

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

April 29, 2024

Via Electronic Mail Only

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

Re: Petition of Duquesne Light Company
For Approval of Default Service
Plan For The Period June 1, 2025
Through May 31, 2029
Docket No. P-2024-3048592

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to Duquesne Light Company's Petition for Approval of a Default Service Program with a Verification in the above-referenced proceeding.

Copies have been emailed to the parties listed on the enclosed Certificate of Service.

Respectfully submitted,

/s/Christy M. Appleby
Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAAppleby@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (email only)
Office of Special Assistants (email only: ra-OSA@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of Duquesne Light Company For :
Approval of Default Service Plan For The :
Period June 1, 2025 Through May 31, : Docket No. P-2024-3048592
2029 :
:

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Answer to Duquesne Light Company's Petition for Approval of a Default Service Program, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 29th day of April 2024.

SERVICE BY E-MAIL ONLY

Allison Kaster, Director
Bureau of Investigation & Enforcement
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265
akaster@pa.gov
Counsel for I&E

Naz Aarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
Ra-sba@pa.gov
OSBA

Elizabeth Marx, Esquire
John Sweet, Esquire
Ria Pereira, Esquire
118 Locust Street
Harrisburg, PA 17101
emarxpulp@palegalaid.net
pulp@palegalaid.net
Counsel for CAUSE-PA

PJM Interconnection
Christopher O'Hara, Vice President, General
Counsel, Law & Chief Compliance Officer
2750 Monroe Boulevard
Audubon, PA 19403-2497
Christopher.ohara@pjm.com
Counsel for PJM Interconnection

Anthony D. Kanagy
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
akanagy@postschell.com
Counsel for DLC

John F. Lushis, Jr., Esquire
Norris McLaughlin P.A.
515 West Hamilton Street, Suite 502
Allentown, PA 18101
jlushis@norris-law.com
Counsel for Calpine Retail

James H. Laskey, Esquire
Norris McLaughlin P.A.
400 Crossing Boulevard, 8th Floor
Bridgewater Township, NJ 08807
jlaskey@norris-law.com
Counsel for Calpine Retail

Todd S. Stewart, Esquire
Hawke, McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com
Counsel for EGS Parties

Gregory L. Peterson, Esquire
Phillips Lytle LLP
201 West Third Street, Suite 205
Jamestown, NY 14701-4907
gpeterson@phillipslytle.com
Counsel for Statewise

SERVICE BY E-MAIL ONLY(Continued)

Thomas F. Puchner, Esquire
Phillips Lytle LLP
Omni Plaza
30 South Pearl Street
Albany, NY 12207-1537
tpuchner@phillipslytle.com
Counsel for Statewise

James M. Van Nostrand, Esquire
Keyes & Fox LLP
275 Orchard Drive
Pittsburgh, PA 15228
jvannostrand@keyesfox.com
Counsel for ChargePoint, Inc.

Andrew J. Karas, Esquire
Emily A. Collins, Esquire
Fair Shake Environmental Legal Services
647 East Market Street
Akron, OH 44304
akaras@fairshake-els.org
ecollins@fairshake-els.org
Counsel for NRDC

Kevin C. Blake, Esquire
Phillips Lytle LLP
125 Main Street
Buffalo, NY 14203
kblake@phillipslytle.com
Counsel for Statewise

Charles E. Thomas, Jr., Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 302
Harrisburg, PA 17101
cthomasjr@tntlawfirm.com
Counsel for MAREC

Bruce Burcat, Esquire
P.O. Box 385
Camden, DE 19934
Marec.org@gmail.com
Counsel for MAREC

Mark Szybist, Esquire
Natural Resources Defense Council
1152 15th Street, NW, Suite 300
Washington, D.C. 20005
mszybist@nrdc.org
Counsel for NRDC

/s/Christy M. Appleby
Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAappleby@paoca.org

Emily Farren
Assistant Consumer Advocate
EFarren@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
717-783-5048

Dated: April 29, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company :
For Approval of Default Service Plan : Docket No. P-2024-3048592
For The Period June 1, 2025 Through :
May 31, 2029 :

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

On April 19, 2024, Duquesne Light Company (Duquesne or the Company) filed its Petition of Duquesne Light Company for Approval of Default Service Plan for the Period June 1, 2025 through May 31, 2029 (DSP X or the Plan) pursuant to 66 Pa. C.S. § 2807(e) of the Pennsylvania Public Utility Code, the Default Service regulations of the Pennsylvania Public Utility Commission (Commission), and the Commission’s Policy Statement on Default Service. Notice of the Plan will be published in the *Pennsylvania Bulletin*.

In its Petition, Duquesne proposes to continue many elements of its DSP IX Plan with certain modifications to the Medium Commercial & Industrial customers group under 200 kw (Medium C&I <200 kW) in order “to reduce rate volatility.” Petition, ¶ 7. Duquesne proposes changes including: the development of a revised Electric Vehicle (EV)-only Time of Use pilot and the development of a Green Tariff pilot for residential customers who remain on default service and affirmatively elect to an undetermined amount more per kWh to increase their carbon-free electricity above supply above the requirements under the Pennsylvania Alternative Energy Portfolio Standards (AEPS). Petition at 1, ¶¶ 52-70. Duquesne also proposes an extension of its

long-term Solar Purchased Power Agreement (PPA) program. Petition, ¶¶ 71-73. The Company also proposes “minor amendments” to the Company’s Supply Master Agreement (SMA)

The Office of Consumer Advocate (OCA) files this Answer to the Company’s Petition to ensure that a default service plan is approved that fully complies with the Public Utility Code’s and the Commission’s regulations that require Duquesne to design a plan that obtain default service supply at “least cost over time” pursuant to a prudent mix of contracts. 66 Pa. C.S. § 2807(e)(3.7); 52 Pa. Code § 54.181 *et seq.* In addition, the OCA will address the other proposals that Duquesne has made in this case and make recommendations about how to ensure that customers are not paying more for energy than they otherwise should be paying.

In its Petition, Duquesne proposes to continue many of the aspects of its DSP IX program. In DSP X, Duquesne proposes to continue the four-year term for its Default Service Program used during DSP IX for residential customers and will extend from June 1, 2025 through May 31, 2029. Petition, ¶¶ 5-6. The Company proposes to continue to acquire supply through the use of Fixed Price Full Requirements (FPFR) contracts to meet the needs of the residential customer class default supply through a mix of 12-month and 24-month contracts. Petition, ¶ 8. The proposed program design will continue the semi-annual procurement process. Petition, ¶ 14.

Duquesne also proposes as a part of its DSP X a solar purchased power agreement (PPA). Petition, ¶¶ 71-73. In the DSP IX proceeding, Duquesne sought and received approval to enter into a long-term Solar PPA (which is defined as greater than four years but less than 20 years) in order to support a utility-scale solar project of up to a total of 7 MW in Pennsylvania that was preferably in the Duquesne service territory. Petition, ¶ 71. The Company is in the process of negotiating a long-term solar contract with the developer and anticipations submitting the contract for approval prior to the expiration of the DSP IX plan, but if the Company is unable to do so, the Company

requests that the Commission’s approval of the solar PPA in the DSP IX proceeding extend through the DSP X. Petition, ¶ 72.

The Supplier Master Agreement (SMA) will be substantially unchanged from the current DSP IX SMA. Petition, ¶ 16. The Company utilizes the SMA template that was developed as a result of the Procurement Working Group and proposes to continue to use the SMA template that was developed by the Procurement Working Group, “with a few updates,” for its wholesale power procurements under DSP X. Petition, ¶ 26.

The Company does not propose rate design changes for residential customers receiving traditional default service supply. Petition, ¶ 50.

Duquesne proposes modifications to its Time-of-Use program. Specifically, the Company proposes to continue the EV-TOU pilot that began in DSP IX, but to expand the rate offerings. Petition, ¶ 54. The rate will remain a whole-premise rate by default, but the Company will also propose an option that would allow for up to 500 residential customers to opt into the EV-option for the rate. Petition, ¶ 54. The Company provides that residential customers that meet the eligibility requirements for the whole premise TOU will also be eligible for the EV-only TOU rate option if they have a Company-qualified EV or charging station or otherwise consent to another option that is able to share the energy usage information with Duquesne. Petition, ¶ 56. Customers enrolled in the EV-TOU Pilot Program will be charged different supply rates for Peak (3 p.m.-9 p.m. non-holiday weekdays), Off-Peak (6 a.m.-3 p.m., 9 p.m.-11 p.m. non-holiday weekdays; 6 a.m.-11 p.m. all other days), and Super Off-Peak (11 p.m.-6 a.m. every day) periods. Petition, ¶ 59.

In its Petition, Duquesne also proposes a new opt-in Green Tariff for residential customers who remain on default service and “affirmatively elect to increase their carbon-free electricity

(“CFE”) supply above the requirements under the Pennsylvania Alternative Energy Portfolio Standards Act (“AEPS”). Petition, ¶ 64. The Company propose that under the pilot, an additional 7% of participating Green Tariff customers’ annual consumption would be matched with CFE that is sourced in Pennsylvania. Petition, ¶ 65. The proposal is in addition to the Company’s 18% AEPS requirements. Petition, ¶ 65. Customers who opt into this program will pay more per kWh than traditional default service.

The Company proposes to continue its Standard Offer Program from June 1, 2025 though May 31, 2029 without modifications. Petition at 1, ¶¶ 75-77.

II. ANSWER

The OCA has preliminarily reviewed the Company’s Petition and identified a number of significant issues presented by the filing. The OCA anticipates that additional issues will arise as a more comprehensive review of PPL’s filing is undertaken and after discovery is conducted. The preliminary issues identified by the OCA include:

A. Default Service and Implementation Plans

1. Procurement Classes, Program Term, and Supply Portfolio

In DSP X, Duquesne proposes to continue the four-year term for its Default Service Program used during DSP IX for residential customers and will extend from June 1, 2025 through May 31, 2029. Petition, ¶¶ 5-6. The Company proposes that the plan largely will continue the procurement approaches that are in effect under DSP IX. Petition, ¶ 7. Duquesne avers that its proposed DSP X procurement plan for DSP X is consistent with Act 129. Petition, ¶¶ 43-49. The Company will also continue to use FPFR contracts to meet the needs of the residential customer class default supply. Petition, ¶ 8. Under the Full Requirements contracts, the Company will purchase “energy, capacity, ancillary services, and any other services or products necessary to

serve a specified percentage of default service load 24 hours a day, for the term of the contract.”
Petition, ¶ 8.

Duquesne will undertake separate procurements for Residential and Lighting, Small C&I customers, Medium C&I default service customers under 200 kW, and Medium C&I default service customers over 200 kW and Large C&I customers (HPS eligible customers). Petition, ¶¶8-38. Duquesne proposes a mix of one-year and two-year FPFR products and the semi-annual overlapping of the delivery periods in order to provide residential and lighting customers with “greater price stability than shorter term procurements and rate changes.” Petition, ¶ 10. Duquesne proposes to procure four (4) FPFR supply contracts for Residential & Lighting class with delivery periods that extend beyond the end of the DSP X term, or “overhang” contracts. Petition, ¶ 11. The Company proposes to continue semi-annual reconciliation of the Residential & Lighting procurement group. Petition, ¶ 13. The Company argues that quarterly rate changes pursuant to 52 Pa. Code Section 54.187 are not necessary because the Company is proposing to acquire default service supply for these customers in the form of twelve (12) and twenty-four (24) month FPFR contracts. Petition, ¶ 13. Duquesne claims that fixed-price full requirements contracts greatly “diminish cost over/under-recoveries that are associated with other procurement methods, and therefore do not require more frequent rate resets in order to reconcile costs.” Petition, ¶ 13. The proposal maintains the Commission’s approved semi-annual reconciliations since the DSP VI proceeding. Petition, ¶ 13.

The Supply for Residential and Lighting customers will continue to be combined, and wholesale suppliers will bid a single price to supply both Residential and Lighting customers’ default service load. Petition, ¶ 14. However, separate rates will be developed for each of the

customer classes to reflect Duquesne's claimed lower market cost of supplying the Lighting customer classes. Petition, ¶ 14.

Duquesne also proposes as a part of its DSP X a solar purchased power agreement (PPA). Petition, ¶¶ 71-73. In the DSP IX proceeding, Duquesne sought and received approval to enter into a long-term Solar PPA (which is defined as greater than four years but less than 20 years) in order to support a utility-scale solar project of up to a total of 7 MW in Pennsylvania that was preferably in the Duquesne service territory. Petition, ¶ 71. The Company is in the process of negotiating a long-term solar contract with the developer and anticipations submitting the contract for approval prior to the expiration of the DSP IX plan, but if the Company is unable to do so, the Company requests that the Commission's approval of the solar PPA in the DSP IX proceeding extend through the DSP X. Petition, ¶ 72. The Company provides that the purpose of the program is to support utility-scale alternative energy generating facilities in Pennsylvania. Petition, ¶ 73.

The Supplier Master Agreement (SMA) will be substantially unchanged from the current DSP IX SMA. Petition, ¶ 16. The Company utilizes the SMA template that was developed as a result of the Procurement Working Group and proposes to continue to use the SMA template that was developed by the Procurement Working Group, "with a few updates," for its wholesale power procurements under DSP X. Petition, ¶ 26.

The OCA submits that further examination and consideration is necessary to determine whether the proposed purchasing plan will provide the least cost over time for residential customers in accordance with the requirements of Act 129. 66 Pa. C.S. § 2807(e). The OCA intends to examine the type and mix of resources, the procurement methodologies, and recent changes in the wholesale capacity markets, to ensure that the products and the plan are designed to provide

reasonable and stable rates while meeting the requirements of the Public Utility Code and regulations.

2. Competitive Bid Solicitation Process and Independent Evaluator

Duquesne's Residential & Lighting default service auction will continue to be conducted by the Company with an independent monitor. Petition, ¶¶ 15, 39-40. The independent monitor will assist in qualifying bidders, conducting bidder information sessions, and receive all bids, rank qualifying bids, and determine the winning bids for all four procurement groups. Petition, ¶ 40. The Company proposes to maintain the 50% supplier load cap to serve Residential & Lighting customers as well as Small C& customers in a given auction equal to 50% of the number of tranches that are solicited on that auction date, rounded to the nearest integer number of tranches. Petition, ¶¶ 15, 39. The Company's proposed 50% supplier load cap for Residential & Lighting and Small C& default service supply was previously approved in DSP VII, DSP VIII, and DSP IX. Petition, ¶ 39.

In its Petition, Duquesne proposes that within fifteen calendar days from the close of each solicitation that the Company will "post the weighted average winning bid on its website and publish an estimated default service rate calculation model on its website that shows the build-up of the auction results into retail default service rates." Petition, ¶ 41. The Price to Compare (PTC) will be posted 60 days in advance of each change to the default service rates, with the exception of the application periods that begin June 1 of each year. Petition, ¶ 41. The Company states that for the application period beginning June 1, the Company will not know the transmission component until May 15 and will post the final PTC, including the transmission component by May 15. Petition, ¶ 41, fn. 4.

The OCA submits that the Commission should review the Company's proposed RFP and solicitation process to ensure that the contracts are procured in the most effective manner in compliance with the Commission's regulations.

3. Consistency with Regional Transmission Organization Requirements

The Petition does not address specifically DSP X's consistency with Regional Transmission Organization (RTO) requirements. The Commission should carefully examine the Company's proposed procedures to ensure that potential suppliers meet all technical and regulatory requirements as necessary under PJM's rules.

4. AEPS Compliance

Duquesne proposes to continue to acquire for its Pennsylvania Alternative Energy Portfolio Standards (AEPS) requirements, 8% for Tier 1 resources and 10% for Tier II sources provided by Duquesne's wholesale service suppliers. Petition, ¶ 65.¹ The OCA submits that the Company's proposal for compliance with AEPS requirements should be examined to determine whether it produces the lowest reasonable cost for alternative energy credits and whether it appropriately supports the development of alternative requirements under the AEPS Act.

B. Contingency Plans

Duquesne acknowledges that the Company has the obligation to procure supply for default service if for any reason an auction otherwise fails to attract a sufficient volume of bids or the Commission otherwise does not approve the submitted bids or an accepted supplier defaults. Petition, ¶ 42; *see* 52 Pa. Code § 54.185(d)(5). Duquesne states that the contingency plan is as follows:

[i]nitially, Duquesne Light will allow winning bidders to step up and serve any unfilled tranches. If any tranches still remain unfilled, Duquesne Light proposes to meet this obligation on an interim basis through purchases in the PJM spot market

¹ In addition, as discussed below, Duquesne proposes an additional 7% Green Tariff Pilot.

and requests authority to recover all the costs of such purchases and all reasonable administrative costs from the applicable customer classes. Duquesne Light agrees that it will submit to the Commission, within 15 day after any such occurrence resulting in unfilled tranches, a contingency plan to handle any default service shortfall.

Petition, ¶ 42.

The OCA submits that the Commission should carefully review the Company's contingency plans for effectiveness and efficiency to meet the requirements of Act 129. In addition, the OCA will review the contingency plans to ensure that the risks to winning full requirements bidders are not overly burdensome.

C. Rate Design and Cost Recovery

Duquesne proposes to maintain the same rate design for residential customers to fully recover the costs incurred for supply solicitations, including the gross receipts taxes and the costs of hiring the independent monitor through the fully reconcilable Section 1307(e) recovery mechanism or each customer class. Petition, ¶ 50. The OCA submits that Duquesne's residential rate design should be examined to help promote price stability, both through the projected cost of energy and the reconciliation of the over-/under-collection component of rates. Any cost recovery should be examined to ensure that it is consistent with the Public Utility Code, applicable regulations and Commission Orders, and sound ratemaking principles.

D. EV Time-of-Use Pilot

In response to the *January 2020 Secretarial Letter*, Duquesne proposes to make available an EV specific TOU rate offering. Petition, ¶ 52; *Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms*, Docket No. M-2019-30071701, Secretarial Letter (Jan. 23, 2020) (*January 2020 Secretarial Letter*). As a part of the Company's DSP IX Order, the Commission approved an EV-TOU Pilot Program. Petition, ¶ 53. The program was available to

residential, small C&I, medium C&I customers with demands less than 200 kW who own or lease an EV or who operate EV charging infrastructure at the service location. Petition, ¶ 54. The DSP IX pilot program was a whole home program with time varying rates applied to the entire usage at the premises. Petition, ¶ 54. In DSP X, the Company proposes to continue the EV-TOU pilot but to expand the rate offerings. Petition, ¶ 54. The rate will remain a whole-premise rate by default, but the Company will also propose an option that would allow for up to 500 residential customers to opt into the EV-option for the rate. Petition, ¶ 54. The Company provides that residential customers that meet the eligibility requirements for the whole premise TOU will also be eligible for the EV-only TOU rate option if they have a Company-qualified EV or charging station or otherwise consent to another option that is able to share the energy usage information with Duquesne. Petition, ¶ 56. Duquesne states that this will allow the Company to apply the EV-TOU only rate to energy usage only from EV charging at the residence while the remainder of the household remains on the Company's standard default service supply rate. Petition, ¶ 56. Customers that select the EV-only option will be required to allow third-party platform access to vehicle telematics or the charging station energy consumption data. Petition, ¶ 56.

Customers enrolled in the EV-TOU Pilot Program will be charged different supply rates for Peak (3 p.m.-9 p.m. non-holiday weekdays), Off-Peak (6 a.m.-3 p.m., 9 p.m.-11 p.m. non-holiday weekdays; 6 a.m.-11 p.m. all other days), and Super Off-Peak (11 p.m.-6 a.m. every day) periods. Petition, ¶ 59. The Company states that the time periods are consistent with the Peak and Off-Peak time periods that Duquesne has proposed for its distribution EV-TOU rates in its pending distribution base rate proceeding at Docket No. R-2024-3046523. Petition, ¶ 60.

In order to determine the EV-TOU supply rates for each time period, Duquesne will “continue to adjust the adjusted wholesale price for each class using rate class factors that are

initially based in part upon hourly locational marginal prices for energy from 2020 through 2023.” Petition, ¶ 61. Duquesne will update the rate class factors annually when DSS rates become effective June 1st of each year. Petition, ¶ 61. Default service supply will be obtained for EV-TOU customers through the same FPR products that provide default service supply for the customer classes. Petition, ¶ 62. The wholesale suppliers will be paid the same price per megawatt-hour of supply regardless of how much of the supply is for EV-TOU customers. Petition, ¶ 62. Duquesne proposes that mismatches, if any, between the EV-TOU supply rates and the supply costs paid to the FPR product suppliers will be recovered within the existing Rider No. 8-DSS 1307(e) customer class reconciliation process. Petition, ¶ 62.

The OCA submits that the Company’s TOU rate design and implementation and the proposed modifications require examination to evaluate the effectiveness of the TOU elements such as the annual pricing multiplier and differentiation of peak, off-peak, and super off-peak times. The OCA submits that Duquesne’s EV TOU rate offering must be carefully examined to ensure that it complies with applicable law, benefits consumers who take the rate offering and those who do not, and does not cause unintended, unnecessary or unreasonable shift of costs from those who accept the offering to those who do not. The Commission should also examine Duquesne’s proposed eligibility requirements for participation in the EV TOU rate. The Company’s communication, education, and outreach of the TOU rate option for residential consumers should be understandable, accessible, and useful for the Company’s customers and must be examined as a part of this proceeding and cannot wait until after approval to be developed. To continue as a part of the DSP X, the TOU rate option must be examined to ensure that the program meets the needs of ratepayers while maintaining compliance with existing law and the Commission’s regulations.

E. Green Tariff Rate Pilot

In its Petition, Duquesne proposes a Green Tariff for residential customers who remain on default service and “affirmatively elect to increase their carbon-free electricity (“CFE”) supply above the requirements under the Pennsylvania Alternative Energy Portfolio Standards Act (“AEPS”). Petition, ¶ 64. The Company propose that under the pilot, an additional 7% of participating Green Tariff customers’ annual consumption would be matched with CFE that is sourced in Pennsylvania. Petition, ¶ 65. The proposal is in addition to the Company’s 18% AEPS requirements. Petition, ¶ 65. Duquesne claims that “[a]s a result, 25% of a Green Tariff customer’s annual consumption would be subject to either the current AEPS (18%) requirements or the supplemental (7%) CFE purchases. Petition, ¶ 65.

Duquesne proposes to acquire the additional FE through an auction. Petition, ¶ 66. EGSs and other third parties would be permitted to bid for the right to supply customers under the Green Tariff. Petition, ¶ 66. Duquesne states that the Green Tariff “will allow EGSs and/or third-party suppliers to offer green services to default service customers who may be reluctant to leave utility default service.” Petition, ¶ 70. Under the Company’s proposal, the auction will solicit a fixed cost per kWh to procure EACs on behalf oof customers who enroll in the Green Tariff pilot. Petition, ¶ 66. The winning provider will be determined solely on price and will be paid the per unit price that they bid. Petition, ¶ 66. The EGS or provider will be listed on the customer’s bill. Petition, ¶ 67. Duquesne states that the cost to customers of the additional EACs required under the Green Tariff will be fixed on a per kWh basis for the DSP planning year based on the results of the auction. Petition, ¶ 68. The administrative costs will be recovered through Rider No. 8. Petition, ¶ 68. The Green Tariff will also be treated as a non-basic service. Petition, ¶ 69.

Based on its initial review of this proposal, the OCA has significant concerns with this proposed pilot. The cost implications and cost details for consumers are scant. Furthermore, there is no indication of how this program will be marketed, explained, or presented on customer's bills. The OCA submits that the Commission should view this proposal with significant skepticism and must thoroughly review the proposal to ensure the proposal meets the requirements for a least procurement under Act 129 and is otherwise consistent with the Commission's Orders, regulations, applicable law, and whether sufficient consumer protections are in place.

F. Retail Market Enhancements

In its Petition, Duquesne propose to maintain the existing Standard Offer Program (SOP) for DSP X without any modifications for customers who contact the Company to "1) initiate or move service; 2) discuss choice questions; 3) resolve high bill concerns; or 4) inquire about the SOP." Petition, ¶¶ 75-77. The OCA intends to investigate whether the SOP should continue, and if it does continue, whether substantial changes are needed to protect consumers from paying excessive retail electric supply prices. The OCA will seek to ensure that the program, if continued, maintains and improves reasonable and appropriate consumer protections.

G. Purchase of Receivables

Duquesne proposes to continue its current Purchase of Receivables (POR) program in DSP X for Residential, Small C&I, and Medium C&I customers. Petition, ¶ 78. Under the POR, the Company purchases the account receivables, "without recourse," that are associated with EGS sales for retail electric commodity service. Petition, ¶ 78. The receivables are purchased at a "small discount" and the EGS is reimbursed for their customer billings regardless of whether it receives payment from customers. Petition, ¶ 78. The OCA will examine the continuation of the Purchase

of Receivables program to determine whether continuation of the program is in the public interest and the proposal is consistent with the Commission's rules, regulations, and applicable law.

H. Requests for Waivers

Duquesne requests waivers of the Commission's regulations including a waiver of the requirement to offer quarterly PTC rates and proposes to continue to change rates on a semi-annual basis for Residential & Lighting and Small C&I customers. Petition, ¶ 79. The Company also requests a waiver of the Commission's Policy Statement, 69.1804 that default service plans should be for two years unless otherwise directed by the Commission. Petition, ¶ 80.

I. Procedural Issues

The OCA requests that the Commission rule on the proposed DSP X within nine months, or no later than January 19, 2024 and that the Commission consider the Petition at its scheduled January 9, 2025 Public Meeting. The OCA submits that such a timeline will allow the parties sufficient time to fully investigate and review the proposed DSP X Petition. The OCA is committed to working with all parties to develop a mutually agreeable procedural schedule and requests that the January 9, 2025 Public Meeting be used.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Company's default service filing be thoroughly reviewed to ensure that the default service rates that will be changed starting June 1, 2025 are just and reasonable and otherwise consistent with Pennsylvania law.

Respectfully Submitted,

/s/ Christy M. Appleby

Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAppleby@paoca.org

Emily A. Farren
Assistant Consumer Advocate
PA Attorney I.D. # 322910
E-Mail: EFarren@paoca.org

Counsel for:
Patrick M. Cicero
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

DATE: April 29, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company For :
Approval of Default Service Plan For The : Docket No. P-2024-3048592
Period June 1, 2025 Through May 31, :
2029 :

VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate's Answer to Duquesne Light Company's Petition for Approval of a Default Service Program, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: April 29, 2024

Signature:



Patrick M. Cicero
Consumer Advocate

Address:

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923