b>
a.	CAUSE-PA recommends all eligibility requirements be reviewed and approved by the Commission.....	71
b.	CAUSE-PA recommends eliminating the “sincere effort of payment” eligibility requirement to receive a hardship fund, and allowing PCAP participation. ....	72
c.	CAUSE-PA recommends FirstEnergy adjust its budget and confer with its USAC to develop outreach for solicitation of hardship fund donations. ....	74
<b>4.</b>	<b>Gatekeeper Program .....</b>	<b>77</b>
a.	CAUSE-PA supports FirstEnergy’s Gatekeeper Program and recommends additional clarification.....	77
<b>IV.</b>	<b>CONCLUSION .....</b>	<b>79</b>

## I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA),<sup>1</sup> through its counsel at the Pennsylvania Utility Law Project, submits these Comments pursuant to the March 16, 2023 Order Directing Supplemental Information and Establishing Comment Period (hereinafter, March 2023 Order), which invited interested parties to submit comments and reply comments to the joint proposed Universal Service and Energy Conservation Plan (USECP) for 2024-2028 of Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (WPP) (collectively, FirstEnergy or the Companies) (Proposed 2024 USECP or Plan).

CAUSE-PA has for many years been an active participant in FirstEnergy's USECP proceedings, as well as other related proceedings that affect the ability of low income Pennsylvanians to access and maintain utility services to their home. CAUSE-PA thanks the Commission for this opportunity to submit comments.

The Commission's March 2023 Order requests that FirstEnergy clarify several aspects of its Proposed 2024 USECP and seeks comments from interested stakeholders. In response thereto, CAUSE-PA offers the following Comments. In brief, CAUSE-PA strongly supports FirstEnergy's proposal to transition its current bill discount program design for its PCAP to a percentage of

---

<sup>1</sup> CAUSE-PA is a statewide unincorporated association of low income individuals which advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable electric, water, heating, and telecommunication services. CAUSE-PA membership is open to moderate and low income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low income families maintain affordable access to utility services and achieve economic independence and family well-being. CAUSE-PA is therefore interested in and committed to achieving the creation, development, and implementation of effective universal service and energy efficiency programs which promote long term affordability of electricity, natural gas, water, wastewater, and communication services and, in turn, protect the health, safety, and welfare of economically vulnerable households across the state.

income program (PIP) design and its proposal to reduce applicable energy burden standards to help address longstanding unaffordability within FirstEnergy's PCAP and ensure that low income customers are able to maintain affordable electric service to their home - consistent with the universal service obligations in the Public Utility Code and established Commission policy.<sup>2</sup> While we recommend critical adjustments to FirstEnergy's proposals below, we nevertheless urge the Commission to approve FirstEnergy's Proposed 2024 USECP without delay.

## II. BACKGROUND

### *FirstEnergy's Universal Service and Energy Conservation Plan for 2019-2021*

On December 1, 2017, FirstEnergy submitted its initial proposed 2019 USECP at Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978. By Order entered July 11, 2019, FirstEnergy's 2019 USECP (2019 USECP) was approved.<sup>3</sup>

By Order entered October 3, 2019, the Commission extended the duration of all USECPs from three to five years and established a revised USECP filing schedule, which extended FirstEnergy's 2019 USECP through 2023.<sup>4</sup>

### *Final CAP Policy Statement and Order*

On November 5, 2019, after extensive statewide inquiry and investigation through two separate proceedings,<sup>5</sup> the Commission entered a Final Policy Statement and Order making several critical reforms to its Customer Assistance Program (CAP) Policy Statement at 52 Pa. Code §§ 69.261-.267 (hereafter, Final CAP Policy Statement).<sup>6</sup> One significant reform includes the

---

<sup>2</sup> 66 Pa. C.S. § 2802 (9)-(10), 2803, 2804(9); 52 Pa. Code § 69.265.

<sup>3</sup> See FirstEnergy Revised Universal Service and Energy Conservation Plan for 2019-2021, Order, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (Order entered July 11, 2019).

<sup>4</sup> Universal Service and Energy Conservation Plan Filing Schedule, Order, Docket No. M-2019-3012601 (Order entered October 3, 2019).

<sup>5</sup> Energy Affordability for Low-Income Customers, Docket No. M-2017-2587711; Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

<sup>6</sup> 2019 Amendments to CAP Policy Statement, Final Policy Statement and Order, Docket No. M-2019-3012599 (Order entered Nov. 5, 2019)(hereafter, Final CAP Policy Statement and Order).

Commission's reduction of maximum energy burden standards, made after the Commission determined that the existing energy burden standards at that time were unreasonable, unaffordable and did not fulfill the Commission's statutory obligation to ensure universal service programming is appropriately funded and accessible to low income customers.<sup>7</sup> The Final CAP Policy Statement was published in the *Pennsylvania Bulletin* on March 21, 2020.<sup>8</sup>

To effectuate the Final CAP Policy Statement, utilities were directed to file and serve an addendum to their existing USECPs, indicating whether their existing or pending USECPs were consistent with the Final CAP Policy Statement and, if not, whether and how they planned to implement these new policy changes. On February 21, 2020, FirstEnergy filed a Joint Petition (2020 Joint Petition) that included the Companies' Proposed Amended 2019 USECP that proposed to implement the new policy changes.

#### *2020 Joint Petition*

In its 2020 Joint Petition, FirstEnergy proposed to adopt the following changes to its CAP, which FirstEnergy refers to as the Pennsylvania CAP – or PCAP:

- (1) Adopt a percentage of income payment (PIP) CAP which adopts the maximum energy burdens in the Final CAP Policy Statement.
- (2) Eliminate the Equal Payment Plan (EPP) and associated true-ups.
- (3) Charge PCAP participants either the maximum energy burden or their actual usage amount, whichever is lower.
- (4) Reduce the monthly minimum payment amount for electric heating customers from \$45 to \$24.
- (5) Eliminate the maximum annual PCAP subsidy credit limit.

---

<sup>7</sup> Final CAP Policy Statement and Order at 27. The Commission amended its CAP Policy Statement to reduce the maximum energy burden standards for customers enrolled in a utility-run CAP, setting a maximum *combined* energy burden of 10% for households with income between 51-150% of the Federal Poverty Level (FPL) and 6% for households with income between 0-50% FPL. Id. at 32-33. For electric baseload (non-heating) customers, the maximum energy burden was set at 4% for customers with income between 51-150% FPL and 2% for customers with income between 0-50% FPL. Id. In reducing the maximum energy burden standards, the Commission found that the existing maximum energy burden standards, originally established in 1992, “do not reflect reasonable or affordable payments for many low-income customers” - especially for those with income at or below 50% FPL. Id. at 27, 29-30.

<sup>8</sup> 50 Pa.B. 1652.

- (6) Reduce the time period of earning full arrearage forgiveness from 36 months to 12 months.
- (7) Accept income documentation for either the last 30 days or 12 months when a customer applies or recertifies for PCAP.
- (8) Use the Commission's standardized zero-income form.
- (9) Extend PCAP recertification timeframes.
- (10) Incorporate a Consumer Education and Outreach Plan (CEOP).

On March 12, 2020, CAUSE-PA filed an Answer to the Joint Petition, strongly supporting FirstEnergy's proposed amendments to its PCAP, as listed above. On July 16, 2021, the Commission issued an Order (July 2021 Order), responsive to the 2020 Joint Petition, directing FirstEnergy to provide supplemental information and establishing a comment and reply comment period for stakeholders to address FirstEnergy's proposed amendments to its 2019 USECP.

In Comments to the July 16, 2021, Order, CAUSE-PA expanded on its Answer, emphasizing support for most of the Companies' proposals and offered recommendations where needed to further improve affordability. CAUSE-PA especially supported FirstEnergy's proposal to transition to a PIP program design and to adopt the energy burden standards set forth in the Final CAP Policy Statement.<sup>9</sup> CAUSE-PA also specifically supported FirstEnergy's proposals to eliminate various program elements that exacerbate unaffordability within PCAP, such as the Equal Payment Plan and associated true-ups,<sup>10</sup> and to reduce the timeframe for CAP participants to earn forgiveness on arrears accrued prior to entering PCAP. CAUSE-PA recommended that FirstEnergy work in close coordination with its Universal Service Advisory Committee (USAC) to monitor the implementation and associated costs of the proposals contained in the Joint Petition.<sup>11</sup> On April 14, 2022, the Commission entered an Order denying the Companies 2020

---

<sup>9</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, Comments of CAUSE-PA, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978, at pages 8-19 (CAUSE-PA Comments filed Oct. 4, 2021).

<sup>10</sup> Id. at 5.

<sup>11</sup> Id. at 5-6.

Joint Petition in its entirety, without prejudice, to allow FirstEnergy to make the same or similar PCAP program changes in the Companies' 2024 USECP.

*FirstEnergy's Proposed 2024 USECP*

FirstEnergy filed its Proposed 2024 USECP on November 1, 2022.<sup>12</sup> As described in its Proposed 2024 USECP, FirstEnergy maintains a Customer Assistance Program (PCAP), a Low Income Usage Reduction Program (LIURP or WARM), its Customer Assistance and Referral Evaluation Services (CARES) program, and its Hardship Fund, administered by Dollar Energy Fund (DEF). FirstEnergy proposes similar modifications to PCAP in the Proposed 2024 USECP as to those included in the 2020 Joint Petition.

- (1) Adopt a PIP CAP structure and adopt the maximum energy burdens in the Final CAP Policy Statement.
- (2) Eliminate the EPP and associated true-ups.
- (3) Charge PIP CAP customers monthly, the lower of the maximum energy burden or actual usage amount.
- (4) Eliminate maximum annual PCAP credit limits.
- (5) Eliminate the income documentation requirement for PCAP application or recertification if customers have received LIHEAP within the last 12 months. For these customers, household income information will be obtained verbally to complete the application.
- (6) Eliminate PCAP three-month suspension period due to the failure to recertify.
- (7) Allow customers to remain on PCAP if they no longer receive monthly credits or retroactive forgiveness.
- (8) Reduce arrearage forgiveness timeframe for earning full PPA from 36 months to 12 months.
- (9) Accept income documentation of at least the last 30 days or 12 months at application or recertification, whichever is more beneficial to the customer and reflective of household income.
- (10) Adopt the Commission-approved standardized zero-income form.
- (11) Extend PCAP recertification timelines consistent with Final CAP Policy Statement.
- (12) Incorporate a Consumer Education and Outreach Plan.
- (13) Provide retroactive credits to PCAP participants who were removed for not participating in WARM and are re-enrolled after receiving a WARM evaluation.

Proposed 2024 USECP at 3-4, 30, March 2023 Order at 9.

---

<sup>12</sup> FirstEnergy Universal Service and Energy Conservation Plan for 2024-2028 (Proposed 2024 USECP), Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535, filed on November 1, 2022.

FirstEnergy additionally proposes modifications to its WARM program, (1) requiring PCAP participants to receive an in-home energy evaluation and to work with a trained energy educator to develop a plan to save household energy, and (2) increasing outreach efforts to WARM-eligible customers by expanding the use of digital communications. Outbound call campaigns, and social media. (Proposed 2024 USECP at 30 and April 2023 Order at 10).

On March 16, 2023, the Commission issued its March 2023 Order, which directed FirstEnergy to provide supplemental information to gather more detail explanation, clarification, and updates to the data provided in response to the July 2021 Order.<sup>13</sup> The March 2023 Order additionally invited Comments and Reply Comments. On April 25, 2023, FirstEnergy filed supplemental information in response to the Order (henceforth Supplemental Information). On May 31, 2023, FirstEnergy filed revised data, correcting the estimated average monthly bills for PCAP customers under both the existing PCAP structure and under the PIP PCAP structure. Also on May 31, 2023, CAUSE-PA filed a request for a brief extension to properly evaluate and respond to the revised data in comments, which was approved by the Commission on June 2, 2023.

Overall, FirstEnergy has demonstrated, in both its filing of the Proposed 2024 USECP and in response to the PUC's request for supplemental information, that many of the core aspects of its Proposed 2024 USECP will advance the core universal service program goals and objectives, are consistent with applicable laws and policies, are in the public interest, and should be approved. Nevertheless, as we discuss in detail throughout these Comments, various aspects of FirstEnergy's proposed USECP require further consideration and revision to fulfill important policy goals and ensure low income Pennsylvanians across all FirstEnergy EDC service territories are able to

---

<sup>13</sup> The Commission states in its March 2023 Order that, "Although the 2020 Joint Petition proceeding was closed, the Commission is taking notice of the pleading therein because of the comparisons made throughout this Order." (March 2023 Order at 20).

connect and maintain affordable electric service to their home. These issues warrant further clarification and/or amendment by FirstEnergy as discussed in detail below.

### **III. COMMENTS**

CAUSE-PA submits the following Comments to the Commission's March 2023 Order for consideration regarding the various program amendments provided in FirstEnergy's Proposed 2024 USECP. For ease of review, CAUSE-PA's Comments generally follow the structure of the Commission's Order, Section III.B, and responds in turn to the issues and analysis included therein.

#### **1. Pennsylvania Customer Assistance Program (PCAP)**

##### ***a. CAUSE-PA supports FirstEnergy's proposed PIP and adoption of the energy burdens included in the Commission CAP Policy Statement.***

In its Proposed 2024 USECP, consistent with its 2020 Joint Petition, FirstEnergy proposes to modify the structure of PCAP by moving from a fixed credit payment plan to a percentage of income payment plan (PIP). (Proposed 2024 USECP at 12). The Companies also propose to adopt the maximum energy burden targets in the Final CAP Policy Statement. (*Id.*) These proposed changes will help ensure that FirstEnergy's PCAP is designed to deliver reasonably affordable bills for low income customers to maintain life-sustaining utility service to their home. The most economically vulnerable PCAP participants at 0-50% FPL would see significant reductions in their maximum energy burdens (3% to 2% for electric non-heating, and 9% to 6% for electric heating), and PCAP participants at the 51% - 150% FPL would experience only a slight increase in their maximum energy burden (3% to 4% for electric non-heating, and 9% to 10% for electric heating). (March 2023 Order at 14).

To help ensure that PCAP participants are never charged more than their actual usage, consistent with Section 1303 of the Public Utility Code, FirstEnergy proposes to charge PCAP

participants either the PIP rate or their actual usage charges, whichever is less.<sup>14</sup> If a PCAP participant's actual usage charges are more than the PIP billing amount, the participant will be billed the PIP amount, and a subsidy credit will be applied to the difference. (Proposed 2024 USECP at 12). With these proposed amendments, FirstEnergy includes an automatic monthly adjustment to the billed rate to ensure that PCAP participants are always billed the lower of the two rates. (Proposed 2024 USECP at 13).

In its March 2023 Order, the Commission directs FirstEnergy to provide information related to the bill impacts of its proposal on all PCAP participants and the cost impact of the proposed PCAP structure changes. (March 2023 Order at 20). Specifically, the Commission directs FirstEnergy to provide (1) projected average monthly PCAP bills for 2024-2028 using both the existing and proposed PCAP models, broken down by a number of factors, including by income tier, energy type, and EDC and (2) projected cost impacts of the proposed PIP energy burdens including how the reduced energy burdens may impact subsidy credit expenditures from 2023-2028 based only on the proposed PIP energy burden change, broken down by income tier, energy type, and EDC. (March 2023 Order at 20 and 21).

In response, FirstEnergy provided data showing the projected average monthly bills for its proposed PIP, compared to its current fixed credit model.<sup>15</sup> Across its four EDCs, FirstEnergy projects customers at 0-50% FPL will see a reduction in their monthly PCAP rates by – on average - \$18 for electric heat customers and by about \$5.50 for non-electric heat customers. Other PCAP customers with relatively higher income may experience an increase in their PCAP rates,

---

<sup>14</sup> See 66 Pa. C.S. § 1303.

<sup>15</sup> Amended Supplemental Information, Response to Question 1, Table: CAP Projected Average Monthly Utility Bills 2024-2028.

depending on the level of discount they were receiving under the current fixed credit PCAP structure:

**Table 1: Projected Monthly Bill Impacts of Proposed Energy Burden Amendments<sup>16</sup>**

	Current	Proposed	Change	Current	Proposed	Change
	EH	EH		NH	NH	
0-50%	\$53.50	\$35.50	(\$18.00)	\$16.75	\$11.25	(\$5.50)
51-100%	\$102.25	\$113.50	\$11.25	\$35.25	\$47.25	\$12.00
101-150%	\$167.75	\$186.50	\$18.75	\$52.75	\$76.75	\$24.00

As discussed below, while PCAP rates are projected to increase for higher income customers, FirstEnergy’s proposal to implement a PIP along with reduced energy burden standards will help to improve the delivery of targeted assistance based on the Commission’s energy burden standard and, in turn, improve equitable distribution of benefits across income tiers.

Table 1, above, presents the average bill impact data as provided by FirstEnergy in their amended response to the Commission’s March 2023 Order. These estimated *averages* are based on all 2022 PCAP participant data. While averages may be helpful in certain respects, they do not give any information about the distribution of payments within each category. For example, we have no way of knowing if there are far more households closer to 101% income or closer to 150% income when looking at the bill impact distribution, nor do we know the corresponding household size. These factors make a meaningful difference in assessing bill affordability, especially with the application of a PIP PCAP structure. To illustrate, if a low income non-electric heating household with four family members at 100% of the FPL in 2022 had an annual income of \$27,750, under the proposed PIP PCAP structure, the household energy burden would be 4%, which would make their maximum monthly payment \$92.50. A 2-person household at 100% of the FPL in 2022

---

<sup>16</sup> Id.

would have an income of \$18,310.<sup>17</sup> With an energy burden of 4%, that household would pay a maximum of \$61 per month. Providing the average of these two numbers (\$76.75) and applying it to the two-person household would inaccurately show a bill that exceeds the energy burden for that family, even though they fall within that income tier. The important takeaway from this example is that each of these hypothetical families would still be provided a bill that more accurately matches their ability to pay when it's aligned with their income. Under the existing PCAP structure, the fixed credit program provided bill credits based primarily on household usage, which does not accurately account for a household's ability to pay. Low income households are more likely to live in older, inefficient housing, and most often lack the discretionary resources to invest in home efficiency upgrades.<sup>18</sup> As a direct result of formalized racial discrimination through redlining and discriminatory zoning practices spanning much of the last century, this disparity in housing efficiency is particularly pronounced for low income communities of color.<sup>19</sup> Moreover, low income households are more likely to be renters, and lack the ability to authorize free weatherization or repair services without consent of the property owner. As discussed later in these comments, free weatherization and efficiency services through FirstEnergy's WARM program are only available to a small percentage of low income households – and renters are disproportionately underserved. Importantly, FirstEnergy's proposed PIP includes an average bill option that will be adjusted monthly. This feature will help to incentivize PCAP participants to save energy through

---

<sup>17</sup> Office of the Assistant Secretary For Planning and Evaluation, HHS Poverty Guidelines, <https://aspe.hhs.gov/sites/default/files/documents/8a3c200f613c1c7894d43846dce8815e/guidelines-1983-2023.xlsx> (Chart showing different multiples of the poverty guidelines for prior years (1983-2023)).

<sup>18</sup> See ACEEE, Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low income and Underserved Communities (April 2016), <https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf>; ACEEE, How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States (Sept. 2020), available at: <https://www.aceee.org/energy-burden>; ACEEE, The High Cost of Energy in Rural America (July 2018), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1806.pdf>.

<sup>19</sup> National Community Reinvestment Coalition, Redlining and Neighborhood Health, <https://ncrc.org/holc-health/>.

participation in WARM or other efficiency and weatherization programs – without penalizing those that are unable to access comprehensive efficiency services.

CAUSE-PA thus maintains its strong support for FirstEnergy’s proposal to transition its CAP to a PIP design and to amend the Companies’ PCAP energy burden standards to align with the energy burden standards set forth in the Commission’s Final CAP Policy Statement. These proposed amendments will substantially improve affordability for the majority of PCAP customers; will more precisely target affordability based on household’s ability to pay; will more equitably distribute PCAP benefits to low income households; and will allow the most economically vulnerable PCAP customers with the lowest household income (at or below 50% FPL) to realize improvement to affordability, helping to ensure households with the greatest need are able to reasonably afford to maintain service to their home.

As recent research and data has continually shown, vulnerable low income families simply cannot afford the cost of energy services. This is especially true given the recent surges in energy prices. Consumers reportedly paid, on average, 14.3% more for electricity in 2022 than they did in 2021, which is more than double the overall 6.5% rise in prices for all goods and services.<sup>20</sup> As energy costs are regressive, they take a far larger share of income from low income customers than from those with more monetary resources. Addressing and remediating high energy burdens for the lowest income customers is therefore a critical first step in combatting the regressive nature of energy costs. FirstEnergy’s proposed implementation of a percentage of income program design will therefore more accurately target bill affordability based on a household’s ability to pay.

---

<sup>20</sup> Electricity prices surged 14.3% in 2022, double overall inflation, available at: <https://www.utilitydive.com/news/electricity-prices-inflation-consumer-price-index/640656/>; Families Drowning in Utility Debt, available at: <https://neada.org/wp-content/uploads/2022/11/20millionbehindPR.pdf>

Programs not based on a customer's ability to pay allow circumstances beyond a household's ability to control, such as inefficient housing or heating equipment, to be the driving factors for these households remaining connected to life-sustaining energy service. As stated in our Comments in response to the July 2021 Order,<sup>21</sup> there are well documented disparities in household energy burden based on race and ethnicity, which are driven largely by relative housing quality and access to programs and resources to remediate high usage.<sup>22</sup> Low income families residing in rural areas also face higher relative energy burdens, which is particularly relevant for FirstEnergy as large portions of rural Pennsylvania are served by FirstEnergy EDCs.<sup>23</sup> Ensuring affordable utility bills and just distribution of PCAP benefits is a matter of equity. It is therefore critical that utility CAP rates are primarily driven by relative need as a percentage of household income – by a household's ability to pay - rather than a household's usage which may be beyond their ability to control.

For the reasons described above, and consistent with the Public Utility Code and the Commission's Final CAP Policy Statement, CAUSE-PA urges the Commission to approve FirstEnergy's proposal to adopt a PIP PCAP design and to reduce its applicable energy burden standards without delay.

---

<sup>21</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, Comments of CAUSE-PA, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978, at page 14 (CAUSE-PA Comments filed Oct. 4, 2021).

<sup>22</sup> See, e.g., ACEEE, How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States (Sept. 2020), available at: <https://www.aceee.org/energy-burden>.

<sup>23</sup> See, e.g., ACEEE, The High Cost of Energy in Rural America (July 2018), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1806.pdf>.

***b. CAUSE-PA supports FirstEnergy’s proposal to eliminate maximum annual CAP credit limits.***

As CAUSE-PA noted in its Comments to the July 2021 Order, we strongly support FirstEnergy’s proposal to eliminate its maximum CAP credit limits.<sup>24</sup> As the Commission has previously concluded, CAP customers should receive an affordable rate each month, without exception.<sup>25</sup> To require PCAP customers to pay unaffordable full tariff rates, at any point, that far exceed applicable energy burdens undermines the ability of PCAP to serve its intended purposes – to provide stable levels of affordability, improve bill payment and coverage rates, reduce collections expenses, and ultimately ensure that low income customers can maintain service to their home consistent with the requirements of the Public Utility Code.<sup>26</sup>

In the March 2023 Order, the Commission directs FirstEnergy to provide updated program information related to its proposal to eliminate PCAP credit limits. Specifically, the Commission requests the annual number of PCAP customers with usage exceeding maximum subsidy credit limits from 2020 to 2022; the projected change in annual PCAP subsidy costs from 2024 through 2028 based on the elimination of annual limits for both the PIP and fixed cost PCAP program designs, and what PCAP credit limits FirstEnergy would propose for each energy type if elimination of credit limits is denied. (March 2023 Order at 24-25). In response, FirstEnergy provided the requested data, with the notable exception of a proposed subsidy maximum for the PIP PCAP program. The Companies note that “if a maximum is required, customers’ energy burdens become more than the percentage of income payment and will not be consistent with the

---

<sup>24</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, Comments of CAUSE-PA, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978, page 22 (CAUSE-PA Comments filed October 4, 2021)

<sup>25</sup> See Final CAP Policy Statement and Order at 75.

<sup>26</sup> 66 Pa. C.S. § 2802 (9)-(10), 2803, 2804(9); 52 Pa. Code § 69.265.

CAP Policy Statement.” (Supplemental Information at 4-5). FirstEnergy additionally explains that the Companies were required to implement budget billing with the current PCAP to avoid the accompanying bill fluctuations and customer impact when a customer surpasses the maximum credit and is faced with an unaffordable tariff rate bill. FirstEnergy also states the Companies would propose to keep the fixed credit plan with modified subsidy maximums if such a maximum is required. (Id).

CAUSE-PA maintains its support of FirstEnergy’s proposal to eliminate CAP maximum credits. We agree with FirstEnergy that imposing maximum CAP credit limits results in customers being billed in excess of their energy burdens, far more than they can afford to pay, and this is inconsistent with the Final CAP Policy Statement. Maximum CAP credit limits have a punitive impact on FirstEnergy’s most vulnerable households – including those with medical usage and individuals with a disability, families with young children, and Seniors who are more likely to be home and, in turn, are likely to use more energy throughout the day. As discussed, low income households are also more likely to reside in older, inefficient housing – disproportionately so across low income communities of color.<sup>27</sup> Imposition of arbitrary maximum credit limits through PCAP would have a disproportionate impact on communities based on the quality of their home, perpetuating inequities of the past through policies of today. With the reduction in energy burdens, PCAP participants with the lowest income (0-50% FPL) are most likely to be disproportionately impacted if PCAP maximum credit would be insufficient to cover the subsidy necessary to reach the Commission’s affordability thresholds.

---

<sup>27</sup> National Community Reinvestment Coalition, Redlining and Neighborhood Health, <https://ncrc.org/holc-health/>; See ACEEE, Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low income and Underserved Communities (April 2016), <https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf>; ACEEE, How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States (Sept. 2020), available at: <https://www.aceee.org/energy-burden>; ACEEE, The High Cost of Energy in Rural America (July 2018), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1806.pdf>.

By proposing to eliminate maximum PCAP subsidies, FirstEnergy is proactively accounting for the reduction in energy burden standards – and any intervening rate increases – both of which may result in PCAP participants more quickly reaching any imposed maximum CAP credit threshold.<sup>28</sup> Forcing more CAP customers to pay full tariff rates for longer periods of time during the PCAP program year would undermine the ability of PCAP to achieve the multifaceted goals of the program to provide stable levels of affordability, improve bill payment and coverage rates, and reduce collections expenses. On the flip side, eliminating maximum CAP credits – while simultaneously seeking to make measurable improvements in the scope and reach of targeted efficiency services – FirstEnergy seeks to strike a different balance, shielding low income consumers from devastating fluctuations in energy costs that have in past years driven stark disparities in payment trouble and termination rates.

As a final note, should the Commission reject FirstEnergy’s proposal to eliminate maximum CAP credits, we urge the Commission to in turn reject FirstEnergy’s proposal to revert to a fixed credit model. Instead, we believe the matter should be referred to the Office of Administrative Law Judge to further explore the issue and determine an appropriate credit level that accounts for changing energy costs and does not disproportionately burden households with the lowest income and/or other unique vulnerabilities. Using FirstEnergy’s data indicating the estimated subsidy with maximum (that would cover 80% of CAP participants in 2024), CAUSE-PA estimates that it would cost approximately \$2.9 million *more* dollars to implement the fixed credit PCAP design applying that maximum subsidy than it would applying that subsidy to the PIP design in 2024.<sup>29</sup> (Supplemental Information at 6 and Attachment A). We also note that the

---

<sup>28</sup> See Final CAP Policy Statement and Order at 57-61.

<sup>29</sup> For cost calculation, please use table below:

**PCAP Cost (with subsidy max)**

maximum CAP credit data presented in FirstEnergy’s Supplemental Information would cover just 80% of PCAP participants, leaving 20% of customers paying unaffordable bills should they exceed the maximum. In essence, imposing the existing maximum CAP credits on the new program design would set up 20% of the CAP population to receive categorically unaffordable bills for part of each year – undermining improvements in payment frequency and bill coverage, and exacerbating disparities in payment trouble and termination. Such results are inconsistent with the Commission’s statutory obligation to ensure CAPs and other universal service programs are appropriately designed to ensure low income customers can access and afford energy services to their home.<sup>30</sup> As it stands, there is no record data to support application of FirstEnergy’s existing maximum CAP credits. Thus, should the Commission reject FirstEnergy’s proposal to eliminate its maximum CAP credits, we strongly urge the Commission to refer the matter to the OALJ for the creation of a formal record.

Again, CAUSE-PA strongly supports FirstEnergy’s proposal to eliminate PCAP maximum energy burdens, as this proposal will help PCAP customers to maintain affordable monthly bills. We urge the Commission to approve this proposal without delay or modification.

***c. CAUSE-PA supports FirstEnergy’s proposal to accept 30 days or 12 months of income.***

CAUSE-PA supports FirstEnergy’s proposal to accept proof of PCAP household income for the last 30 days or 12 months, whichever is the most beneficial to the PCAP customer and most

---

	<b>PIP</b>	<b>Fixed Cost</b>	<b><i>Difference</i></b>
MetEd	\$14,137,142	\$14,505,759	-\$368,617
Pen	\$16,044,339	\$17,227,910	-\$1,183,571
PP	\$4,036,329	\$4,465,349	-\$429,020
WPP	\$13,959,613	\$14,861,023	-\$901,410
<b>Total</b>	<b>\$48,177,423</b>	<b>\$51,060,041</b>	<b>-\$2,882,618</b>

<sup>30</sup> 66 Pa. C.S. §§ 2802 (9)-(10), 2803, 2804(9).

reflective of the household's income. This approach is consistent with the Final CAP Policy Statement, which provides that utilities should accept income documentation of at least the last 30 days or 12 months for the purpose of CAP enrollment and recertification. Providing customers with the flexibility to submit income documentation for either the last 30 days or 12 months is critical to ensuring that low income customers eligible for assistance are able to enroll and realize the benefits of PCAP, as it more effectively accounts for the realities of low income wages that often fluctuate throughout the year. Low wage workers often experience periods of unemployment or underemployment, and their ability to work and earn income can change dramatically depending on a variety of external factors and/or economic pressures. This is true for seasonal, retail, service industry, movers, home health, cleaners, and construction/trades workers - and others working in the emergent gig economy. Allowing a household to apply for PCAP based on their income over the past year – or the past 30 days – more appropriately approximates a household's actual income and ability to pay. Moreover, this provision is consistent with LIHEAP household income eligibility requirements, allowing for improved cross-enrollment opportunities, as we discuss in section f. related to recertification timeframes.

***d. CAUSE-PA supports the 12-month PPA arrearage forgiveness timeframe.***

FirstEnergy's Proposed 2024 USECP seeks to reduce the time period for PCAP customers to earn full forgiveness of their PPA balance from 36 months to 12 months. FirstEnergy indicates that it would continue to apply arrearage forgiveness for each timely and full monthly payment, as well as retroactive arrearage forgiveness and retroactive forgiveness if a customer makes up a missed PCAP payment, while customers are participating in the PCAP program. (Proposed 2024 USECP at 14 and 15).

In its March 2023 Order, the Commission directs FirstEnergy to provide cost data for PPA forgiveness granted over 36, 24, and 12 months from 2024-2028, and projected monthly costs recovered from ratepayer bills, based on the average number of ratepayers in 2022. (March 2023 Order at 27-31).

FirstEnergy's data projections for monthly costs recovered from ratepayer bills show the move to a 12-month arrearage forgiveness timeframe will modestly increase annual residential ratepayer bills, with the highest increase occurring in 2024. (Supplemental Information at 7). These costs will then decline every year for the remainder of the Plan, through 2028. Even in 2024, the highest estimated increase to residential customer bills would be in Penelec territory at or \$1.95 per month. The following year, in 2025, that cost would decrease to \$1.11 per month, a 57% decrease in one year's time. (Id).

Over time, a shorter arrearage forgiveness timeframe could help reduce overall program costs. CAUSE-PA evaluated the cost impact to residential ratepayer bills to implement an arrearage forgiveness timeframe of 12-months compared to the cost to implement a 36-month timeframe by subtracting the cost of the 36-month from the 12-month and dividing that difference by the number of residential ratepayers, anticipating that the number of residential ratepayers will remain constant.<sup>31</sup> The initial increase in 2024 is minimal. By 2028, the amount it would cost to continue with a 36-month arrearage forgiveness timeframe rather than adopt a 12-month

---

<sup>31</sup> The number of residential electric customers as provided in the Proposed 2024 USECP at 27; and March 2023 Order at 54.

forgiveness timeframe would save residential ratepayers, at most, \$0.06/month in their bills.  
(Supplemental Information at 7 and Attachment B).

**Table 2a: 2024 Projected Cost Difference of 12 Month v. 36 Month PPA Period Per Residential Customer**

	Difference between 36 month/12 months PPA	Residential Customers	Monthly Cost /Residential Customer
ME	\$7,275,556	513,743	\$1.18
PN	\$7,912,179	501,640	\$1.31
PP	\$1,799,076	143,672	\$1.04
WPP	\$7,912,912	632,933	\$1.04

**Table 2b: 2025 Projected Cost Difference of 12 Month v. 36 Month PPA Period Per Residential Customer**

	Difference between 36 month/12 months PPA	Residential Customers	Monthly Cost /Residential Customer
ME	\$2,651,331	513,743	\$0.43
PN	\$2,778,760	501,640	\$0.46
PP	\$587,335	143,672	\$0.34
WPP	\$3,042,351	632,933	\$0.40

**Table 2c: 2028 Projected Cost Difference of 12 Month v. 36 Month PPA Period Per Residential Customer**

	Difference between 36 month/12 months PPA	Residential Customers	Monthly Cost /Residential Customer
ME	\$285,575	513,743	\$0.05
PN	\$227,388	501,640	\$0.04
PP	\$16,272	143,672	\$0.01
WPP	\$437,075	632,933	\$0.06

(Supplemental Information at Attachment B).

As described above, monthly costs to residential ratepayers from FirstEnergy moving from a 36-month to a 12-month PPA forgiveness period are minimal and will decrease substantially after the first year as pre-program arrearages are more quickly retired. The significant benefits realized by implementing a 12-month forgiveness period outweigh the costs. Providing low income customers with a way to resolve pre-program arrears in a timely manner will help low income customers to stabilize finances, prevent termination as a result of arrearage balances, and avoid the compounded impact of carrying large arrearage balances over a three-year period. Improving the timeframe for arrearage forgiveness will trigger a beneficial ripple effect for other ratepayers and the Companies. A shorter arrearage forgiveness timeframe can incentivize full and timely payment and, in turn, improve payment frequency and coverage rates which reduces collections costs.

In addition to the impact to customers bills, as shown in Tables 3a, 3b, and 3c below, the *total cost* to implement the 12-month forgiveness decreases over time. By 2028, the cost to implement the 12-month forgiveness timeframe is projected to be *less costly* than a 24-month timeframe and nearly even with the 36-month timeframe for all the Companies. This data supports the implication that adopting shorter arrearage forgiveness timeframes may serve as an effective program cost control measure over time.

**Table 3a: 2024 Projected Annual Costs – PPA Arrearage Forgiveness**

	12 months	24 months	36 months
ME	\$10,832,941	\$5,335,628	\$3,557,385
PN	\$11,780,356	\$5,802,265	\$3,868,177
PP	\$ 2,678,624	\$1,319,322	\$879,548
WPP	\$11,781,446	\$5,802,802	\$3,868,534

**Table 3b: 2025 Projected Annual Costs – PPA Arrearage Forgiveness**

	12 months	24 months	36 months
ME	\$ 6,330,784	\$ 4,932,261	\$ 3,679,453
PN	\$ 6,728,943	\$ 5,287,026	\$ 3,950,183
PP	\$ 1,463,774	\$ 1,169,533	\$ 876,439
WPP	\$ 7,121,640	\$ 5,480,626	\$ 4,079,289

**Table 3c: 2028 Projected Annual Costs – PPA Arrearage Forgiveness**

	12 months	24 months	36 months
ME	\$ 4,192,994	\$ 4,359,616	\$ 3,907,419
PN	\$ 4,330,345	\$ 4,555,559	\$ 4,102,957
PP	\$ 886,918	\$ 956,882	\$ 870,646
WPP	\$ 4,908,991	\$ 5,023,245	\$ 4,471,916

(Supplemental Information at Attachment B).

A 12-month forgiveness period would allow customers, with the corresponding extension of recertification timeframes (as discussed in more detail in section f. of these comments), to retire pre-program arrears during their first program enrollment term. This will increase the number of PCAP customers receiving full PPA forgiveness and will help ensure that low income customers are able to maintain affordable bills and stay connected to services. CAUSE-PA therefore strongly supports FirstEnergy’s proposal to move from a 36-month arrearage forgiveness cycle to a 12-month forgiveness cycle.

Notwithstanding our strong support for FirstEnergy’s proposal to shorten the timeframe for forgiveness, CAUSE-PA is concerned that FirstEnergy’s Proposed USECP does not adequately explain how existing PCAP customers will be transitioned to the new debt forgiveness timeframe. Specifically, we are concerned the proposal does not address those who, at the time of transition, may be only a couple months away from retiring their pre-program arrears. FirstEnergy intends to reallocate the remaining balance of all PCAP customers, regardless of where they are in their

forgiveness timeline, over a new 12-month timeframe. (Proposed 2024 USECP at 4). All PCAP customers will be reset to 1/12 forgiveness each month for 12 months if they have a remaining balance, no matter how long they have been in the program.

CAUSE-PA is concerned that resetting existing PCAP customers to 1/12 forgiveness could cause some existing PCAP customers to exceed the existing 36-month timeframe to earn full arrearage forgiveness. At the time of transition, all existing PCAP customers should be credited for payments previously made toward arrearage forgiveness under the 36-month timeframe. If an existing PCAP customer has made the equivalent of 12 in-full payments to qualify for full forgiveness under the new 12-month forgiveness timeframe, that customer's debt should be eligible for immediate and full forgiveness under the new program rules.

In addition, FirstEnergy discusses in its Proposed 2024 USECP that the transition from the current PCAP to the PIP PCAP structure will necessitate programming and billing changes, requiring a three-month transition time. The Companies are proposing to remove customers from the EPP and will halt collection activities for active PCAP participants from the effective date of the EPP removal until the time of the conversion date. Also at the time of conversion, all unpaid PCAP balances will become preprogram arrears, which will thus become subject to arrearage forgiveness under the new PCAP structure. (Proposed 2024 USECP at 4).

CAUSE-PA recognizes the challenges presented by this transition and is generally supportive of the safeguards FirstEnergy proposes to ensure that existing PCAP participants do not face the loss of service as a result of systems transition. We are nevertheless concerned that elimination of the EPP will cause many participants to face substantially higher bills for three months while the conversion is taking place. It is unclear how many PCAP customers will be in the end of their EPP cycle, or how the "true up" may impact those customers. In turn, the timing

of the transition – whether in the shoulder months or peak heating and cooling seasons, could create large fluctuations in PCAP bills.

FirstEnergy proposes to roll those higher costs into PPA if the higher bills are not paid, but this resolution still imposes liability on PCAP customers for the higher charges incurred through the transition. Some households may forego food, medicine, and other necessities in order to keep up with the higher costs as those bills are issued. And, if a PCAP customer is later removed from PCAP before earning full forgiveness on the higher PPA, they will be responsible for the inequitably higher charges.

FirstEnergy states the Companies will be closely communicating with customers while they transitioning systems, but the details of those communications are not included in FirstEnergy’s proposal. We recommend that FirstEnergy work with stakeholders through its Universal Service Advisory Committee to develop written and verbal customer communications regarding the transition period. At minimum, written and verbal communications should provide details of what to expect through the transition – including a description of individualized bill impact and a reminder of their EPP amount. Participants should be encouraged to continue paying their EPP amount during this transition period, and communications should clearly disclose that any unpaid balances will be eligible for forgiveness when the transition is complete and will not be subject to collections actions. This communication should also include clear language that customers will not be removed from PCAP during transition periods, that any unpaid bills will be eligible for forgiveness, and should be provided in English and Spanish. FirstEnergy should also perform additional outreach to customers whose EPP is scheduled for “true up” during the transition period to prevent rate shock.

Finally, as noted above, large fluctuations in PCAP bills may be caused by the timing of transitions, and whether customer transitions occur in shoulder months or during peak heating and cooling periods. We recommend that FirstEnergy target the transition to occur through the shoulder months to reduce bill fluctuations.

***e. CAUSE-PA supports adoption of the Commission's zero income form.***

FirstEnergy indicates that it will continue to use the Commission-approved standardized zero-income form, as modified for completion over the phone, for PCAP customers who report no household income. (Proposed 2024 USECP at 10 and 32).

CAUSE-PA continues to support FirstEnergy's adoption of the standardized zero-income form and commends its modification to more easily allow customers to complete the form telephonically or as part of the online application. We are concerned that FirstEnergy does not make the zero income form available to fill out on paper. Consistent with our comments in section (h), below, CAUSE-PA recommends that FirstEnergy be directed to ensure that the Commission's standardized zero-income form is implemented in a manner that is supportive of the needs and abilities of all prospective PCAP customers. Customers should be able to access and complete zero income forms electronically, telephonically, or on paper.

In addition, only customers who truly have zero-income should be required to recertify every 6 months. Customers who provide letters of financial support, or other documentation that shows they do have earned or unearned income, should be moved to the standard recertification timeframes.

***f. CAUSE-PA supports FirstEnergy's proposal to adopt the maximum recertification timeframes as recommended in the CAP Policy Statement.***

In its existing USECP, FirstEnergy applies the following recertification timeframes: PCAP participants with zero income are required to recertify every 6 months, regardless whether they

received a LIHEAP grant; PCAP participants with fixed income (whose income primarily comes from a pension or from Supplemental Security Income (SSI) or Social Security Disability Insurance through the Social Security Administration) are required to recertify once every two years; and all other PCAP participants are required to recertify annually. (FirstEnergy 2019-2021 USECP at 16). Consistent with its 2020 Joint Petition, FirstEnergy's Proposed 2024 USECP proposes to adopt recertification timeframes that are consistent with the Commission's Final CAP Policy Statement: (Proposed 2024 USECP at 15-16).

- At least every six (6) months, regardless of LIHEAP participation, if a household reports no income;
- At least once every three (3) years if a household (1) reports income and participates in LIHEAP annually; or (2) is on a fixed income as described above; and
- At least once every two (2) years for all other PCAP households.

CAUSE-PA supports FirstEnergy's adoption of the revised recertification timeframes provided in the Commission's Final CAP Policy Statement. Low income customers struggle to gather and submit documentation, and often lack access to the internet, printers, fax machines, and other communication tools necessary to meet income documentation requirements. Extending recertification timelines for those with fixed income or who otherwise certify income annually through participation in LIHEAP will reduce unnecessary and burdensome paperwork requirements on low income households and helps ensure customers are able to remain in PCAP and receive critical savings to afford their monthly bills. CAUSE-PA reaffirms our recommendations set forth in the Comments to the July 2021 Order that: (1) FirstEnergy should be directed to work with its USAC to coordinate communication and outreach efforts to communicate changes in recertification timeframes to PCAP and other low income customers, and (2) that FirstEnergy provide training to all call center and universal service program staff and/or third-party program administrators to ensure they are aware of the adjusted timeframes for PCAP

recertification, given that FirstEnergy's proposed recertification timeframes would represent changes to FirstEnergy's policies and procedures.

- g. CAUSE-PA shares the Commission's concern that FirstEnergy does not allow continued PCAP enrollment when a customer moves from one FirstEnergy EDC to another.***

In its March 2023 Order, the Commission notes a discrepancy in being able to maintain PCAP enrollment, between those customers who relocate within a Company's service territory and those who relocate from one Company's service territory to another. Specifically, customers who move within the same EDC operating territory are able to maintain their PCAP enrollment, and customers who relocate from one of FirstEnergy's EDCs to another within 12 months will need to re-enroll in PCAP. The Commission directed FirstEnergy to explain why it will not allow customers to maintain PCAP eligibility when they move from one EDC operating service territory to another, if the customers confirm that the household size and income have not changed. (March 2023 Order at 33).

In response, FirstEnergy explains that when a PCAP customer relocates from one FirstEnergy EDC to another, the arrearage balance cannot be transferred to the new account. FirstEnergy states, "PCAP is not automatically established at the new location because our system does not contain logic to evaluate all prior enrollments by operating companies to know if this was a previous participant within the new operating company." (Supplemental Information at 7). However, later in the response, FirstEnergy states that when a new enrollment is received, a "system generated warning message" is provided to analysts reviewing the enrollment because the system "recognizes the last enrollment was in a different operating company." Once the analyst receives this prompt, they will evaluate whether the customer was on PCAP previously within the

new operating company and, if the customer was not, the analyst will manually defer the pre-program balance as appropriate. (Supplemental Information at 8).

From the information provided, it appears that the system *is* capable of recognizing customers who were enrolled in PCAP across FirstEnergy service territories. FirstEnergy notes in its response that its system generates messages when it recognizes a PCAP customer is re-enrolling in PCAP having moved from one service territory to another. Therefore, FirstEnergy’s statement that its system “does not contain logic to evaluate all prior enrollments by operating company” seems imprecise.

CAUSE-PA is concerned that requiring re-enrollment for PCAP customers who have relocated from one FirstEnergy service territory to another places unwarranted burden on the customer. Relocation can be a particularly stressful time for individuals and families and causes households to incur substantial additional costs associated with a move. This is especially true for low income families, who may relocate more frequently than higher income households – either voluntarily or because they were compelled to move through no fault of their own.<sup>32</sup> Due to the high cost of relocation, and the well-documented shortage of affordable housing options,<sup>33</sup> low income households often experience a gap in time between residences – often spending several weeks or months doubled up with family or friends, or in a temporary shelter, hotel, or transitional housing program while they apply for housing assistance, find an affordable rental option, and/or gather the resources to pay a down-payment. If PCAP does not automatically move with customers from one location to another, they may face insurmountable barriers to reestablishing service, as they may be required to pay previously deferred arrears as a condition to establishing service at a

---

<sup>32</sup> Phinney, R., Exploring Residential Mobility among Low-Income Families, Social Service Review, 87(4) (2013), 780-815, available at <https://www.jstor.org/stable/10.1086/673963>.

<sup>33</sup> National Low Income Housing Coalition, “Pennsylvania - The Gap,” accessed September 21, 2022, available at <https://nlihc.org/gap/state/pa>

new residence – even though those arrears would be eligible for re-deferment once the household reenrolls in PCAP. To put additional financial burdens on these households as a result of removal from PCAP during a period of transition is unacceptable and places households in jeopardy of loss of essential services.

Additionally, it appears that FirstEnergy does not directly inform customers who are relocating that they can apply for PCAP at their new address. The Commission requested that FirstEnergy clarify if customers are informed that they can apply for PCAP at their new address. (March 2023 Order at 33). FirstEnergy responded that the Companies conduct “outreach using many channels to encourage participation in energy assistance programs, including PCAP.” (Supplemental Information at 8). This answer only begs more questions. For example, do PCAP customers who have relocated understand that they need to re-enroll in PCAP if they have moved from one FirstEnergy EDC to another? How does that re-enrollment process work compared to other PCAP re-enrollments, especially with regard to arrearage forgiveness?

CAUSE-PA recommends the Commission direct FirstEnergy to amend its policy, procedures, and systems to allow PCAP customers to move within any of FirstEnergy’s operating service territories and remain in PCAP, without being forced to re-enroll for having relocated from one of FirstEnergy’s affiliate EDCs to another. As the Commission notes in its Order, the Final CAP Policy Statement recommends that public utilities allow CAP customers to retain enrollment status when transferring service within the public utility’s – *or an affiliate’s* – service territory. (March 2023 Order at 33). Indeed, with the impending systems upgrade to move to a PIP PCAP structure, this presents an opportunity to also update systems to allow PCAP customers to maintain enrollment across service territories.

*h. CAUSE-PA shares the Commission's concern regarding the lack of paper PCAP application.*

In its March 2023 Order, the Commission directs FirstEnergy to explain if PCAP customers may submit paper applications or if applications are only available online or telephonically. The Commission states concern regarding the potential barriers that could be presented to prospective PCAP applicants who lack internet access to apply online or who similarly lack access to a telephone. The Commission directs FirstEnergy to address whether customers will be prohibited from applying via mail or fax if no paper application is available, thus limiting access to the program. (March 2023 Order at 34).

In response, FirstEnergy explained that the Companies do not offer a paper application option for the PCAP enrollment process. Customers who need to recertify are mailed a letter and a recertification form 30 days prior to the recertification date, but the Companies do not offer paper applications beyond that. FirstEnergy noted that they have not evaluated if this creates an access issue for PCAP applicants. (Supplemental Information at 8).

CAUSE-PA shares the Commission's concerns that the lack of a paper application limits access for PCAP applicants, including uniquely vulnerable customers such as seniors, individuals with disabilities, and customers who lack access to stable telecommunications or broadband services. Broadband access is nowhere near ubiquitous in Pennsylvania. In fact, many of the counties served by FirstEnergy face the greatest challenges in access to stable broadband and telecommunications services.<sup>34</sup> Failing to offer a paper application may deny access to PCAP to this potentially large subset of customers, which undermines program enrollment goals.

---

<sup>34</sup> Ledyard King and Mike Stucka, *In Pennsylvania, many still lack broadband access*, USA Today/ Times Online, available at: <https://www.timesonline.com/story/news/2021/07/08/gda-broadband-local-pa-nbct/47205037/>.

FirstEnergy has previously acknowledged that telephone and online service may not be sufficient for all customers to apply to PCAP. The Companies state in the Proposed 2024 USECP, “while most applications may be processed by phone or online, the Companies reserve the right to request an in-office appointment.” Dollar Energy Fund would essentially send a customer to complete the application process in person. (Proposed 2024 USECP at 11). While CAUSE-PA appreciates the attempt to provide additional assistance to customers, we strongly oppose *requiring* customers to attend an in-office appointment to complete their PCAP applications. Scheduling and transportation difficulties to attend an otherwise unnecessary appointment could present significant additional barriers to application, further preventing access to PCAP. CAUSE-PA recommends FirstEnergy follow the example of other organizations and agencies, such as Pennsylvania’s Department of Human Services, in implementing assistance programs – make the programs as accessible as possible and offer all means of application, requiring no specific way to apply, but having multiple options available.<sup>35</sup>

CAUSE-PA therefore stands by our recommendation set forth in our July 2021 Order Comments that FirstEnergy should be directed to ensure that all applications are provided in mediums that are supportive of the needs and abilities of all prospective PCAP customers. Customers should be able to access and complete applications electronically, telephonically, or on paper, depending on their individual needs and accessibility challenges.

***i. CAUSE-PA supports text to recertify, with additional processes in place to ensure consumer protection.***

FirstEnergy’s Proposed 2024 USECP seeks to add a text-to-recertify process whereby DEF may contact PCAP customers to begin the recertification process. (Proposed 2024 USECP at 11).

---

<sup>35</sup> Pa. DHS, Apply For Benefits, available at: <https://www.dhs.pa.gov/Services/Assistance/Pages/Apply-for-Benefits.aspx>

In its March 2023 Order, the Commission directs FirstEnergy to explain how this process would work, including how customers would be selected for enrollment, step-by-step implementation details, and how DEF would inform customers about cellular data rates that may apply. (March 2023 Order at 35).

In response, FirstEnergy explained that the Companies provide a list of PCAP customers to DEF who will need to recertify. DEF then determines if the phone number on file for the customer is SMS capable. If this is true for the customer, DEF may initiate the text-to-recertify process. A sample script for this text message is as follows:

*This is Dollar Energy Fund.*

*Our records indicate that your FirstEnergy PCAP will expire on [Recert Date].*

*You can recertify over text.*

*Depending on your situation, this may take 10-15 minutes, but you will have a week to answer these questions.*

*Do you wish to continue? Reply*

*Y Yes*

*N No*

*(message/data rates may apply)*

If DEF determines the customer is unable to participate in text-to-recertify, the customer will receive a letter that will instruct them to contact DEF. (Supplemental Information at 8 and 9).

As an initial matter, we note that customers who do not respond to the initial text – regardless of whether they’ve previously consented to participate in text-to-recertify – should receive standard recertification outreach via mail.

While CAUSE-PA supports the utilization of as many means as possible to allow customers to recertify PCAP eligibility, the text-to-recertify process as described in the Companies

Supplemental Information raises concerns. Customer consent should be obtained in advance for customers to receive notifications by text message, and that consent should not be obtained **by** text message. Specifically, we recommend that FirstEnergy obtain consent to receive text notifications regarding enrollment and to engage in a text-to-recertify process through the application process.

We further note that, even with the addition of a text-to-recertify option, FirstEnergy should continue to send an initial written notification to all PCAP customers reminding them that their recertification time is approaching. For those who consented to text-to-recertify, this notice should remind participants that they opted in to receive text message notifications when they enrolled in PCAP, including the ability to recertify by text, and that they may opt out of such communications at any time. This notice should also include the phone number the PCAP customer provided at enrollment to verify the number is still correct, and should explain exactly how the text-to-recertify process works – including how customer information is processed, what follow up information or confirmation they will receive letting them know that they have successfully completed their recertification, how their data is kept private, disclosure that the customer may be charged by their mobile phone company for participating in the text-to-recertify service, and a list of the alternative ways to recertify. If an applicant does not opt in to the text-to-recertify process at the time of application, participants should be reminded of the option in the initial outreach letter and informed of how they could opt in to text-to-recertify moving forward.

CAUSE-PA additionally recommends that a phone number be added to the recertification text message script so that participants can call if they have technical difficulty or if they no longer wish to proceed with the text-to-recertify process.

Ultimately, CAUSE-PA supports the proposed text-to-recertify process as long as PCAP customers consent to participate and clearly understand all process parameters in advance of their participation, as outlined above.

***j. CAUSE-PA supports FE's proposal to identify PCAP participants who exceeded 125% of their prior year usage at the same residence and FE's stated exemptions to the limits.***

FirstEnergy proposes to annually identify PCAP participants who exceed 125% of their prior year's usage at the same residence. Following a 125% exceedance, the Companies will reach out quarterly to provide energy conservation messages. The following participants will be exempt from this outreach:

- The household composition increased.
- A household member had or is experiencing a serious illness.
- Energy consumption was beyond the household's ability to control.
- Residence has been condemned or has housing code violations that negatively impact energy consumption.
- Energy consumption estimates were based on the usage of a previous occupant.

(Proposed USECP at 13).

In its Order, the Commission directs FirstEnergy to explain how the Companies notify customers that they are exempt and how they verify if one or more exemptions apply to the household. (April 23 Order at 36). In response, FirstEnergy explains that the Companies identify customers who qualify for exemptions by mailing a letter and a survey with a postage-paid return envelope requesting customers to complete and mail the survey back to the Companies. (Supplemental Information at 9).

CAUSE-PA is generally supportive of exempting customers from receiving unnecessary and potentially irrelevant notifications. We recommend that FirstEnergy work with stakeholders and its USAC to review customer feedback from notifications to better tailor future communications.

***k. CAUSE-PA supports one-time PPA debt forgiveness expansion and recommends a higher threshold.***

As noted in CAUSE-PA's Comments to FirstEnergy's Proposed 2019 USECP, we support FirstEnergy's thoughtful transition plan to implement the changes in its Proposed 2024 USECP. In proposing to roll unpaid debts at the point of conversion into pre-program arrearages, FirstEnergy is rectifying past unaffordability and is ensuring that PCAP customers will have a reasonable chance of success in the new program. CAUSE-PA notes that FirstEnergy's transition process is similar to the in-program arrearage forgiveness plans approved in other utility service territories when transitioning to a new program structure with improved affordability targets.<sup>36</sup>

FirstEnergy is also presently proposing that customers who re-enroll in PCAP under the new structure will be eligible for PPA forgiveness if the participant's original PPA balance from their prior enrollment was \$300 or less. (Proposed USECP at 13). The Commission directs FirstEnergy to confirm that only pre-existing pre-program debt (not debt incurred within PCAP) will be deferred under this proposal. The Commission also directs FirstEnergy to provide estimates of how much pre-program debt would be added because of this expansion and how this could increase annual PPA forgiveness costs. (March 2023 Order at 36).

In response, FirstEnergy confirmed that only existing PPA would be deferred as long as the original amount deferred when they first entered PCAP was under \$300. (Supplemental Information at 9). FirstEnergy also provided the total amount of pre-program debt as of March 23, 2023, but not how the additional PPA forgiveness on reenrollment may increase annual PPA forgiveness costs. (Supplemental Information at 9-10). This latter figure would be difficult if not impossible to estimate, as it would require an assessment of all prior PCAP participants who

---

<sup>36</sup> See, e.g., Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code §§ 54.74, Docket No. M-2016-2534323, Order on Reconsideration (order entered April 19, 2018) (approving Duquesne Light's in-program arrearage forgiveness plan).

initially entered the program with under \$300 in arrears – and would in turn require FirstEnergy to make assumptions about those customers’ eligibility to later reenroll in the program.

Notwithstanding the lack of specific cost projections, CAUSE-PA strongly supports FirstEnergy’s proposal to allow PCAP customers to reenroll in the program and receive additional PPA forgiveness, as it offers a key component to redress past unaffordability within the program. As it stands, PCAP participants often face unaffordable rates – even within PCAP – causing them to lapse out of the program and incur substantial additional debts at full tariff rates. These customers should be welcomed back into the redesigned program, and afforded a fresh start to earn forgiveness.

Notwithstanding our support, we recommend setting the threshold for additional PPA at the average amount of deferred debt of customers entering PCAP, based on Company and heating type – rather than utilizing a flat \$300 threshold for all customers seeking reenrollment in the program. Table 4 calculates the average PPA debt for heating and non-heating customers as of March 22, 2023, utilizing the data FirstEnergy provided in its Supplemental Information:

**TABLE 4: Average PPA Debt (March 22, 2023)**

	Electric Heat	Non-Electric Heat
Met Ed	\$591	\$366
Penelec	\$553	\$340
Penn Power	\$578	\$312
West Penn	\$537	\$336

(Supplemental Information at 10).

Utilizing the average arrearage rate for electric heating and non-heating to set the threshold for PPA forgiveness on re-enrollment will provide a more precise target – helping more low income

customers to establish and maintain service at reasonably affordable rates through FirstEnergy's redesigned PCAP.

CAUSE-PA encourages the Commission to approve FirstEnergy's plan for PPA forgiveness, including the one-time expansion for re-enrolling customers, as modified by our recommendation.

***l. CAUSE-PA supports the return of security deposits to low income customers and customers deciding how funds are received or applied.***

The Companies state in their Proposed 2024 USECP that FirstEnergy does not impose security deposits on PCAP accounts. (Proposed 2024 USECP at 17). The Commission identifies in its March 2023 Order that it is unclear how the Companies address the *refunding* of security deposits, and directs FirstEnergy to describe its practices regarding refunding security deposits. (March 2023 Order at 37). FirstEnergy responded that, at enrollment in PCAP, the Companies' SAP system will automatically release the deposit and apply it to the customer's account balance. (FirstEnergy Supplemental Information at 10).

CAUSE-PA is concerned both with the scope in which FirstEnergy complies with the statutory security deposit prohibition (namely, only on enrollment in PCAP) and the manner in which those deposits are refunded.

First, CAUSE-PA submits that the scope of FirstEnergy's security deposit policies are inappropriately narrow, and do not comply with the statutory and regulatory prohibition on collecting deposits from low income customers or applicants for service. Chapter 14 of the Public Utility Code prohibits utilities from imposing a security deposit on customers "confirmed to be eligible for a customer assistance program."<sup>37</sup> Commission regulations further explain that actual enrollment in a customer assistance program is not necessary for the statutory prohibition to apply:

---

<sup>37</sup> 66 Pa. C.S. § 1404(a.1)

An applicant is confirmed to be eligible for a customer assistance program by a public utility if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of a public utility's customer assistance programs.

FirstEnergy's policy appears to only release previously collected security deposits when a customer enrolls in PCAP – and not when FirstEnergy receives other information indicating that the household is eligible for PCAP, such as receipt of a LIHEAP Cash or Crisis grant. It is also unclear whether and how FirstEnergy informs applicants and customers of the statutory prohibition at the time a security deposit is initially assessed.

To comply with the statutory and regulatory prohibition on assessing low income security deposits, FirstEnergy should be required to expand its security deposit policy to return previously collected security deposits for all PCAP-eligible customers – including income-qualified customers who apply for any universal service program (including PCAP, Hardship Fund, CARES, WARM, or other income-based programs); customers who receive a LIHEAP Cash or Crisis grant; and other applicants and customers who agree to provide income documentation – even if they do not also seek enrollment in an assistance program. In turn, at the time a security deposit is assessed, FirstEnergy should be required to inform customers of the security deposit prohibition and how the customer can submit income documentation to qualify for the prohibition. While all low income applicants and customer should be *encouraged* to apply for available assistance programs, including PCAP, application of the statutory prohibition on security deposits must not rely on whether that customer ultimately decides to enroll in PCAP.

With regard to FirstEnergy's policy for releasing previously collected security deposits subject to the statutory prohibition, FirstEnergy's policy is again inconsistent with Commission regulation. Commission regulations state that a public utility must “*refund* a deposit, along with any applicable interest, within 60 days upon determining that the customer or applicant from whom

a deposit was collected is not subject to a deposit [...].”<sup>38</sup> Rather than refund security deposits subject to the statutory prohibition, FirstEnergy’s current policy applies previously collected security deposits to the PPA balance, which is otherwise eligible for forgiveness through the program. This process does not comport with the requirements of Commission regulation, as it applies the deposit to the customer’s PPA balance, which is otherwise frozen and eligible for forgiveness over time, rather than refunding the deposit to the applicant or customer. Moreover, FirstEnergy did not explain or confirm that any interest collected while the security deposit is held is also returned to the customer.

CAUSE-PA submits that security deposits – plus any accrued interest – must be refunded to all applicants and customers determined to be PCAP *eligible*, regardless if they have enrolled in PCAP. This includes applicants and customers who apply for other FirstEnergy programs as well as customers who receive a LIHEAP Cash or Crisis grant and, thus, are eligible for PCAP. Moreover, PCAP-eligible customers and applicants should be given a choice of how their funds are returned – including the option to receive the payment directly *or* have it applied to their current charges – not their PPA balance. These funds belong to the customer, not FirstEnergy, and it should be at the customer’s discretion how they are returned.

CAUSE-PA strongly urges the Commission to direct FirstEnergy to amend its security deposit policy in the proposed Plan, including the scope of the prohibition and the process for returning previously collected deposits, consistent with the recommendations above.

***m. CAUSE-PA recommends FirstEnergy amend its PCAP Final Billing policy to align with the restructured PCAP.***

In its March 2023 Order, the Commission notes that FirstEnergy does not address its final PCAP billing practice in its Proposed 2024 USECP. It is therefore unclear if FirstEnergy’s final

---

<sup>38</sup> See 52 Pa. Code § 56.53(f) (emphasis added).

PCAP billing practice was amended after the Commission's CAP Final Billing Order was issued. In that proceeding, FirstEnergy explained that final PCAP customer bills include all residential tariff rate charges subtracting their full monthly CAP credit.<sup>39</sup>

The Commission directs FirstEnergy, in its March 2023 Order, to explain the Companies' PCAP final billing practices; if those practices have changed since the Commission's Final Billing proceeding; and how the final PCAP billing practices are compliant with the statutes and regulations included in the CAP Final Billing Order (March 2023 Order at 38-39).

In response, FirstEnergy reported that the Companies' final billing practices had not changed since the issuance of the Commission's CAP Final Bill Order and described how PCAP final bill calculation works for the current plan, with the equal payment plan (EPP) still in place. Essentially, on the final bill, EPP is removed from the account, which will bill a true-up for the budget billing balance. Charges on the final bill, under the current PCAP structure, include actual usage charges for that final billing period, the EPP true-up minus a full (not prorated) monthly CAP credit. If a customer is eligible to receive an arrearage forgiveness credit, that credit is applied to the PPA balance at final billing. Finally, past-due charges (excluding PPA) are included in the final bill payment. (Supplemental Information at 10-11).

While FirstEnergy describes its current practice related to final billing, it does not address how a final bill will be calculated if the Commission approves the changes included in its Proposed 2024 USECP. If PCAP transitions to a PIP design, and the current fixed monthly credits and EPP true-ups are eliminated, final bill calculation would also presumably require significant alteration. (Proposed 2024 USECP at 3).

---

<sup>39</sup> Staff Review of Customer Assistance Program (CAP) Final Billing Methods, Order, Docket No. M-2019-3010190, page 7 (Order entered March 12, 2020).

CAUSE-PA reaffirms its position in the Commission’s Staff Review of CAP Final Billing Methods (associated with the Low Income Advocates). In Joint Comments to the CAP Final Billing proceeding, the Low Income Advocates set forth a series of overarching principles, which we believe should guide decisions regarding CAP final bill policies:

1. Affordability must be the primary goal of any CAP final bill policy solution.
2. Charges on a final CAP bill should not exceed actual usage.
3. CAP customers should remain in CAP after service is terminated or discontinued.
4. CAP final bills should not include a budget bill true-up amount.
5. CAP final bills should clearly indicate the amount needed to restore service.<sup>40</sup>

We stand by these overarching principles and recommend that FirstEnergy apply the following steps in calculating a final bill once the new program PIP structure is implemented:

1. Determine the prorated PIP for the final billing month.
2. Determine the bill based on actual usage for the final billing month.
3. For minimum bill customers, determine the prorated daily minimum bill rate for the final billing month.
4. Charge the lesser of the actual bill, the daily prorated PCAP bill, or (if applicable) the daily prorated minimum bill for the number of days service was connected during the final billing cycle.

CAUSE-PA urges adoption of the above recommended methodology of calculating final CAP bills, and recommends that FirstEnergy be required to amend its Plan to detail this process. Incorporating these recommendations will create equitable policy and will ensure that PCAP customers continue to receive an affordable PCAP rate bill for the entire duration of their PCAP enrollment – even upon final billing. If a PCAP customer voluntarily requests to end service or is involuntarily terminated, and is later final billed for the partial billing period, it is necessary that they are charged the PCAP rate for the days they were enrolled in PCAP. Upon final billing, PCAP customers should be charged the rates that are applicable on the day the services were used and

---

<sup>40</sup> Staff Review of Customer Assistance Program (CAP) Final Billing Methods, Order, Docket No. M-2019-3010190, (order entered March 12, 2020).

ensure that the most beneficial rates are applied. This is not only fair and equitable treatment, but also what the Public Utility Code requires.<sup>41</sup>

***n. CAUSE-PA supports FirstEnergy's prompt adoption of updates to the federal poverty income guidelines.***

In its March 2023 Order, the Commission notes that FirstEnergy does not provide information related to when it updates its systems to reflect annual updates to the federal poverty level, to ensure that all customers who fall within the 0% - 150% FPL income tiers are accepted into PCAP. (March 2023 Order at 39). FirstEnergy was thus directed to clarify its timeline for incorporating updates related to the federal poverty income guidelines. In response, FirstEnergy explained that all systems are updated promptly upon receipt of the information, typically in February of each year. (Supplemental Information at 11).

CAUSE-PA appreciates FirstEnergy's prompt incorporation of the most current FPL data into their enrollment systems to accept those who may newly qualify for PCAP assistance, perhaps having been previously just out of reach.

***o. CAUSE-PA supports FirstEnergy's planned outreach and recommends additional data collection.***

In its March 2023 Order, the Commission notes that FirstEnergy includes information that describes the Companies planned communications, outreach, and promotion of its universal service programs, including its Spanish-language offerings. FirstEnergy is directed to provide more detailed information related to its proposed outreach and education, including the following.

- Number of virtual, in person, and Be Utility Wise events that each FirstEnergy EDC will participate in annually.
- If FirstEnergy offers – or plans to offer – universal service program training to community agencies within its EDC service territories.
- How the proposed CEOP differs from the current outreach and education activities.

---

<sup>41</sup> 66 Pa. C.S. § 1303.

- Examples of consumer education letters, postcards, bill inserts, brochures, fact sheets, ads, and outbound call messaging scripts.
- What educational strategies for training webinars, workshops, and education events are offered.
- How FirstEnergy educates customers about household energy burdens to help customers identify how much of their household income is spent on energy.

(March 2023 Order at 40 and 41)

In response, FirstEnergy provided a broad overview of planned offerings, with very limited additional detail. The Companies plan to attend five Be Utility Wise events in person and will participate in senior fairs and expos - noting only that the number of events “vary year to year”. The Companies also note their general plan to offer training to community agencies upon the implementation of the new PIP PCAP structure, though they do not identify which agencies they will train, the format of that training, or the number of expected trainings and participants. FirstEnergy notes that annual training is provided for WARM agencies administering the program, and that WARM training is provided twice per year – though it does not explain the difference between WARM agency training and WARM training, or what that training may entail. FirstEnergy states they have expanded customer outreach and channels to promote PCAP, LIHEAP, ERAP, PA-HAF, and the DEF hardship fund and that they expanded outreach for the recertification process to customers whose consumption has exceeded 125% over the prior year to help explain how energy conservation measures help reduce energy burdens. (Supplemental Information at 11-13) FirstEnergy additionally provides requested marketing and outreach materials – including letters sent to customers regarding the existing PCAP fixed cost credit program and LIHEAP information. (Supplemental Information at Attachment C).

CAUSE-PA appreciates FirstEnergy’s stated commitment to expanding outreach and communication regarding FirstEnergy’s universal service programs. However, FirstEnergy’s proposal is difficult to assess without detailed explanation of *how* the new plan is enhanced beyond

the current plan. For example, it is unclear (1) how many trainings will be offered and to whom on all of the implementation changes to PCAP with the transition to a new structure, if approved; (2) what training materials will be included for these purposes; (3) what training materials are provided to WARM contractors in their training; (4) if the Companies provide materials in languages other than English and Spanish, beyond connecting customers to Language Line. FirstEnergy's proposals also fail to identify any quantifiable measurements to track and assess the effectiveness of its outreach and education initiatives. Absent this information, CAUSE-PA recommends FirstEnergy include the following additional components in the Companies' Customer Education and Outreach Plan (CEOP).

FirstEnergy should provide quarterly training and education for all call center staff, including FirstEnergy's internal call center staff and call centers and/or intake staff employed by FirstEnergy's universal service program contractor agencies – including DEF and other community based organizations. A critical piece to effective universal service program education and outreach is to ensure that all frontline staff who interact with consumers are regularly trained and knowledgeable about the availability of universal service programs – including eligibility parameters, the process for enrollment, and the benefits for those who participate. Particularly with a transition to a new PCAP PIP structure, it is imperative that all employees and contractors who directly interact with consumers are well-equipped to provide clear, complete, and accurate information and referrals.

CAUSE-PA recommends that FirstEnergy's CEOP includes a data collection component to determine the actual effectiveness of participating in outreach events. FirstEnergy EDCs should track metrics from outreach events that will allow it to fully assess the success of the outreach strategy and determine if it is effectively reaching and engaging the target audience. For example,

rather than simply tracking the number of community events or training FirstEnergy attends or conducts, FirstEnergy should track the specific location (including 9-digit zip code); the number of customers actually engaged (as opposed to the number attending a specific event); the number of people trained; and the number of materials distributed. This information could help FirstEnergy to target its outreach in areas with higher concentrations of poverty or other unique characteristics, and could allow FirstEnergy to assess whether there is a localized impact on enrollment rates in the weeks following a targeted outreach event.

FirstEnergy briefly mentions attending senior fairs and expos, as available, but the Companies do not discuss how or if events are strategically chosen or what factors may be included in such a selection process. CAUSE-PA acknowledges that opportunities may arise for outreach and, while we do not discount the importance of taking advantage of these opportunities as they arise, we recommend that FirstEnergy adopt a transparent and systematic approach to event selection to ensure that certain areas or underserved communities are not overlooked in outreach efforts. It would also be helpful to have a clear understanding of the budget, staffing and logistical requirements associated with this strategy to ensure its continued sustainability.

CAUSE-PA additionally recommends that FirstEnergy incorporate details related to accommodations and accessibility for special populations. FirstEnergy notes that it will establish opportunities to attend meetings and determine if events should be in person, virtual, or hybrid based on known circumstances, such as weather, health, and safety, etc. (Supplemental Information at 13). While this plan touches on accessibility (health and safety), it does not provide specific details about accessibility features or accommodations for customers with disabilities or limited English proficiency, or those who lack access to technological capabilities. FirstEnergy

should therefore consider implementing accessibility features, such as dedicated support for customers with disabilities, limited English proficiency, or limited access to technology.

Ultimately, low income customers cannot participate in programs they do not know about, do not understand, or cannot access. To enhance outreach and communication and bring greater alignment with community-based agencies across FirstEnergy's service territory, CAUSE-PA recommends the Commission direct FirstEnergy to work with its USAC to incorporate the above recommendations into the Companies' CEOP.

Finally, consistent with our earlier comments about FirstEnergy's proposed transition period and its plans for customer communications, CAUSE-PA recommends the Commission direct FirstEnergy to work with its USAC and submit a written plan within six months of the date of the Final Order for this proceeding, for how the Companies plan to conduct outreach, education, and training for the transition to the new PIP structure.

#### **Additional PCAP Issues Identified by CAUSE-PA**

*p. CAUSE-PA recommends decreasing the minimum payment.*

In its 2020 Joint Petition, FirstEnergy proposed to reduce its minimum payment for PCAP electric heating customers from \$45 to \$24 per month and to maintain the minimum monthly PCAP payment of \$12 for non-heating customers.<sup>42</sup> CAUSE-PA notes that change is not proposed in the Proposed 2024 USECP.

CAUSE-PA supported the reduction in the minimum PCAP bill for electric heating customers as well as FirstEnergy's reasoning for proposing the change. FirstEnergy proposed to reduce the minimum PCAP bill to better align with the proposed energy burden reductions for the

---

<sup>42</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, Comments of CAUSE-PA, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978, at page 12 (CAUSE-PA Comments filed Oct. 4, 2021).

most economically vulnerable customers, stating that the minimum payment amount was established to set an affordable payment for customers experiencing the most extreme financial circumstances.<sup>43</sup> As CAUSE-PA stated in Comments to the July 2021 Order, customers paying the minimum bill are often the least-resourced households. It is imperative to provide all customers with just and reasonable rates so they can reasonably afford to maintain service to their home.<sup>44</sup> This includes those with the least resources and the greatest corresponding need for assistance.

CAUSE-PA recommends FirstEnergy reduce minimum payments for electric heating customers from \$45 to \$24/month as proposed in FirstEnergy's 2020 Joint Petition proceeding, consistent with the arguments advanced in response thereto.<sup>45</sup>

***q. CAUSE-PA recommends FirstEnergy allow autoenrollment/auto-recertification once data sharing is authorized.***

CAUSE-PA notes that modifications to utility IT systems, such as those that will occur with the implementation of the new PCAP PIP structure, may open the door for new processes to be put in place that accompany or augment the effecting policy and system changes.

As the Commission is aware, DHS is in the final stages of developing a comprehensive data sharing policy that will enable it to share detailed LIHEAP recipient information with utilities for the purpose of facilitating streamlined enrollment in utility-run assistance programs (including CAP). To develop this policy, the LIHEAP Advisory Committee (LAC) to DHS, which includes a broad range of stakeholder (including representatives for utilities, the Commission, the Office of Consumer Advocate, the Pennsylvania Utility Law Project, and others), worked collaboratively to

---

<sup>43</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, FirstEnergy Supplemental Information at III, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978 (filed on August 25, 2021).

<sup>44</sup> Joint Petition of Penelec, Penn Power, MetEd, and West Penn Power to Amend Universal Service and Energy Conservation Plan for 2019-2023, Comments of CAUSE-PA, Docket Nos. P-2020-3018883, -3018884, -3018873, 3018885; M-2017-2636969, -2636973, -2636976, -2636978, at pages 23-25 (CAUSE-PA Comments filed Oct. 4, 2021).

<sup>45</sup> Id. at 23-25.

develop a consensus data sharing framework. Specifically, the LAC identified the minimum data points that must be shared to facilitate auto-enrollment and meet the Commission's universal service reporting requirements, including:

- Name of utility account holder
- Name of all household members (regardless of eligibility for LIHEAP)
- Income (annual or monthly) for all household members
- Source of income for all household members
- Date income was verified
- Service address
- Account number (or other unique identifier) for head of household
- Age or DOB of all household members-
- Telephone number

The LAC also reached agreement on the language DHS should use to obtain informed consent from LIHEAP participants to share information with their utility. DHS accepted the consensus data sharing framework recommended by the LAC, and is now working with LAC members and stakeholders to review draft data sharing agreements and protocols. DHS is targeting Fall 2024 for the roll-out of this new policy, and has scheduled IT upgrades for Summer 2024 to facilitate implementation of this policy.

CAUSE-PA recommends that the Commission require FirstEnergy to utilize LIHEAP enrollment data – once available – to automatically enroll and/or recertify LIHEAP recipients to participate in PCAP. As noted, the data to be shared between DHS and utilities will include all of the information necessary to perform auto-enrollment and/or facilitate recertification, consistent with the Commission's existing universal service reporting requirements. Requiring FirstEnergy to effectively utilize LIHEAP enrollment data to facilitate PCAP enrollment will help to meaningfully streamline PCAP administration - while simultaneously eliminating barriers to enrollment and recertification for many of FirstEnergy's lowest income customers.

FirstEnergy is already expending time and resources to update its IT systems in 2024 to support the new PCAP PIP structure. Thus, we believe it is prudent to ensure the newly reconfigured system is also capable of processing auto-enrollment and auto-recertification.

*r. CAUSE-PA opposes FirstEnergy's LIHEAP requirement for PCAP eligibility.*

In its Proposed 2024 USECP, FirstEnergy states that PCAP customers are required to apply for LIHEAP if they are eligible and that applicants will be informed of this obligation at the time of enrollment and recertification. (Proposed 2024 USECP at 32). CAUSE-PA strongly supports cross-enrollment in LIHEAP and CAP wherever possible. However, we oppose program rules that could be construed to *require* a CAP participant to apply for LIHEAP and/or direct their LIHEAP grant to a specific utility as a condition of enrolling in CAP.

As the Commission explained in its CAP Policy Statement, utilities may instruct or encourage customers to apply for LIHEAP if they are eligible, but may not penalize customers if they do not apply.<sup>46</sup> Denying enrollment in PCAP is a penalty. Moreover, it is unclear if FirstEnergy is requiring customers to direct LIHEAP grants to the Companies. The Commission's CAP Policy Statement clearly provides that CAP customers do not have to assign the LIHEAP grant to the CAP-sponsoring utility because applicants are limited to one LIHEAP cash grant for their primary or supplemental heating source (including gas, electric, or deliverable fuel).<sup>47</sup>

CAUSE-PA recommends the Commission direct FirstEnergy to eliminate the *requirement* to apply for LIHEAP to enroll in PCAP, and instruct FirstEnergy to modify its Plan to *encourage* PCAP participants to apply for LIHEAP. FirstEnergy should explicitly state in its Proposed 2024

---

<sup>46</sup> Final CAP Policy Statement and Order at 50-51.

<sup>47</sup> Id.

USECP and attendant policies, procedures, and training materials, that PCAP participants are not required to direct their LIHEAP grants FirstEnergy as a condition of enrollment.

## 2. WARM (LIURP)

### *a. CAUSE-PA shares the Commission's concerns regarding potential PCAP removal for "unreasonable" consumption after WARM measures installed.*

In its Order, the Commission identifies a lack of specificity regarding how FirstEnergy would determine a customer's energy consumption is "unreasonable" after the installation of WARM measures and what increase in energy consumption could result in removal from PCAP. (March 2023 Order at 43). FirstEnergy explained in response that the Companies are not actively seeking to remove PCAP customers and view instances of significant increased usage after WARM measures are installed as an unusual circumstance. Concern would arise if the increase in usage is greater than 50%. The Companies allege that they include this provision so the Companies have the ability to remove a customer from PCAP in instances such as illegal or fraudulent activity. If usage increases beyond 50%, the Companies may require the customer to provide proof of income in advance of their scheduled recertification to ensure income eligibility. (Supplemental Information at 13-14). Though, it is unclear why FirstEnergy has linked increased usage to a need for additional interim income verification.

In the Proposed 2024 USECP, FirstEnergy lists a number of reasons participants may be removed from PCAP, including the following:

1. Refusing to participate in WARM if eligible (re-entry is dependent on application for the WARM program)
2. Failing to recertify as scheduled, or upon request (re-entry is dependent on completion of re-certification procedures)
3. Theft of service (re-entry prohibited for six months)
4. Other actions deemed to be intentional and fraudulent (re-entry prohibited for six months)
5. Other actions, including but not limited to, failure to permit scheduled meter readings, unreasonable and/or increased consumption post-WARM measures installation, and

pattern of returned check may result in disconnection of service and final billing or removal from the program.  
(Proposed 2024 USECP at 14 and 15)

We echo the Commission’s concern about the lack of clarity in the proposed Plan for grounds for PCAP removal. CAUSE-PA questions FirstEnergy’s response linking “unreasonable” usage to potential fraudulent or illegal activity, and notes that FirstEnergy already has authority to remove a customer from PCAP based on illegal or fraudulent activity pursuant to the above list.

Before taking any punitive action against a customer that experiences an increase in usage following the provision of WARM services, including imposition of additional income verification requirements, FirstEnergy should first seek to identify the circumstances that are causing the increase in usage, and should offer assistance (if available) to further remediate increased usage. The household could be experiencing a condition that would exempt them from consumption limits pre-WARM measure installation, such as the addition of a household members, serious illness or introduction of medical equipment in the home, or damage to the home that could make it difficult for the customer to control their usage. Increased usage could also be driven by improperly installed efficiency measures or the failure to properly educate the consumer about how to effectively utilize advanced efficiency equipment – such as a smart thermostat or a heat pump.

CAUSE-PA recommends that the Commission require FirstEnergy to eliminate removal from PCAP as a penalty for households experiencing an increase in usage. Nevertheless, should FirstEnergy be permitted to keep “unreasonable and/or increased consumption post-WARM measures installation” as a condition for removing customers from PCAP, the Companies should be directed to explicitly state what constitutes unreasonable usage, the threshold for increased usage to warrant PCAP removal, and the steps FirstEnergy will take to investigate and further remediate increase usage prior to removing the customer from PCAP.

- b. CAUSE-PA supports PCAP customers with higher usage receiving in-home energy audits, suggests lowering usage threshold or evaluating energy used per square foot.*

In its March 2023 Order, the Commission directs FirstEnergy to clarify if *all* PCAP customers or only those customers whose annual usage is at or above 6,500 kWh per year are required to receive an in-home energy evaluation and work with an energy educator to create a tailored energy-savings plan. (March 2023 Order at 43). FirstEnergy responded that only PCAP customers who are eligible for WARM (with usage at or above 6,500 kWh) are required to receive those services to remain in PCAP. (Supplemental Information at 14).

CAUSE-PA supports those customers with higher usage being targeted and prioritized to receive a WARM energy audit. We recognize how WARM can work in tandem with PCAP to help reduce arrearages and termination rates over the long term and help reduce uncontrollably high usage attributable to home energy inefficiencies. That said, CAUSE-PA recommends FirstEnergy lower its WARM high usage threshold to 6,000 kWh to capture more eligible households. Both PPL Electric and Duquesne Light Company set their annual high usage threshold at 6,000 kWh to qualify for LIURP.<sup>48</sup> CAUSE-PA argues that making this slight adjustment would improve WARM enrollment and reach more customers who may have higher usage relative to the size of their homes. Some households with less square footage in the home/smaller household footprint may appear as though they are using less energy, but the usage would be considered high based on the size of the space. Lowering the usage threshold will capture more high energy users who may

---

<sup>48</sup> PPL Electric Utilities Corp. 2023-2027 USECP, Revised March 13, 2023, at 29, available at [https://www.puc.pa.gov/media/2407/ppl\\_further\\_revised\\_2023-27\\_usecp.pdf](https://www.puc.pa.gov/media/2407/ppl_further_revised_2023-27_usecp.pdf). (indicating that, for WARM, a customer must consume at least 6,000 kWh annually); Duquesne Light Co. 2020-2025 USECP, Revised June 28, 2022, at 32, available at [https://www.puc.pa.gov/media/2014/duquesne\\_usecp\\_2020-2025.pdf](https://www.puc.pa.gov/media/2014/duquesne_usecp_2020-2025.pdf) (indicating that Smart Comfort targets residential customers whose gross household income is less than 150% of the FPL and senior citizens whose gross household income is less than 200% of the FPL, with base load electric usage more than 500 kWh per month and who have been residing at their current address for at least six months).

not appear so looking only at their usage. This may particularly apply to renters, inhabiting smaller, less efficient spaces.

*c. CAUSE-PA supports FirstEnergy's proposal to allow customers to decline WARM measures without risk of PCAP removal.*

In its March 2023 Order, the Commission questions the provision in FirstEnergy's Proposed 2024 USECP that allows PCAP customers who receive an energy evaluation to decline installation of recommended WARM measures with no risk of PCAP program removal. (March 2023 Order at 44). FirstEnergy clarified in response that, while the Companies do not require installation of recommended measures, they do require an energy audit. (Supplemental Information at 14-15). FirstEnergy alleges that the energy audit facilitates customer engagement and energy reduction education and allows for the installation of some energy savings baseload measures such as smart power strips, LED lightbulbs, furnace filters, nightlights, showerheads, and faucet aerators. Auditors may also order refrigerators and freezers should they need replacing.

Further, FirstEnergy notes that most customers who receive the audit want to proceed with recommended measure installation. FirstEnergy reported of the 1,738 WARM jobs completed for PCAP participants in the second half of 2022 (when they implemented a tracking system enhancement to note when customers refused installation or were not responsive), and reported just 146 (8%) –declined installation of additional measures or otherwise did not respond to the contractor's attempts to schedule work. (Supplemental Information at 14-15).

Notably, it is unclear how many of the 146 PCAP participants affirmatively refused installation of additional measures, as opposed to the number who were unable to be reached to schedule follow-up work. It is also unclear what specific additional measures were declined or what attempts the contractor made to schedule work with the PCAP participant. A customer's non-responsiveness should never be deemed an affirmative refusal. Low wage workers often have

inflexible work schedules that do not allow time for personal calls during business hours – or time off during the work week to permit installation of advanced efficiency measures.

CAUSE-PA supports FirstEnergy’s policy of requiring an energy audit, but not requiring acceptance of specific measures to remain in PCAP. PCAP customers, like any other utility customer, should have the ability to decline specific measures or additional work in their home without being removed from PCAP.

CAUSE-PA understands that the WARM refusal rate is low and appreciates FirstEnergy’s perspective that the energy audit gives contractors the opportunity to educate and install basic measures even if households do not follow up or refuse additional measures. This policy is encouraging rather than punitive, and the low rate of refusal suggests it is helping the Companies achieve the goals of the WARM program. CAUSE-PA therefore recommends the continuation of this policy in the Proposed 2024 USECP.

***d. CAUSE-PA shares the Commission’s concern regarding process for obtaining landlord consent and customer consent for data release and recommends FirstEnergy update its landlord consent to comply with LIURP regulations.***

*i. Landlord Consent Issues*

In its March 2023 Order, the Commission directs FirstEnergy to specify how the Companies obtain and document landlord approval or refusal, and how they obtain and document customer consent to share personal and/or account data with outside agencies or contractors. (March 2023 Order at 45). The Commission also asks FirstEnergy to provide copies of the landlord agreement and the auditor-customer partnership and savings strategy agreement form. In the landlord consent form, the Commission seeks to determine if language was included, per the LIURP regulations (52 Pa. Code § 58.8(a)), explicitly stating that the landlord agrees not to raise rent unless the increase is not related to the installation of program measures and that the tenant

will not be evicted for at least 12 months after installation as long as the tenant is in compliance with other ongoing obligations and responsibilities.(March 2023 Order at 45).

In response, FirstEnergy provided the requested forms and explained that a landlord agreement form must be completed “before the WARM application is considered eligible.” Only after the landlord consent form is completed and signed by the landlord is the customer considered eligible for WARM. (Supplemental Information at 15).

CAUSE-PA shares the Commission’s concerns that the landlord consent form does not include language requiring a landlord to agree to not raise rent or otherwise move to evict a tenant following participation in WARM unless the rent increase or eviction is for reasons unrelated to the measures installed. This is an important tenant protection, and helps preserve the availability of quality, energy efficient affordable housing options following investment of universal service program dollars. We note that similar provisions are found in the federal Weatherization Assistance Program and the newly launched Whole Homes Repair Program.<sup>49</sup>

Moreover, FirstEnergy’s stated process for determining WARM eligibility for tenants – and the structure of the landlord consent form –conflict with how eligibility is described in the Proposed 2024 USECP.

Eligibility for WARM for tenants is described as follows in the Proposed 2024 USECP:

“...renters must obtain landlord approval for measures to be installed at the customer’s home that reduce seasonal kWh use, such as air sealing and insulation. If landlord approval is not received, only baseload measures will be installed (e.g., smart power strips, LED lightbulbs and refrigerator or freezer replacement if the appliance is owned by the customer).”

(Proposed 2024 USECP at 21).

---

<sup>49</sup> Pa. Dept. of Community and Economic Development (Pa. DCED), Whole-Homes Repairs Program Guidelines, available at <https://dced.pa.gov/download/whole-home-repairs-program-guidelines/?wpdmdl=117114>; see also 2023 Weatherization Assistance Program State Plan, <https://dced.pa.gov/library/> (Programs and Funding, WAP).

The Proposed 2024 USECP clearly indicates that baseload measures may be installed if landlord approval is not received. However, FirstEnergy’s explanation in response to the March 2023 Order and the landlord consent form suggest that tenants are ineligible for any WARM services until the landlord agrees to any measures *and* the energy evaluation.

Further underscoring this apparent conflict in policy, FirstEnergy’s landlord consent form includes the following language:

You may have tenants in your building(s) who qualify for the WARM energy conservation program. This program can benefit you and your tenant(s) by providing qualifying residents with energy conservation measures such as attic and wall insulation, caulking and weather stripping, energy-saving light bulbs, and reflective window tint. Participants may be eligible for the replacement of items such as a leaking water heater, an inefficient refrigerator, freezer and window air conditioner. The program also provides materials about ways to conserve energy. You will benefit by having a more energy efficient building, and most work is guaranteed for a year at no cost to the owner or the tenant for program services or installations.

**You have the option of having the building(s) evaluated for possible installation of all WARM measures as mentioned above. Or you can choose to only have minimum measures performed such as energy-saving light bulbs and replacement of an inefficient refrigerator/freezer.**

Please check the box below for the measures that you would like completed at your building(s).

- I would like my building(s) to be considered for all measures that may be available through the WARM program.
- I would like to have only minimum measures performed at my building(s).**
- I do not wish to participate in the WARM program.

(Supplemental Information, Attachment D, parts in bold for emphasis))

If a landlord must approve even minimum measures, or the energy evaluation itself, renters are effectively precluded from participating in the WARM program altogether, whether they meet the usage eligibility standards or not, if the landlord does not give approval for the installation of any measures – or for the energy audit.

CAUSE-PA strongly urges the Commission to direct FirstEnergy to resolve these issues by following the policy as it is written in the existing and Proposed 2024 USECP, as provided above. Any PCAP or other income-eligible tenant meeting or exceeding the high usage threshold should be afforded an energy audit and installation of appropriate baseload measures, without first requiring landlord consent. Customer protections must also be added to the landlord consent form, per regulatory requirements in 52 Pa. Code § 58.8(a).

*ii. Data Sharing Policy Issues*

The Commission additionally requests FirstEnergy provide an explanation of how they obtain consent for sharing customers' electric usage data. (March 2023 Order at 45). FirstEnergy explains that when a customer calls DEF to apply for PCAP/WARM, a customer service representative will read all terms and conditions, including permission to share the customer's information, and obtain verbal agreement. All calls are recorded, and consent is documented in the system used to take the application. Terms and conditions, including information sharing, are also stated on the WARM paper application. (Supplemental Information at 16). The bottom of the WARM application states the following:

As a participant in the WARM program, I give you permission to do the following 1) share my household records with all parties planning to do work on my home or evaluating how much energy is being saved by that work 2) use, at no charge, any description or pictures relating to the work performed at my home and 3) have reasonable access to my home to inspect the work performed by the weatherization contractor.

(Supplemental Information, Attachment E)

While we are generally supportive of allowing verbal consent, we have concerns about the scope of consent obtained.

First, it is unclear whether FirstEnergy is using the same scripting to obtain verbal consent that it uses for its WARM application. However, assuming it does, we note three primary concerns.

First, the current consent language does not contain any restriction on the ways in which a third party may utilize the data once released – it merely authorizes FirstEnergy to release the data to any third party planning to work on or evaluate the home. Indeed, there is nothing in the current consent that would prohibit a WARM provider from selling the customer’s data and information – or otherwise using the data and information for marketing purposes.

Second, the current consent language does not specifically indicate what “household records” will be included in the disclosure - and could include sensitive records unnecessary for and/or unrelated to the completion of WARM services. Uniquely vulnerable customers, such as immigrants, victims of domestic violence, or medically vulnerable consumers, may provide highly sensitive information to utilities that is not appropriate or necessary to be shared with a WARM service provider.

Finally, the current consent language requires consumers to agree to the use of photos or descriptions of their home for any purpose, which may – again - be unnecessary for the completion of WARM services in the home. Consumers may not feel comfortable authorizing a contractor to take photos of their property that could show up in marketing materials or could otherwise cause them harm or embarrassment.

To address these concerns, we recommend that the Commission require FirstEnergy to work with members of its USAC to develop revised consent language that (1) prohibits the sale or subsequent disclosure of customer information to any third parties or for purposes other than the direct provision of WARM services; (2) defines the specific “household records” subject to release; and (3) eliminates the provision allowing FirstEnergy to use photos or descriptions of a participant’s home for any purpose. If FirstEnergy or its contractors would like to obtain consent to use photos or descriptions of a property, such consent should be optional and should be obtained

through a separate question on the application – making sure the consumer knows that they do not need to consent to participate in the program. Finally, but importantly, the Commission should explicitly prohibit FirstEnergy from sharing information related to a customer’s medical, domestic violence, or immigration status. This prohibition should be stated on the paper/written WARM application as well as stated clearly by the program administrator when obtaining verbal consent from a consumer.

*e. CAUSE-PA does not oppose FirstEnergy’s re-weatherization policy as long as exceptions are explicitly adopted.*

FirstEnergy’s Proposed 2024 USECP states that homes having had WARM measures installed and that continue to show high usage may receive WARM measures again after five or more years since WARM services were first received. (Proposed 2024 USECP at 21 and 32). In its Order, the Commission directs FirstEnergy to explain what the Companies consider to be “significant” usage to receive re-weatherization measures after five years, and if there are any other exceptions that would qualify a home for re-weatherization fewer than 5 years since the home was first served. The Commission explains that it has supported utilities allowing exceptions to re-weatherize homes, as LIURP weatherization time limits are often aligned with payback periods for certain measures, which may, in turn, preclude high usage households from receiving services if they received low cost or limited measures in the past. (March 2023 Order at 46).

FirstEnergy responded that the Companies would serve a home after five years if the customer at the premises has annual usage that is 6,500 kWh or more. Further, the Companies will consider granting exceptions to the five-year limit if full cost measures were not previously completed at the property or if a health and safety issue was addressed that needed correcting before measures could be installed. (Supplemental Information at 16).

CAUSE-PA does not oppose FirstEnergy's re-weatherization policy. However, we believe that the exceptions described above should be clearly delineated in the Plan as exceptions, rather than merely considerations. Further, these exceptions should be consistently applied to ensure that comprehensive measures are available to all low income customers - including those who received only limited measures in the past five years.

*f. CAUSE-PA supports the use of additional health and safety funding.*

In its Proposed 2024 USECP, FirstEnergy's describes a seasonal allowance, a budget calculation designed to assist in the selection of WARM measures that will reduce usage related to electric heating and cooling. This funding mechanism is based on a home's past consumption, with consideration given to the regulatory payback requirement (energy savings exceeding the cost of the measure over seven to twelve years). Contractors installing WARM measures may spend an additional amount of up to 50% of this seasonal allowance to install health and safety measures in the home. If the cost of necessary health and safety measures exceed this health and safety allowance, contractors may reach out to program managers to discuss how to proceed. (Proposed 2024 USECP at 22 and 26). In its Order, the Commission directed FirstEnergy to clarify if they have a process for tracking the number of homes that were deferred or disqualified if health and safety measures could not be addressed. The Commission additionally directed FirstEnergy to provide additional data related to whether contractors are provided a separate allowance for performing incidental repairs and what associated parameters are prescribed for incidental repairs. (March 2023 Order at 47 and 48).

In response, FirstEnergy explained its deferral process if a project will exceed the funding available in a household's delineated health and safety budget. Customers experiencing these circumstances will receive a health and safety form explaining the work that will need to be

completed before WARM measures may be installed and that the job will be on hold but remain open for six months if the customer is able to resolve the issue(s). The Companies, beginning in the summer of 2022, track jobs that are deferred or disqualified. Contractors were trained on how to code these measures in FirstEnergy's tracking system in November of 2022, so the data provided offers very limited insight into the scope of FirstEnergy's WARM deferrals.

FirstEnergy explains, to address the reason for deferral, customers are referred to other programs that may help, including LIHEAP Crisis, gas utility LIURP services, Whole Home Repair, or other rehabilitation grant programs. The jobs will remain in the Companies' tracking system indefinitely but will be marked resolved as either resolution or job closure occurs. For incidental repairs, FirstEnergy notes that the health and safety allowance can be used to "address incidental repairs and remediate barriers to completing weatherization measures." (Supplemental Information at 17-20).

CAUSE-PA is generally supportive of FirstEnergy's approach to tailoring the budget for health and safety based on the specific job. However, it is not clear from the limited data available whether this policy is adequate or evenly applied. We note that FirstEnergy does not respond to the Commission's question regarding what comprises the specific parameters and allowance threshold for performing incidental repairs. It is integral to program structure and implementation practices to understand the parameters for both significant structural *and* incidental repair – what repairs are included and cost allocations for each type.

This is particularly true for the purposes of inter- and intra-program coordination. To determine how different programs and funding mechanisms can best be coordinated to address these needed repairs, it is important to know what issues are addressed, what measures are applied by each program, and what funding will cover which costs. FirstEnergy lists, per the Commission's

direction, agencies to which programs customers will be referred to resolve health and safety concerns. The success of these referrals should be tracked to better understand whether the issues precipitating a deferral are able to be addressed within a reasonable timeframe to allow FirstEnergy to perform the weatherization and efficiency remediation in the home.

CAUSE-PA encourages the Commission to approve the seasonal allowance and correlated health and safety allowance. Though, we recommend the Commission direct FirstEnergy to, at minimum, explain parameters for incidental repairs in their Proposed 2024 USECP and to note if there is an allowance threshold for performing said repairs. We further recommend that FirstEnergy be directed to work with its Universal Service Advisory Committee to review additional deferral and referral data, as it becomes available, to determine whether FirstEnergy's current health and safety policies are adequate to minimize deferrals across its service territories.

***g. CAUSE-PA supports continued coordination with Act 129 multifamily projects and disagrees with the removal of this provision from the 2024-28 USECP.***

FirstEnergy's current Plan suggests the WARM program is coordinated with Act 129 multifamily projects by accepting WARM applications from building residents whose household income falls between 151% and 200% of the FPL. This reportedly is to ensure those customers are not excluded from receiving weatherization services while the building they reside in is being served by receiving Act 129 energy efficiency and conservation measures.<sup>50</sup> FirstEnergy's Proposed 2024 USECP inexplicably deletes this provision related to how the WARM program coordinates with Act 129 multifamily projects. The Commission directs FirstEnergy to explain the reasoning behind this deletion, the anticipated impact of this change, and to clarify if the

---

<sup>50</sup> FirstEnergy Revised Universal Service and Energy Conservation Plan for 2019-2021 (FirstEnergy 2019 USECP), Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978, page 25.

Companies will still accept WARM application from customers who had been served under this provision in the existing Plan. (March 2023 Order at 48-49).

FirstEnergy explains in response that the Companies continue to accept application from customers with incomes between 150% and 200% of the FPL, but they will “evaluate circumstances on a case-by-case basis for Act 129 multi-family projects.” FirstEnergy explains that the intent of this provision was to serve a small number of customers who would otherwise be excluded from a project when the rest of a building is served. (Supplemental Information at 20). The Companies claim that, with most multifamily building being large projects, the original intent no longer applies and that usage for these customers is often below 6,500 kWh annually. FirstEnergy states they will make decisions on a case-by-case basis determined by project size and number of customers excluded. (Id.).

CAUSE-PA is opposed to the removal of this provision in the Proposed 2024 USECP. FirstEnergy’s explanation that the multifamily building projects are large projects does not explain how a small number of customers would no longer be excluded. Indeed, their closing line of explanation indicates that customers *are* excluded, and the Companies would like to determine if that number is acceptable before triggering this coordination effort. FirstEnergy fails to provide the requested anticipated impact of this change, but it stands to reason that the impact could be uneven application of any provisions for these customers.

CAUSE-PA therefore recommends this provision be added back to the Proposed 2024 USECP, as the Companies did not identify any cost savings or related expense for maintaining it in the Plan. It is critically important that all existing coordination efforts either remain in place or are amplified to maximize the efficiencies of all energy efficiency programming.

***h. CAUSE-PA supports continuation of regulatory waivers to allow for installation of comprehensive measures.***

In the Commission's March 2023 Order, FirstEnergy is directed to explain if the Companies are still operating under, and requesting a continuation of, the partial regulatory waiver of Section 58.11(a) for WARM measure. (March 2023 Order at 50). FirstEnergy responded that they continue to operate under the partial waiver. FirstEnergy requests to continue to operate pursuant to the partial waiver, which provides flexibility to install more comprehensive whole-home measures, such as attic insulation. (Supplemental Information at 21).

CAUSE-PA supports the continuation of the regulatory waiver to allow the Companies the flexibility to address health and safety barriers and to allow homes to be as fully weatherized and energy efficient as possible. Continuing the partial waiver will allow installation of necessary measures that may exceed the regulatory payback period of seven to twelve years.

***i. CAUSE-PA recommends FirstEnergy adjust its WARM budget to more appropriately meet the projected need for WARM services within a reasonable timeframe.***

FirstEnergy's WARM program is a critical component in the package of the Companies' universal service program offerings. FirstEnergy's WARM Program can help substantially reduce energy usage and electric bills, increase a participant's ability to pay, decrease PCAP costs and accrual of arrearages, improve health and comfort for participants, promote safer living conditions, and maintain partnerships with local contractors and organizations. However, as indicated by FirstEnergy's estimated enrollment and budget for WARM, the program is not appropriately funded to meet the need for energy efficiency and weatherization services in any of the Companies service territories. While the Companies have proposed a modest increase in funding over past years (FirstEnergy Supplemental Information at 24), which CAUSE-PA supports, CAUSE-PA is

nevertheless concerned that the overall budget and projected number of customers served through WARM is still woefully inadequate to meet the identified need for WARM services.

In its Order, the Commission directs FirstEnergy to provide estimated cost data to serve all customers who would be eligible for WARM. Specifically, the Commission directs FirstEnergy to provide 1) the number of customers at or below 150% of the FPL with annual usage at or above 6,500 kWh and 2) the number of customers with incomes between 151-200% of the FPL with special needs and annual usage about 6,500 kWh who:

- Received WARM in the last 5 years,
- Have less than six months of usage history
- Have been deferred due to health and safety issues, and
- Are renters.

(March 2023 Order at 54-55).

The Commission additionally directs FirstEnergy to provide the percentage/number of renters projected to be ineligible due to landlord refusal, the percentage/number of customers projected to drop out, and the percentage/number of customers projected to receive energy conservation services through Act 129. (March 2023 Order at 55).

In response, FirstEnergy provides detailed projections, estimating approximately 281,897 potential participants with income at or below 150% and 125,011 potential participants with income between 151-200% FPL across its four operating Companies. (Supplemental Information at 23). In total, FirstEnergy projects approximately 406,908 customers across its service territories are likely eligible for WARM services. In stark juxtaposition to this identified need, FirstEnergy's proposed enrollment goals and corresponding budget in its Proposed 2024 USECP projects serving just 4,305 participants each year across its four operating companies. If FirstEnergy's proposed enrollment and budget is approved, it would reach just 1% of those projected to be eligible for

WARM services. *At this proposed rate of services, it would take nearly 95 years to serve all eligible customers.*

FirstEnergy avers that budgeting for this small number will allow the Companies to engage enough contractors to do the work and will allow for per-job costs to increase over time, while not decreasing the number of households served. (Proposed 2024 USECP at 29). However, FirstEnergy reported similar concerns in their existing 2019 USECP, yet the participant goals were much higher than the goals stated in the Proposed 2024 USECP.<sup>51</sup>

**Table 5a: 2021 Proposed WARM Budget, Goals, and Average Job Cost vs Actual**<sup>52</sup>

	2021 Budget (2019 Plan)	2021 Actual Cost	2021 Participant Goals (2019 Plan)	2021 Actual Number of Jobs	Avg. Actual Cost Per Job (2021)
Met Ed	\$5,751,000	\$5,760,936	1,550	1,505	\$3,828
Penelec	\$6,460,000	\$6,046,027	2,330	2,285	\$2,646
PennPower	\$3,138,000	\$3,122,296	865	855	\$3,651
West Penn	\$6,316,000	\$6,941,354	1,095	970	\$7,156
<b>TOTAL</b>	<b>\$21,665,000</b>	<b>\$21,870,613</b>	<b>5,840</b>	<b>5,615</b>	<b>\$4,320*</b>

**Table 5b: Proposed WARM Budget, Goals, and Average Job Cost, 2024**<sup>53</sup>

	2024 Proposed Budget	2024 Participant Goals	Projected Average Cost Per Job	*Weighted Average Job Cost for 2022 <sup>54</sup>
Met Ed	\$6,916,000	1,000	\$6,916	\$5,101
Penelec	\$7,490,000	1,735	\$4,317	\$2,956
PennPower	\$3,466,000	600	\$5,777	\$4,027
West Penn	\$7,327,000	970	\$7,553	\$6,202
<b>TOTAL</b>	<b>\$25,199,000</b>	<b>4,305</b>	<b>\$6,141*</b>	<b>\$4,571*</b>

<sup>51</sup> FirstEnergy 2019 USECP at 26.

<sup>52</sup> 2021 Report of the Pennsylvania Public Utility Commission - Universal Service Program & Collections Performance (2021 Universal Services Reoprt), at 55-56; FirstEnergy 2019 USECP at 26. \*simple average.

<sup>53</sup> Proposed 2024 USECP at 38. \*simple average.

<sup>54</sup> FirstEnergy Supplemental Information at 23.

CAUSE-PA notes that the average cost per job in 2021 reported in the Universal Service Report – as well as the weighted average job cost for 2022 reported in FirstEnergy’s Supplemental Information (FirstEnergy Supplemental Information at 22) – was substantially lower than the per-job costs FirstEnergy projects for its proposed 2024 USECP. FirstEnergy offered general claims regarding inflationary pressures and increased job complexity to justify the increase in average job costs for 2024 through 2028 compared to 2021 and 2022 but did not provide any further details for how or why it is projecting significantly higher per job costs for 2024 through 2028.

CAUSE-PA is sensitive to the persistently high rates of inflation for the cost of household goods and services that is currently impacting the level of efficiency measures and services provided to participants. We understand that inflation, which reached a new 40-year high in June 2022,<sup>55</sup> is driving increased overall job costs to perform the same level of services and, in turn, is undermining the ability of LIURP measures to meet requisite cost effectiveness standards. High inflation may also result in fewer measures being installed to keep overall job costs low. Either way, high and prolonged inflation in pricing for energy efficiency and weatherization measures is negatively impacting the level of assistance provided to low income households through LIURP.

Low income customers should not be further penalized by inflation through reduced provision and availability of critical energy reduction services. Throughout the pandemic, low income households already experienced disproportionate health and economic harm – with greater job and wage losses, increased food insecurity, and accrual of unprecedented levels of debt for life’s basic necessities.<sup>56</sup> Low income households have also been disproportionately impacted by

---

<sup>55</sup> Jonathan Ponciano, Inflation Spiked 9.1% In June—Hitting New 40-Year High As Price Surge Fuels Recession Fears, Forbes (Jul 13, 2022), available at: <https://www.forbes.com/sites/jonathanponciano/2022/07/13/inflation-spiked-91-in-june-hitting-new-40-year-high-as-price-surge-fuels-recession-fears/?sh=74a2aebd6cbc>

<sup>56</sup> See Dan Treglia, PhD, Mina Addo, MPA, Meagan Cusack, MSW, and Dennis Culhane, PhD, Understanding Racial and Ethnic Disparities In Health Outcomes And Utility Insecurity Resulting From COVID-19 (March 2021), available at: [https://clsphila.org/wp-content/uploads/2021/03/CLS\\_UTILITYREPORT\\_20200324.pdf](https://clsphila.org/wp-content/uploads/2021/03/CLS_UTILITYREPORT_20200324.pdf); see also Center on

recent surges in the rate of inflation. Even before these rising costs, low income households paid high shares of their monthly income toward necessities such as housing costs and food.<sup>57</sup> Low income households thus do not have surplus funds to absorb the impacts of increases caused by recent surges in inflation. The disproportionate toll borne by low income customers underscores the vital need to ensure that FirstEnergy’s low income customers can access energy efficiency and weatherization measures to reduce unnecessarily high usage, resulting in the ability to reasonably afford their bills and prevent loss of life-sustaining utility services.

CAUSE-PA recommends that – absent further justification for the substantial increase in projected per job costs – the Commission should require FirstEnergy to revise its enrollment goals utilizing the weighted per job cost from 2022. In turn, we urge the Commission to order a further increase in FirstEnergy’s LIURP funding across each of its operating companies to better serve the vast unmet need FirstEnergy projects in both its Proposed 2024 USECP and in Supplemental Information. Indeed, it is critical that the Commission establish budgets for LIURP and other universal service programs based on identified need. Specifically, we recommend the Commission order FirstEnergy to establish a budget and enrollment targets designed to increase the percentage of eligible population served from 1% to 3% - increasing the total customers served across its service territory each year from 4,305 to 12,207. An increase of this size would substantially reduce the length of time to serve all eligible customers from 95 to 33 years – a far more reasonable and achievable target based on identified need.

---

Budget and Policy Priorities, Tracking the COVID-19 Economy’s Effects on Food, Housing, and Employment Hardships (Feb. 2022), available at: <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-economys-effects-on-food-housing-and-employment-hardships>.

<sup>57</sup> Rachel Siegel and Andrew Van Dam, ‘Survival mode’: Inflation falls hardest on low-income Americans (Feb. 13, 2022), available at: <https://www.washingtonpost.com/business/2022/02/13/low-income-high-inflation-inequality/>.

## **Additional WARM (LIURP) Issues Identified by CAUSE-PA**

### ***j. CAUSE-PA supports FirstEnergy's waiver of the high usage threshold with coordinated jobs and recommends additional coordination considerations.***

In the Companies Proposed 2024 USECP, they propose to continue waiving the high usage requirement for homes coordinated with state or gas weatherization programs. (Proposed 2024 USECP at 32). CAUSE-PA supports this policy and emphasizes how this policy will provide needed flexibility through the duration of the Proposed 2024 USECP to coordinate weatherization and efficiency jobs with the pending implementation of new federal programs, including home energy rebate programs such as the Home Energy Performance-Based Whole House Rebates (HOME) and High Efficiency Electric Home Rebate (HEEHR) programs. Utilities must be prepared to leverage program funding through coordination. Flexibility such as high usage waivers and planning will be critical.

CAUSE-PA therefore recommends the Commission direct FirstEnergy to amend its Proposed 2024 USECP to state that it will waive high usage requirements when coordinating WARM services with other gas, state, and federal weatherization and energy efficiency programs. To further advance coordination efforts across the Companies service territories, FirstEnergy should also be required to define and explain *how* it intends to coordinate WARM services with WAP and other efficiency programs within its Proposed 2024 USECP. Coordinated service delivery can take many forms, from cost-sharing to common applications. For example, FirstEnergy EDCs should allow contractors to install certain WARM measures while performing work for a low income customer through WAP or one of the federal, state or gas utility programs. Finally, FirstEnergy should be required to track and report on the number of coordinated jobs completed each year to help identify successful collaboration efforts and inform future policy amendments.

### **3. Hardship Fund**

*a. CAUSE-PA recommends all eligibility requirements be reviewed and approved by the Commission.*

In its March 2023 Order, the Commission notes that FirstEnergy includes in its Proposed 2024 Plan a statement that exceptions to hardship fund eligibility guidelines will be made on a case-by-case basis. The Commission directs the Companies to provide more information about how or what exception may be applied. (March 2023 Order at 52). In response, FirstEnergy explains that “Dollar Energy Fund will consider exceptions to the maximum income requirement or the sincere effort of payment requirement. Exceptions to qualify for hardship fund programs are approved to help those customers who are truly experiencing an extreme hardship. Documentation of the hardship may be required upon review.” FirstEnergy continues by providing examples of “acceptable” hardships. (Supplemental Information at 21).

CAUSE-PA is generally supportive of programmatic policies designed to allow flexibility to provide grant assistance to customers experiencing an acute financial hardship. At the same time, clear and implementable program parameters are equally important to help prevent infusion of conscious or unconscious bias. We note in this instance, it is not clear how frequent exceptions are made, or whether FirstEnergy has reserved the same discretion for itself. As the Commission has previously recognized, it is critical that FirstEnergy not delegate authority to determine program policies to its program administrators.

To help bring structure, without eliminating the critical need for flexibility, we recommend that FirstEnergy establish a specific budget for households that exceed the maximum income threshold. Further, rather than make exceptions to the “sincere effort to pay” requirement, we urge the Commission to eliminate this often burdensome rule – allowing a greater number of households to qualify for grant assistance without an exception. This recommendation is discussed in greater

detail in the next section. Finally, we recommend that FirstEnergy track the number of exceptions issued each quarter and the general reason for granting those exceptions. This data should be reviewed and discussed with FirstEnergy’s USAC to help ensure requests for exceptions are equitably applied across and within each of the FirstEnergy service territories.

***b. CAUSE-PA recommends eliminating the “sincere effort of payment” eligibility requirement to receive a hardship fund, and allowing PCAP customer participation.***

CAUSE-PA is concerned about continued imposition of “sincere effort of payment” requirements. Requiring customers to pay a specific dollar amount in order to access grant assistance to help resolve an acute financial hardship is counterintuitive, and is likely to drive economically vulnerable consumers to borrow money from predatory lenders and resort to other high cost financing options – further exacerbating their payment trouble.

Further, there does not appear to be any flexibility in the amount of the payment required – \$150 over the course of 90 days or, essentially, \$50 per month (or \$100 over 90 days if age 62 and over). This amount exceeds the PCAP minimum payment of \$45 per month for an electric heat customer and \$12 per month for a non-electric heating customer – and may also exceed a household’s monthly PIP or average bill rate for those PCAP customers not paying the minimum payment.

CAUSE-PA recommends that the Commission direct FirstEnergy to eliminate the sincere payment requirement. This requirement acts as an insurmountable barrier to many low income customers accessing hardship grant assistance, and is particularly inequitable to low income customers at the bottom of the poverty scale and those experiencing acute financial difficulties. As discussed in the prior section, the barrier created by this rule is cited by FirstEnergy in support of allowing DEF to exercise discretion to waive this rule in certain circumstances. Facing imminent

utility termination as a result of inability to pay *is* an extreme hardship and should be treated as such on a consistent basis. If the Commission is not inclined to require the outright elimination of this fee, we propose that the fee be reduced and capped at a total of \$36 paid over the course of 90 days – equivalent to the minimum payment for non-heating customers.

In addition to concerns with FirstEnergy’s sincere payment requirement, CAUSE-PA is also concerned with FirstEnergy’s restrictions for PCAP customers to access assistance through the hardship fund. FirstEnergy states in its Proposed 2024 USECP, to receive a grant, customers must participate in PCAP if they are eligible, and the Companies reserve the right to exclude PCAP-eligible customers from receiving a hardship grant – depending on available funding. PCAP customers are also required to apply for LIHEAP, which CAUSE-PA addressed in these comments above. (Proposed 2024 USECP at 7). These restrictions, combined with the “sincere effort of payment” requirements, essentially precludes PCAP customers from receiving a hardship grant – and effectively limit FirstEnergy’s hardship funds to those with incomes between 151% and 250% of the federal poverty level.

Hardship grants should be based on need and should help resolve imminent threats to health and safety, such as utility disconnection, and should be accessible to all customers facing an acute financial hardship. While PCAP customers receive a lower rate, they are still susceptible to acute financial hardship. An unexpected medical expense, car repair, or reduction in hours at work could cause a PCAP customer to face significant challenges in meeting their monthly bill. Notably, PCAP customers do not have access to payment arrangements if they fall behind on the PCAP bill, and face steep consequences if they are removed from the program. It is critical that FirstEnergy ensure its PCAP customers have equitable access to hardship fund grants if and when they experience a financial hardship.

CAUSE-PA recommends the Commission direct FirstEnergy to amend its hardship fund eligibility requirements in its proposed Plan as follows: (1) eliminate the sincere effort of payment or, alternatively, reduce the payment to \$36 and (2) allow all PCAP customers and PCAP-eligible customers to receive a hardship grant as long as funding is available and customers meet other eligibility requirements.

#### **Additional Hardship Fund Issues Identified by CAUSE-PA**

- c. CAUSE-PA recommends FirstEnergy adjust its budget and confer with its USAC to develop outreach for solicitation of hardship fund donations.*

In the Proposed 2024 USECP, FirstEnergy budgets low for the amount of funding that appears to be available to customers for each of the Companies' hardship funds. (Proposed 2024 USECP at 38-39). With the established need for utility bill assistance, CAUSE-PA avers that FirstEnergy should, at minimum, raise the budgeted amount for funding to more closely match the funding levels included in the most recent Universal Service Report.<sup>58</sup> In turn, FirstEnergy should be required to expand efforts to solicit ratepayer and utility/shareholder donations to support hardship fund grants.

Table 6 below shows the number of grants received in 2020-21, the total amount disbursed, the average grant amount, and the dollar amount of contributions to the hardship funds (minus special contributions), and compares that data to the proposed budget for the DEF Hardship Fund for the duration of the 2024-2028 proposed USECP.

---

<sup>58</sup> 2021 Universal Services Report at 81.

**Table 6: Hardship Fund Projected Budget Compared to Universal Service Report Data<sup>59</sup>**

Utility	Ratepayers Receiving Grants		Total Benefits Disbursed		Average Grant		Total - Ratepayer and Shareholder Contributions
	2020-21	2024-28 (Annual)	2020-21	2024-28 (Annual)	2020-21	2024-28 (Annual)	
Met-Ed	759	818	\$275,781	\$75,000	\$363	\$92	\$236,414*
Penelec	394	550	\$112,351	\$75,000	\$285	\$136	\$224,787
Penn Power	215	257	\$82,090	\$35,000	\$382	\$136	\$72,995
West Penn	620	810	\$241,728	\$46,500	\$390	\$57	\$244,140

\*Met-Ed received a special contribution (non-recurring) of \$150,000 for 2020-21 which was excluded from this data, to keep it aligned with the other FirstEnergy EDCs.

In projections, FirstEnergy increased the number of grants anticipated to be received, but did not adjust the budget accordingly, which greatly reduces the average amount of each grant, in turn reducing the assistance provided and program efficacy. Further, should contributions and total benefits disbursed documented 2020-21 remain constant, the budgeted grant amount is inexplicably low, given universal service data showing that budgets were higher throughout the duration of the existing Plan. Even with anomalies presented due to the COVID-19 pandemic, hardship fund contributions and disbursements were higher. In fact, the budget is unchanged from the current USECP. CAUSE-PA therefore, based on existing available data, believes the hardship fund budgets should be doubled for Met-Ed and Penn Power, tripled for West Penn Power, and increased by 25% for Penelec, to not only more reasonably meet need but to more accurately

<sup>59</sup> 2021 Universal Services Report at 81 and Proposed 2024 USECP at 38-39.

reflect past contributions and monies disbursed. CAUSE-PA’s proposed hardship fund budgets would be as follows:

Met-Ed	\$150,000
Penelec	\$93,750
Penn Power	\$70,000
West Penn	\$140,000

CAUSE-PA additionally questions how FirstEnergy solicits donations for its hardship fund, and whether sufficient effort is made to expand the availability of relief. CAUSE-PA urges the Commission to require FirstEnergy to expand its efforts to solicit voluntary donations to support its hardship funds. Specifically, FirstEnergy should be required to improve outreach and solicitation to its e-bill customers. Voluntary ratepayer contributions declined sharply around the time utilities rolled out e-billing. Customers no longer receiving paper bills also are not receiving bill inserts to alert them to this program or remind them of the opportunity to make voluntary donations through their bill to support neighbors in need. Customers who can afford to donate are often the same people who will set up autopay because they are in no danger of overdrawing their accounts due to lack of funds. Additional outreach to this subset of customers would help improve dwindling donations rates. For example, if auto-pay customers receive an email receipt, that email should include information about how to give to FirstEnergy’s hardship fund and a link to give. Solicitation could additionally be run through strategic social media campaigns. These are only a few easily implementable ideas. CAUSE-PA recommends that the Commission direct FirstEnergy to work with members of its USAC to identify other innovative ways to increase hardship fund donations.

CAUSE-PA therefore recommends the Commission direct FirstEnergy to increase its budget for its Hardship Fund and to work with its USAC to identify additional fundraising solutions to support and sustain the fund.

#### 4. Gatekeeper Program

*a. CAUSE-PA supports FirstEnergy's Gatekeeper Program and recommends additional clarification.*

The Commission identifies FirstEnergy's Gatekeeper Program as a separate universal service program offering, describing it as a service where the Companies' field staff identify and report customers who may be in varying levels of distress. (March 2023 Order at 52). Customers who could be experiencing distress include those who are expressing confusion or disorientation in communication, are expressing having difficulty paying bills, are living alone or may be socially isolated, have severe physical limitations, or the home condition is observed to show neglect or needing repair. (Proposed 2024 USECP at 9; March 2023 Order at 52). The program budget is limited to \$2,000 annually for Met Ed, Penelec, and West Penn Power, and \$1,000 annually for Penn Power. (March 2023 Order at 52 and 53).

The Commission directs FirstEnergy to describe action taken by field personnel when a customer is identified as being in distress, provide the number of participants the program served in the past, and estimate how many participants will be served during the duration of the Proposed 2024 USECP. (March 2023 Order at 53). In response, FirstEnergy reports that field staff may notify the staff supporting the Gatekeeper program of a customer in distress, who will, in turn, evaluate the information provided and work to identify the appropriate resources and supports for the customer for their specific situation. From 2019 through 2022, a total of 25 people were served through the Gatekeeper program, with the highest number annually being 9 served in 2019 and in 2022. (Supplemental Information at 20-21).

CAUSE-PA believes FirstEnergy's Gatekeeper program is a good first step to identify particularly vulnerable customers who may be in serious need and lacking any resources to access help. Notwithstanding this support, we believe that FirstEnergy's provided policies and procedures

related to the Gatekeeper program require clarification. FirstEnergy should be required to clarify the following:

- At what point are these observations typically made by field staff - including if observations and referrals are often made in concert with contact prior to service termination;
- If these observations are made during personal contact immediately prior to termination, would a report of a customer in distress halt the termination from moving forward until the person's situation is resolved or otherwise managed;
- Who are the Gatekeeper program staff, and do they have any specialized training related to low income and/or vulnerable populations;
- Are Gatekeeper program staff trained and empowered to discuss available universal service programs;
- Are Gatekeeper program staff required to possess any language skills helpful to interacting with LEP customers.

This information is critical to the Commission, stakeholders and consumers to evaluate the capacity and current activities of the Gatekeeper Program. We recommend that this information is also provided to FirstEnergy's USAC, so that members can provide feedback including potential barriers that may be present in local communities that could prevent customers from accessing the benefits of the Gatekeeper Program. We also recommend that, where FirstEnergy staff or field representatives observe vulnerabilities in a customer's household and the customer is facing termination, that a report triggers a halt to the utility termination until the customer is provided with follow-up and any available assistance for which they are eligible, including FirstEnergy's Universal Service Programs.

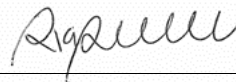
In sum, CAUSE-PA is supportive of the Gatekeeper Program and notes that the existence of this program highlights the importance of utility field staff having some form of in person interaction with customers. To enhance the protections offered by the Gatekeeper Program, we urge the Commission to implement the recommendations that we have detailed above.

#### IV. CONCLUSION

CAUSE-PA thanks the Commission for its thoughtful consideration of the issues raised above and for the opportunity to submit comments concerning the March 2023 Order regarding FirstEnergy's Proposed 2024 USECP. We urge the Commission to act in accordance with these Comments to ensure that all customers – regardless of income – are able to access safe and affordable services within each of the FirstEnergy EDC service territories.

Respectfully Submitted,

*Counsel for CAUSE-PA*



---

Ria M. Pereira, Esq., PA ID: 316771  
Elizabeth R. Marx, Esq., PA ID: 309014  
John W. Sweet, Esq., PA ID: 320182  
Lauren N. Berman, Esq., PA ID: 310116

**Pennsylvania Utility Law Project**

118 Locust Street

Harrisburg, PA 17101

[pulp@pautilitylawproject.org](mailto:pulp@pautilitylawproject.org)

June 20, 2023