

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held March 14, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

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

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

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

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

**ORDER**

## Table of Contents

<b>I. BACKGROUND</b> .....	<b>6</b>
Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267 (CAP Policy Statement (2020)), Docket No. M-2019-3012599 .....	6
2019 Adjustment to USECP Filing Schedules, Docket No. M-2019-3012601 .....	7
<b>II. HISTORY</b> .....	<b>7</b>
2019 USECP, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978; and Petition to Amend the 2019 USECP, Docket Nos. P-2020-3018883, P-2020-3018884, P-2020-3018873, and P-2020-3018885.....	7
2024 USECP, Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535 .....	8
Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company, Docket Nos. A-2023-3038771, et al. ....	9
<b>III. DISCUSSION</b> .....	<b>12</b>
<b>A. Summary of Modifications to the Universal Service Programs in the Proposed 2024 USECP as Compared to the 2019 USECP</b> .....	<b>12</b>
1. Proposed PCAP Modifications .....	12
2. Proposed WARM Modifications .....	14
3. Proposed CARES Modifications .....	14
4. Proposed Hardship Fund Modifications .....	14
5. Proposed Gatekeeper Modifications .....	14
<b>B. Program Descriptions as Proposed for 2024-2028</b> .....	<b>15</b>
<b>1. PCAP</b> .....	<b>15</b>
a. Implement a Percent of Income Payment Plan.....	18
b. Elimination of Maximum CAP Credit Limits.....	23
c. Accepting 30 Days or 12 Months of Income.....	30
d. 12-month PPA Forgiveness.....	31
e. PCAP Application Mediums .....	36
f. Standardized Zero-Income Form .....	37
g. PCAP Recertification Timeframes.....	39

h. Intake Process – Moving PCAP Accounts Between Operating Companies.....	41
i. Text-to-Recertify Process.....	45
j. Consumption Limit Exemptions .....	48
k. One-Time PPA Debt Forgiveness Expansion .....	50
l. Refund of Security Deposits .....	51
m. PCAP Final Billing.....	54
n. Annual FPIG Updates.....	57
o. Consumer Education and Outreach Plan (CEOP).....	58
<b>2. WARM.....</b>	<b>64</b>
a. PCAP Removal: Post-Installation of WARM Measures.....	66
b. PCAP Requirements: WARM.....	68
c. PCAP: Right to Refuse WARM Measures.....	70
d. Landlord and Customer Consent.....	74
e. Re-Weatherization Eligibility.....	79
f. Seasonal Allowances.....	81
g. Coordination with Act 129 Multifamily Projects.....	87
h. Continuation of Regulatory Waiver .....	88
i. WARM Measures – Ductless Heat Pump.....	90
j. Coordination – Minimum Usage Requirement.....	92
<b>3. CARES.....</b>	<b>92</b>
<b>4. Hardship Fund.....</b>	<b>93</b>
a. Exceptions to Hardship Fund Guidelines .....	95
b. Sincere Effort of Payment.....	96
<b>5. Gatekeeper Program .....</b>	<b>97</b>
<b>C. Projected Needs Assessment .....</b>	<b>101</b>
<b>D. Projected Enrollment Levels .....</b>	<b>102</b>
<b>E. Program Budgets .....</b>	<b>105</b>
a. WARM Budgets .....	105
b. Universal Service Budgets .....	109
<b>F. Use of Community-Based Organizations (CBOs).....</b>	<b>111</b>

<b>G. Organizational Structure</b> .....	<b>112</b>
<b>IV. CONCLUSION</b> .....	<b>113</b>

## BY THE COMMISSION

On November 1, 2022, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (WPP) (collectively, FirstEnergy PA<sup>1</sup>) filed a joint proposed Universal Service and Energy Conservation Plan for 2024-2028 (Proposed 2024 USECP) in compliance with 52 Pa. Code § 54.74 (relating to electric universal service and energy conservation reporting requirements). On March 16, 2023, the Pennsylvania Public Utility Commission (Commission) entered an Order (March 2023 Order) requiring additional information from FirstEnergy PA on the record and setting a timeline for stakeholder comments and reply comments on the Proposed 2024 USECP.

On April 25, 2023, FirstEnergy PA filed its Supplemental Information in response to the March 2023 Order. The Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), the Office of Consumer Advocate (OCA), and the Pennsylvania Coalition of Local Energy Efficiency Contractors, Inc. (PA CLEEC) individually filed comments and reply comments.

We have considered the supplemental information, comments, and reply comments filed by the parties and now direct FirstEnergy PA to file and serve a Revised 2024 USECP, consistent with this Order, for the reasons described herein. The existing FirstEnergy PA 2019-2023 USECP (2019 USECP) at Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 will continue in operation in whole or in part until the FirstEnergy PA 2024 USECP is fully implemented.<sup>2</sup>

---

<sup>1</sup> On January 1, 2024, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company merged into FirstEnergy Pennsylvania Electric Company (FirstEnergy PA). FirstEnergy PA is the surviving entity as of January 1, 2024.

<sup>2</sup> FirstEnergy PA 2019 USECP, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (filed on June 24, 2019). The link to the 2019 USECP is <http://www.puc.pa.gov/pcdocs/1625391.pdf>.

## I. BACKGROUND

As FirstEnergy PA serves more than 60,000 residential customers,<sup>3, 4</sup> it must maintain a Commission-approved USECP and periodically obtain an independent third-party review of its universal service programs.<sup>5</sup>

Unless indicated otherwise, references to the Proposed 2024 USECP herein refer collectively to the programs, processes, and procedures of Met-Ed, Penelec, Penn Power, and West Penn Power.

*Policy Statement on Customer Assistance Programs*, 52 Pa. Code §§ 69.261-69.267 (CAP Policy Statement (2020)), Docket No. M-2019-3012599

The Commission's CAP Policy Statement was amended effective March 21, 2020, pursuant to an order and annex entered on November 5, 2019, and published in the *Pennsylvania Bulletin* on March 21, 2020. *See 2019 Amendments to Policy Statement on Customer Assistance Program*, 52 Pa. Code §§ 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (November 2019 Order and November 2019 Annex). *See also* 50 Pa.B. 1652 (3/21/2020).<sup>6</sup> In the November 2019 Order, the Commission, *inter alia*, strongly urged EDCs and natural gas distribution companies (NGDCs) to incorporate CAP policy amendments into their USECPs to allow

---

<sup>3</sup> In 2022, Met-Ed reported serving an average of 515,226 residential customers, Penelec reported serving an average of 501,008 residential customers, Penn Power reported serving an average of 148,927 residential customers, and West Penn Power reported serving an average of 631,990 residential customers. *Report on 2022 Universal Service Programs & Collections Performance* at 7.

<sup>4</sup> FirstEnergy PA is obligated by statute to have universal service programs. 66 Pa.C.S. § 2804(8) & (9) (relating to standards for restructuring of the electric industry).

<sup>5</sup> EDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 54.71—54.78 and the low income usage reduction regulations at 52 Pa. Code §§ 58.1—58.18 and are guided by the recommendations in the CAP Policy Statement at 52 Pa. Code §§ 69.261—69.267.

<sup>6</sup> Available at <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol50/50-12/409.html>.

stakeholders to have a basis for meaningful input in the *Universal Service Rulemaking*.<sup>7</sup> November 2019 Order at 2.

*2019 Adjustment to USECP Filing Schedules, Docket No. M-2019-3012601*

On October 3, 2019, the Commission entered its order (October 2019 Order) in *Universal Service and Energy Conservation Plan Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601, to extend the duration of USECPs from the then-prescribed three years to at least five years.<sup>8</sup> The filing schedule for third-party independent evaluations was adjusted to coincide with the revised USECP duration and filing schedule. The Commission extended FirstEnergy PA's 2019 USECP through at least 2023 and set the filing date for FirstEnergy PA's proposed next five-year USECP (2024 through 2028) as November 1, 2022.

## **II. HISTORY**

*2019 USECP, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978; and Petition to Amend the 2019 USECP, Docket Nos. P-2020-3018883, P-2020-3018884, P-2020-3018873, and P-2020-3018885*

FirstEnergy PA's most recent USECP is the FirstEnergy PA 2019 USECP, approved by the Commission at Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 by order entered on July 11, 2019. On February 21, 2020, FirstEnergy PA filed a Joint Petition to amend the 2019 USECP (2020 Joint Petition), which was docketed at P-2020-3018883, P-2020-3018884,

---

<sup>7</sup> On January 2, 2020, the Commission entered an order at Docket No. L-2019-3012600 directing its Bureau of Consumer Services (BCS) and its Law Bureau to initiate a comprehensive universal service rulemaking.

<sup>8</sup> The October 2019 Order waived the three-year cycles in 52 Pa. Code §§ 54.76 (relating to [EDC] reporting requirements) and 62.6 (relating to [NGDC] reporting requirements).

P-2020-3018873, and P-2020-3018885. A Cover Letter and Proposed Amended 2019 USECP was attached to the 2020 Joint Petition and outlined a proposal to implement a Pennsylvania Customer Assistance Program (PCAP) Pilot Program consistent with the CAP Policy Statement (2020) amendments. On March 12, 2020, CAUSE-PA and OCA separately filed Answers to the 2020 Joint Petition, and OCA also filed a notice to intervene. On April 14, 2022, the Commission entered an order (April 2022 Order) denying FirstEnergy PA's 2020 Joint Petition in its entirety without prejudice to allow FirstEnergy PA to make the same or similar proposals in conjunction with its proposed 2024 USECP filing. The 2019 USECP filed on June 24, 2019, remains in effect.

*2024 USECP, Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535*

In compliance with Commission regulations and orders, FirstEnergy PA filed the Proposed 2024 USECP on November 1, 2022. As noted above, it was docketed at M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535. On February 15, 2023, PA CLEEC filed a Petition to Intervene in the Met-Ed 2024 USECP at Docket No. M-2022-3036532.<sup>9</sup>

The March 2023 Order identified issues in the Proposed 2024 USECP requiring further clarification and supplemental information from FirstEnergy PA and set a timeline for stakeholder comments and reply comments. On April 25, 2023, FirstEnergy PA filed supplemental information in response to the March 2023 Order (FirstEnergy PA Supplemental Information). On May 31, 2023, FirstEnergy PA filed an amendment to its

---

<sup>9</sup> PA CLEEC is a trade association of energy efficiency contractors that provide services in the service territories of Met-Ed, Penn Power, Penelec, and WPP. PA CLEEC Petition to Intervene at 1. Based on the assertions in PA CLEEC's Petition to Intervene, the Commission placed the Petition to Intervene at all four 2024 USECP dockets. The Petition to Intervene was granted in the March 2023 Order. *See* March 2023 Order at 64, OP #8.

supplemental information (FirstEnergy PA Amended Response) due to a formula error used to calculate projected average monthly utility bills for 2024 through 2028.

FirstEnergy PA Amended Response at 1. PA CLEEC, CAUSE-PA, and OCA individually filed comments on June 20, 2023. PA CLEEC, CAUSE-PA, OCA, and FirstEnergy PA individually filed reply comments on July 10, 2023. FirstEnergy PA included an Amended Proposed 2024 USECP as part of its reply comments.<sup>10</sup>

*Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company, Docket Nos. A-2023-3038771, et al.*

On March 6, 2023, FirstEnergy PA filed an Application at Docket Nos. A-2023-3038771, *et al.*, to merge Met-Ed, Penelec, Penn Power, and West Penn Power into one entity, FirstEnergy PA. On August 30, 2023, FirstEnergy PA filed a Joint Petition for Approval of Settlement (August 2023 Joint Petition) that contains provisions related to FirstEnergy PA's low-income programs and its Proposed 2024 USECP.<sup>11</sup> On October 19, 2023, the Commission's Office of Administrative Law Judge (OALJ) issued a Recommended Decision (October 2023 Recommended Decision) recommending approval of the August 2023 Joint Petition. On December 7, 2023, the Commission approved the October 2023 Recommended Decision. The approved provisions in the August 2023 Joint Petition include:

---

<sup>10</sup> See FirstEnergy PA Reply Comments at Attachment A. All references to the Amended Proposed 2024 USECP reflect the page numbers at the top of each page.

<sup>11</sup> The August 2023 Joint Petitioners were Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company.

- Unification of all EDC rate classes after the conclusion of three rate cases, filed on or after January 1, 2025, or a period of ten years from the date of the Commission’s approval, whichever occurs first. August 2023 Joint Petition at 9, ¶32.
- Maintaining current staffing levels for FirstEnergy PA’s universal service programs for the duration of its Proposed 2024 USECP, excluding retirements and voluntary separations. August 2023 Joint Petition at 11, ¶40.
- Hosting its Universal Service Advisory Committee (USAC) on a quarterly basis through each calendar year and presenting any proposed changes or amendments to program design or administration before advancing to a formal proposal, implementing changes, and discussing issues and questions that occur in its service territories related to consolidation or its universal service programs. August 2023 Joint Petition at 11-12, ¶41.
- Sharing program data with USAC members in advance of each USAC meeting to help facilitate informed discussions; including program participant data, spending levels, and other relevant program metrics as settled on by the parties for each USECP. August 2023 Joint Petition at 12, ¶42.
- Providing a platform for open dialogue and feedback regarding programming at USAC meetings. Cost allocation to other ratepayer classes will not be discussed. August 2023 Joint Petition at 12, ¶43.
- Increasing the diversity and range of community voices in the USAC through recruitment of additional members such as local housing providers, food assistance providers, weatherization and home repair providers, community health

clinics, domestic violence agencies, immigrant and refugee resettlement organizations, and other local community-based organizations serving low-income individuals and communities within FirstEnergy PA's service territory. August 2023 Joint Petition at 12, ¶44.

- Providing an update on FirstEnergy PA's seamless transition of PCAP enrollment between rate districts to its USAC as a standing agenda item until full implementation is complete. August 2023 Joint Petition at 13, ¶45.
- Making contributions of \$150,000 annually to FirstEnergy PA's Hardship Fund, incremental to the current matching contribution, for a period of three years after Commission approval of the transaction; and contributions of \$100,000 annually to the Hardship Fund, incremental to the current matching contribution, for the following two years. Any unspent funding from the annual contributions will be rolled over to be used for Hardship funding for the subsequent program year. August 2023 Joint Petition at 13, ¶46.
- Implementing required modifications to its information technology system and processes, within a reasonable time frame not to exceed one year, to automatically recertify an existing PCAP participant's income and eligibility. Use best efforts to implement manual processing to recertify LIHEAP recipients for PCAP purposes until the required system changes have been made. Identify and deem all LIHEAP recipients from the data exchange as confirmed low-income customers eligible for winter shutoff protections. Commit to conducting outreach to all LIHEAP recipients identified in the data exchange that are not current PCAP participants to encourage program enrollment. August 2023 Joint Petition at 13-14, ¶47.

### III. DISCUSSION

FirstEnergy PA's 2024 USECP, as proposed, administers five universal service programs that help low-income customers maintain utility service. (1) PCAP, which is the EDCs' CAP that provides discounted bills and/or debt forgiveness for enrolled low-income residential customers; (2) WARM, which is the EDCs' Low Income Usage Reduction Program (LIURP) that provides weatherization and usage reduction services; (3) Customer Assistance and Referral Evaluation Services (CARES), which provides referral services for payment-troubled customers experiencing a temporary hardship; (4) a Hardship Fund, administered by Dollar Energy Fund (DEF), which provides grants to qualified customers with overdue balances and an inability to pay energy bills; and (5) the Gatekeeper Program, which identifies customers who may be in various types of distress. The first four are mandatory USECP programs; the Gatekeeper Program is an optional USECP program. We shall discuss each program in greater detail below.

#### **A. Summary of Modifications to the Universal Service Programs in the Proposed 2024 USECP as Compared to the 2019 USECP**

##### *1. Proposed PCAP Modifications*

- Adopt a Percent of Income Payment (PIP) CAP and adopt the maximum energy burdens in the CAP Policy Statement (2020).
- Eliminate the Equal Payment Plan (EPP)<sup>12</sup> and associated true-ups.
- Charge PIP CAP customers the maximum energy burden or actual usage amount, whichever is lower, each month.

---

<sup>12</sup> The Equal Payment Plan, or EPP, is FirstEnergy PA's budget billing. Customers are currently required to agree to participate in the EPP to enroll in PCAP. The EPP is designed to make bills more affordable by providing consistent monthly payment amounts based on a household's historical usage. If the customer's actual usage exceeds the historical average, the amount of excess usage is then trued-up each year, and subsidy credits are applied to zero out the EPP balance. 2019 USECP at 10.

- Eliminate maximum annual PCAP subsidy credit (*i.e.*, CAP credit) limits.
- Eliminate income documentation requirement for recipients for PCAP application or recertification if they have received LIHEAP within the last 12 months. For these customers, household income information will be obtained verbally to complete the application.
- Eliminate PCAP three-month suspension period<sup>13</sup> due to the failure to recertify as part of the recertification process.
- Allow customers to remain in PCAP even if they no longer receive monthly subsidy credits or arrearage forgiveness.
- Reduce the time period for earning full pre-program arrearage (PPA) from 36 months to 12 months.
- Accept income documentation of at least the last 30 days or 12 months at application or recertification.
- Adopt the Commission-approved standardized zero-income form.
- Extend PCAP recertification timelines consistent with the maximum recommendations in the CAP Policy Statement (2020).
- Incorporate a Consumer Education and Outreach Plan.
- 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.

---

<sup>13</sup> The 2019 USECP provides as follows, at 16:

If a [PCAP] participant does not recertify before the benefit end date, automatic suspension will occur for failure to recertify. At suspension, a reminder call is placed, and a letter will be mailed to the customer, if the customer does not successfully complete recertification within the following three-month period, the account will be removed from PCAP. Customers will continue to receive monthly subsidy and/or forgiveness credits during the suspension period. Once removed, the customer will receive a letter that explains the account has been removed from PCAP for failure to recertify and provides instructions on how to reapply. All balances prior to the PCAP removal are considered PCAP balances and will be treated as PCAP arrears.

## 2. *Proposed WARM Modifications*

- Require PCAP participants to receive an in-home energy evaluation and work with a trained energy educator to produce an energy-savings plan.
- Increase efforts to reach customers who are eligible to receive program services by expanding the use of digital communications, outbound dialing campaigns, and social media to help identify and provide services to customers in need.

Proposed 2024 USECP at 30.

## 3. *Proposed CARES Modifications*

FirstEnergy PA proposes no major changes to its CARES programs in the Proposed 2024 USECP compared to the 2019 USECP.

## 4. *Proposed Hardship Fund Modifications*

FirstEnergy PA proposes no major changes to the Hardship Fund in the Proposed 2024 USECP compared to the 2019 USECP.

## 5. *Proposed Gatekeeper Modifications*

FirstEnergy PA proposes no major changes to the Gatekeeper program in the Proposed 2024 USECP compared to its 2019 USECP.

*Resolution:* With the exception of the proposed changes and the other issues that are specifically addressed in this Order, the Commission approves FirstEnergy PA's proposed changes to its universal service programs for its 2024 USECP as listed above.

## **B. Program Descriptions as Proposed for 2024-2028**

### **1. PCAP**

PCAP helps enrolled residential low-income customers maintain electric service through arrearage forgiveness, a more affordable monthly payment, protection against loss of service, and referrals to other programs and services. PCAP is available to low-income customers who demonstrate or express difficulty in paying their electric bill. Proposed 2024 USECP at 10, 30.

To qualify for PCAP, customers must meet the following requirements:

- Have gross household income at or below 150% of the Federal Poverty Income Guidelines (FPIG). If the household reports no income, it is required to complete a zero-income form.
- Have an active residential account.
- Have a service address that is the customer's primary residence (except if the customer on record is on active military duty).
- Agree to participate in LIHEAP, when eligible.
- Agree to participate in WARM, when eligible.

Proposed 2024 USECP at 10.

When the household's annual energy burden is less than the PCAP threshold, that customer does not qualify for monthly PCAP subsidy credits. However, these households can still benefit from PCAP's arrearage forgiveness component if they have an outstanding PPA. Proposed 2024 USECP at 10.

PCAP customers will be removed from the program if they fail to meet certain requirements or refuse to follow guidelines. These reasons include:

- Refusing to participate in WARM.
- Failing to recertify.
- Theft of service.
- Deliberate fraudulent actions or activities.
- Refusing to permit scheduled meter readings by EDC staff.
- Unreasonable or increased electric usage following the installation of WARM measures.
- Failing to make monthly PCAP payments.
- A pattern of returned checks.

Proposed 2024 USECP at 14-15.

If a PCAP customer receives a service termination notice, the customer must bring the household's PCAP bill current to avoid service termination. After a PCAP customer's electric service is terminated, the customer must bring the household's PCAP bill current and pay the reconnection fee to restore service. Proposed 2024 USECP at 14.

Customers can reapply for PCAP once the reason for dismissal is resolved if they still meet the eligibility criteria. There is no payment requirement to re-enroll in PCAP. Any unpaid PPA will be re-deferred for forgiveness at re-enrollment. However, non-PPA balances would remain outstanding and subject to collection activity after re-enrollment into PCAP. Proposed 2024 USECP at 13, 16.

Recertification timelines for PCAP depend on the customer's source of income and participation in LIHEAP, as discussed below.

PCAP customers are sent a recertification letter at least 60 days in advance of the PCAP recertification deadline. A reminder message is also printed on the electric bill 30 days in advance of the recertification date and reminder calls are placed at 45 and 15 days prior to the recertification deadline. Proposed 2024 USECP at 15.

If customers do not recertify by the deadline, their accounts are removed from PCAP. FirstEnergy PA will send the household a letter informing the customer of the PCAP removal for failure to recertify and explaining how to reapply. Proposed 2024 USECP at 15.

PCAP currently requires minimum monthly payments of \$12 for non-heating accounts and \$45 for heating accounts. As discussed below, FirstEnergy PA proposes to change its PCAP from its current fixed income payment methodology to a PIP and adopt the recommended maximum energy burdens from the CAP Policy Statement (2020). Proposed 2024 USECP at 12.

Customers may apply for PCAP by contacting DEF through telephone or online. FirstEnergy PA may request in-office appointments on an as-needed basis or direct the customer to community-based organizations (CBOs) to complete the application process. Customers can submit required documentation to DEF through fax, mail, email, or online. If the customer has received LIHEAP within the past 12 months, no income documentation is required. Once households are enrolled in PCAP, they are informed by letter. Proposed 2024 USECP at 11.

Based on our analysis of FirstEnergy PA's PCAP in its Proposed 2024 USECP and information and stakeholder comments previously submitted in response to FirstEnergy PA's 2020 Joint Petition, we directed FirstEnergy PA in the March 2023

Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects resolution of those issues.

*a. Implement a Percent of Income Payment Plan*

FirstEnergy PA proposes to charge the PCAP customers the PIP amount or their actual usage charge, whichever is less. If the actual monthly charges are more than the PIP, the customer will be asked to pay the PIP amount, and a subsidy credit will apply to the difference. Proposed 2024 USECP at 12.

*Projected Impact on Average Monthly PCAP Bills*

In the March 2023 Order, we directed FirstEnergy PA to provide projected average monthly PCAP bills based on its current Fixed Credit PCAP model and proposed PIP models for 2024-2028. March 2023 Order at 20. The results are reflected in Tables 1 (electric heating (EH)) and 2 (electric non-heating (ENH)) below. As compared to the current Fixed Credit PCAP, FirstEnergy PA projects its Proposed PIP will decrease average monthly bills for all PCAP customers with electric non-heating and increase average monthly bills for all PCAP customers with electric heating. FirstEnergy PA projects that PCAP customers with incomes between 101% and 150% of the FPIG will see the most significant decreases and increases (approximately \$20) in average monthly bills under the PIP. FirstEnergy PA Supplemental Information at 2.

**Table 1. Projected Average EH Monthly PCAP Bills 2024 through 2028 for Fixed Credit and PIP**

FPIG Level	Met-Ed		Penelec		Penn Power		WPP	
	FC	PIP	FC	PIP	FC	PIP	FC	PIP
<b>0%-50%</b>	\$51	\$57	\$51	\$57	\$51	\$56	\$50	\$55
<b>51%-100%</b>	\$110	\$123	\$97	\$108	\$101	\$112	\$102	\$113
<b>101%-150%</b>	\$187	\$208	\$167	\$186	\$166	\$184	\$169	\$188

Source: FirstEnergy PA Supplemental Information at 2.

**Table 2. Projected Average ENH Monthly PCAP Bills 2024 through 2028 for Fixed Credit and PIP**

	Met-Ed		Penelec		Penn Power		WPP	
FPIG Level	FC	PIP	FC	PIP	FC	PIP	FC	PIP
<b>0%-50%</b>	\$16	\$11	\$16	\$11	\$16	\$11	\$16	\$10
<b>51%-100%</b>	\$38	\$26	\$35	\$23	\$34	\$23	\$34	\$23
<b>101%-150%</b>	\$63	\$42	\$58	\$39	\$56	\$37	\$58	\$39

*Source: FirstEnergy PA Supplemental Information at 2.*

**Table 3. Projected Change in Average Monthly PCAP Bills Based on Adoption of the Proposed PIP**

	Met-Ed		Penelec		Penn Power		WPP	
FPIG Level	EH	ENH	EH	ENH	EH	ENH	EH	ENH
<b>0%-50%</b>	+\$6	-\$5	+\$6	-\$5	+\$5	-\$5	+\$5	-\$6
<b>51%-100%</b>	+\$13	-\$12	+\$11	-\$12	+\$11	-\$11	+\$11	-\$11
<b>101%-150%</b>	+\$21	-\$21	+\$19	-\$19	+\$18	-\$19	+\$19	-\$19

*Projected Cost Impact of the Proposed PIP Energy Burdens*

In the March 2023 Order, we directed FirstEnergy PA to provide the projected impact on subsidy credits based on adopting the proposed PIP energy burdens for each EDC, as compared to the energy burdens under its current Fixed Credit PCAP. March 2023 Order at 21. The PCAP subsidy credit projections provided by FirstEnergy PA include current subsidy credit limits for the Fixed Credit model and no subsidy credit limits for the PIP model, so these projections do not indicate how the proposed PIP energy burdens will impact current subsidy credit expenditures based on current maximum limits. FirstEnergy PA’s comparison of the subsidy projections for the two different models shows, however, that the proposed PCAP PIP with no maximum limits may increase PCAP subsidies by approximately \$4 million each year for Met-Ed, Penelec, and West Penn Power, and approximately \$1 million each year for Penn Power. FirstEnergy PA Supplemental Information at 3, Attachment A at 1-2.

## *Comments*

CAUSE-PA strongly supports FirstEnergy PA's proposal to adopt a PIP CAP design and amend its energy burden standards to those recommended in the Commission's Final CAP Policy Statement. It asserts that a PIP CAP coupled with updated energy burden standards will significantly increase PCAP affordability for low-income customers. This will be achieved through targeting affordability based on a household's ability to pay, equitably issuing PCAP benefits to low-income households, and permitting those households to accomplish the improvements and progress afforded by the modifications. CAUSE-PA Comments at 13.

OCA supports both FirstEnergy PA's proposed PIP and energy burden changes. It asserts that the PIP will offer a straightforward program that increases program affordability for customers at 0%-50% of FPIG. However, OCA also recommends implementation of ongoing cost monitoring to ensure that costs are controlled given the predicted increases across FirstEnergy PA's EDCs. OCA Comments at 8, 11.

OCA has several suggestions for how FirstEnergy PA could conduct ongoing monitoring of its PCAP. It recommends the Commission direct FirstEnergy PA to track and report its EDCs' low-income disconnection rates and submit a plan on how to reduce these rates. OCA also recommends that FirstEnergy PA produce a plan to reduce the percentage of confirmed low-income customers in debt, noting that the FirstEnergy PA EDCs had "the highest percentages of confirmed low-income customers in debt in 2019." OCA Comments at 24.

While OCA supports FirstEnergy PA's proposed PIP energy burden percentages, it recommends that the Commission direct FirstEnergy PA to monitor its overall USECP program and CAP credit costs and provide actual cost information to the parties in this proceeding if (1) program costs exceed program budgets by greater than 20%; or (2) CAP

credits exceed 125% of projections. OCA recommends FirstEnergy PA hold a meeting within 30 days of such an event with all interested stakeholders to discuss the need for potential cost controls. OCA also recommends that the Commission require FirstEnergy PA to annually track the total dollar amount of LIHEAP monies issued to PCAP customers which are returned to DHS annually and report this information in its next USECP. OCA Comments at 23-28.

*Resolution:* The data provided by FirstEnergy PA indicates that the proposed PIP will decrease average monthly bills for PCAP customers with electric non-heating, while PCAP customers with electric heating experience an increase in average monthly bills. The proposed PCAP PIP may also increase PCAP subsidies by approximately \$4 million each year for Met-Ed, Penelec, and West Penn Power, and by approximately \$1 million each year for Penn Power.<sup>14</sup>

Given that the proposed PIP will increase energy affordability for FirstEnergy PA's electric non-heating customers, and that the proposed energy burdens are consistent with other EDC PIPs the Commission has previously approved,<sup>15</sup> we find it reasonable and in the public interest to approve this change. However, because of the predicted increases to PCAP costs and its impact on FirstEnergy PA ratepayers, we find it prudent to establish ongoing cost monitoring of PCAP expenditures throughout the duration of the USECP. Specifically, we agree with OCA's recommendation that FirstEnergy PA should report the costs to the Commission and consult with stakeholders if actual annual PCAP costs are 20% greater than the projected budgets. The Commission previously established similar program reporting requirements in the USECP proceedings for Duquesne Light Company (Duquesne), Philadelphia Gas Works (PGW), and PPL

---

<sup>14</sup> We note that FirstEnergy PA's PCAP cost estimates are based on an elimination of PCAP subsidy limits, which we have denied below.

<sup>15</sup> For example, see *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227 (order entered on April 21, 2022), at 27-28, and *PECO 2019-2024 USECP Order*, Docket No. M-2018-3005795 (order entered on June 16, 2022), at 33-36.

Electric Utilities Corporation (PPL).<sup>16</sup> For the duration of this USECP, we direct FirstEnergy PA to implement the following steps if its actual annual PCAP costs exceed the annual projected costs, as identified in its 2024 USECP, by more than 20%:

- Notify the Commission and all parties to the 2024 USECP proceeding and its USAC by or before April 1 and provide actual annual PCAP cost information for the preceding year.
- Schedule a meeting (virtual or in-person) with all interested stakeholders within 30 days of this notification to discuss the costs and receive input on cost controls.
- File and serve a petition at the 2024 USECP docket proposing additional cost control measures or a letter justifying why no additional cost control measures are needed within 30 days of the stakeholder meeting.

We also find merit in OCA's recommendation that FirstEnergy PA should track the amount of LIHEAP dollars issued to CAP customers that are returned to DHS each year and the reasons why these funds are returned. FirstEnergy PA is directed to track this information, share and discuss this information annually with its USAC, and report annual unused LIHEAP dollars refunded for CAP accounts from 2024 through 2030 as part of its proposed 2031-2035 USECP.

---

<sup>16</sup> See *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227 (order entered on April 21, 2022), at 27-28; *PGW Petition to Amend 2017-2022 USECP Order*, Docket Nos. M-2016-2542415 and P-2020-3018867 (order entered on August 27, 2022), at 1; *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 18-19.

Accordingly, we approve FirstEnergy PA’s proposed PCAP PIP, subject to the reporting requirements outlined above and the modifications to its PCAP subsidy limits described below.

*b. Elimination of Maximum CAP Credit Limits*

The FirstEnergy PA EDCs currently have various subsidy credit limits for the Fixed Credit PCAP. The table below shows the maximum annual and monthly PCAP credits for both non-heating accounts and heating accounts:

**Table 4. Maximum PCAP Subsidy Credit Limits**

<b>Utility</b>	<b>Non-Heating Annual</b>	<b>Non-Heating Monthly</b>	<b>Heating Annual</b>	<b>Heating Monthly</b>
<b>Met-Ed</b>	\$1,090	\$90.83	\$2,670	\$222.50
<b>Penelec</b>	\$1,110	\$92.50	\$2,710	\$225.83
<b>Penn Power</b>	\$1,090	\$90.83	\$2,700	\$225.00
<b>WPP</b>	\$1,040	\$86.67	\$2,550	\$212.50

Source: 2019 USECP at 12.

FirstEnergy PA proposes to eliminate maximum annual subsidy credits as part of its PCAP PIP. FirstEnergy PA states this proposal will help ensure that PCAP customers receive affordable energy bills. Proposed 2024 USECP at 30.

In the March 2023 Order, we directed FirstEnergy PA to provide the number of PCAP customers in each EDC whose usage exceeded the maximum subsidy credit limits from 2020-2022. March 2023 Order at 25. FirstEnergy PA’s response, summarized in Table 5 below, shows that the highest number of PCAP customers who exceed subsidy credit limits for each company are ENH customers with incomes between 51% and 100% of the FPIG. The number of customers who exceeded the PCAP subsidy credit limits decreased significantly for each company from 2021 to 2022.

**Table 5. 2020-2022 PCAP Customers that Exceeded  
Maximum Subsidy Credit Limits**

FPIG	Met-Ed		Penelec		Penn Power		WPP	
	EH	ENH	EH	ENH	EH	ENH	EH	ENH
<b>Program Year 2020</b>								
<b>0%-50%</b>	15	80	9	106	6	17	13	95
<b>51%-100%</b>	20	216	26	407	7	70	26	248
<b>101%-150%</b>	9	121	7	225	1	58	10	132
<b>Total</b>	44	417	42	738	14	145	49	475
<b>Program Year 2021</b>								
<b>0%-50%</b>	8	126	4	195	3	31	4	178
<b>51%-100%</b>	4	234	10	434	2	83	16	326
<b>101%-150%</b>	1	128	4	211	0	48	0	146
<b>Total</b>	13	488	18	840	5	162	20	650
<b>Program Year 2022</b>								
<b>0%-50%</b>	37	91	23	107	3	14	19	71
<b>51%-100%</b>	37	93	31	160	5	24	32	106
<b>101%-150%</b>	11	57	7	92	2	19	8	46
<b>Total</b>	85	241	61	359	10	57	59	223

*Source:* FirstEnergy PA Supplemental Information at 4.

FirstEnergy PA maintains that the elimination of subsidy credit limits is necessary to ensure that PCAP customers will not receive fluctuating monthly bills under its proposed PIP. FirstEnergy PA notes that the Commission previously ordered it to enroll all PCAP customers into EPP under its current fixed credit model to circumvent fluctuations in monthly bills.<sup>17</sup> FirstEnergy PA states that if the Commission determines a subsidy credit limit is required for PCAP customers under the proposed PIP, it will not be possible to ensure PCAP bills will not exceed the recommended maximum energy burdens in the Commission’s CAP Policy Statement. As such, FirstEnergy PA proposes maintaining its current fixed credit PCAP model with modified subsidy maximums if the Commission does not approve the elimination of subsidy credit limits. FirstEnergy PA Supplemental Information at 4-5.

<sup>17</sup> *FirstEnergy PA Supplemental Information at 5, citing the FirstEnergy PA 2019 USECP Order, Docket No. M-2017-2636969 (order entered on May 23, 2019), at 15-16.*

## *Comments*

CAUSE-PA supports FirstEnergy PA's proposal to eliminate PCAP maximum credits and avers that it will ensure that PCAP participants retain affordable monthly bills. It asserts that maintaining the maximum PCAP subsidy limits will result in some PCAP households receiving unaffordable energy bills and exceeding the recommended energy burden levels in the CAP Policy Statement. CAUSE-PA Comments at 16.

CAUSE-PA further notes that if PCAP maximum annual credit limits remain in the PIP, PCAP participants who exceed these limits will pay full tariff rates, which undermine the program's ability to offer affordability while improving bill payment and reducing collections expenses. It asserts that eliminating maximum annual subsidy credits will also protect PCAP customers from increases to electric costs. CAUSE-PA Comments at 17.

OCA does not support FirstEnergy PA's proposal to eliminate the maximum subsidy limits or to keep its Fixed Credit PCAP if the maximum subsidy credit limits remain. OCA asserts that PCAP participants should be referred to LIURP upon reaching 80% of their maximum subsidy credit limit and should not be removed from the program if they accept LIURP remediation. If PCAP participants do not accept LIURP, OCA asserts they should not receive further CAP subsidies when they reach 125% of their maximum subsidy credits for the program year. OCA supports establishing a tiered system for maximum subsidy credits where lower households will receive larger subsidy limits if they have lower income or if they use electric heating. OCA also recommends adjusting the maximum subsidy credits on an annual basis to account for increases in electric prices and base rates. If electric prices decrease, OCA recommends maximum subsidy credit limits should remain unchanged. OCA Comments at 16-20.

CAUSE-PA maintains its preference is to eliminate maximum subsidy credits in FirstEnergy PA's proposed PIP. If the Commission directs FirstEnergy PA to maintain subsidy credit limits, CAUSE-PA supports a tiered approach. While CAUSE-PA states that OCA's recommendations to maintain subsidy credit limits offers a practical framework, it asserts that the framework neither contains a recommended tier structure nor a formula for modification grounded on base rate increases, which would be necessary to effectively employ OCA's proposal. CAUSE-PA recommends that if the Commission directs FirstEnergy PA to maintain maximum subsidy limits, it refers this matter to the ALJ so that a suitable maximum subsidy credit design featuring a tiered structure can be established. CAUSE-PA Reply Comments at 4-8.

*Resolution:* The CAP Policy Statement recommends EDCs and NGDCs establish cost control provisions to address high usage. Section 69.265(3), 52 Pa. Code § 69.265(3), (relating to CAP design elements) of the CAP Policy Statement (2020) lists different types of cost control measures that could be included in CAPs, including consumption limits<sup>18</sup> and maximum CAP credits.<sup>19</sup> EDCs have traditionally established limits to the maximum amount of CAP credits a customer may receive in a program year.<sup>20, 21</sup>

In the November 2019 Order amending the CAP Policy Statement (2020), the Commission noted that any changes to maximum CAP credit limit provisions must be justified by the public utility:

---

<sup>18</sup> 52 Pa. Code § 69.265(3)(iii).

<sup>19</sup> 52 Pa. Code § 69.265(3)(v).

<sup>20</sup> The only EDC without CAP credit limits is UGI Utilities – Electric (UGI Electric). The Commission has expressed concern about the impact of UGI Electric's CAP costs on its ratepayers. *See UGI Utilities, Inc. – Gas Division and UGI Utilities, Inc. – Electric Division 2020-2025 USECP Order*, Docket Nos. M-2019-3014966 and P-2020-2019196 (order entered on June 16, 2022), at 13-16.

<sup>21</sup> NGDCs generally do not have specific CAP credit limits, but traditionally have established CAP consumption limits to address high usage and reduce program costs. *See, for example, Columbia Gas 2019-2023 USECP*, Docket No. M-2018-2645401 (filed on November 25, 2019), at 26.

[W]e find that it is reasonable to allow utilities to establish and propose changes to their CAP credit limits, **subject to justification on the record**, as part of their USECPs. This will give a utility and stakeholders the flexibility to adapt the limits based on the energy costs and needs in the utility’s service territory.

November 2019 Order at 60 (emphasis added).

We have also considered the supplemental data provided by FirstEnergy PA and stakeholder comments as relate to the proposal to eliminate annual subsidy credit limits. FirstEnergy PA has asserted that eliminating its subsidy credit limits will ensure PCAP PIP bills will provide more affordable bills and not exceed the maximum energy burdens recommended by the Commission. While eliminating subsidy credit limits would undoubtedly improve affordability for PCAP customers, these limits also serve to ensure that the ratepayers who pay for these programs are not overburdened. We conclude that the elimination of cost control measures for CAPs, such as credit limits, would not be consistent with the Commission’s obligation under the Electric Competition Act to ensure universal service programs are operated in a cost-effective manner. 66 Pa.C.S. § 2804(9).

Although FirstEnergy PA has not proposed new maximum subsidy credit limits, it has identified the amount of subsidy credits that would address 80% of PCAP bills in 2024, as shown in Table 6:

**Table 6. Projected Max Subsidy for 80% of Participants on PCAP PIP in 2024**

FPIG Level	Met-Ed		Penelec		Penn Power		WPP	
	EH	ENH	EH	ENH	EH	ENH	EH	ENH
<b>0%-50%</b>	\$3,108	\$2,244	\$2,716	\$2,147	\$3,051	\$1,903	\$2,474	\$2,020
<b>51%-100%</b>	\$1,886	\$1,610	\$1,666	\$1,419	\$2,324	\$1,496	\$1,673	\$1,427
<b>101%-150%</b>	\$1,295	\$1,272	\$1,348	\$1,212	\$1,662	\$1,188	\$1,104	\$1,112

Source: FirstEnergy PA Supplemental Information at 6.

From this data, new maximum limits can be determined based on FPIG tier and account type for each PCAP participant. As FirstEnergy PA has merged its four EDCs into one EDC, we find it inappropriate to establish different subsidy credit limits for each rate district. Instead, we find it appropriate and in the public interest to establish new subsidy credit limits applicable to all FirstEnergy PA service territories based on the highest number of credits projected to serve 80% of PCAP PIP participants as shown in Table 7:

**Table 7. Max Subsidy Limits for PCAP PIP**

<b>FPIG Level</b>	<b>EH</b>	<b>ENH</b>
<b>0%-50%</b>	\$3,150	\$2,250
<b>51%-100%</b>	\$2,350	\$1,650
<b>101%-150%</b>	\$1,700	\$1,300

We find that these maximum subsidy limits are generally consistent with approved CAP credit limits for other EDCs, as shown in Tables 8 and 9 below.

**Table 8. Comparison of EDC CAP Credit Limits for EH Customers**

<b>FPIG Level</b>	<b>FirstEnergy PA</b>	<b>Duquesne</b>	<b>PECO</b>	<b>PPL</b>
<b>0%-50%</b>	\$3,100	\$2,500	\$3,490	\$3,150
<b>51%-100%</b>	\$2,300	\$2,000	\$2,318	\$2,500
<b>101%-150%</b>	\$1,700	\$1,400	\$2,070	\$2,150

*Sources: See Duquesne Light Further Revised Universal Service and Energy Conservation Plan for 2020-2025 (entered on August 18, 2022), at 9. PECO Further Revised Universal Service and Energy Conservation Plan for 2019-2024 (entered on August 22, 2022), at 5. PPL Further Revised Universal Service and Energy Conservation Plan for 2023-2027 (entered on April 28, 2023), at 14.*

**Table 9. Comparison of EDC CAP Credit Limits for ENH Customers**

<b>FPIG Level</b>	<b>FirstEnergy PA</b>	<b>Duquesne</b>	<b>PECO</b>	<b>PPL</b>
<b>0%-50%</b>	\$2,250	\$1,700	\$2,435	\$1,950
<b>51%-100%</b>	\$1,600	\$1,500	\$1,716	\$1,500
<b>101%-150%</b>	\$1,300	\$1,000	\$1,554	\$1,250

*Sources: See Duquesne Light Further Revised Universal Service and Energy Conservation Plan for 2020-2025 (entered on August 18, 2022), at 9. PECO Further Revised Universal Service and Energy Conservation Plan for 2019-2024 (entered on August 22, 2022), at 5. PPL Further*

*Revised Universal Service and Energy Conservation Plan for 2023-2027* (entered on April 28, 2023), at 14.

We find merit in OCA's proposal that FirstEnergy PA should increase its subsidy credit limits by the same percentage approved in rate cases for residential distribution rate increases for its merged company. This is consistent with the practices of other public utility CAPs.<sup>22</sup> We are not, however, persuaded to direct FirstEnergy PA to increase maximum subsidy credits based on changes to the price-to-compare (or default) price for electricity, as this price fluctuates (including decreasing) over a shorter period of time, creating unnecessary volatility in the credit limits.

We also agree with OCA that PCAP customers who use 80% or more of their subsidy credits should be referred to LIURP for energy efficiency measures or education.

Accordingly, we direct FirstEnergy PA to:

- Establish subsidy credit limits for its PCAP PIP consistent with Table 7 and include these new limits in its Revised 2024 USECP.
- Increase the PCAP subsidy credit limits by the same percentage of any distribution rate increase for FirstEnergy PA. FirstEnergy PA should file and serve an amendment to its 2024 USECP reflecting any changes to its subsidy credit limits at the USECP dockets by or before the date of implementation of those increased subsidy limits.
- Automatically refer PCAP customers to LIURP if they use 80% or more of their annual subsidy credit limit and include this provision in its Revised 2024 USECP.

---

<sup>22</sup> See, for example, PECO 2019-2024 USECP at 5, FNs 4-5.

*c. Accepting 30 Days or 12 Months of Income*

FirstEnergy PA proposes to accept proof of PCAP household income for the last 30 days or 12 months, whichever is most beneficial. Proposed 2024 USECP at 10, 30, 32.

*Comments*

CAUSE-PA supports FirstEnergy PA's proposal to accept 30 days or 12 months of income, whichever is more beneficial to the PCAP customer. It states that it is in alignment with the CAP Policy Statement, approves of the flexibility that it grants PCAP participants, more accurately represents low-income wages and the fluctuation they often experience throughout the year, and is consistent with LIHEAP household income eligibility requirements. CAUSE-PA Comments at 18-19.

*Resolution:* FirstEnergy PA's proposal to accept 30 days or 12 months of income from all PCAP applicants is consistent with the recommendations in the CAP Policy Statement (2020), 52 Pa. Code § 69.265(8)(ii)(B)(I).<sup>23</sup> However, although the proposal to request the income timeframe (*i.e.*, 30 days or 12 months) "most beneficial" to the household is consistent with the language in the CAP Policy Statement, we are concerned it could be misinterpreted to mean the income documentation does not need to be reflective of the actual annual income of the household. In the November 2019 Order, the Commission clarified that the recommendation is that public utilities use annualized monthly income or annual income, whichever is more representative of their actual annual income, when

---

<sup>23</sup> Section 69.265(8)(ii)(B)(I) provides that:

The utility should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer.

determining CAP eligibility and benefits. November 2019 Order at 41. In other words, the public utility cannot limit the choice of income documentation to one or the other.

Accordingly, we direct FirstEnergy PA to include in its Revised 2024 USECP that PCAP applicants may provide 30 days or 12 months of income documentation, whichever is more beneficial and representative of their true annual income. We also direct FirstEnergy PA to work with its USAC to amend its PCAP applications and letters, consistent with these changes, and file and serve these updated forms at these dockets within six months from the entry date of this Order.

*d. 12-month PPA Forgiveness*

FirstEnergy PA proposes to reduce the time period for PCAP customers to earn full forgiveness of their PPA balances from 36 months to 12 months. This proposal will allow all PCAP customers to have their PPA balances forgiven after paying PCAP bills in full over a one-year period. FirstEnergy PA reports that it will continue to apply PPA for each timely and full monthly payment, regardless of PCAP arrears (*i.e.*, in-program arrears), as well as retroactive PPA forgiveness if a customer makes up a missed PCAP payment. FirstEnergy PA also proposes allowing all new, existing, and former PCAP customers enrolled in the 2024 USECP to have any arrearage balance (*i.e.*, PCAP and non-PCAP arrears) deferred for forgiveness over 12 months. Proposed 2024 USECP at 13-14, 30. In the March 2023 Order, the Commission directed FirstEnergy PA to provide cost projections for providing PPA forgiveness over 36 months, 24 months, and 12 months from 2024 through 2028 and the projected impact of these PPA timeframes on monthly ratepayer bills. March 2023 Order at 30-31.

*Comments*

FirstEnergy PA provided updated projections that include the cost of providing PPA forgiveness over 12 months, 24 months, and 36 months from 2024 through 2028 for each EDC, broken down by FPIG tiers and energy type. Based on these projections, FirstEnergy PA estimates PPA forgiveness expenditures in 2024 based on a 12-month timeframe would be 103% higher than PPA forgiveness over 24 months and 205% higher than PPA forgiveness over 36 months. However, FirstEnergy PA projects 12-month PPA forgiveness costs will decrease with each subsequent year and only exceed 36-month PPA costs by 10% or less by 2028. *See* FirstEnergy PA Supplemental Information Appendix B at 1-5. As such, FirstEnergy PA projects 12-month PPA costs recovered from ratepayers will also decline annually, as shown in Table 10.

**Table 10. 2024-2028 Projected Monthly Cost to Ratepayers Based on 12-month PPA Forgiveness**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Met-Ed</b>	\$1.75	\$1.02	\$0.78	\$0.70	\$0.68
<b>Penelec</b>	\$1.96	\$1.12	\$0.84	\$0.75	\$0.72
<b>Penn Power</b>	\$1.50	\$0.82	\$0.59	\$0.52	\$0.50
<b>WPP</b>	\$1.55	\$0.94	\$0.74	\$0.67	\$0.65

*Source:* FirstEnergy PA Supplemental Information at 7.

FirstEnergy PA also reports that existing PCAP arrears will be added to the PPA balances of existing PPA customers in 2024. In addition, customers who re-enroll in PCAP after the 2024 USECP is approved will also be eligible for one-time forgiveness of non-PCAP arrearages. FirstEnergy PA’s estimated costs for this additional PCAP forgiveness are reflected in Table 11.

**Table 11. Estimated One-time Arrearage Forgiveness for Existing and Returning PCAP Customers over 12 Months**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Met-Ed</b>	\$4,476,257	\$764,000	\$764,000	\$764,000	\$764,000
<b>Penelec</b>	\$4,606,047	\$588,488	\$588,488	\$588,488	\$588,488
<b>Penn Power</b>	\$1,198,367	\$142,240	\$142,240	\$142,240	\$142,240
<b>WPP</b>	\$5,127,056	\$1,284,882	\$1,284,882	\$1,284,882	\$1,284,882
<b>Total</b>	<b>\$15,407,727</b>	<b>\$2,779,610</b>	<b>\$2,779,610</b>	<b>\$2,779,610</b>	<b>\$2,779,610</b>

*Source:* FirstEnergy PA Supplemental Information, Attachment B at 6-8.

CAUSE-PA supports FirstEnergy PA’s proposal to condense its current 36-month PPA forgiveness timeline to a 12-month PPA forgiveness timeframe. It asserts that providing low-income customers with a shorter PPA forgiveness timeframe helps these participants balance finances, avoid termination, and prevent carrying large arrearage balances over a longer timeframe. CAUSE-PA also contends a shorter arrearage forgiveness timeline can encourage participants to make on-time and in-full monthly payments and improve overall payment frequency. It notes that while employing a 12-month PPA forgiveness period creates initial higher costs, these costs decrease over time as PPA balances are fully forgiven and that the benefits from employing a shorter forgiveness period offset these costs. CAUSE-PA Comments at 19-22.

CAUSE-PA notes the proposed 2024 USECP does not specifically outline what happens to those PCAP customers that only have a few months left until their PPAs are fully forgiven. CAUSE-PA states that the reallocation of PCAP balances into the proposed 12-month timeframe could mean that some PCAP customers exceed the current 36-month PPA forgiveness timeframe. It asserts that existing PCAP customers should receive PPA credits for the months that they met their obligation and if 12 in-full payments have been received from the customer that they qualify for full forgiveness under the proposed 12-month timeframe. CAUSE-PA Comments at 23-24.

OCA supports FirstEnergy PA's proposal to forgive PPA balances over 12 months. It states that this proposal will reduce CAP costs over time as a shorter forgiveness timeframe will increase the number of PCAP participants with no PPA balances. OCA also asserts that PCAP participants are more likely to make 12 monthly payments as opposed to 36 monthly payments. OCA Comments at 13-15.

OCA supports CAUSE-PA's proposals and agrees that PCAP participants with 12 completed monthly payments should have their PPAs forgiven and that a participant with only several months remaining until PPA forgiveness is granted should not face adverse consequences due to a newly implemented forgiveness timeframe. OCA Reply Comments at 6.

FirstEnergy PA states that it will implement the 12-month PPA forgiveness timeframe as soon as it can following the USECP's approval. FirstEnergy PA will remove PCAP customers from the EPP and send a letter with an explanation of what is occurring while noting that bills will be based temporarily on actual charges that will vary monthly. Furthermore, it will inform customers that collections will be suspended until the new program is implemented and that the amount due will reset during new program enrollment. FirstEnergy PA Reply Comments at 3.

FirstEnergy PA is not proposing to eliminate PPA balances for all PCAP participants who have previously paid at least 12 months in PCAP, as recommended by CAUSE-PA. Instead, FirstEnergy PA is proposing to identify accounts with less than 12 months remaining for full PPA forgiveness, excluding those who have new account balances added to their PPA at the PIP conversion, and allow those customers to receive PPA forgiveness for only those remaining number of months. FirstEnergy PA Reply Comments at 3-4.

*Resolution:* We have considered FirstEnergy PA's updated, projected cost impacts of its proposed change for PCAP customers to earn full forgiveness of their PPA balances from 36 months to 12 months and find that the initial increase in PPA forgiveness costs, and the amount recovered from FirstEnergy PA ratepayers, may be reasonable if these costs continue to decrease annually, as projected by FirstEnergy PA. However, we find additional cost control monitoring of the 12-month PPA forgiveness is appropriate to ensure all ratepayers are given fair consideration under this change.

Accordingly, in its response to this Order, we direct FirstEnergy PA to file and serve a report at these dockets by April 1 each year where actual PPA forgiveness costs for a 12-month PPA forgiveness in the previous calendar year exceeded the estimates provided in Attachment B of its Supplemental Information by 20% or higher. This report should provide an explanation for the increase in PPA costs and updated projections for the remainder of the USECP years based on 12, 24, and 36 months of PPA forgiveness.

We agree with CAUSE-PA that existing PCAP customers who have less than 12 months remaining to achieve full PPA forgiveness should not have that timeframe extended due to this change. We find FirstEnergy PA's proposal to allow these customers to receive full PPA forgiveness for only the months remaining under the existing program (*i.e.*, less than 12 months) to be reasonable. FirstEnergy PA is directed to allow existing PCAP customers who have less than 12 months remaining under the 36-month PPA forgiveness timeframe to receive full arrearage forgiveness over those remaining months. This allowance will not extend to existing PCAP customers who have non-PCAP and in-program arrears added to the PPA balance for forgiveness over 12 months. FirstEnergy PA shall include this provision in its Revised 2024 USECP.

Accordingly, we approve FirstEnergy PA's proposal to implement a 12-month PPA forgiveness program for PCAP, subject to the reporting requirements and modification described above.

*e. PCAP Application Mediums*

The Proposed 2024 USECP states that customers may apply for PCAP by contacting DEF through telephone or online and lists DEF's contact number and online application link. Customers can also submit required documentation through the mail for both their PCAP applications and recertifications. Proposed 2024 USECP at 11, 15. The Commission directed FirstEnergy PA to clarify whether PCAP customers can submit paper PCAP applications to apply for the program. March 2023 Order at 34.

*Comments*

FirstEnergy PA explains that it does not offer paper PCAP applications and that customers can only apply for PCAP via phone or online. FirstEnergy PA states it has not assessed whether prohibiting customers from applying via mail or fax limits program access. FirstEnergy PA Supplemental Information at 8.

CAUSE-PA avers that not offering paper applications limits access to PCAP for those without adequate access to telecommunications and broadband services and undercuts PCAP enrollment goals. CAUSE-PA asserts FirstEnergy PA should provide all application medium types (*i.e.*, electronic, telephonic, and paper) to support potential PCAP customers' needs, abilities, and challenges. CAUSE-PA Comments at 31-32.

*Resolution:* The CAP Policy Statement recommends that public utilities should accept CAP applications through mail, telephone, electronically, or in-person. 52 Pa Code § 69.265(8)(ii). We agree with CAUSE-PA that some PCAP applicants may be unable to apply for assistance over the phone or online. Not all customers have access to these resources or can pay to have access to these resources. PCAP applicants should be able to apply in the medium most convenient for them.

Accordingly, we direct that, within six months from the entry date of this Order, FirstEnergy PA make a paper PCAP application available on its website and distribute the paper application to customers or organizations that request it. FirstEnergy PA shall consult with its USAC on the design and language for this application. We also direct FirstEnergy PA to file and serve a copy of the application at these dockets within six months from the entry date of this Order and include this additional application medium in its Revised 2024 USECP.

*f. Standardized Zero-Income Form*

FirstEnergy PA is proposing to require households reporting zero income to complete the Commission-approved standardized zero-income form. FirstEnergy PA reports it has revised the form for completion over the telephone. Proposed 2024 USECP at 10, 32.

In its August 2021, FirstEnergy PA reported that its zero-income form is accessible to customers by online application and that when a customer is mailed a recertification letter, the form includes a section where a customer can explain how food, shelter, and living expenses were met over the last 30 days. FirstEnergy PA noted that the zero-income form is not available as a separate paper PCAP application but is part of its online application. FirstEnergy PA stated that as customers answer the online application questions, they are asked to identify the number of people that live in the household and their total gross monthly income. If the total household income is \$0, the online application will require customers to complete the zero-income form. However, if customers report receiving income, they do not see this form. *See* FirstEnergy PA Supplemental Information, Docket Nos. P-2020-3018883, P-2020-3018884, P-2020-3018873, P-2020-3018885, M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 at 19 (filed on August 25, 2021).

In its Supplemental Information, as noted above, FirstEnergy PA reports it does not offer paper PCAP applications; customers can apply for PCAP via phone or online. FirstEnergy PA Supplemental Information at 8. Without a paper application, there is no paper zero-income form. FirstEnergy PA did not address whether the lack of a paper zero-income form limits program access.

### *Comments*

CAUSE-PA supports FirstEnergy PA's proposal to adopt the standardized zero-income form but is concerned that it will not be available in a paper format. It recommends the Commission direct FirstEnergy PA to offer a paper version of the standardized zero-income form so that all customers can access and complete the CAP application electronically, telephonically, or via mail (paper). CAUSE-PA Comments at 26.

*Resolution:* The Commission supports FirstEnergy PA's proposal to use the Commission-approved standardized zero-income form. We agree, however, with CAUSE-PA that FirstEnergy PA should offer a paper version of the standardized zero-income form with its paper application so that all interested customers can apply for PCAP or submit their PCAP recertification in the way most convenient to them. Accordingly, FirstEnergy PA is directed to make the standard zero-income form available in a paper format with its paper application, effective with its implementation of a paper application as directed above. FirstEnergy PA is further directed to add this change to its Revised 2024 USECP.

*g. PCAP Recertification Timeframes*

Currently, recertification timeframes for PCAP participants vary based on their source of income or whether they receive LIHEAP:

- No income – every six months.
- SSI, Disability, Pension – every two years.
- Receive LIHEAP annually – every three years.
- All other PCAP participants – every year.

2019 USECP at 16.

In its Proposed 2024 USECP, FirstEnergy PA is proposing to adopt the maximum recertification timeframes recommended in the CAP Policy Statement (2020).<sup>24</sup>

FirstEnergy PA proposes to require households reporting no income to recertify every six months, regardless of whether they received a LIHEAP grant. PCAP customers on a fixed income (*i.e.*, pension, Social Security, and/or disability) or who receive LIHEAP annually would recertify once every three years. All other PCAP participants receiving any other type of income would recertify once every two years. PCAP customers would also recertify when they report changes in gross income, household size, or heat source. Proposed 2024 USECP at 15-16.

*Comments*

CAUSE-PA supports the adoption of FirstEnergy PA’s revised recertification timeframes as extending recertification timelines will assist PCAP participants with maintaining their program participation, create critical monthly bill savings, and diminish

---

<sup>24</sup> 52 Pa. Code § 69.265(8)(viii).

redundant paperwork requirements for low-income households. CAUSE-PA recommends the Commission direct FirstEnergy PA to work with its USAC to coordinate communication and outreach efforts to convey recertification timeframe changes as well as provide training to all call center staff, universal service program staff, and any third-party program administrators. CAUSE-PA Comments at 27-28.

*Resolution:* We have received no objection to FirstEnergy PA's proposed recertification timeframes. We recognize that failure to recertify is often the most common reason public utilities remove customers from CAPs.<sup>25</sup> Extending the recertification timeframes based on the source of a household's income will reduce the frequency of eligible customers losing their PCAP benefits due to failure to recertify. However, we note that additional education and outreach to customers is necessary to ensure they are aware of how these new recertification deadlines apply to them. Therefore, we find merit in CAUSE-PA's suggestion that FirstEnergy PA work with its USAC to coordinate communication and outreach efforts regarding these recertification timeframe changes to educate staff and customers. Also, consistent with our discussion of recertification timeframes in PPL Electric's 2023-2027 USECP,<sup>26</sup> we also find merit in FirstEnergy PA working with its USAC to monitor and evaluate the reasons customers fail to recertify for PCAP.

Accordingly, the Commission approves FirstEnergy PA's proposed PCAP recertification timeframes without modification. We also direct FirstEnergy PA to work with its USAC to:

---

<sup>25</sup> For example, see *FirstEnergy 2017 APPRISE Universal Service Impact Evaluation* at 22. [http://www.puc.pa.gov/general/pdf/USP\\_Evaluation-FirstEnergy.pdf](http://www.puc.pa.gov/general/pdf/USP_Evaluation-FirstEnergy.pdf). Of customers removed from FirstEnergy CAPs in 2013-2015, 63% were removed for failure to recertify and 8% were removed because their income was too high.

<sup>26</sup> See *PPL Electric 2023-2027 USECP Order*, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 27-30.

- Coordinate, communicate, and convey the updated PCAP recertification timelines to both its customers, customer service staff, and PCAP administrators; and
- Evaluate the reasons customers fail to recertify for PCAP and its impact on customer payments, disconnections, and arrearages.

*h. Intake Process – Moving PCAP Accounts Between Operating Companies*

The Proposed 2024 USECP states that if a PCAP customer discontinues service at one address and establishes service within 12 months at another address within the same operating EDC’s service territory, the customer will be enrolled in PCAP at the new address automatically. However, if a customer moves to a residence from one FirstEnergy PA operating EDC service territory to an address in another FirstEnergy PA operating EDC service territory within 12 months, PCAP eligibility does not follow to the new account. Proposed 2024 USECP at 11. The Commission directed FirstEnergy PA to explain why current PCAP customers are not permitted to transfer their PCAP eligibility status when they move among FirstEnergy PA service territories. FirstEnergy PA was also directed to clarify if these customers are informed that they can apply for PCAP at their new address. March 2023 Order at 33.

*Comments*

FirstEnergy PA explains that current PCAP customers have their program eligibility, balances, and PPAs transferred to a new account when they move from one location to another within the same operating EDC. However, if a PCAP customer moves to a new location served by a different FirstEnergy PA EDC, these balances cannot be transferred:

Currently, when customers have a change of address within an [EDC], PCAP follows the customer to the new location automatically in FirstEnergy's [Systems Applications and Products (SAP)] systems. The four [EDCs] are located in two separate SAP systems, with Penn Power in a system separate from Met-Ed, Penelec and West Penn Power. The logic that prevents PCAP moving from [EDC] to [EDC] automatically can be modified to allow PCAP to follow the customer for Met-Ed, Penelec and West Penn Power. However, the [EDCs] do not currently have a technical solution to allow automatic enrollment to or from Penn Power.

The decision to set aside the balance for forgiveness credits is determined within each operating company. If the customer moves to an [EDC] where they previously held an account on PCAP, only the remaining preprogram balance for the prior PCAP account may earn forgiveness credits. If the customer was not a previous PCAP customer in the [EDC] where they now reside, the account balance (if any) can become preprogram arrears. Balances do not transfer between [EDCs].

FirstEnergy PA Supplemental Information at 4-5.

FirstEnergy PA states it will be exploring options to streamline PCAP enrollment from one FirstEnergy PA EDC to another if the Commission approves its proposal to consolidate the EDCs at Docket No. A-2023-3038771. FirstEnergy PA Supplemental Information at 8.

CAUSE-PA submits that PCAP customers are facing preventable enrollment issues when relocating from one FirstEnergy PA service territory to another. It notes that relocation is already stressful and expensive for low-income families and that losing PCAP eligibility causes further hardships. CAUSE-PA and OCA agree that PCAP customers moving from one FirstEnergy PA EDC territory to another should be able to transfer their accounts and PCAP enrollment status without interruption. OCA recommends that FirstEnergy PA assist customers with the PCAP account transfers as well as ensure that their arrearage forgiveness transfers with them as if there was no program pause. CAUSE-PA recommends the Commission require FirstEnergy PA to

transfer the PCAP account while maintaining the customer's PCAP participation as if no program break happened. CAUSE-PA Comments at 29-30, OCA Comments at 30, CAUSE-PA Reply Comments at 30.

If FirstEnergy PA's system cannot automatically transfer PCAP participants' accounts from one FirstEnergy PA EDC to another, OCA suggests that FirstEnergy PA place questions on its PCAP application to establish whether a customer (1) is transferring from another FirstEnergy PA EDC, (2) was a PCAP customer at that EDC, and (3) wants to stay on PCAP. If the customer answers affirmatively to these questions, FirstEnergy PA should then assist the customer with the PCAP account transfer as if there was no program pause. OCA Comments at 30-31.

FirstEnergy PA states that system logic prevents PCAP participants from being automatically moved into a new EDC between the two SAP systems and that no technical solution exists to remedy the situation, but the three EDCs in the same SAP system (*i.e.*, Met-Ed, Penelec, and WPP) can be modified to allow automatic enrollment. FirstEnergy PA Reply Comments at 4.

If the modification is made, FirstEnergy PA states each EDC will have to determine whether or not to reserve the account balance for forgiveness credits. If the customer was not a previous PCAP customer in the operating company where they now reside, any account balance can become preprogram arrears. FirstEnergy PA asserts balances do not transfer between operating companies. FirstEnergy PA Reply Comments at 4.

FirstEnergy PA suggests that a print message could be added to a customer's final bill to explain how PCAP participation is affected and how the customer can maintain PCAP. FirstEnergy PA Reply Comments at 5.

*Resolution:* The CAP Policy Statement recommends that public utilities allow CAP customers to retain program enrollment status when transferring service within the public utility's, or an affiliate's, service territory. 52 Pa Code § 69.265(10). We agree with CAUSE-PA that requiring PCAP customers to reapply for PCAP when they transfer service to a different FirstEnergy PA operating EDC can create financial hardships and loss of program status.

FirstEnergy PA has clarified that it could make SAP system changes to allow Met-Ed, Penelec, or WPP PCAP customers to maintain PCAP enrollment if they transfer service within these three EDC service territories. We find it reasonable for FirstEnergy PA to establish this process as part of its 2024 USECP. Accordingly, FirstEnergy PA is directed to make system enhancements to allow Met-Ed, Penelec, and WPP PCAP customers who transfer service to one of those three EDCs to be automatically enrolled in PCAP at the new residence. This process should be implemented within six months from the date of this Order and reflected in FirstEnergy PA's Revised 2024 USECP.

FirstEnergy PA asserts there is no current solution that permits Penn Power, which operates on a separate SAP system, to auto-enroll customers into PCAP if they transfer from another FirstEnergy PA EDC. To address this situation, we find FirstEnergy PA's proposal to include a message on final PCAP bills explaining how customers can maintain their PCAP eligibility a good first step. Accordingly, FirstEnergy PA is directed to include this message on Penn Power final bills for PCAP accounts within six months from the date of this Order and reflect this process in its Revised 2024 USECP.

We note that, as part of its August 2023 Joint Petition at Docket No. A-2023-3038771, FirstEnergy PA has committed to making the transfer of PCAP enrollment as seamless as possible across service territories. It has agreed to provide updates on these efforts to its USAC as a standing agenda item. August 2023 Joint Petition at 13, ¶ 45. We support these efforts and encourage FirstEnergy PA to explore modifying its SAP systems, separate from or as part of its merging of its EDCs, to allow PCAP customers to transfer balances and PCAP eligibility statuses across all territories served by FirstEnergy PA.

*i. Text-to-Recertify Process*

In the Proposed 2024 USECP, FirstEnergy PA states that DEF may contact PCAP customers to begin a text-to-recertify process, noting that cellular data rates may apply. Proposed 2024 USECP at 11. The Commission directed FirstEnergy PA to provide an explanation of how DEF decides which customers are selected for its text-to-recertify process and a step-by-step description of how this process works, including how DEF informs customers about the potential costs related to data rates. March 2023 Order at 35.

*Comments*

FirstEnergy PA states that it provides a list of customers to DEF that need to complete recertification. DEF then determines if the phone number is SMS-capable. If SMS-capable, DEF may initiate the text-to-recertify process. If not SMS-capable, the customer receives a letter directing them to contact DEF to recertify. FirstEnergy PA Supplemental Information at 8-9.

CAUSE-PA supports the text-to-recertify process with the caveat that PCAP customers should first provide consent to FirstEnergy PA for their participation. It

suggests that FirstEnergy PA obtain consent during the initial application process and that PCAP customers that do not reply to the first text receive additional communication through mail outreach. Further, CAUSE-PA asserts that all PCAP customers should receive an initial written notification reminding them of impending recertification. CAUSE-PA additionally recommends that recertification texts contain a phone number so that PCAP participants have a contact number for technical difficulties or other text-to-recertify concerns. CAUSE-PA Comments at 32-35.

OCA supports FirstEnergy PA's usage of a text-to-recertify process. It recommends that FirstEnergy PA incorporate the texting process in addition to mailing recertification letters and include embedded links that allow customers to recertify through the message. OCA Comments at 32.

OCA also recommends that customers who fail to recertify for PCAP within 10 days of their recertification date should receive an electronic notification by either email or text that informs them how to re-enroll. It further suggests sending electronic notifications to inform customers of a recertification that is incomplete or incorrect and that further action is necessary. OCA avers that FirstEnergy PA should permit customers to recertify via paper, phone, fax, or text. OCA Comments at 32.

FirstEnergy PA states that program administrator DEF is operating the text-to-recertify option to existing customers. FirstEnergy PA explains the text-to-recertify process:

Customers are advised on the initial text message that they may opt out of the text-to-recertify process by typing the word "STOP". If customers block the DEF text, DEF stops texting that customer. If customers make inappropriate responses within the application (*e.g.*, where there are zero people in the household), the customer is given an opportunity to correct the information. If the error continues, a message is given advising that the customer may call DEF to complete the process. If a customer chooses not

to continue in the text-to-recertify process, they will receive a message that reminds them of the recertification due date and DEF's phone number to call. The text-to-recertify call [*sic*] also explains that data rates may apply.

FirstEnergy PA Reply Comments at 5.

FirstEnergy PA explains that both its outreach and DEF's outreach happen at or around 60 days prior to the PCAP recertification date. FirstEnergy PA issues letters and makes outbound calls encouraging recertification followed-up by completing DEF's initial customer outreach to those that have not submitted the required eligibility documentation. FirstEnergy PA follows up by making outbound calls asking these customers to submit their recertification documents. Once a customer is removed from PCAP for failure to recertify, they are mailed a letter that reminds them that they no longer receive monthly reduced bills and forgiveness credits. FirstEnergy PA Reply Comments at 5-6.

*Resolution:* The Commission encourages the use of different mediums for CAP recertification. As such, we view the text-to-recertify process as a valuable undertaking that introduces a new tool that gives low-income customers more recertification opportunities, which may work better for their household's individual communication needs. With more recertification choices for PCAP participants to select, it becomes evident that further communications may need to be implemented to ensure recertification success.

We agree with CAUSE-PA and OCA that the text-to-recertify process should include additional communications through other outreach methods if participants do not respond to their recertification text. As FirstEnergy PA clarified in its Reply Comments, PCAP customers will receive recertification reminder letters from FirstEnergy PA in addition to the text-to-recertify from DEF (if they have provided an SMS phone number) and additional letters and outbound calls if they fail to recertify. If a PCAP customer

elects not to continue the text-to-recertify process, they receive DEF's phone number and a message that reminds them of the recertification due date. While we support this additional form of communication and method to recertify for PCAP, we are concerned that customers may not use the text-to-recertify function if they do not know to expect it and how to use it. FirstEnergy PA should provide further communication and education about this process to PCAP customers with instructions on how to opt-out of receiving texts from DEF.

Accordingly, FirstEnergy PA is directed to work with its USAC to develop communication explaining how customers can use the text-to-recertify process and how they can opt out of it. This communication should be made available on FirstEnergy PA's websites and mailed to customers as part of the recertification reminder letters. FirstEnergy PA is directed to file and serve a copy of this communication at these dockets within six months from the date of this Order.

*j. Consumption Limit Exemptions*

The Proposed 2024 USECP states that the FirstEnergy PA EDCs identify PCAP participants that exceeded 125% of their prior year usage at the same residence on an annual basis and that the EDCs conduct outreach to provide energy conservation messages. FirstEnergy PA proposes to exempt qualifying customers from this outreach if they meet the recommended exemptions in the CAP Policy Statement at 52 Pa Code § 69.265(3)(vi). Proposed 2024 USECP at 13. The Commission directed FirstEnergy PA to clarify the process for identifying and verifying consumption exemptions for customers who exceed 125% of prior annual usage. March 2023 Order at 36.

## *Comments*

FirstEnergy PA explains that it mails a letter to those customers that exceed 125% of prior annual usage and requests that these customers complete and mail an enclosed survey back via a postage-paid envelope. FirstEnergy PA Supplemental Information at 9.

CAUSE-PA supports exempting customers from unnecessary notifications and recommends that FirstEnergy PA work with its USAC to examine customer responses to these notifications in an effort to improve future communications. CAUSE-PA Comments at 35.

OCA and PA CLEEC separately support FirstEnergy PA's proposed energy conservation outreach to high usage PCAP participants. OCA Comments at 16; PA CLEEC Comments at 2. OCA recommends extending this outreach to customers who have used high amounts of PCAP subsidy credits. OCA Comments at 16.

*Resolution:* FirstEnergy PA has addressed our questions by clarifying that it mails a survey to PCAP customers that exceed 125% of their prior annual usage to complete and return via a postage-paid envelope. We support FirstEnergy PA's process of identifying PCAP customers that are exempt and non-exempt from the consumption limits. However, we find merit in CAUSE-PA's recommendation that FirstEnergy PA consult with its USAC to review customers' responses to determine if there are additional opportunities to improve customer communications.

Accordingly, FirstEnergy PA is directed include in its Revised 2024 USECP that PCAP customers that exceed 125% of their prior annual usage are mailed a survey to complete and return via a postage-paid envelope. FirstEnergy PA is also directed to review the customer responses to the survey with its USAC annually to determine if there

are additional opportunities to improve customer communications for the duration of its 2024 USECP.

*k. One-Time PPA Debt Forgiveness Expansion*

In the Proposed 2024 USECP, FirstEnergy PA states that customers who re-enroll in PCAP cannot have any new debt deferred for forgiveness unless the original PPA balance was \$300 or less. However, FirstEnergy PA is proposing to allow all customers enrolled in PCAP under the 2024 USECP to have all pre-program debt deferred and added to their existing PPA balance for forgiveness upon transition to the PIP. Proposed 2024 USECP at 13. The Commission directed FirstEnergy PA to, *inter alia*, confirm that only existing pre-program debt, and not debt incurred within PCAP (*i.e.*, in-program arrears), will be deferred for all PCAP customers under the 2024 USECP. March 2023 Order at 36-37.

*Comments*

FirstEnergy PA states that existing pre-program debt (*i.e.*, PPA), and not in-program arrears, will be deferred for all PCAP customers under the 2024 USECP as long as the original amount deferred was more than \$300. This will occur after its Information Technology (IT) conversion is completed for the revised PCAP. FirstEnergy PA Supplemental Information at 9.

CAUSE-PA supports FirstEnergy PA's PPA forgiveness proposal and its one-time debt forgiveness expansion. CAUSE-PA proposes, however, that the \$300-or-less threshold for allowing additional PPA forgiveness should instead be based on the average arrearage amount from customers entering PCAP based on EDC and heating type. It stresses that calculating the threshold using the average arrearage amount methodology

will support more customers with beginning and continuing service at affordable amounts. CAUSE-PA Comments at 36-38.

OCA supports CAUSE-PA's recommendation that the threshold for additional PPA forgiveness be based on heating and non-heating status for customers entering PCAP and not a fixed \$300 amount. OCA Reply Comments at 7.

*Resolution:* Section 69.265(6)(ix) of the CAP Policy Statement, 52 Pa. Code § 69.265(6)(ix), recommends that CAPs provide PPA forgiveness over “a 1- to 3-year period contingent upon receipt of regular monthly payments by the CAP participant.” FirstEnergy PA proposes to offer additional PPA forgiveness to customers who re-enroll in PCAP and whose prior PPA balance was \$300 or less. We find this change will allow customers who previously enrolled in PCAP with no or minimal PPA arrears to benefit from PPA forgiveness later, if needed. While we have taken CAUSE-PA and OCA's comments into consideration, we are not persuaded to require FirstEnergy PA to have a different PPA forgiveness threshold amount for each EDC based on the average PPA balance. We also conclude that establishing a single threshold for all of FirstEnergy PA is appropriate as the merger of the EDCs has been approved. Accordingly, we approve FirstEnergy PA's proposal to establish a \$300 or less threshold on PPA forgiveness to allow a customer to qualify for PPA forgiveness a second time if they re-enroll in PCAP in the future. We also approve FirstEnergy PA's proposal to add any pre-program arrearage carried by existing PCAP participants to their current PPA balance upon conversion to the PIP to address past program unaffordability under its fixed PCAP credit model.

### *1. Refund of Security Deposits*

The Proposed 2024 USECP only states that FirstEnergy PA does not assess security deposits on PCAP accounts. Proposed 2024 USECP at 17. The Commission

directed FirstEnergy PA to describe its practices and procedures regarding the refunding of security deposits. March 2023 Order at 37.

### *Comments*

FirstEnergy PA states that its SAP system automatically releases the security deposit requirement at PCAP enrollment. Any previously held security deposits are then released and applied to the customer's account balance and reflected on their next billing statement. FirstEnergy PA Supplemental Information at 10.

CAUSE-PA states that FirstEnergy PA's security deposit policy does not comply with statutory and regulatory requirements in 66 Pa.C.S. §§ 1401—1419 (Chapter 14) and that security deposits are not correctly refunded to low-income customers. It notes that FirstEnergy PA's policy will only release collected security deposits when a customer enrolls in PCAP and not when information is received indicating that the household is eligible for PCAP. CAUSE-PA also questions whether and how FirstEnergy PA informs applicants and customers of the statutory prohibitions from collecting security deposits from PCAP-eligible households. It asserts that all low-income applicants, including those who receive LIHEAP grants, should be notified of the security deposit prohibition and how they can receive their deposit and any accrued interest back through income documentation submission. Furthermore, CAUSE-PA stresses that security deposit funds belong to the customer and as such the customer directs how the funds are returned to them; FirstEnergy PA should not determine how security deposits are refunded. It recommends the Commission direct FirstEnergy PA to modify its security deposit policy, the security deposit prohibition, and the return process for previously collected deposits. CAUSE-PA Comments at 38-40.

OCA insists that FirstEnergy PA refund any PCAP account security deposits previously assessed to the low-income customer. It is concerned that security deposits

are being applied to a PCAP customer's PPA balance that would otherwise be forgiven with timely monthly payments. OCA states that customers make the decision of whether to receive a security deposit refund or allocate the refund to their past-due balance. OCA Comments at 38.

FirstEnergy PA explains that it does not require a security deposit from PCAP customers or those who have received LIHEAP and that these accounts get coded to prevent this occurrence. Upon receipt of LIHEAP or enrollment in PCAP, any security deposit held is released and applied to the account balance and any unpaid security deposit or deposit installments billed to the customer's account are removed. Customers may request a refund of any open credit balance on the account. FirstEnergy PA Reply Comments at 7-8.

*Resolution:* Both Chapter 14 and Commission regulations prohibit requiring a cash deposit for utility service from customers who are confirmed to be eligible for a CAP. *See* 66 Pa.C.S. § 1404(a.1) (relating to cash deposits and household information requirements)<sup>27</sup> and 52 Pa. Code § 56.32(e) (relating to security and cash deposits).<sup>28</sup> Commission regulations also 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....” *See* 52 Pa. Code § 56.53(f) (relating to deposit hold period and refund).

---

<sup>27</sup> 66 Pa.C.S. § 1404(a.1) provides that “no public utility may require a customer or applicant that is confirmed to be eligible for a customer assistance program to provide a cash deposit.”

<sup>28</sup> 52 Pa. Code § 56.32(e) provides that:

[A] public utility may not require a cash deposit from an applicant who is, based upon household income, confirmed to be eligible for a customer assistance program. An applicant is confirmed to be eligible for a customer assistance program by the 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 the public utility's customer assistance programs.

The regulations do not permit the public utility to apply a deposit to a delinquent account balance if it is determined the customer was not responsible to pay the deposit prior to accruing the balance. Security deposits collected from low-income accounts must be returned to the customer, not applied to the customer's account balance without the customer's consent. Accordingly, we direct FirstEnergy PA to refund security deposits directly to customers, with applicable interest, when they are determined income eligible for PCAP. FirstEnergy PA may apply the security deposit to the account balance only with the customer's informed consent. FirstEnergy PA is directed to include this provision in its Revised 2024 USECP.

*m. PCAP Final Billing*

The Commission issued its CAP Final Billing Order on March 12, 2020, in *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190. The CAP Final Billing Order detailed how the various EDCs and NGDCs calculate final CAP bills, summarized stakeholder input on the issues, and called attention to existing statutory and regulatory provisions relating to billing. The CAP Final Billing Order did not recommend a standard CAP final billing policy but indicated these practices must comply with Pennsylvania statutes and PUC regulations. In the CAP Final Billing proceeding, FirstEnergy PA conveyed that PCAP customers are given a final bill that includes all residential tariff rate charges minus their full (non-prorated) monthly CAP credit. CAP Final Billing Order at 7.

FirstEnergy PA did not describe its PCAP final billing process in its Proposed 2024 USECP. In the March 2023 Order, we directed FirstEnergy PA to describe its current PCAP final billing process, whether this process has changed since the CAP Final Billing proceeding, and how this process reflects compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order. March 2023 Order at 37-39.

## *Comments*

FirstEnergy PA clarifies that its current PCAP final billing practice has not changed. It states that CAP customers are billed their monthly EPP amount minus the monthly CAP credit and the monthly arrearage forgiveness credit. FirstEnergy PA's final PCAP billing process is as follows after a final bill is issued:

- EPP is removed from the account, which bills a true-up amount for the budget billing balance.
- The charges on the final bill include the customer's actual consumption charges for the final bill period plus the EPP true-up balance minus a full monthly CAP credit.
- If the customer is eligible to receive an arrearage forgiveness credit, the forgiveness credit is applied to the PPA balance at final billing.
- Past-due charges, excluding PPA, are included in the payment due on the final bill.

FirstEnergy PA Supplemental Information at 10-11.

FirstEnergy PA reports that its final PCAP billing practice is compliant with the CAP Final Billing Order with the exception that its EDCs do not prorate the CAP credit for a partial final billing period. FirstEnergy PA Supplemental Information at 11.

CAUSE-PA asserts that FirstEnergy PA outlined its current PCAP final billing policy but did not focus on how a final bill would be calculated under its proposed PIP. It presumes that the final bill calculation under an updated program methodology necessitates modifications. CAUSE-PA Comments at 41.

CAUSE-PA proposes that FirstEnergy PA use the following methodology for FirstEnergy PA's PCAP PIP final billing calculation:

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 Comments at 42.

CAUSE-PA states that inclusion of this methodology will ensure that PCAP customers maintain an affordable PCAP bill for the entirety of their enrollment. It asserts that it is crucial that customers are charged the correct rate for the time they are on PCAP. CAUSE-PA Comments at 40-43.

OCA opposes FirstEnergy PA's final customer billing true-up methodology. OCA avers that in moving from the fixed credit model to a PIP design, customers will be billed a percentage of income bill and therefore everything else on their bill is a PCAP credit. OCA Comments at 33-34.

FirstEnergy PA states that the EPP provides an even monthly bill under the fixed credit plan and that commenters are concerned that without the EPP, monthly bills will increase. FirstEnergy PA explains that the budget concludes at final billing and any true-up balance is reflected on the final statement. The only way to avoid this is to issue a credit on the fixed credit PCAP program, which may increase USECP costs. FirstEnergy PA avers that the true-up associated with the final bill will no longer be a billing factor if the proposed PIP is approved. FirstEnergy PA Reply Comments at 7.

FirstEnergy PA states that the EPP true-up will take place as the EDCs ready the accounts for the revised PCAP changeover. True-up amounts will be part of the payment due, customers will not face collection activity, and the balance will merge with the PPA balance for forgiveness upon enrollment into the fixed bill program. FirstEnergy PA Reply Comments at 7.

*Resolution:* As noted in the CAP Final Bill Order, the Commission considers a CAP customer enrolled in the program until either the effective date of the customer's requested removal from CAP or until service is terminated or discontinued. CAP Final Billing Order at 20. If a household is enrolled in a CAP until service is terminated or discontinued, then the final usage bill should not exceed the prorated CAP price.

Issues related to unpaid budget billing balances will no longer exist under the PIP as there will no longer be true-ups associated with final PCAP bills. Accordingly, we direct FirstEnergy PA to charge PCAP participants no more than their prorated PCAP bill (*i.e.*, PIP, minimum bill, or actual tariff charges) for usage incurred during the customer's final billing period. FirstEnergy PA shall include this revised PCAP final billing process in its Revised 2024 USECP.

*n. Annual FPIG Updates*

As previously noted, FirstEnergy PA's PCAP is available to customers with incomes up to 150% of FPIG who demonstrate or express difficulty in paying their electric bill. Proposed 2024 USECP at 10, 30. The Commission directed FirstEnergy PA to provide additional information regarding its annual updates to the FPIG<sup>29</sup> as the

---

<sup>29</sup> See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. The FPIG are published in the *Federal Register* and are updated annually. The most recent update was effective January 19, 2023.

Proposed 2024 USECP does not explain when it adopts these updates for universal service program eligibility and benefit determinations. March 2023 Order at 39.

### *Comments*

FirstEnergy PA indicates that it generally adopts the annual updates to the FPIG for universal service program eligibility and benefit determinations in early February. FirstEnergy PA Supplemental Information at 11. CAUSE-PA supports FirstEnergy PA's prompt adoption of updated FPIG data into their enrollment systems. CAUSE-PA Comments at 43.

*Resolution:* We support expeditious adoption of updated FPIG levels which can allow more low-income customers to qualify for universal service programs and increase benefits to customers already enrolled. Accordingly, FirstEnergy PA is directed to clarify in its Revised 2024 USECP that it adopts the updated FPIGs annually within a month after they are published in the *Federal Register*.

#### *o. Consumer Education and Outreach Plan (CEOP)*

In the March 2023 Order, the Commission directed FirstEnergy PA to provide clarifications and information related to its proposed CEOP. March 2023 Order at 40-41. Requested information and FirstEnergy PA's responses are described below.

*Identify whether FirstEnergy PA offers, or plans to offer, universal service program trainings to community agencies within its EDC service territories.*

FirstEnergy PA plans to offer universal service program training to community agencies within their EDC service territories with the implementation of the revised PCAP program. FirstEnergy PA will establish opportunities to attend meetings and

determine if the events should be held virtually, in-person, or both based on current weather, health, and safety considerations. FirstEnergy PA Supplemental Information at 12-13.

*Identify the ways in which the proposed CEOP differs from what the FirstEnergy PA EDCs are presently doing.*

FirstEnergy PA reports that it has physically and digitally increased its customer outreach channels for its various customer assistance and education offerings as well as broadened its commitment to customer education. FirstEnergy PA Supplemental Information at 12.

*Provide examples of consumer education letters, postcards, bill inserts, educational brochures, fact sheets, advertisements (e.g., physical and digital media), and outbound call messaging scripts.*

FirstEnergy PA states that it uses letters, emails, bill inserts, educational brochures, doorhangers, postcards, advertisements, and social media posts to increase enrollment and expand customer outreach. FirstEnergy PA Supplemental Information at 12. FirstEnergy PA further provided various consumer education materials requested in the March 2023 Order. *See* FirstEnergy PA Supplemental Information, Attachment C.

*Provide details about education training webinars, workshops, and education events offered by FirstEnergy PA via in-person, virtual, or hybrid.*

FirstEnergy PA states it has developed both physical and digital customer outreach and outreach networks to encourage participation in PCAP, LIHEAP, Hardship Fund and other programs. FirstEnergy PA further reports that its EDCs have expanded customer outreach to include PCAP recertification to encourage customers to complete the process

and avoid any interruption to program benefits. FirstEnergy PA asserts the proposed CEOP is a continuing commitment to customer education regarding available programs. FirstEnergy PA Supplemental Information at 12.

*Identify how FirstEnergy PA educates customers about household energy burdens to help customers identify how much their household income is spent on energy.*

FirstEnergy PA states that it first identifies customers that have surpassed their prior year's annual household consumption by 25%. The identified customers are then given outreach materials on a quarterly basis that help educate them on how their behaviors combined with energy conservation measures can reduce their household energy burdens. FirstEnergy PA Supplemental Information at 13.

An energy auditor examines the highest energy users in the home and then discusses them with the WARM participants how to change their behavior to reduce electric consumption as well as identifies the appropriate installation measures to facilitate energy savings. The customer and energy auditor then complete a partnership and savings strategy agreement. FirstEnergy PA Supplemental Information at 13.

*Identify the number of virtual, in person, and Be Utility Wise events that FirstEnergy PA EDCs plan to participate in annually for its service territories.*

FirstEnergy PA reports it expects to attend five in-person Be Utility Wise<sup>30</sup> events in Harrisburg, Wilkes-Barre Scranton, Johnstown, Pittsburgh, and Erie. It also intends to participate in various senior fairs and expos but cannot anticipate the number as events vary year to year. FirstEnergy PA Supplemental Information at 11-12.

---

<sup>30</sup> Be Utility Wise is a signature PUC Consumer Education program with the goal to educate those on the front line of health and human services.

## *Comments*

CAUSE-PA supports FirstEnergy PA's proposed CEOP but notes that the plan lacks specific details and clarity and is not different enough from previously submitted information. It recommends the Commission direct FirstEnergy PA to work with its USAC to formulate detailed plans to conduct education, outreach, and training regarding the transition to the new PCAP PIP model. Furthermore, CAUSE-PA recommends including data collection in this process so outreach participation, effectiveness, and engagement can be quantified. CAUSE-PA Comments at 44-45.

CAUSE-PA states that several aspects of the CEOP's outreach remain uncertain and should be clarified. It suggests adding the following information to FirstEnergy PA's CEOP: (1) the number of trainings offered and the groups targeted regarding PCAP PIP transition; (2) training materials included for these purposes; (3) training materials provided to WARM contractors for their training; (4) Materials offered in languages other than English and Spanish; and (5) identification of any quantifiable measurements to track and assess the effectiveness of CEOP initiatives. CAUSE-PA Comments at 45.

OCA states that FirstEnergy PA should involve its USAC in the development of the CEOP to provide suggestions, additions, and changes to the plan as necessary. It further states that FirstEnergy PA should provide regular updates to its USAC in-between USECP proceedings and seek feedback and implement continuing improvements to its CEOP as issues present themselves. OCA recommends that FirstEnergy PA utilize technological methods to identify and enroll confirmed low-income customers into PCAP and improve their retention rate through improvements to its recertification methodology. OCA Comments at 35.

OCA notes that FirstEnergy PA's PCAP enrollment issues, such as program enrollment, retention, and recertification, are not unique to its EDCs and are systemic

issues that exist with other health and human service programs as well. OCA recommends that FirstEnergy PA make a concerted effort to incorporate technology to address the issues they face with respect to identifying its low-income customers, enrolling those low-income customers in PCAP, and maintaining that enrollment. As such, OCA suggests that FirstEnergy PA incorporate technology to target and address any underlying issues with identifying low-income customers and enrolling them in PCAP. OCA Comments at 36-37.

*Resolution:* While noting some concerns and areas for follow-up, the Commission accepts FirstEnergy PA's CEOP as a starting point. Accordingly, FirstEnergy PA's proposed CEOP is approved. FirstEnergy PA is directed to note in its Revised 2024 USECP that the CEOP is an evolving process and will be modified and enhanced as needed throughout the duration of the 2024 USECP. Also, beginning in 2024 and for the duration of its 2024 USECP, FirstEnergy PA shall file and serve, by March 1 at these dockets, annual updates to its CEOP which include outreach and education actions taken.

As part of the process of enhancing its CEOP, we direct FirstEnergy PA to work with its USAC, including the Commission's Office of Communications, to develop ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs. Specifically, as part of the first annual filing, we direct FirstEnergy PA to:

- Create new and improved educational training webinars and workshops using a virtual or hybrid approach to keep community partners and interested stakeholders informed and updated about FirstEnergy PA's universal service programs.
- Enhance FirstEnergy PA's outreach efforts for households with incomes at or below 50% of the FPIG.

- Provide educational tools and materials to inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- Share FirstEnergy PA's tools, outline approaches, and activities for the energy burden education components in future CEOPs and include the PUC educators as needed.
- Explore whether and how the components of its CEOP are provided to each county within the EDC's service territories and the use of CBOs in communities throughout the service territories.
- Explore new techniques, activities, strategies, and other unique consumer education initiatives to enrich its CEOP.
- Explain FirstEnergy PA's process to track and assess the effectiveness of CEOP initiatives.

Consistent with the recommendations of CAUSE-PA, we also direct FirstEnergy PA to work with its USAC to develop a plan on the transition to the new PCAP PIP model that includes detailed plans to conduct education, outreach, and training. Furthermore, FirstEnergy PA is directed to work with its USAC to explore developing written materials in languages other than English and Spanish.

Additionally, FirstEnergy PA is encouraged to participate with the Commission, other state agencies, consumer advocates, and other stakeholders in the Commission's Be Utility Wise (in-person/virtually) conferences and other private/public partnership outreach opportunities annually.

## 2. WARM

FirstEnergy PA's WARM assists low-income customers in conserving energy and reducing energy bills by installing weatherization measures and providing energy education. WARM focuses on high-usage customers who participate in PCAP or LIHEAP but is available to all low-income customers. WARM's primary objectives are to (1) reduce overall energy use, energy bills, and arrearages of eligible low-income customers; (2) improve health, safety, and comfort of residences; and (3) make referrals to other assistance programs. Proposed 2024 USECP at 20.

To be eligible for WARM, FirstEnergy PA requires a household meet all of the following requirements:

- Have income at or below 150% of the FPIG (or between 151%-200% of the FPIG for special needs customers<sup>31</sup>).
- Have electric usage of 6,500 kWh or more annually.
- Agree to share the household electric use information with FirstEnergy PA agencies and contractors, receive an in-home energy evaluation, and work with a trained energy educator to create an energy-savings plan.
- Have not received WARM services over the previous five years.
- Have been a resident at the premise for at least six months of consecutive service.
- If the customer is a renter, the landlord must provide permission for FirstEnergy PA to perform certain WARM measures.

Proposed 2024 USECP at 20-21.

---

<sup>31</sup> FirstEnergy PA's definition of "special needs" includes customers that have an overdue account balance, medical problems, personal crisis situations, or loss of income. Proposed 2024 USECP at 20.

The energy-saving measures undertaken are contingent on a customer's heat type, electric use, testing of appliances, and diagnostic audit results. The energy conservation measures provided by WARM may include, but are not limited to, the following services: blower door testing, caulking, foam insulation and weatherstripping, insulation installation, heat pump repair/replacement, window/central air condition installation, refrigerator/freezer replacement, attic ventilation, furnaces, water heater repair/replacement, lighting measures, and energy education. Proposed 2024 USECP at 22-23.

FirstEnergy PA contracts with a network of agencies and contractors to deliver WARM services. FirstEnergy PA encourages agencies and contractors to use cost-effective custom measures and endeavor to meet relevant payback periods. Agencies and contractors provide one-year warranties on most measures and manufacturers may offer additional warranties. Proposed 2024 USECP at 22, 24.

FirstEnergy PA will continue to direct agencies and contractors to coordinate delivery of WARM benefits with other weatherization programs such as the Department of Community and Economic Development's Weatherization Assistance Program and NGDC LIURPs. Proposed 2024 USECP at 25.

Based on our analysis of FirstEnergy PA's WARM in its Proposed 2024 USECP, we directed FirstEnergy PA in the March 2023 Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects FirstEnergy PA's proposals and supplemental information, our questions, stakeholder comments, and the resolution of those issues.

*a. PCAP Removal: Post-Installation of WARM Measures*

In the Proposed 2024 USECP, FirstEnergy PA states that it may remove participants from PCAP for unreasonable and/or increased consumption post-installation of WARM measures. Proposed 2024 USECP at 14. The Commission directed FirstEnergy PA to clarify what it considers “unreasonable consumption” and identify what consumption threshold would warrant removal from PCAP post-installation of WARM measures. March 2023 Order at 43.

*Comments*

FirstEnergy PA reports that situations involving unreasonable consumption are uncommon and apply to instances of illegal or fraudulent activity. FirstEnergy PA avers that it would also be concerned if a PCAP customer’s usage consumption increased by more than 50%. In these instances, FirstEnergy PA may ask the customer to provide proof of income before their scheduled PCAP recertification period to confirm their income eligibility in such a circumstance. FirstEnergy PA Supplemental Information at 13-14.

CAUSE-PA disputes FirstEnergy PA connecting unreasonable energy usage to fraudulent or illegal activity. It avers that FirstEnergy PA should assist in recognizing the conditions that are producing the usage increase and step in to help improve the condition as the households may be undergoing circumstances that would excuse them from consumption limits or usage may have increased due to improperly installed efficiency measures or inadequate consumer education on how to operate the measures. CAUSE-PA Comments at 52.

CAUSE-PA notes that the Proposed 2024 USECP already identifies illegal or fraudulent activity as a reason for PCAP removal (*i.e.*, theft of service and other actions

determined intentional and fraudulent).<sup>32</sup> CAUSE-PA recommends the Commission require FirstEnergy PA to eliminate removal from PCAP as a consequence for households experiencing increased energy usage. CAUSE-PA Comments at 51-52.

FirstEnergy PA acknowledges that it already has the authority to remove a customer from PCAP based on illegal or fraudulent activity and proposes to eliminate removal from PCAP as a penalty for households experiencing an increase in usage. FirstEnergy PA Reply Comments at 15, Attachment A at 14.

*Resolution:* FirstEnergy PA has addressed our concerns by clarifying that it does not actively remove a customer from PCAP solely for an increase in consumption. Further, we support FirstEnergy PA's proposal to eliminate the provision that removes a customer from PCAP as a penalty for an increase in usage. We also do not find it reasonable that FirstEnergy PA should require PCAP customers to re-verify income eligibility prior to their recertification date based only on an increase in usage. A household's electric usage is not a criterion for PCAP eligibility. An increase in usage after installation of WARM measures should warrant additional follow-up and energy education from WARM. It should not include requiring a household to reverify their income eligibility for PCAP prior to their recertification date, which could result in removal from PCAP if the household fails to respond.

Accordingly, FirstEnergy PA's proposal to remove the provision specifying that a household may be removed from PCAP for "unreasonable and/or increased consumption post-WARM measures installation" is approved. We direct FirstEnergy PA to include this change in its Revised 2024 USECP.

---

<sup>32</sup> CAUSE-PA Comments at 51-52, *citing* the Proposed 2024 USECP at 14-15.

*b. PCAP Requirements: WARM*

In its Proposed 2024 USECP, FirstEnergy PA states that it requires PCAP customers with annual electric usage of 6,500 kWh or more to receive an in-home energy evaluation and work with a trained energy educator to create an energy-savings plan. In a different section of the Proposed 2024 USECP, FirstEnergy PA states that it requires “all” PCAP customers to receive an in-home energy evaluation and work with a trained energy educator to create an energy-savings plan and that failure to do so may result in the customer being removed from PCAP. Proposed 2024 USECP at 20 and 30. The Commission directed FirstEnergy PA to clarify whether all PCAP customers are required to receive an in-home energy evaluation and work with a trained energy educator or only those who have annual electric usage of 6,500 kWh or more. March 2023 Order at 43.

*Comments*

FirstEnergy PA clarifies that only WARM-eligible customers, defined as customers with an annual usage of 6,500 kWh or more, are required to participate in the in-home energy evaluation and working with a trained energy educator. FirstEnergy PA Supplemental Information at 14.

CAUSE-PA supports higher usage customers being prioritized for a WARM energy audit and recognizes that WARM and PCAP work together to reduce long-term arrearages, termination rates, and uncontrollably high usage. CAUSE-PA recommends FirstEnergy PA reduce the usage threshold to 6,000 kWh to expand the number of customers eligible for WARM, including customers with smaller residences. It asserts that smaller homes may have high usage based on square footage and that lowering the usage threshold will allow more of them to qualify for WARM. CAUSE-PA Comments at 53.

OCA requests confirmation that FirstEnergy PA possesses the resources to supply WARM assistance to every interested participant with an annual usage of 6,500 kWh or more. Furthermore, OCA seeks additional information on whether mandated WARM participation is the most cost-effective use of program funding or if it could be better used elsewhere. OCA Comments at 39.

PA CLEEC contends that WARM's annual usage threshold discriminates against low-income customers living in apartments or small homes. It supports establishing a usage threshold that takes into consideration the square footage of the residence. PA CLEEC asserts that a usage threshold based on square footage can take into consideration the impact of heating costs on smaller residences. PA CLEEC Comments at 4.

FirstEnergy PA states that it does not have the resources available to immediately supply WARM services to customers with an annual usage of 6,500 kWh customers in all counties it serves. FirstEnergy PA explains that all eligible customers are screened for weatherization services. Eligible customers with annual usage over 6,500 kWh may be served by WARM and customers with annual usage up to 10,000 kWh may be served by Act 129.<sup>33</sup> FirstEnergy PA reports that these programs work together and that they have not turned away any eligible customer willing to participate. FirstEnergy PA clarifies that it does not have information on the square footage of a residence until the customer receives WARM services. FirstEnergy PA supports CAUSE-PA's recommendation and proposes to lower the minimum WARM usage threshold from 6,500 kWh to 6,000 kWh. FirstEnergy PA Reply Comments at 14-15.

*Resolution:* FirstEnergy PA has addressed our initial question by clarifying that only PCAP customers that meet the WARM's annual usage threshold are required to receive

---

<sup>33</sup> FirstEnergy PA refers to its Act 129 program as "WARM Plus." See 66 Pa.C.S. § 2806.1. Act 129, effective November 14, 2008, expands the Commission's oversight responsibilities and imposes new requirements on EDCs with the overall goal of reducing energy consumption and demand.

an in-home energy evaluation and work with a trained energy educator. Further, we find merit in CAUSE-PA's recommendation for FirstEnergy PA to lower the minimum WARM usage threshold from 6,500 kWh to 6,000 kWh. The Commission has previously approved FirstEnergy PA lowering the minimum WARM usage threshold from 7,200 kWh to 6,500 kWh.<sup>34</sup> As discussed below, FirstEnergy PA also proposes to increase its enrollment goals and associated WARM budgets. FirstEnergy PA maximizes the use of its WARM budget by carrying over unspent WARM funds from one program year to the next.<sup>35</sup> It would appear that the increase in the WARM budgets will accommodate an expansion in the number of eligible customers by lowering the usage threshold. Lowering the minimum WARM usage threshold will help a previously ineligible segment of PCAP customers to reduce their usage and the amount of ratepayer-funded credits applied to their PCAP bills.

Accordingly, we approve FirstEnergy PA's proposal to lower the minimum WARM usage threshold to 6,000 kWh, annually. Further, we direct FirstEnergy PA to clarify in its Revised 2024 USECP that only PCAP customers with annual usage of 6,000 kWh or more are required to participate in the in-home energy evaluation and work with a trained energy educator.

*c. PCAP: Right to Refuse WARM Measures*

Eligible PCAP customers are required to receive a WARM in-home energy evaluation and develop an energy-savings plan with a trained energy educator. Refusal to participate in this process may result in removal from PCAP. FirstEnergy PA allows PCAP customers who participate in the energy evaluation to decline the installation of any recommended WARM measures without risk of program removal. Proposed 2024

---

<sup>34</sup> See *WPP 2011-2014 USECP Order*, Docket No. M-2010-2207924 (order entered on November 13, 2014), at 4-6 and *Met-Ed, Penelec, and Penn Power 2012-2014 USECP Order*, Docket No. M-2011-2231038 (order entered on November 13, 2014), at 4-6.

<sup>35</sup> FirstEnergy PA Proposed 2024 USECP at 28, FN 11.

USECP at 20. The Commission directed FirstEnergy PA to identify how many PCAP customers have declined WARM measures after a mandatory energy evaluation in 2021 and 2022, including the projected average energy savings from those measures. The Commission also directed FirstEnergy PA to provide justification for keeping this opt-out provision. March 2023 Order at 44.

### *Comments*

FirstEnergy PA states that it implemented a tracking system enhancement in mid-2022 that allows contractors to document when customers either refuse measure installations or do not respond to the contractor's request to schedule crew work. FirstEnergy PA confirms that a total of 146 documented occurrences exist during this time period. FirstEnergy PA states that approximately 1,738 WARM jobs were completed in the second half of 2022 where the WARM customer was also a PCAP participant. FirstEnergy PA Supplemental Information at 14.

FirstEnergy PA reports that it is unable to project savings of uninstalled measures. The most recent year of available energy savings data is 2021 where the average WARM participant saved 800 kWh annually through WARM participation. FirstEnergy PA Supplemental Information at 14.

FirstEnergy PA states that it does not offer an opt-out provision but discloses its provision of encouraging WARM participation through its energy audit. This audit presents the opportunity for customer interaction where FirstEnergy PA can perform program benefit education and discuss approaches to further assist the customer. FirstEnergy PA reports that a customer generally commits to audit participation and will permit the job to proceed after learning about the additional benefits. Some of these customers allow the audit but do not respond to requests to schedule the installation of remaining WARM measures. FirstEnergy PA confirms that customers that only receive

the audit still receive energy education and baseload measures such as smart power strips and LED lightbulbs. FirstEnergy PA Supplemental Information at 15.

CAUSE-PA recommends the continuation of allowing PCAP customers to decline WARM measures without being removed from PCAP and avers that a customer's disinterest should not be considered an outright refusal. It asserts that the customers' schedules should be taken into consideration as they are oftentimes inflexible due to low-wage jobs and a lack of opportunities to take time off. It avers that all public utility customers should retain the right to decline specific measures without being punished through PCAP removal. CAUSE-PA Comments at 54-55.

CAUSE-PA supports the continuation of FirstEnergy PA's policy to mandate that PCAP customers receive an energy audit. It asserts that the energy audit policy is encouraging rather than disciplinary and that the low refusal percentage of follow-up measures implies it is accomplishing WARM's goals. CAUSE-PA Comments at 54-55.

OCA requests more information from FirstEnergy PA about whether requiring WARM participation for certain customers is the most efficient use of its WARM funding, or whether those funds could be used more efficiently if participation in WARM was not a requirement. OCA Comments at 39.

FirstEnergy PA states that requiring a PCAP recipient to participate in WARM supports a much higher participation rate. FirstEnergy PA opines that, more often than not, customers do not respond when contractors contact them to schedule an appointment. FirstEnergy PA reports seeing a higher response rate when the customer knows they are required to participate. FirstEnergy PA explains its process that requires contractors to make two phone calls and send two letters to a customer, waiting one week in between each attempt. If the customer does not respond, FirstEnergy PA states that the WARM job is cancelled. FirstEnergy PA Reply Comments at 16.

*Resolution:* The Commission has supported public utilities requiring high-usage CAP customers to participate in LIURPs, including the installation of program measures.<sup>36</sup> LIURPs and CAPs should work in tandem to keep CAP payments more affordable for low-income customers and to reduce universal service program costs recovered from rate payers. Therefore, we support FirstEnergy PA’s policy of requiring high-usage PCAP customers to participate in WARM. However, we do not agree with FirstEnergy PA’s policy of allowing PCAP customers to decline the installation of WARM measures without a valid reason for the refusal. The energy evaluation may only determine the scope of the WARM measures needed to increase energy efficiency. Without the installation of those measures, the PCAP households may continue to experience high electric usage.

Universal service programs must be operated in a cost-effective manner. 66 Pa.C.S. § 2804(9). We conclude that is not an appropriate use of ratepayer funds to subsidize PCAP bills for households experiencing high usage who decline the installation of WARM measures without justification. We are also concerned that the fixed PIP bill and increased PCAP subsidy limits may further disincentivize high usage PCAP customers from agreeing to the installation of WARM measures.

As a general guideline, customers who submit to an energy evaluation should be required to receive the determined measures within a reasonable time, taking into consideration a customer’s schedule. We find that FirstEnergy PA is doing its due diligence to schedule the installation of WARM measures by requiring its contractors to make at least two phone calls and send two letters before canceling a WARM job. If the customer has not responded to the contractor’s attempts, we find it reasonable and

---

<sup>36</sup> For example, see *Columbia Gas 2019-2023 USECP*, Docket No. M-2018-2645401 (filed on November 25, 2019), at 25; *PECO 2019-2024 USECP*, Docket No. M-2018-3005795 (filed on October 30, 2023), at 14; and *UGI 2020-2025 USECP*, Docket No. M-2019-3014966 (filed on December 28, 2022), at 21.

justified for FirstEnergy PA to remove the customer from PCAP until those WARM measures are installed at the residence. This requirement should be waived only if FirstEnergy PA determines there is a valid reason why the measures cannot be installed (*i.e.*, situations outside of the customer's control, such as an inflexible schedule). Failure to respond to WARM scheduling contacts or refusal to allow the installation of WARM measures are not valid reasons to waive this requirement.

Accordingly, FirstEnergy PA is directed to require high-usage PCAP participants to participate in WARM, including the installation of WARM measures identified in the energy evaluation, unless FirstEnergy PA determines the household has valid reason for a waiver of this requirement. We direct FirstEnergy PA to include this provision in its Revised 2024 USECP and clarify that contractors will make at least two phone calls and send two letters to a customer, waiting one week in between each attempt before canceling a WARM job after which FirstEnergy PA shall pursue removal of the customer from PCAP.

#### *d. Landlord and Customer Consent*

In its Proposed 2024 USECP, FirstEnergy PA states that both homeowners and renters qualify for WARM; however, renters must obtain landlord approval for certain WARM measures, such as air sealing and insulation, to be installed. Proposed 2024 USECP at 21 and 23.

The Commission directed FirstEnergy PA to clarify the method by which it obtains and documents landlord approval to perform WARM measures and customer consent to share electric information with agencies/contractors. Furthermore, FirstEnergy PA was directed to provide a copy of the landlord consent form and the tenant consent form if consents are obtained in writing. If consents are not obtained in writing, FirstEnergy PA was directed to describe how consents are obtained and

documented. FirstEnergy PA was also directed to provide a copy of the auditor-customer partnership and savings strategy agreement form. March 2023 Order at 44-45.

### *Comments*

In response to the March 2023 Order, FirstEnergy PA provided a copy of both the landlord consent form (*i.e.*, WARM Program Agreement)<sup>37</sup> and the tenant consent form (*i.e.*, WARM Program Application).<sup>38</sup> FirstEnergy PA also provided a copy of its auditor-customer partnership (*i.e.*, Our Energy Conservation Partnership Agreement)<sup>39</sup> and savings strategy agreement (*i.e.*, Our Energy Savings Strategy, FirstEnergy PA Supplemental Information, Attachment G) forms for review.

FirstEnergy PA clarifies that a landlord agreement form must be completed before a tenant is considered qualified for the program. Once the landlord completes the form, the tenant's application can be assigned to a WARM agency or contractor and the form is attached to the job upon assignment. FirstEnergy PA Supplemental Information at 15.

FirstEnergy PA states that a DEF representative acquires a customer's verbal agreement to share their information with WARM agencies/contractors when they call to apply for PCAP and WARM. The representative obtains the verbal agreement from the customer after reading the terms and conditions, which contains permission to share their information. FirstEnergy PA records all customer calls, and consent is documented in the application system. Further, the bottom of the WARM paper application contains the terms and conditions and requires the customer's agreement via signature. This paper application can be submitted through FirstEnergy PA's website, via email, or mail. FirstEnergy PA Supplemental Information at 16.

---

<sup>37</sup> FirstEnergy PA Supplemental Information, Attachment D.

<sup>38</sup> FirstEnergy PA Supplemental Information, Attachment E.

<sup>39</sup> FirstEnergy PA Supplemental Information, Attachment F.

CAUSE-PA echoes the Commission’s concern that the landlord consent form does not contain language requiring the landlord to agree to not increase rent or evict a tenant following WARM participation unless the rent increase or eviction is unrelated to the installation of WARM measures. It asserts that this language should be included on the consent form as it is a vital tenant protection that helps continue the availability of low-income energy efficient housing. CAUSE-PA Comments at 56. Furthermore, CAUSE-PA states that FirstEnergy PA’s process for determining WARM eligibility for tenants and the structure of the landlord consent form conflicts with how WARM eligibility is described in its Proposed 2024 USECP:

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.

CAUSE-PA Comments at 57, *citing* the Proposed 2024 USECP at 21.

CAUSE-PA recommends that the Commission direct FirstEnergy PA to correct these policy conflicts by amending these forms consistent with its Proposed 2024 USECP and the regulatory requirements in 52 Pa. Code § 58.8(a) (relating to tenant eligibility). CAUSE-PA Comments at 58.

CAUSE-PA also states that it has several concerns regarding the extent of consent obtained by FirstEnergy PA in regard to a customer’s verbal consent for data release. It explains that (1) the consent language includes no restrictions on the methods in which a third party can use the data and that there is nothing that stops a WARM provider from selling the data or using it for marketing purposes; (2) the consent language does not specify what household records are included in the disclosure and CAUSE-PA is

concerned that unnecessary, unrelated, and sensitive records could be given out to WARM service providers; and (3) the consent language requires customers to permit the use of photos or home descriptions for any purpose which could cause the customer embarrassment if any photos were included in marketing materials. CAUSE-PA Comments at 59.

CAUSE-PA recommends that the Commission direct FirstEnergy PA to work with its USAC to create revised customer consent language that forbids the sale or disclosure of customer information to any third parties for purposes other than WARM services, specify which household records are subject to release, and eliminate the provision that permits FirstEnergy PA to use photos or home descriptions for any purpose. CAUSE-PA Comments at 59.

OCA recommends that FirstEnergy PA offer other mediums for landlords to approve the installation of WARM measures to make it easier for tenants to participate, such as by text, email, or e-signature. OCA Comments at 40.

FirstEnergy PA clarifies that customers who rent and who do not return a signed landlord agreement form are still eligible to receive baseload measures. FirstEnergy PA asserts that full measures can only be installed if an eligible renter returns a signed landlord agreement form. In response to OCA's comments regarding offering electronic options to obtain landlord approval (*i.e.*, by text, email, or e-signature), FirstEnergy PA states that it has not explored those options but will consider them in the future. FirstEnergy PA Reply Comments at 16.

*Resolution:* FirstEnergy PA has addressed our initial questions by clarifying that written consent is required from landlords to install WARM measures and providing a copy of its landlord agreement form, customer consent form and auditor-customer partnership. FirstEnergy PA has also clarified that it accepts verbal consent from customers to apply

for WARM. We agree with CAUSE-PA that FirstEnergy PA’s landlord agreement form should include the customer protection provisions at 52 Pa. Code § 58.8(a).<sup>40</sup> We also agree with CAUSE-PA that FirstEnergy PA’s landlord agreement form suggests that tenants are ineligible to receive baseload measures without landlord consent, which is not consistent with the Proposed 2024 USECP. While the LIURP regulations in 52 Pa. Code §§ 58.1—58.18 do not expressly require a public utility to provide a copy of the signed landlord agreement form to the landlord and tenant, we have directed public utilities to do so in previous USECP proceedings.<sup>41</sup>

We are not opposed to FirstEnergy PA obtaining verbal consent from a customer to apply for WARM on a recorded line if the customer agrees to the recording, the consent is documented, and written confirmation of the verbal consent, including the terms and conditions, is provided to the customer.

We also share the concerns raised by CAUSE-PA that FirstEnergy PA’s customer consent language does not have sufficient protections on the use of their information. We agree that FirstEnergy PA should work with its USAC to refine the terms and conditions of the customer consent language in the WARM Program Application.

Accordingly, we direct FirstEnergy PA to:

---

<sup>40</sup> 52 Pa. Code § 58.8(a): Program measures.

An eligible customer who is a tenant shall have an equal opportunity to secure program services if the landlord has granted written permission to the tenant for the installation of program measures, and the landlord agrees, in writing, that rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures, and the tenant not evicted for a stated period of time at least 12 months after the installation of the program measures, if the tenant complies with ongoing obligations and responsibilities owed the landlord.

<sup>41</sup> See, e.g., *PPL 2023 USECP Order*, Docket No. M-2022-3031727 (order entered on February 9, 2023) at 81-84; and *PECO 2019 USECP Order*, Docket No. M-2018-3005795 (order entered on June 16, 2022) at 80-82.

- Revise the landlord agreement form to include language consistent with the provisions of Section 58.8(a) of the regulations and clarify that tenants are eligible to receive baseload measures without landlord consent. FirstEnergy PA is directed to file and serve a copy of the revised landlord agreement form at these dockets within three months from the entry date of this Order.
- Provide copies of the signed landlord agreement form to both the landlord and the tenant and include this procedure in the Revised 2024 USECP.
- Include the process for obtaining a customer’s verbal consent to apply for WARM, including providing written confirmation of this consent to the customer, in its Revised 2024 USECP.

Additionally, FirstEnergy PA is directed to consult with its USAC to refine the terms and conditions of the customer consent language in its WARM Program Application. At a minimum, FirstEnergy PA shall consult with its USAC on the following provisions of the customer consent language: (1) sharing customer information with any third party for purposes other than WARM services; (2) identifying household records subject to release; and (3) use of a description or pictures related to the work performed in the customer’s home. FirstEnergy PA shall file and serve a copy of the amended WARM Program Application at these dockets within six months of the entry date of this Order.

*e. Re-Weatherization Eligibility*

In its Proposed 2024 USECP, FirstEnergy PA states that homes previously served by the WARM program may receive WARM services again after five years if the home continues to have “significant” electric use or at FirstEnergy PA’s discretion. Proposed 2024 USECP at 21, 32.

The Commission directed FirstEnergy PA to clarify what increase in electric usage or other circumstances would qualify a residence for re-weatherization after five years. Furthermore, FirstEnergy PA was also directed to identify if it allows for any exceptions to its current five-year limit between WARM services on a premises. March 2023 Order at 46.

### *Comments*

FirstEnergy PA clarifies that if a residence that previously received WARM services has annual electric usage at or above 6,500 kWh after five years, it will qualify for re-weatherization. FirstEnergy PA reports that it allows exceptions to its five-year limit between WARM services on a case-by-case basis. It considers factors such as whether full-cost measures were installed the previous time the residence was served and whether there was a health and safety problem that was required to be corrected for the job to be completed that has since been addressed. FirstEnergy PA Supplemental Information at 16.

CAUSE-PA supports FirstEnergy PA's re-weatherization policy but contends that FirstEnergy PA should clearly identify these situations in its USECP as exceptions and not considerations. It asserts the exceptions should be consistently applied so comprehensive measures are offered to all eligible low-income customers. CAUSE-PA Comments at 61.

PA CLEEC supports permitting time-limit exceptions for home re-weatherization as it avers that time limits can be a barrier when energy usage and other factors suggest that further weatherization for the household is needed. PA CLEEC asserts that a five-year time limit between program measure implementation can be harmful to clients with obvious needs. It supports establishing a circumstance determination process where timeframes can be reduced. PA CLEEC Comments at 3.

FirstEnergy PA agrees with CAUSE-PA's recommendation and proposes to clarify the exceptions for re-weatherizing a home before the five-year limit in the Proposed 2024 USECP. FirstEnergy PA Reply Comments at 16; Attachment A at 63.

*Resolution:* FirstEnergy PA has addressed our questions by clarifying that a customer who has previously received WARM must continue to meet the WARM usage threshold to qualify for additional WARM services after five years and that a customer can receive WARM services again in less than five years if they meet exceptions (*i.e.*, if full cost measures were not previously installed at the property or if a previous health and safety issue has been resolved). Accordingly, we approve FirstEnergy PA's proposal to clarify the exceptions for re-weatherizing a home before the five-year time limit, as proposed in its Amended Proposed 2024 USECP.<sup>42</sup> We direct FirstEnergy PA to include this clarification in its Revised 2024 USECP. We also direct FirstEnergy PA to clarify that a residence that previously received WARM services can receive WARM services again after five years if annual electric usage meets or exceeds 6,000 kWh in its Revised 2024 USECP.

*f. Seasonal Allowances*

In the Proposed 2024 USECP, FirstEnergy PA states that contractors and agencies use a cost-effective budget calculation, called seasonal allowance, that assists in the selection of WARM measures designed to reduce electric heating and cooling for each residence based on past electric consumption with consideration given to the regulatory seven-to-twelve-year payback requirement. If the weatherization needs of the residence are greater than the calculated budget during the audit, the contractor or agency will confer with the FirstEnergy PA program manager on work that may be performed beyond

---

<sup>42</sup> See FirstEnergy PA Reply Comments, Attachment A at 63.

the budget. FirstEnergy PA further states that contractors may spend up to 50% of the seasonal allowance budget to install health and safety measures; this allowance for health and safety measures is in addition to the seasonal allowance budget for weatherization measures. Contractors may reach out to the FirstEnergy PA program manager when additional health and safety funds are needed to fully address barriers to the installation of energy reduction measures. Proposed 2024 USECP at 22 and 26.

Based on the description of how the seasonal allowance applies to the health and safety budget, it was unclear whether a household with a seasonal allowance budget of \$3,000 for weatherization measures would allow a contractor to spend up to 50% more (\$1,500) to install health and safety measures, which would bring the maximum potential WARM spending for that household to \$4,500. The Commission directed FirstEnergy PA to identify whether the WARM budget scenario described above is accurate or to provide corrections. FirstEnergy PA was also directed to explain if it has a process for disqualifying/deferring homes for WARM services. If so, FirstEnergy PA was directed to identify for each EDC: (1) how customers are notified of the reasons for disqualification; (2) the number of deferrals per year for the last three years, including the reasons for disqualification; (3) what agency/program the customers were deferred to, if appropriate; and (4) how long it maintains the list of deferrals. The Commission also directed FirstEnergy PA to explain its parameters and allowance threshold for performing incidental repairs. March 2023 Order at 47-48.

### *Comments*

FirstEnergy PA confirms that the Commission-supplied health and safety budget scenario, as described above, is correct; a household with a seasonal allowance budget of \$3,000 for weatherization measures would allow a contractor to spend up to 50% more (\$1,500) to install health and safety measures, which would bring the maximum potential

WARM spending for that household to \$4,500. FirstEnergy PA Supplemental Information at 17.

FirstEnergy PA states that it encourages contractors and agencies to use the per-job health and safety budget to address job completion barriers. FirstEnergy PA recognizes that there are some health and safety issues in a residence beyond the scope of WARM's services or budget to resolve. FirstEnergy PA Supplemental Information at 17.

FirstEnergy PA describes the process for disqualifying and/or deferring homes for health and safety reasons as follows:

1. FirstEnergy PA notifies customers of the reasons for disqualification. Customers receive a health and safety form explaining what issues they must address before WARM work can be completed. They must sign the health and safety form acknowledging what issues must be corrected. The WARM job remains on hold for six months and is then closed if the health and safety issue remains unresolved.
2. FirstEnergy PA states that it has been tracking disqualified or deferred jobs using specific codes for different deferral reasons since mid-2022. Contractors were formally trained in November 2022 on the new coding functionality. As reflected in Table 12, below, FirstEnergy PA provided deferral data for the second half of 2022, which indicate that reasons for deferral vary across service territories.

**Table 12. FirstEnergy PA EDC Deferrals in Second Half of 2022**

<b>FirstEnergy PA EDC</b>	<b>Customers Deferred</b>	<b>Top Five Reasons for Deferral</b>
<b>Met-Ed</b>	106	1. Active Roof Leaks 2. Mold 3. Non-working Combustion Appliance 4. Moisture 5. Hoarding
<b>Penelec</b>	145	1. Active Roof Leaks 2. Moisture 3. Electrical Issues (Knob & Tube) 4. Mold 5. Non-working Combustion Appliance
<b>Penn Power</b>	51	1. Gas Leak 2. Electrical Issues (Knob & Tube) 3. Moisture 4. Non-working Combustion Appliance 5. Active Roof Leaks
<b>WPP</b>	29	1. Non-working Combustion Appliance 2. Active Roof Leaks 3. Mold 4. Hoarding 5. Interior Pollutant

*Source:* FirstEnergy PA Supplemental Information at 18-19.

3. FirstEnergy PA states that it refers customers to other programs that can assist them in addressing the reason for the deferral. FirstEnergy PA explains that the programs that customers have been referred to include LIHEAP Crisis, NGDC LIURPs, the Department of Community and Economic Development Whole Home Repair program, and other rehabilitation grant programs.

4. FirstEnergy PA states that jobs coded as deferred remain that way indefinitely in its tracking system until they are coded as resolved, when applicable.

FirstEnergy PA Supplemental Information at 17-19.

FirstEnergy PA provided a copy of the health and safety form (*i.e.*, Health and Safety Condition Findings).<sup>43</sup>

FirstEnergy PA explains that contractors can also use the health and safety allowance to address incidental repairs and remediate difficulties to accomplish weatherization measures. FirstEnergy PA Supplemental Information at 20.

CAUSE-PA questions whether FirstEnergy PA applies this policy evenly. It notes that FirstEnergy PA did not explain the parameters and the allowance threshold for performing incidental repairs. CAUSE-PA asserts it is essential to understand these parameters to ensure the integrity of program structure and implementation practices. CAUSE-PA supports the seasonal allowance and correlated health and safety allowance but recommends FirstEnergy PA clarify the parameters for incidental repairs and state if an allowance threshold exists for addressing incidental repairs. CAUSE-PA Comments at 62-63.

CAUSE-PA also recommends that FirstEnergy PA track the success of the health and safety referrals to better understand if issues are addressed within a reasonable timeframe to permit weatherization and efficiency remediation in homes. Further, it recommends that FirstEnergy PA collaborate with its USAC to review program data to determine if the current health and safety policies are satisfactorily minimizing its WARM deferrals. CAUSE-PA Comments at 62-63.

FirstEnergy PA states that it is the contractor's job to identify health and safety issues and barriers that prevent the installation of weatherization measures and that incidental repairs are included in the health and safety budget. FirstEnergy PA notes that

---

<sup>43</sup> FirstEnergy PA Supplemental Information, Attachment H.

these situations can vary significantly and that the program allows flexibility, with the main parameter being the available budget. FirstEnergy PA Reply Comments at 16.

*Resolution:* FirstEnergy PA has addressed our initial questions by confirming how seasonal allowances apply to the health and safety budget. Although FirstEnergy PA clarified that it includes incidental repair costs in the health and safety budget, we agree with CAUSE-PA that FirstEnergy PA should explain the parameters or allowance threshold for performing incidental repairs. The Commission has previously requested that public utilities identify their recommended parameters for performing incidental repairs (*i.e.*, repairs that would allow LIURP measures to function properly or more efficiently) and to separately track costs associated with the incidental repairs and the health and safety categories.<sup>44</sup>

We support FirstEnergy PA's process for disqualifying and/or deferring homes for WARM services. Further, we find merit in FirstEnergy PA's process of referring homes with major safety issues to agencies that address such issues and retaining a list of those homes indefinitely in its tracking system. In doing so, it may provide the opportunity for these households to be re-evaluated later if the deferral issue is resolved or if additional program funding becomes available to address the existing deferral issue.

Accordingly, we direct FirstEnergy PA to include its process for disqualifying and/or deferring homes for WARM services in its Revised 2024 USECP. FirstEnergy PA is also directed to work with its USAC to establish parameters and an allowance threshold for performing incidental repairs. FirstEnergy PA shall file and serve an amendment to its 2024 USECP within six months of the entry date of this Order with proposed parameters and an allowance threshold for performing incidental repairs.

---

<sup>44</sup> See *PECO 2016-2018 USECP Order*, Docket No. M-2015-2507139 (order entered on August 11, 2016), at 48-50; *Duquesne 2017-2019 USECP Order*, Docket No. M-2016-2534323 (order entered on March 23, 2017), at 36-38; and *NFG 2022-2026 USECP Order*, Docket No. M-2021-3024935 (order entered on May 3, 2022), at 39-41.

*g. Coordination with Act 129 Multifamily Projects*

FirstEnergy PA's current USECP indicates that WARM coordinates with Act 129 multifamily projects by accepting WARM applications from building residents with incomes between 151% and 200% of the FPIG to ensure they are not excluded from receiving weatherization measures while their building is being served through Act 129. 2019 USECP at 25. The Proposed 2024 USECP would remove this provision. The Commission directed FirstEnergy PA to explain the basis for and anticipated impact of this change and to clarify if it is still accepting WARM applications from customers with incomes between 151% and 200% of the FPIG who live in buildings served by Act 129 multifamily projects. March 2023 Order at 48-49.

*Comments*

FirstEnergy PA reports that it continues to accept WARM applications from customers with incomes between 151% and 200% of FPIG. FirstEnergy PA plans to assess situations on a case-by-case basis for Act 129 multifamily projects. FirstEnergy PA explains that most multifamily jobs are large projects and that annual usage for these customers is typically below 6,500 kWh per household. Instead of making a formal determination of WARM eligibility, FirstEnergy PA proposes to make decisions on a case-by-case basis that will mainly be decided by the size of the project and the number of customers excluded in lieu of a formal process to accept special needs customers. FirstEnergy PA Supplemental Information at 20.

CAUSE-PA supports continued coordination of WARM and Act 129 multifamily projects and opposes removing this USECP provision. CAUSE-PA recommends that the Commission direct FirstEnergy PA to retain this provision in its USECP again since FirstEnergy PA failed to determine any cost savings or expenses from this change.

CAUSE-PA notes the importance of current coordination efforts to continue or be improved in order to maximize program efficiencies. CAUSE-PA Comments at 63-64.

*Resolution:* FirstEnergy PA addressed our questions by clarifying that it continues to accept applications from customers with incomes between 151% and 200% of the FPIG in multifamily buildings and that it evaluates the circumstances for Act 129 multifamily projects on a case-by-case basis. We agree with CAUSE-PA that FirstEnergy PA should restore this provision in its 2024 USECP. Accordingly, FirstEnergy PA is directed to include in its Revised 2024 USECP the provision which clarifies that it accepts WARM applications from customers with incomes between 151% and 200% of the FPIG who live in buildings served by Act 129 multi-family projects.

#### *h. Continuation of Regulatory Waiver*

The Commission previously granted FirstEnergy PA a partial temporary waiver of the Commission's LIURP regulations at 52 Pa. Code § 58.11(a) (relating to energy survey), in FirstEnergy PA's 2015 USECP proceeding.<sup>45</sup> The partial temporary waiver of Section 58.11(a)<sup>46</sup> allowed FirstEnergy PA flexibility to install WARM measures that do not conform to the regulatory payback period of seven or twelve years. The waiver only

---

<sup>45</sup> See *FirstEnergy 2015-2018 USECP Order*, Docket Nos. M-2014-2407728, M-2014-2407729, M-2014-2407730, and M-2014-2407731 (order entered on May 19, 2015), at 45-49. That waiver expired with the end of the 2015 USECP. May 19, 2015 Order at 48.

<sup>46</sup> Section 58.11(a) provides that:

If an applicant is eligible to receive program services, an onsite energy survey shall be performed to determine if the installation of program measures would be appropriate. The installation of a program measure is considered appropriate if it is not already present and performing effectively and when the energy savings derived from the installation will result in a simple payback of 7 years or less. A 12-year simple payback criterion shall be utilized for the installation of side wall insulation, attic insulation, space heating system replacement, water heater replacements and refrigerator replacement when the expected lifetime of the measure exceeds the payback period.

applied to heating jobs that receive comprehensive measures.<sup>47</sup> In the Proposed 2024 USECP, FirstEnergy PA does not request a continuation of the partial waiver of Section 58.11(a) of the regulations for WARM measures.

The Commission directed FirstEnergy PA to clarify if it is still operating under the partial waiver of Section 58.11(a) of the regulations and, if so, whether it proposes to seek a further continuation of this partial waiver. Furthermore, if FirstEnergy PA intended to seek a further continuation of the waiver, it was directed to provide justification for continuing the waiver. If FirstEnergy PA has ceased operating under the waiver, it was directed to indicate when it ceased operations under the waiver. March 2023 Order at 49-50.

### *Comments*

FirstEnergy PA verifies that it continues to operate under the partial waiver of Section 58.11(a) of the regulations, which it proposes to continue through its 2024 USECP. FirstEnergy PA states that its energy conservation service costs have substantially increased. It avers that waiving the seven- and twelve-year payback periods allows the flexibility to address more health and safety barriers and to install more comprehensive measures, which reduces the chances that the residence would need WARM services again in the future when costs have increased. FirstEnergy PA Supplemental Information at 21.

CAUSE-PA supports continuing the partial waiver of Section 58.11(a) of the regulations as it grants FirstEnergy PA the flexibility to address health and safety barriers and permits homes to be more energy efficient. CAUSE-PA Comments at 65.

---

<sup>47</sup> See *FirstEnergy 2015-2018 USECP Order*, Docket Nos. M-2014-2407728, M-2014-2407729, M-2014-2407730, and M-2014-2407731 (order entered on May 19, 2015), at 46.

*Resolution:* FirstEnergy PA has addressed our initial questions by verifying that it continues to operate under the partial temporary waiver of Section 58.11(a) of the regulations and providing a justification for a further continuation of the waiver. In previous USECP proceedings, we have granted public utilities flexibility when applying the seven- or twelve-year payback periods for individual LIURP measures to evaluate the cost-effectiveness of the entire LIURP job.<sup>48</sup> This approach follows the national best practice trends for whole house treatment and minimizes intrusions on customers by efficiently treating as much of their home as possible at one time. Therefore, we approve FirstEnergy PA's request to continue its partial temporary waiver of Section 58.11(a), 52 Pa. Code § 58.11(a) to allow it the flexibility to install more comprehensive measures. This waiver does not excuse FirstEnergy PA from complying with the rest of its obligations under Section 58.11, 52 Pa. Code § 58.11.

Accordingly, we grant FirstEnergy PA's request for a continuing temporary waiver of Section 58.11(a), 52 Pa. Code § 58.11(a). This temporary waiver will extend for the duration of the 2024 USECP unless terminated by Commission order after notice and opportunity for hearing. We direct FirstEnergy PA to update its Revised 2024 USECP to reflect the continuation of the temporary waiver of 52 Pa. Code § 58.11(a). If FirstEnergy PA proposes to continue the partial and temporary waiver beyond the duration of its 2024 USECP, it will need to file and serve the requisite justification for continuation as part of its next USECP filing.

*i. WARM Measures – Ductless Heat Pump*

In the Proposed 2024 USECP, FirstEnergy PA states that energy conservation measures provided by WARM may include, but are not limited to, the following services: blower door testing, caulking, foam insulation and weatherstripping, insulation

---

<sup>48</sup> See *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 73-76.

installation, heat pump repair/replacement, window/central air condition installation, refrigerator/freezer replacement, attic ventilation, furnaces, water heater repair/replacement, lighting measures, and energy education. Proposed 2024 USECP at 22-23. This issue was not addressed in the March 2023 Order.

PA CLEEC asserts that FirstEnergy PA should revise and modernize the list of eligible WARM measures to account for updated, more efficient heating units and additional products for WARM project installation, including adding ductless heat pumps to the energy conservation measures list as they are more efficient than older technology. PA CLEEC asserts that the list of WARM measures must be explicit so there is no question over whether these measures qualify. PA CLEEC Comments at 2-3.

FirstEnergy PA explains that while it does not specifically list ductless heat pumps in the Proposed 2024 USECP, it is a standard WARM measure. FirstEnergy PA states that the list of WARM measures identified in the Proposed 2024 USECP is not an exhaustive list of WARM measures and proposes to add ductless heat pumps to the list of WARM measures in its Amended Proposed 2024 USECP. FirstEnergy PA Reply Comments at 14; Attachment A at 65.

*Resolution:* Consistent with PA CLEEC's recommendation, FirstEnergy PA has clarified that ductless heat pumps are currently available through WARM and proposes to include it on the list of standard WARM measures in its 2024 USECP. We find this proposed clarification of available WARM measures reasonable and in the public interest. Further, to avoid similar confusion in the future, FirstEnergy PA is directed to include all of its standard WARM measures in its 2024 USECP. Accordingly, FirstEnergy PA shall include this clarification in its Revised 2024 USECP.

*j. Coordination – Minimum Usage Requirement*

In the Proposed 2024 USECP, FirstEnergy PA waives its minimum annual usage requirement for WARM jobs coordinated with the PA Weatherization Assistance Program (WAP) and NGDC LIURPs. Proposed 2024 USECP at 21. This issue was not addressed in the March 2023 Order.

*Comments*

CAUSE-PA supports FirstEnergy PA’s policy to waive the minimum usage requirement for WARM jobs coordinated with WAP and NGDCs. CAUSE-PA recommends that the Commission direct FirstEnergy PA to amend its Proposed 2024 USECP to waive the minimum usage requirement when coordinating WARM with other NGDCs, state, and federal weatherization and energy efficiency programs. CAUSE-PA Comments at 70.

FirstEnergy PA proposes to amend its 2024 USECP to incorporate additional language that waives the minimum annual usage requirement on all coordinated jobs. FirstEnergy PA Reply Comments, Attachment A at 67.

*Resolution:* We agree with CAUSE-PA and support FirstEnergy PA’s proposal to clarify that it waives the minimum annual usage requirement on all coordinated WARM jobs. Accordingly, we direct FirstEnergy PA to include this clarification in its Revised 2024 USECP.

**3. CARES**

The CARES program helps payment-troubled residential customers experiencing a recent hardship to obtain necessary social service support and assistance. CARES

representatives refer eligible customers to social service agencies and other FirstEnergy PA or external programs. Recent hardships that may qualify a customer for CARES services include serious illness or injury to a household member, loss of income, or need for special assistance for a household member. Proposed 2024 USECP at 5. The Commission did not require clarifications or propose any changes to this aspect of the Proposed 2024 USECP.

*Resolution:* FirstEnergy PA's CARES program appears to provide the outreach and casework approach necessary to help customers secure energy assistance funds and other needed services as described in 52 Pa Code § 54.72. Accordingly, the Commission approves FirstEnergy PA's CARES program as proposed without modification.

#### **4. Hardship Fund**

FirstEnergy PA's Hardship Fund program provides residential customers with temporary financial help in paying their electric bills. An eligible customer may receive one Hardship Fund grant up to a maximum of \$500 per program year. FirstEnergy PA shareholders, employees, and customers are the primary contributors to the fund. DEF is the administrator of FirstEnergy PA's Hardship Fund program. Proposed 2024 USECP at 6.

Grants are only available to eligible customers with electric service terminated or pending termination from October 1 through February 28 each year. All non-PCAP eligible customers and PCAP customers with a termination notice can apply for a Hardship Fund grant from March 1 through September 30. PCAP customers who are not in termination status are not eligible for Hardship Fund grants. Proposed 2024 USECP at 6.

To be eligible, a customer must meet all of the following criteria:

- Have a residential heating account and reside at the premises.
- Total gross household income must be at or below 250% of the FPIG. Exceptions will be made based on circumstances.
- Must have paid a minimum of \$150 on electric account within the past 90 days (minimum of \$100 if age 62 and over).
- Must have an account balance of \$100 or more (account balance of \$0 if age 62 and over, but not a credit balance).
- Must provide income verification.
- Must have first applied for a LIHEAP grant, if available, and participate in PCAP, if eligible.
- The grant amount must be sufficient to end termination or restore service. The grant may be combined with other funding sources.

Proposed 2024 USECP at 6-7.

As previously discussed in the History section of this Order, the October 2023 Recommended Decision recommended approval of the August 2023 Joint Petition. The October 2023 Recommended Decision was approved on December 7, 2023, which included an approved provision regarding FirstEnergy PA's Hardship Fund. The provision is summarized below:

- Making contributions of \$150,000 annually to FirstEnergy PA's Hardship Fund, incremental to the current matching contribution, for a period of three years after Commission approval of the transaction; and contributions of \$100,000 annually to the Hardship Fund, incremental to the current matching contribution, for the following two years. Any unspent funding from the annual contributions will be

rolled over to be used for Hardship funding for the subsequent program year.  
August 2023 Joint Petition at 13, ¶46.

*a. Exceptions to Hardship Fund Guidelines*

FirstEnergy PA stated that exceptions to the hardship fund eligibility guidelines will be made on a case-by-case basis, including exceptions to the income limits for the program. Proposed 2024 USECP at 6-7.

The Commission directed FirstEnergy PA to outline the circumstances under which a customer could qualify for exceptions to its Hardship Fund eligibility guidelines. March 2023 Order at 52.

*Comments*

FirstEnergy PA reports that DEF considers exceptions to the maximum income and the sincere effort of payment requirements. The circumstances under which a customer could qualify for exceptions to its Hardship Fund eligibility guidelines include, but are not limited to, the following circumstances: 1) high out-of-pocket medical expenses; 2) head of household had to quit work to care for a sick family member; or 3) fire, flood, or other disaster. Documentation of these circumstances may be required upon review. FirstEnergy PA Supplemental Information at 21.

CAUSE-PA supports establishing flexible program policies to offer grant assistance to customers undergoing acute financial difficulty. It highlights the importance of clear program parameters to prevent program bias against participants. However, CAUSE-PA questions how program exceptions are applied. It suggests that FirstEnergy PA create a quarterly report of the issued exceptions and the reasons the

exceptions were granted to be presented and discussed at its USAC. CAUSE-PA Comments at 71-72.

*Resolution:* FirstEnergy PA has addressed our initial question by clarifying under what circumstances a customer may qualify for exceptions for its Hardship Fund eligibility guidelines. The Commission agrees with CAUSE-PA that FirstEnergy PA should ensure that these exceptions are granted in an equitable manner consistent with FirstEnergy PA's established hardship fund policies. Accordingly, for the duration of its 2024 USECP, we direct FirstEnergy PA to report to its USAC quarterly on the number of eligibility exceptions made to its hardship fund and the reasons these exceptions were granted. FirstEnergy PA is directed to provide and review these reports with its USAC beginning in October 2024. We also direct FirstEnergy PA to include the description of the exceptions to its hardship fund eligibility requirements in its Revised 2024 USECP.

*b. Sincere Effort of Payment*

This issue was not addressed in the March 2023 Order.

CAUSE-PA questions the need for establishing exceptions to the requirement that a customer make a "sincere effort of payment" (*i.e.*, pay at least \$150 on the electric account within the past 90 days; \$100 if age 62 and over) to qualify for a hardship fund. Instead, it recommends the Commission direct FirstEnergy PA to eliminate the payment requirement when determining eligibility for its Hardship Fund. CAUSE-PA Comments at 71.

FirstEnergy PA states that the sincere effort of payment requirement is a positive attribute for donors wanting to help those that are making the effort but struggling. FirstEnergy PA recognizes the current requirement may be in excess of three PCAP bill amounts and are willing to work with DEF to establish a sincere effort of payment that

requires \$150 (or \$100 if 62 or older), but not to exceed three PCAP bill amounts. FirstEnergy PA Reply Comments at 17.

*Resolution:* Costs for Hardship Fund programs, unlike CAPs and LIURPs, are generally not recovered from other ratepayers. Hardship Fund budgets are limited by the amount of voluntary donations and public utility contributions received each year. Therefore, it is reasonable that public utilities establish eligibility restrictions for this program to ensure grants remain available to customers in need throughout each program year. FirstEnergy PA’s requirement that customers must, *inter alia*, show a sincere effort to pay is consistent with the eligibility requirements of other public utility Hardship Fund programs.<sup>49</sup> While we are not persuaded to eliminate the payment requirement for FirstEnergy PA’s Hardship Fund program, we do find merit in FirstEnergy PA’s proposal to modify this requirement to include PCAP customers who paid three bills in the last 90 days. This will allow a PCAP customer who’s last three bills may not equal \$150 during the last 90 days to meet the “sincere effort of payment” requirement. Accordingly, we direct FirstEnergy PA to modify its Hardship Fund “sincere effort of payment” requirement so that it does not exceed three bill amounts for PCAP customers in the past 90 days. FirstEnergy PA shall include this provision in its Revised 2024 USECP.

## **5. Gatekeeper Program**

The Gatekeeper Program is a separate universal service program offered by FirstEnergy PA. The program is described as a service where FirstEnergy PA field personnel identify and report customers who may be in various types of distress. These situations include the following:

---

<sup>49</sup> For example, see *Columbia Gas 2019-2023 USECP*, Docket No. M-2018-2645401 (filed on November 25, 2019), at 20, and *Duquesne Light 2020-2025 USECP*, Docket No. M-2019-3008227 (filed on June 28, 2022), at 27.

- Confusion or disorientation in communicating.
- Expressing difficulty paying bills.
- Living alone or socially isolated.
- Severe physical limitations.
- Home condition reflects neglect or need for repairs.

Proposed 2024 USECP at 9.

Costs from the Gatekeeper program are recovered from residential ratepayers through FirstEnergy PA’s universal service riders.<sup>50</sup> Table 13 reflects the proposed annual budgets for the Gatekeeper program through 2028.

**Table 13. 2024-2028 Projected Gatekeeper Annual Budgets**

<b>Met-Ed</b>	\$2,000
<b>Penelec</b>	\$2,000
<b>Penn Power</b>	\$1,000
<b>WPP</b>	\$2,000

*Source:* Proposed 2024 USECP at 38-39.

The Commission directed FirstEnergy PA to explain what services Gatekeeper provides to distressed customers and to identify the actual number of customers served by the program annually from 2019 through 2022 and to project the estimated number of customers who may be served annually from 2024 through 2028. March 2023 Order at 53.

---

<sup>50</sup> For example, see Met-Ed Tariff Supplement No. 127 at Revised Page 110. <https://www.firstenergycorp.com/content/dam/customer/Customer%20Choice/Files/PA/tariffs/Met-Ed-Tariff-52-Supp-127.pdf>.

## Comments

FirstEnergy PA explains that when field staff come across a distressed customer, they inform the Gatekeeper program support staff. These support staff assess the customer's situation and identify the appropriate resources, which can include energy assistance referrals and billing assistance, as well as contacting local agencies to report the customer's circumstances and request they assess possible assistance for the customer's living conditions, health, and wellness. FirstEnergy PA Supplemental Information at 21-22.

FirstEnergy PA also identified the number of customers served by Gatekeeper from 2019 through 2022 and the estimated number of customers it expects to serve from 2024 through 2028, as reflected in Tables 14 and 15.

**Table 14. 2019-2022 Actual Number of Customers Served by Gatekeeper**

<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Participants</b>	9	2	5	9

Source: FirstEnergy PA Supplemental Information at 22.

**Table 15. 2024-2028 Estimated Number of Customers Served by Gatekeeper**

<b>Year</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Participants</b>	9	9	9	9	9

Source: FirstEnergy PA Supplemental Information at 22.

CAUSE-PA supports FirstEnergy PA's Gatekeeper Program and emphasizes that it stresses the significance of utility field staff personally interacting with customers. CAUSE-PA recognizes the program as a secure foundation to address distressed customers that may need help. It states, however, that several of Gatekeeper's policies require clarification, and would like to know the following:

1. When are observations made by field staff? Are observations and referrals made prior to service termination?
2. If observations are made during personal contact immediately prior to service termination, would a report of a distressed customer stop the termination until the customer's situation is resolved or managed?
3. Who are the Gatekeeper program staff? Does the staff have any specialized training related to low-income populations?
4. Are Gatekeeper program staff trained to discuss universal service programs?
5. Are Gatekeeper program staff required to have any Limited English Proficiency customer language skills?

CAUSE-PA Comments at 77-78.

FirstEnergy PA responds that Gatekeeper referrals are received from its field staff in the course of their collection activities. These referrals stop service disconnections so local authorities or assistance agencies can be contacted. FirstEnergy PA Reply Comments at 17.

FirstEnergy PA states that Gatekeeper staff are analysts from its Human Services team that also manage CARES referrals and assist with PCAP. It reports that its staff have access to interpreter services but have not received specialized training related to low-income and vulnerable populations. FirstEnergy PA Reply Comments at 18.

*Resolution:* FirstEnergy PA has addressed our initial inquiries through further explanation as well as addressed inquiries from CAUSE-PA. Accordingly, the Commission approves FirstEnergy PA's proposed Gatekeeper Program. We direct FirstEnergy PA to work with its USAC on ways to further identify low-income and

vulnerable customers who may need additional assistance or intervention from this program.

### C. Projected Needs Assessment

In compliance with Section 54.74(b)(3), 52 Pa. Code § 54.74(b)(3), the Proposed 2024 USECP includes a needs assessment for FirstEnergy PA’s universal service programs based on 2021 data.

**Table 16. Universal Service Needs Assessment**

	<b>Met-Ed</b>	<b>Penelec</b>	<b>Penn Power</b>	<b>WPP</b>
<b>Total Residential Customers</b>	513,743	501,640	143,672	632,933
<b>Estimated Number of Customers at or below 150% FPIG</b>	109,200	146,334	34,284	150,565
<b>Percent of Residential Customers below 150% FPIG</b>	21.30%	29.20%	23.10%	23.80%
<b>Number of Customers at or below 150% FPIG with arrears</b>	23,475	28,569	6,788	26,406
<b>Number of Customers between 151% and 200% FPIG with arrears</b>	4,159	4,379	1,107	4,530
<b>Number of Customers between 201% and 250% FPIG with arrears</b>	2,409	2,474	594	2,621
<b>Estimated Number of Potential LIURP WARM Participants</b>	35,405	36,205	7,068	66,895

Source: Proposed 2024 USECP at 8, 27, 34-37.

The Commission directed FirstEnergy PA to provide the estimated cost of serving all potentially eligible WARM customers and the total number of customers potentially eligible for WARM broken down by each eligibility factor.<sup>51</sup> March 2023 Order at 54-55.

<sup>51</sup> LIURP regulations at Section 58.4(c)(1)-(4) provide how the steps/factors should be considered. 52 Pa. Code § 58.4(c)(1)-(4).

## *Comments*

In response to the March 2023 Order, FirstEnergy PA provided an updated LIURP Needs Assessment. FirstEnergy PA reports the estimated costs for serving all customers potentially eligible for WARM at or below 150% of FPIG ranging from a low of \$66 million for Penn Power up to \$722 million for WPP. FirstEnergy PA reports the estimated costs for serving customers with incomes between 151% and 200% of FPIG range from a low of \$34 million for Penn Power up to \$305 million for West Penn Power. FirstEnergy PA notes that its originally submitted WARM needs assessment excluded all homes that had previously been a part of WARM and did not estimate how many customers with incomes between 151% and 200% of FPIG might qualify for the program. FirstEnergy PA Supplemental Information at 23.

*Resolution:* FirstEnergy PA has addressed our initial questions regarding the WARM needs assessment by providing the estimated costs to serve all potentially eligible WARM customers and the factors used to calculate the number of customers potentially eligible for WARM. As discussed above, we have approved FirstEnergy PA's proposal to modify its energy usage threshold for WARM from 6,500 kWh to 6,000 kWh annually. Accordingly, we direct FirstEnergy PA to amend the WARM needs assessment to identify the number of customers at or above 6,000 kWh in its Revised 2024 USECP.

### **D. Projected Enrollment Levels**

FirstEnergy PA provided its projected enrollment levels from 2024 through 2028 for its universal service programs, as reflected in Table 17 below.

**Table 17. Projected Enrollment Levels**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Met-Ed</b>					
<b>PCAP</b>	20,520	22,052	23,698	24,053	24,413
<b>WARM</b>	1,000	1,000	1,000	1,000	1,000
<b>CARES</b>	50	50	50	50	50
<b>Hardship Fund</b>	818	818	818	818	818
<b>Penelec</b>					
<b>PCAP</b>	25,170	26,277	27,432	27,843	28,260
<b>WARM</b>	1,735	1,735	1,735	1,735	1,735
<b>CARES</b>	50	50	50	50	50
<b>Hardship Fund</b>	550	550	550	550	550
<b>Penn Power</b>					
<b>PCAP</b>	6,319	6,622	6,939	7,043	7,148
<b>WARM</b>	600	600	600	600	600
<b>CARES</b>	50	50	50	50	50
<b>Hardship Fund</b>	257	257	257	257	257
<b>WPP</b>					
<b>PCAP</b>	21,521	21,736	21,954	22,173	22,395
<b>WARM</b>	970	970	970	970	970
<b>CARES</b>	50	50	50	50	50
<b>Hardship Fund</b>	810	810	810	810	810

Source: Proposed 2024 USECP at 38-39.

FirstEnergy PA reports that it is holding WARM enrollment levels static to allow spending per home to gradually increase for the duration of the 2024 USECP.

FirstEnergy PA also cites difficulties in finding enough eligible customers willing to participate in WARM in certain areas of its service territories, particularly Penn Power. Proposed 2024 USECP at 29. The Commission directed FirstEnergy PA to explain what steps it is taking to increase customer participation in WARM, specifically in Penn Power's service territory. March 2023 Order at 57.

## *Comments*

FirstEnergy PA reports that it is currently updating its outreach materials and developing initiatives to expand awareness and program applications to increase WARM customer participation in 2023. Examples include:

1. Partnering with community organizations by educating them about WARM and providing materials to distribute to community members.
2. Increasing digital communications to reach customers via email and possible text messaging.
3. Advertising WARM in local publications.
4. Conducting outbound call campaigns to promote and explain WARM benefits.
5. Leveraging FirstEnergy PA Call Center staff to incorporate WARM communications into current processes.
6. Creating new social media campaigns on Facebook, Instagram, X (formerly known as Twitter), and TikTok.

FirstEnergy PA states it has amended its 2024-2028 annual enrollment goal for WPP's WARM from 970 to 1,000. FirstEnergy PA Supplemental Information at 23-24, Attachment I at 42.

*Resolution:* FirstEnergy PA has addressed our questions regarding the steps it has planned to increase customer participation in WARM. Accordingly, FirstEnergy PA is directed to include this further information as part of its CEOP in its Revised 2024 USECP. FirstEnergy PA is also directed to reflect the enrollment goal for WPP's WARM is 1,000 customers per year through 2028 in its Revised 2024 USECP.

## E. Program Budgets

### a. WARM Budgets

This issue was not addressed in the March 2023 Order.

#### Comments

FirstEnergy PA states that, based on actual end-of-year 2022 WARM budget data and the first quarter of 2023, it proposes increases for Met-Ed, Penelec, and WPP WARM budgets due to higher prices and higher job costs, as reflected in Table 18. FirstEnergy PA also proposes to increase WARM job goals for WPP from 970 to 1,000. FirstEnergy PA Supplemental Information at 24.

**Table 18. Proposed WARM Budgets & Job Goals**

Year	Met-Ed		Penelec		Penn Power		WPP	
	Budget	Participant Goals	Budget	Participant Goals	Budget	Participant Goals	Budget	Participant Goals
<b>2024</b>	\$6,916,000	1,000	\$7,890,000	1,735	\$3,466,000	600	\$8,578,000	1,000
<b>2025</b>	\$7,315,640	1,000	\$8,345,680	1,735	\$3,535,760	600	\$9,079,560	1,000
<b>2026</b>	\$7,738,952	1,000	\$8,828,346	1,735	\$3,606,635	600	\$9,610,951	1,000
<b>2027</b>	\$8,187,350	1,000	\$9,339,611	1,735	\$3,678,768	600	\$10,173,958	1,000
<b>2028</b>	\$8,662,333	1,000	\$9,881,183	1,735	\$3,752,343	600	\$10,770,473	1,000

Source: FirstEnergy PA Supplemental Information, Attachment A at 29-30.

CAUSE-PA recommends that FirstEnergy PA revise its estimated WARM enrollment goals and budgets. It states that WARM is not properly funded for any of its EDCs and that the projected number of customers served by WARM is insufficient given the identified needs of its service territories. Furthermore, CAUSE-PA points out that, in its Supplemental Information, FirstEnergy PA projects higher job costs for 2022 than the

costs it projected in the Proposed 2024 USECP. CAUSE-PA notes that the reason given for the substantial differences are inflation and its pricing impacts on related products and services. CAUSE-PA asserts that WARM customers should not be penalized for these increases and suggests that the Commission require FirstEnergy PA to revise its enrollment goals using the weighted per job cost from 2022. CAUSE-PA Comments at 65-69, *citing* FirstEnergy PA Supplemental Information at 22.

OCA voices its support for allowing increases in LIURP budgets outside of USECP reviews, citing FirstEnergy PA's statements that energy conservation costs (*i.e.*, higher prices and job costs) have increased significantly over the past years. It avers that automatic LIURP budget increases should be permitted with the expectation that unforeseen occurrences will happen and that public utilities will need to respond to cost increases outside of USECP proceedings. OCA Comments at 41.

PA CLEEC notes that the WARM budgets have not matched inflation and states that they will be deficient with both ongoing inflation and FirstEnergy PA's projected need. PA CLEEC avers that failing to account for inflation is the same as proposing a budget cut to WARM programs. PA CLEEC recommends the WARM budgets be set at an amount that meets at least 5% of the actual need. PA CLEEC Comments at 4-5.

OCA supports CAUSE-PA's recommendation for an increased LIURP budget as it benefits both CAP participants and non-CAP residential ratepayers. Furthermore, OCA supports CAUSE-PA's suggestion to tie FirstEnergy PA's WARM budget directly to its identified service territories' needs. OCA Reply Comments at 8-9.

PA CLEEC asserts that OCA's suggestion to permit public utilities to amend their budgets between USECP filings is a sound approach given growing costs both due to inflation and rate case rulings. PA CLEEC avers that the Commission and FirstEnergy PA can and should address the enduring financial burdens and escalating energy demands

and subsequent costs facing low-income customers during this USECP proceeding instead of waiting until the situation deteriorates further. PA CLEEC Reply Comments at 1-2.

Based on the concerns shared in the initial comments of CAUSE-PA, OCA, and PA CLEEC, FirstEnergy PA proposes to increase the job goals and associated WARM budgets for Met-Ed and West Penn Power territory, as reflected in Table 19.

**Table 19. Proposed Amended WARM Budgets & Job Goals**

Year	Met-Ed		Penelec		Penn Power		WPP	
	Budget	Participant Goals	Budget	Participant Goals	Budget	Participant Goals	Budget	Participant Goals
2024	\$10,408,580	1,505	\$7,890,000	1,735	\$3,466,000	600	\$11,151,400	1,300
2025	\$11,010,038	1,505	\$8,345,680	1,735	\$3,535,760	600	\$11,803,428	1,300
2026	\$11,647,123	1,505	\$8,828,346	1,735	\$3,606,635	600	\$12,494,237	1,300
2027	\$12,321,963	1,505	\$9,339,611	1,735	\$3,678,768	600	\$13,226,146	1,300
2028	\$13,036,810	1,505	\$9,881,183	1,735	\$3,752,343	600	\$14,001,614	1,300

Source: FirstEnergy PA Reply Comments at 13-14, Attachment A at 28-29.

*Resolution:* We have considered the concerns raised by the parties regarding the adequacy of maintaining the current WARM funding levels, in conjunction with the WARM needs assessment, for the duration of the 2024 USECP and support FirstEnergy PA’s proposal to increase the job goals and associated WARM budgets. As discussed above, lowering the minimum WARM usage threshold to 6,000 kWh should expand the number of customers potentially eligible for WARM. Increasing the WARM budgets should help to accommodate an expansion in customers eligible for WARM services that were previously ineligible. We recognize that FirstEnergy PA maximizes the use of its WARM budget but rolls over unspent WARM funds from one program year to the next.<sup>52</sup>

<sup>52</sup> FirstEnergy PA Proposed 2024 USECP at 28, FN 11.

We also recognize that costs associated with WARM jobs may increase significantly between USECP filings, which means that the static WARM budgets may serve fewer households annually. Further, we cannot lose sight of the fact that universal service costs are recovered from ratepayers, and the impact on ratepayer bills must be considered when evaluating potential increases to WARM budgets. Therefore, we find it appropriate for FirstEnergy PA to provide an updated WARM needs assessment in 2026 to determine whether FirstEnergy PA's WARM budgets will appropriately serve its service territories for the duration of the 2024 USECP and evaluate the potential impact of increases on ratepayers.

Accordingly, we direct FirstEnergy PA to amend the WARM budgets and job goals in its Revised 2024 USECP, as reflected in Table 19 above. We also direct FirstEnergy PA to file and serve at these dockets an updated WARM needs assessment on March 2, 2026. FirstEnergy PA shall include the following information in the updated needs assessment:

- The number of customers with incomes at or below 150% of the FPIG and annual usage at or above 6,000 kWh and the amount of funds and years needed to provide WARM services to these customers.
  - Number of these customers that:
    - Received WARM in last five years.
    - Have less than six months of usage history.
    - Have been deferred due to health and safety issues.
    - Are renters.
  
- The number of customers with incomes between 151% and 200% of the FPIG with special needs and annual usage at or above 6,000 kWh and the amount of funds and years needed to provide WARM services to these customers.
  - Number of these customers that:

- Received WARM in last five years.
  - Have less than six months of usage history.
  - Have been deferred due to health and safety issues.
  - Are renters.
- The percentage and number of renters projected to be ineligible due to landlord refusal to participate in WARM.
  - The percentage and number of customers projected to drop out (unwilling to participate), including the factors used to determine the drop-out rate.
  - The percentage and number of customers projected to receive energy conservation services through the Act 129 programs.

*b. Universal Service Budgets*

Table 20 below shows the proposed budget levels for FirstEnergy PA’s universal service components for 2024-2028, including the amended proposed budgets for WARM, and the calculated average monthly spending per non-PCAP residential customer.

**Table 20. Projected Universal Service Budgets 2024-2028**

<b>Universal Service Component</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Met-Ed</b>					
<b>PCAP</b>	\$34,985,207	\$33,547,755	\$34,510,803	\$34,591,681	\$34,923,601
<b>WARM</b>	\$10,408,580	\$11,010,038	\$11,647,123	\$12,321,963	\$13,036,810
<b>CARES</b>	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
<b>Hardship Fund Administration*</b>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
<b>Gatekeeper</b>	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Total</b>	\$45,476,287	\$44,640,293	\$46,240,426	\$46,996,144	\$48,042,911

<b>Average Monthly Cost per Residential Customer<sup>^</sup></b>	\$7.69	\$7.54	\$7.81	\$7.94	\$8.12
<b>Penelec</b>					
<b>PCAP</b>	\$35,211,068	\$32,925,276	\$32,982,005	\$33,031,283	\$33,336,972
<b>WARM</b>	\$7,890,000	\$8,345,680	\$8,828,346	\$9,339,611	\$9,881,183
<b>CARES</b>	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
<b>Hardship Fund Administration*</b>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
<b>Gatekeeper</b>	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Total</b>	\$43,181,568	\$41,351,456	\$41,890,851	\$42,451,394	\$43,298,655
<b>Average Monthly Cost per Residential Customer<sup>^</sup></b>	\$7.63	\$7.31	\$7.40	\$7.50	\$7.65
<b>Penn Power</b>					
<b>PCAP</b>	\$9,443,360	\$8,865,703	\$8,923,483	\$8,941,575	\$9,027,417
<b>WARM</b>	\$3,466,000	\$3,535,760	\$3,606,635	\$3,678,768	\$3,752,343
<b>CARES</b>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Hardship Fund Administration*</b>	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
<b>Gatekeeper</b>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Total</b>	\$12,946,360	\$12,438,463	\$12,567,118	\$12,657,343	\$12,816,760
<b>Average Monthly Cost per Residential Customer<sup>^</sup></b>	\$7.58	\$7.28	\$7.35	\$7.41	\$7.50
<b>WPP</b>					
<b>PCAP</b>	\$33,095,783	\$29,665,334	\$28,686,443	\$28,518,123	\$28,621,974
<b>WARM</b>	\$11,151,400	\$11,803,428	\$12,494,237	\$13,226,146	\$14,001,614
<b>CARES</b>	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
<b>Hardship Fund Administration*</b>	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500
<b>Gatekeeper</b>	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Total</b>	\$44,299,183	\$41,520,762	\$41,232,680	\$41,796,269	\$36,606,245
<b>Average Monthly Cost per Residential Customer<sup>^</sup></b>	\$6.09	\$5.71	\$5.67	\$5.74	\$5.03

Source: PCAP, CARES, Hardship Fund, and Gatekeeper projected budget numbers are from the *Proposed 2024 USECP* at 38-39. WARM projected budget numbers are from the FirstEnergy PA Reply Comments at 13-14, Attachment A at 28-29.

\*Hardship Fund donations and contributions are not recovered in base rates; therefore, only the Hardship Fund Administration costs are included in the Universal Service total costs for the spending per residential customer.

<sup>^</sup>Based on 493,115 non-PCAP residential customers for Met-Ed, 471,432 non-PCAP residential customers for Penelec, 142,413 non-PCAP residential customers for Penn Power, and 606,290 non-PCAP residential customers for WPP as reported by FirstEnergy PA as of December 31, 2022. *2022 Report on Universal Service Programs & Collections Performance* at 7 and 59.

*Resolution:* The question of how the projected PCAP spending for each EDC decreases from 2024 to 2025 has been addressed above in our discussion of FirstEnergy PA’s proposal for a 12-month PPA forgiveness cycle. We have no further questions about FirstEnergy PA’s proposed universal service budgets. However, we recognize that these program budgets will merge once FirstEnergy PA becomes a single rate district and the costs per residential ratepayer will change. Accordingly, FirstEnergy PA is directed to file and serve a proposed amendment to its 2024 USECP reflecting when it merges all rate districts reflecting updated universal service budget amounts and the estimated cost recovered from each non-PCAP customer monthly.

#### **F. Use of Community-Based Organizations (CBOs)**

The Electricity Generation Customer Choice and Competition Act directs the Commission to encourage public utilities to use CBOs to assist in the operation of universal service programs. *See* 66 Pa.C.S. § 2804(9). In accordance with these provisions, the FirstEnergy PA EDCs use CBOs in their service territories for PCAP administration (*i.e.*, applications and recertifications), WARM services, and Hardship Fund application processing. FirstEnergy PA reports the following CBOs currently work with its universal service programs:

- ACTION-Housing Inc.
- Bill Busters Inc.
- Blair County Community Action
- CMC Energy Services
- CLEAResult
- Community Action Committee of the Lehigh Valley
- Community Action Partnership of Mercer County
- Center for Community Action
- Central PA Community Action, Inc.
- C. Driscoll Positive Energy Consulting
- Dollar Energy Fund

- Erie County Housing Authority
- Harron’s Home Center
- Healthy Homes
- Hranec Insulation Corporation
- Mincin Insulation
- MT Weatherization
- Northern Tier Community Action Corporation
- Northwest PA Weatherization
- SEDA-Council of Governments
- Solaire Energy, Inc.
- South Central Community Action Programs
- Tableland Services, Inc.
- TEAZ, Inc.
- True Management, LLC
- Warren Forest Counties Economic Opportunity Council
- Weatherization, Inc.
- York Home Performance

Proposed 2024 USECP at 17, 24, 42.

*Resolution:* Consistent with the March 2023 Order, we are not requiring any changes to this aspect of the Proposed 2024 USECP.

## **G. Organizational Structure**

The Proposed 2024 USECP provided the organizational structure information for each individual program. The Commission summarized the information as reflected in Table 21 and directed FirstEnergy PA to either confirm its accuracy or provide corrections. March 2023 Order at 60-61.

**Table 21. Universal Service Organizational Structure**

Manager – Revenue Operations Strategy	
Administrative Assistant	
Supervisor – Human Services – Universal Service	Supervisor – Human Services – Energy Conservation
7 Business Analysts	9 Business Analysts
2 Customer Accounting Associates	1 Customer Accounting Associates

Source: Proposed 2024 USECP at 5, 7, 9, 19, and 24.

FirstEnergy PA has confirmed the universal service organizational structure depicted in Table 21 is accurate. FirstEnergy PA Supplemental Information at 24.

*Resolution:* As FirstEnergy PA has verified its organizational structure, we are not requiring any changes to this aspect of the Proposed 2024 USECP.

#### **IV. CONCLUSION**

Consistent with the ordering paragraphs below, we shall direct FirstEnergy PA to file a Revised 2024 USECP reflecting the changes directed herein within 30 days of the date of entry of this Order. We invite FirstEnergy PA to submit its Revised 2024 USECP to BCS for a compliance review prior to filing. With these changes, FirstEnergy PA’s 2024 USECP is approved. Changes approved or directed shall take effect, unless otherwise indicated, within six months from the entry date of this Order. The Commission’s approval of the 2024 USECP does not limit the Commission’s authority to order future changes to the 2024 USECP based on changes including evaluation findings, universal service data, or ratemaking considerations.

FirstEnergy PA’s existing 2019 USECP will continue in operation in whole or in part until replacement provisions of the Revised 2024 USECP are implemented. A third-party independent evaluation of FirstEnergy PA’s universal service programs is due on November 1, 2028.

FirstEnergy PA's 2024 USECP shall be in effect until its next USECP is approved and implemented. FirstEnergy PA's next proposed USECP shall be due on or before November 1, 2029, and shall include enrollment and budget projections for five years starting January 1, 2031 (*i.e.*, 2031-2035).

Having addressed FirstEnergy PA's Proposed 2024 USECP and the comments and reply comments in the record, we note that any issue, comment, or reply comment requesting a further deviation from the Proposed 2024 USECP, but which we may not have specifically delineated herein, shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. Pub. Util. Comm'n*, 625 A.2d 741 (Pa. Cmwlt. 1993); *see also*, generally, *U. of PA v. Pa. Pub. Util. Comm'n*, 485 A.2d 1217 (Pa. Cmwlt. 1984); **THEREFORE,**

**IT IS ORDERED:**

1. That FirstEnergy Pennsylvania Electric Company's Universal Service and Energy Conservation Plan for 2024-2028 is approved, subject to the conditions established in this Order, consistent with 66 Pa.C.S. §§ 101—3316, 52 Pa. Code §§ 101—1065.1, and Commission practice.

2. That FirstEnergy Pennsylvania Electric Company shall file a Revised 2024-2028 Universal Service and Energy Conservation Plan conforming to the conditions established in this Order within thirty (30) days of the entry date of this Order.

3. That the Revised 2024-2028 Universal Service and Energy Conservation Plan shall be filed in both clean and redline copies and served on the parties to this docket.

4. That the Revised 2024-2028 Universal Service and Energy Conservation Plan shall be provided electronically in Word®-compatible format to Jennifer Johnson, Bureau of Consumer Services, [jennifjohn@pa.gov](mailto:jennifjohn@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); and Stephanie Wilson, Law Bureau, [stepwilson@pa.gov](mailto:stepwilson@pa.gov).

5. That FirstEnergy Pennsylvania Electric Company shall incorporate the changes, as directed or identified herein, to its Revised 2024-2028 Universal Service and Energy Conservation Plan, including:

- a. Establishing subsidy credit limits for its PCAP PIP consistent with this Order.
- b. Referring PCAP customers to LIURP if they use 80% or more of their annual subsidy credit limit.
- c. Allowing PCAP applicants to provide 30 days or 12 months of income documentation, whichever is more beneficial and representative of their true annual income.
- d. Allowing existing PCAP customers who have less than 12 months remaining under the 36-month PPA forgiveness timeframe to receive full arrearage forgiveness over those remaining months.
- e. Identifying that a paper PCAP application and zero-income form is available.
- f. Allowing PCAP customers who transfer service between Metropolitan Edison Company, Pennsylvania Electric Company, and West Penn Power Company (WPP) to be automatically enrolled in PCAP at the new residence.
- g. Including a message on Penn Power final PCAP bills explaining how PCAP eligibility is affected and how customers can maintain their PCAP enrollment.

- h. Mailing a survey to PCAP customers that exceed 125% of their prior annual usage with a postage-paid return envelope.
- i. Refunding security deposits directly to customers, with applicable interest, when they are determined income eligible for PCAP. Security deposits can only be applied to the account balance with the customer's informed consent.
- j. Charging PCAP participants no more than their prorated PCAP bill for usage incurred during the customer's final billing period.
- k. Clarifying that federal poverty income guideline limits are updated annually within a month after they are published in the *Federal Register*.
- l. Eliminating the provision specifying that a household may be removed from PCAP for "unreasonable and/or increased consumption post-WARM measures installation."
- m. Clarifying that only PCAP customers with annual usage of 6,000 kWh or more are required to participate in the in-home energy evaluation and work with a trained energy educator.
- n. Requiring high-usage PCAP participants to participate in WARM, including the installation of WARM measures identified in the energy evaluation, unless the company determines the household has valid reason for a waiver of this requirement.
- o. Clarifying that contractors will make at least two phone calls and send two letters to a high usage PCAP customer, waiting one week in between each attempt, before canceling a WARM job after which the company shall pursue removal of the customer from PCAP.
- p. Providing copies of the signed WARM landlord agreement form to both the landlord and the tenant.
- q. Including the process for obtaining a customer's verbal consent to apply for WARM, including providing written confirmation of this consent to the customer.

- r. Clarifying that a residence that previously received WARM services can receive WARM services again after five years if annual electric usage meets or exceeds 6,000 kWh
- s. Clarifying the exceptions for re-weatherizing a home before the WARM five-year time limit.
- t. Including the process for disqualifying and/or deferring homes for WARM services.
- u. Restoring the provision which indicates that WARM coordinates with Act 129 multifamily projects by accepting WARM applications from building residents with incomes between 151% and 200% of the federal poverty income guidelines to ensure they are not excluded from receiving weatherization measures while their building is being served through Act 129.
- v. Clarifying that WARM applications are accepted from customers with incomes between 151% and 200% of the federal poverty income guidelines who live in buildings served by Act 129 multi-family projects.
- w. Reflect that WARM operates under a temporary waiver of 52 Pa. Code § 58.11(a); which allow the installation of comprehensive WARM measures that do not conform to the regulatory payback period of seven or twelve years.
- x. Including a list of all standard WARM measures.
- y. Clarify that it waives the minimum annual usage requirement on all coordinated WARM jobs.
- z. Clarifying the exceptions to the hardship fund eligibility requirements.
- aa. Modifying the Hardship Fund “sincere effort of payment” requirement so that it does not exceed three bill amounts for PCAP customers in the past 90 days.
- bb. Amend the WARM needs assessment to identify the number of customers at or above 6,000 kWh.

cc. Amend the WARM budgets and job goals.

6. That FirstEnergy Pennsylvania Electric Company shall consult with their universal service advisory committee on the following issues:

- a. Reviewing annually the amount of LIHEAP dollars issued to PCAP accounts that were refunded to DHS in the prior calendar year and the reasons why these funds were returned.
- b. Amending its PCAP applications and letters to, *inter alia*, reflect that PCAP participants may submit 30 days or 12 months of income documentation, whichever is more beneficial and representative of their true annual income.
- c. Establishing design and language for a paper PCAP application.
- d. Coordinate, communicate, and convey the updated PCAP recertification timelines to both FirstEnergy customers, customer service staff, and PCAP administrators.
- e. Evaluating the reasons customers fail to recertify for PCAP and its impact on customer payments, disconnections, and arrearages.
- f. Developing communication explaining how customers can use the text-to-recertify process and how they can opt out of it.
- g. Reviewing annually the customer responses to the survey of customers that exceed 125% of their prior annual usage to determine if there are additional opportunities to improve customer communications.
- h. Developing ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs.
- i. Developing ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs.

- j. Developing a plan on the transition to the new PCAP percent of income payment model that includes detailed plans to conduct education, outreach, and training.
- k. Exploring developing written materials in languages other than English and Spanish.
- l. Refining the terms and conditions of the customer consent language in its WARM Program Application, including (1) the sharing customer information with any third party for purposes other than WARM services; (2) identifying household records subject to release; and (3) the use of a description or pictures related to the work performed in the customer's home.
- m. Establishing parameters and an allowance threshold for performing incidental repairs.
- n. Reviewing reports on the number of eligibility exceptions made for the hardship fund program and the reasons these exceptions were granted.
- o. Exploring ways to further identify low-income and vulnerable customers who may need additional assistance or intervention from the Gatekeeper program.

7. That FirstEnergy Pennsylvania Electric Company shall implement the following steps if actual annual PCAP costs exceed the annual projected costs, as identified in its 2024-2028 Universal Service and Energy Conservation Plan, by more than 20%:

- a. Notify the Public Utility Commission and all parties to the 2024 USECP proceeding and its universal service advisory committee by or before April 1 and provide actual annual PCAP cost information for the preceding year.
- b. Schedule a meeting (virtual or in-person) with all interested stakeholders within 30 days of this notification to discuss the costs and receive input on cost controls.

- c. File and serve a petition at these dockets proposing additional cost control measures or a letter justifying why no additional cost control measures are needed within 30 days of the stakeholder meeting.

8. That FirstEnergy Pennsylvania Electric Company shall track the amount of LIHEAP dollars issued to PCAP accounts that are returned to the Department of Human Services each year and the reasons why these funds are returned. The amount of annual unused LIHEAP dollars refunded for CAP accounts from 2024 through 2030 shall be included in FirstEnergy Pennsylvania Electric Company's 2031-2035 universal service and energy conservation plan.

9. That FirstEnergy Pennsylvania Electric Company shall file and serve amended PCAP applications and letters, consistent with this Order, within six months of the entry date of this Order at these dockets.

10. That FirstEnergy Pennsylvania Electric Company shall file and serve a report at these dockets by April 1 each year where actual PPA forgiveness costs for a 12-month PPA forgiveness in the previous calendar year exceeded the estimates provided in Attachment B of its Supplemental Information by 20% or higher. This report should provide an explanation for the increase in PPA costs and updated projections for the remainder of the USECP years based on 12, 24, and 36 months of PPA forgiveness.

11. That FirstEnergy Pennsylvania Electric Company shall make a paper PCAP application and zero-income form available on its website, distribute the paper application and zero-income form to customers or organizations that request one, and file and service a copy of the paper application and zero-income form at these dockets within six months from the entry date of this Order.

12. That FirstEnergy Pennsylvania Electric Company shall, within six months from the date of this Order, make system enhancements to allow PCAP customers who transfer service between Met-Ed, Penelec, and WPP to be automatically enrolled in PCAP at the new residence.

13. That FirstEnergy Pennsylvania Electric Company shall include a message on final PCAP bills explaining how PCAP eligibility is affected and how customers can maintain their PCAP enrollment within six months from the date of this Order.

14. That FirstEnergy Pennsylvania Electric Company shall include communication explaining how customers can use the text-to-recertify process and how they can opt out on the public utility's website and included with PCAP recertification reminder letters. FirstEnergy Pennsylvania Electric Company shall also file and serve a copy of this communication at these dockets within six months from the date of this Order.

15. That FirstEnergy Pennsylvania Electric Company shall file and serve annual updates to its Consumer Education and Outreach Plan, including outreach and education actions taken, by March 1 each year at these dockets beginning in 2025, for the duration of its 2024-2028 Universal Service and Energy Conservation Plan. The March 1, 2025, Consumer Education and Outreach Plan update shall include the following enhancements:

- a. More educational training webinars and workshops using virtual or hybrid and in-person events to keep community partners and interested stakeholders informed and updated about universal service programs.
- b. Additional outreach efforts for households with incomes at or below 50% of the FPIG.

- c. Maintain its efforts to educate and inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- d. Continue to share its tools, outline approaches, and activities for the energy burden education components in future CEOP's and include the PUC educators as needed.
- e. Identify how the components of its plan are provided to each county serviced and how community-based organizations are involved.
- f. Identify new techniques, activities, strategies, and other consumer education initiatives used.
- g. Explain FirstEnergy's process to track and assess the effectiveness of its Consumer Education and Outreach Plan initiatives.

16. That FirstEnergy Pennsylvania Electric Company shall revise the WARM landlord agreement form to include language consistent with the provisions of 52 Pa. Code § 58.8(a) and clarify that tenants are eligible to receive baseload measures without landlord consent. The company shall file and serve a copy of the revised landlord agreement form at these dockets within three months from the entry date of this Order.

17. That FirstEnergy Pennsylvania Electric Company shall file and serve a copy of the amended WARM Program Application at these dockets within six months of the entry date of this Order.

18. That FirstEnergy Pennsylvania Electric Company shall file and serve a proposed amendment to its 2024-2028 Universal Service and Energy Conservation Plan within six months of the entry date of this Order with proposed parameters and an allowance threshold for performing WARM incidental repairs.

19. That FirstEnergy Pennsylvania Electric Company shall file and serve an updated WARM needs assessment on March 2, 2026 at these dockets, consistent with this Order.

20. That FirstEnergy Pennsylvania Electric Company shall file and serve an amendment to its 2024-2028 Universal Service and Energy Conservation Plan reflecting updated universal service budget amounts and the estimated cost recovered from each non-PCAP customer monthly when all four rate districts are merged.

21. That exceptions to the Revised 2024-2028 Universal Service and Energy Conservation Plan may be filed within ten (10) days of the date of its filing and service relative to whether the Revised Plan complies with this Order. Reply exceptions may be filed within five (5) days of the due date for the filing of exceptions.

22. That exceptions and reply exceptions must be served on the parties of record and provided electronically in Word<sup>®</sup>-compatible format to Jennifer Johnson, Bureau of Consumer Services, [jennifjohn@pa.gov](mailto:jennifjohn@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); and Stephanie Wilson, Law Bureau, [stepwilson@pa.gov](mailto:stepwilson@pa.gov).

23. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate FirstEnergy Pennsylvania Electric Company's Revised 2024-2028 Universal Service and Energy Conservation Plan as filed and served pursuant to this Order and prepare a Secretarial Letter confirming whether or not the changes in the filing comply with this Order.

24. That the changes approved or directed in FirstEnergy Pennsylvania Electric Company's 2024-2028 Universal Service and Energy Conservation Plan shall take effect, unless otherwise indicated, within six months from the entry date of this Order.


25. That FirstEnergy Pennsylvania Electric Company shall file and serve status updates at these dockets when changes approved or directed in this Order are implemented.

26. That FirstEnergy Pennsylvania Electric Company shall file its next third-party independent evaluation of its universal service programs on November 1, 2028. This filing shall also be served on all parties to these dockets.

27. That FirstEnergy Pennsylvania Electric Company shall file its next Universal Service and Energy Conservation Plan on or before November 1, 2029, and shall include enrollment and budget projections for five years starting January 1, 2031. This filing must also be served on all parties to these dockets.

28. That FirstEnergy Pennsylvania Electric Company's 2024-2028 Universal Service and Energy Conservation Plan shall remain in effect, in whole or in part, until a new Universal Service and Energy Conservation Plan is approved and fully implemented.

**BY THE COMMISSION,**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: March 14, 2024

ORDER ENTERED: March 14, 2024