

COMMONWEALTH OF PENNSYLVANIA



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July 17, 2024

Via Electronic Filing

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

Re: Petition of PECO Energy Company for
Approval of its Default Service Program for the
Period of June 1, 2025, through May 31, 2029
Docket No. P-2024-3046008

Dear Secretary Chiavetta:

Attached for electronic filing is the Office of Consumer Advocate's Initial Brief in the above-captioned case.

Copies of this letter and OCA Initial Brief are being served on parties of record per the attached Certificate of Service.

Respectfully submitted,

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Enclosures:

cc: The Honorable Eranda Vero (email only)
The Honorable Arlene Ashton (email only)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :
Approval of its Default Service Program for : Docket No. P-2024-3046008
the Period of June 1, 2025, through May 31, :
2029 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Initial Brief, 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 17th day of July 2024.

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Dated: July 17, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PECO ENERGY COMPANY :
FOR APPROVAL OF ITS DEFAULT : DOCKET NO. P-2024-3046008
SERVICE PROGRAM FOR THE PERIOD :
FROM JUNE 1, 2025, THROUGH MAY 31, :
2029 :

INITIAL BRIEF
OF THE OFFICE OF CONSUMER ADVOCATE

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I. INTRODUCTION

A. Procedural History

On February 2, 2024, PECO Energy Company (PECO or the Company) filed with the Public Utility Commission (PUC or Commission) its Petition for Approval of Its Default Service Program for the Period from June 1, 2025, through May 31, 2029. The Office of Consumer Advocate (OCA) filed its Answer to this Petition on March 1, 2024. The OCA's participation in this proceeding is meant to protect the interests of Consumers to access default service rates and programs that ensure least cost over time procurement and that all aspects of the Company's filing is consistent with applicable laws, regulations, and Commission decisions. Specifically, the OCA sought to ensure that the Company's plan would result in a prudent mix of supply that would result in the least cost over time. 66 Pa. C.S. §2807(e).

Petitions to Intervene and/or protests were also filed by Energy Justice Advocates (EJA), the Office of Small Business Advocate (OSBA), the Philadelphia Area Industrial Energy Users Group (PAIEUG), NRG Energy Inc. (NRG), Retail Energy Supply Association (RESA), Calpine Retail Holdings LLC (Calpine), Tenant Union Representative Network and CAUSE-PA (TURN/CAUSE-PA), and Constellation NewEnergy Inc. and Constellation Energy Generation LLC (Constellation).

The OCA undertook extensive discovery and presented Direct, Rebuttal, and Surrebuttal testimony of two witnesses, Dr. Serhan Ogur and Barbara R. Alexander.¹ In person and telephonic Public Input hearings were held where members of the public were able to provide testimony regarding the Company's proposed plan to secure default supply for the coming four-year period and related issues. Based upon discovery and the expert testimony of OCA witnesses Ogur and

¹ Dr. Serhan Ogur's professional experience and credentials are set forth in OCA St. 1 at 2-3 and Appendix A. Ms. Barbara Alexander's professional experience and credentials are set forth in OCA St. 2 at 1-2 and Appendix BA-1.

Alexander, the OCA made recommendations regarding the Company's proposed changes to its default service requirements plan.

The OCA also joined PECO and other parties in negotiation of a proposed settlement. The OCA is a party to and supports the Joint Petition for Non-Unanimous Settlement for the reasons set forth in the OCA Statement in Support attached to the Settlement Petition, as filed on July 10, 2024.

This brief is filed in further support of the Settlement as well as to address the issues challenged by RESA the only party contesting the settlement. The OCA submits that the Settlement presents a reasonable resolution of the issues and is consistent with applicable law and policy. It is in the public interest and should be approved.

B. Non-Unanimous Settlement

The Settlement Petition requests Commission approval of the basic elements of PECO's procurement plan to be effective as the PECO DSP VI, for the four-year period June 1, 2024 through May 31, 2029. Petition at ¶¶13-29. The Settlement describes the Company's default service implementation plan, including modifications to the Supplier Master Agreement (SMA), adoption of a capacity proxy price (CPP) mechanism, and PECO's appointment of NERA to continue as the third-party independent evaluator. Petition at ¶¶30-35. Paragraph 36 summarizes PECO's plan for compliance with the Alternative Energy Portfolio Standards (AEPS), through acquisition of Tier I and Tier II Alternative Energy Credits (AECs) under the terms of the modified SMA as well as Solar purchase power agreements (PPA). The Company's Contingency Plans, (i) Full Requirements and (ii) AEPS Requirements are set forth. Petition at ¶¶37-39. The Settlement addresses the Company's Rate Design and Cost Recovery plans, including (1) General Supply Adjustment (GSA), (2) Recovery of Certain PJM Charges, and (3) Time-of-Use Rates (TOU).

Petition at ¶¶40-62. The PECO Standard Offer Program (SOP) terms agreed to by the Joint Petitioners are set forth in the Settlement. Petition ¶¶63-64. The Joint Petition recommends Commission approval of a modified version of PECO's proposed Residential bill format change, as presented in Exhibit H attached to the Settlement. Petition at ¶¶65-66. The Settlement sets forth the terms and process for Residential customers with EGS contracts executed after June 1, 2025 to transition into PECO's CAP, with terms that address Supplier Tariff changes, messaging, and a future stakeholder process. Petition at ¶¶67-69. The Settlement includes requests for Commission grant of certain waivers, if necessary. Petition at ¶¶70-71.

The Joint Petition for Settlement builds upon the framework of PECO's DSP V and the Company's proposed DSP VI. However, through the Joint Petition, the revised DSP VI terms present an improved plan for the Company to acquire default service supply through a prudent mix of resources designed to provide the least cost to customers over time, achieved through requests for proposals and purchase power agreements of different terms. The OCA supports the Settlement which also includes provisions and refinements to improve consumer's understanding of default supply and EGS offerings. The OCA sets forth its full support for the Settlement in its Statement of Support attached to the Settlement at Statement B.

C. Legal Standards

1. Burden of Proof

The Public Utility Code provides in relevant part:

(a) Burden of proof. Except as may be otherwise provided in section 315 (relating to burden of proof) or other provisions of this or other relevant statute, the proponent of a rule or order has the burden of proof.

66 Pa. C.S. §332(a). As petitioner for a Commission Order in this matter, PECO has the burden of proof. In addition to the burden of proof, the petitioner must provide substantial evidence in

the record as support for its case before the Commission. The Pennsylvania Supreme Court has also provided that even where a party has established a prima facie case, the litigant must establish that:

The elements of that cause of action are proven with substantial evidence which enables the party asserting the cause of action to prevail, precluding all reasonable inferences to the contrary.

Burleson v. Pa. PUC, 501 Pa. 433, 436 (1983) (*Burleson*).

“The term ‘burden of proof’ is comprised of two distinct burdens, the burden of production and the burden of persuasion.” *Hurley v. Hurley*, 754 A.2d 1283, 1285 (Pa. Super. 2000). The burden of production dictates which party has the duty to introduce enough evidence to support a cause of action. *Id.* at 1286. The burden of persuasion determines which party has the duty to convince the finder-of-fact that a fact has been established. *Id.* “The burden of persuasion never leaves the party on whom it is originally cast.” *Id.* See also, *Pa. PUC v. Equitable Gas Co.*, 57 Pa. PUC 471 (1983).

“It is well-established that the evidence adduced by a utility to meet this burden must be substantial.” *Lower Frederick Twp. v. Pa. PUC*, 409 Pa. PUC 505, 507 (1980). The Supreme Court of Pennsylvania has stated that even where a party establishes a prima facie case by producing enough evidence to support a cause of action, the party does not satisfy its burden of persuasion unless the elements of that cause of action are proven with substantial evidence. *Burleson* at 436. Thus, the petitioner has the affirmative burden to produce enough evidence to establish the justness and reasonableness of every component of its request, and in order to persuade the finder-of-fact, there must be substantial evidence that each component of its request is in fact just and reasonable. See e.g., *Sharon Steel Corp. v. Pa. PUC*, 468 A.2d 862 (1978); *Johnstown v. Pa. PUC*, 133 A.2d 246, 250 (Pa. Super. 1957).

In conclusion, the OCA submits that PECO must affirmatively demonstrate the reasonableness of its claims and that its claims are in the public interest. In this case, the OCA submits that the record is clear that the non-unanimous settlement terms are in the public interest and should be adopted.

2. Legal Standard for Approving Settlements

The Commission has a policy of encouraging settlements. Further, the Commission has acknowledged that the results achieved through settlement are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See*, 52 Pa. Code §§5.231, 69.401. Even a partial settlement may significantly reduce the time, effort and expense of litigating a case. A settlement, whether whole or partial, benefits not only the utility and parties to the settlement directly, but also all customers of the public utility. *See, Petition of PECO Energy Company for Approval of DSP V*, Docket No. P-2020-3019290, Order at 9 (Dec. 3, 2020) (*PECO DSP V*). Despite the policy favoring settlements, the Commission's inquiry goes further. To accept a settlement such as that proposed here, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165, Order (Oct. 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. PUC 767 (1991) (*CS Water and Sewer*); *PECO DSP V* at 9. To determine whether a proposed settlement should be approved, the Commission's focus is on whether the proposed terms and conditions foster, promote, and serve the public interest. *See, Pa. PUC, et al. v. City of Lancaster – Bureau of Water*, Docket Nos. R-2010-2179103, et al., Order, (July 14, 2011). The Joint Petitioners have the burden of showing that the terms and conditions of the Settlement are in the public interest, pursuant to Section 332(a). 66 Pa.C.S. §332(a).

3. Legal Standard to “Bend” Competition

Under the Public Utility Code, in particular the Electric Generation Customer Choice and Competition Act (Customer Choice Act), the Commission has the clear authority to “bend” competition where necessary. *See Retail Energy Supply Ass’n v. Pa. PUC*, 185 A.3d 1206, 1221 (Pa. Cmwlth. Ct. 2018) (*RESA*) and *Coalition for Affordable Util. Servs. & Energy Efficiency in PA. et al. v. Pa. PUC*, 120 A.3d 1087, 1093, 1103 (Pa. Cmwlth. 2015), app. den., 136 A. 3d 982 (Pa. 2016) (*CAUSE-PA*); 66 Pa.C.S. §2801, *et seq.* In *CAUSE-PA*, the Commonwealth Court stated that the Customer Choice Act “does not demand absolute and unbridled competition.” *CAUSE-PA* at 1101. The Commonwealth Court stated that “under certain circumstances, unbridled competition may have to give way to other important concerns.” *CAUSE-PA* at 1103. In Section IV.A, below, the OCA outlines why the Settlement agreement to require customers to be returned to default service at the conclusion of their SOP contract absent an affirmative choice to remain with their supplier meets the threshold needed for the Commission to bend competition.

II. DEFAULT SERVICE PROCUREMENT AND IMPLEMENTATION PLANS

A. Capacity Proxy Price

1. The Capacity Proxy Price Settlement Terms are in the Public Interest, to Address Circumstances That May Otherwise Increase Risk and Supply Costs.

The Settling parties request that the Commission approve PECO’s capacity proxy price (CPP) proposal and corresponding modification of the SMA, as incorporated in Paragraphs 31 and 32 of the Settlement. Petition at ¶¶ 31, 32. As set forth in the OCA Statement in Support and summarized below, OCA witness Ogur carefully evaluated the Company’s proposal and recommended its approval. OCA Statement in Support at 4-5. These Settlement terms are in the public interest and will help PECO meet its obligation to acquire default service supply at the least

cost. The grounds for rejection of the CPP raised by RESA do not assure that PECO's procurement of default supply for the DSP VI period – without the CPP provision – would satisfy the default service supply at the applicable least cost standard. RESA's opposition does not warrant rejection of these Settlement terms.

The Settling parties agree that, commencing June 1, 2025, if PJM does not conduct its Base Residual Auction (BRA) in time for default service suppliers to incorporate the results of the auction into their bids, the CPP will be the average of the most recent results under PJM's Reliability Pricing Model from the two most recent delivery years in which PJM held a capacity auction. Petition at ¶ 32. At the start of the delivery year in which BRA results were not known, winning suppliers will be either debited or credited the difference between the CPP and actual PJM capacity price. Petition at ¶ 32. The CCP mechanism is set forth in Settlement Exhibit B, Revised PECO Energy DSP Request for Proposals and the form of the Supplier Master Agreement (SMA) set forth in PECO Exhibit SD-2.

The Company presented the CPP proposal in its DSP VI Petition and the direct testimony of Sulma Dalessio and Katie Orlandi. PECO DSP VI Petition at ¶¶ 8, 23; PECO St. 1 at 8-9; PECO St. 4 at 18-19. The Company described recent FERC and PJM developments which created a strong likelihood that PJM could delay future BRAs, impacting future delivery periods. PECO DSP VI Petition at ¶ 23. PECO witness Dalessio described the Company's proposed changes to the SMA "that would enable PECO to use a CPP for any default service procurement during DSP VI that includes an unpriced capacity period to mitigate risk associated with uncertainty created by delays in PJM's BRA auction for the applicable delivery period." PECO St. 1 at 20-22.

OCA witness Dr. Ogur evaluated the benefits of the Company's proposed CPP compared to the alternatives. OCA St. 1 at 15-16. Given the lack of predictable BRAs within PJM, the CPP

is the most reasonable means of ensuring some measure of stability of bids while recognizing the uncertainty inherent in the current capacity markets. OCA St. 1 at 15-16; OCA St. 1R at 2. Dr. Ogur discussed the alternatives to the CPP in testimony and he found none of the alternatives favorable. The first alternative discussed by Dr. Ogur would be to ask bidders to include capacity costs in their bids, without a true-up as is reflected in PECO's CPP proposal. OCA St. 1 at 16. The flaw of the first alternative is that "it puts the price risk of an unhedgeable, large, and highly variable component on the FPCR [fixed price full requirements] suppliers" who would then pass that risk on as premiums in bids. OCA St. 1 at 16. The second alternative is that the Company could assign PJM capacity charges to itself and recover these costs from consumers. OCA St. 1 at 16. Dr. Ogur identified the second alternative as administratively cumbersome and without a clear corresponding benefit. OCA St. 1 at 16. The third and final alternative discussed by Dr. Ogur was to shorten the terms of FPCRs for which capacity price is unknown for at least part of the delivery period. OCA St. 1 at 16. However, Dr. Ogur opined that this would very likely adversely affect rate stability and expose the overall portfolio to wholesale market volatility. OCA St. 1 at 16. Therefore, Dr. Ogur concluded that the CPP is preferable to the alternatives. OCA St 1 at 16.

The Settlement term regarding adoption of a CPP and true-up process is a reasonable improvement to the Company's proposed DSP VI program, to account for the uncertainty of when PJM will conduct a BRA for capacity, relative to the time needed for default service supplier to incorporate the auction results into their bids. Petition at ¶ 32. On August 2, 2022, the Commission approved the addition of a CPP to the First Energy Companies' Default Service Programs for the period June 1, 2023 to May 31, 2027, as a tool to address the same uncertainty of when PJM will conduct a BRA for capacity. *Joint Petition of Metropolitan Edison, et al for Approval to Modify their Default Service Program, Docket No. P-2021-3030012, Order (Aug. 2, 2022)(First Energy*

DSPs). The Settlement term is in the public interest to allow PECO's DSP VI program to acquire default service supply capacity on reasonable terms. *See*, OCA St. 1 at 15-17; OCA St. 1R at 2-4.

2. RESA's Objection to the Capacity Proxy Price Provision Do Not Warrant Rejection of the Settlement.

RESA has recommended rejection of the Company's proposed CCP as part of PECO's DSP VI default service supply process. RESA St. 1 at 5, 14-15, 28-31. RESA witness Caliva did not dispute PECO's concern that future PJM BRAs may not be held in a timely fashion relative to default service suppliers' submission of bids. *See*, RESA St. 1 at 29. Rather, RESA contends that the CPP is unnecessary, anti-competitive, and would result in pricing distortion. RESA St. 1 at 29-31.

The RESA position should not be adopted. OCA witness Ogur disagreed with RESA's proposal and premise. OCA St. 1R at 2-4. First, Dr. Ogur noted that wholesale FPFR suppliers and EGSs face different risks and opportunities in their respective business models. Isolating one aspect of business risk/opportunity and one pricing element and trying to levelize the playing field in that area ignores this basic fact. OCA St. 1R at 3. Dr. Ogur noted the differences and flexibility afforded EGSs to offer contracts of any term and so avoid business risk stemming from the lack of a PJM capacity market price signal. OCA St. 1R at 3. Second, Dr. Ogur recommended PUC approval of the CPP as an improvement to PECO's default service procurement process that is likely to improve price stability for default service customers. Dr. Ogur urged the Commission to focus on the improvement to default service, regardless of whether a similar accommodation is possible or practical for EGS service. OCA St. 1R at 3-4.

Commission approval of the Settlement term to include the CPP in PECO's DSP VI will benefit default service customers and advance the goal of retail competition. *See*, OCA St. 2R at 2-4. RESA's policy arguments against PECO's implementation of this tool to improve its ability

to acquire default service supply on reasonable terms does not acknowledge – much less distinguish – the *First Energy DSPs* order.

RESA's opposition should be denied.

B. AEPS Compliance

Under the terms of the Settlement, PECO will require each FPFR supplier to transfer Tier I and Tier II AECs to PECO's AEPS obligations consistent with the amount of default service load served by that supplier. Petition at ¶ 36. In addition to those AECs, PECO will allocate AECs obtained through solar procurement to suppliers in accordance with the percentage of load served by each supplier and will retain any portion of its AEC inventory to meet its AEPs obligations. Petition at ¶ 36.

The OCA did not contest this portion of PECO's proposed plan and generally finds its proposed AEPS Act compliance to be in the public interest because it will ensure that the Company is able to comply with the AEPS Act and will prevent the costs and burdens of litigation to determine how the Company will comply. For example, OCA witness Dr. Ogur supported the Company's initial proposal because long-term contracts for the provision of Tier I AECs can help stabilize prices for what would otherwise be a volatile component of the overall portfolio. OCA St. 1R at 5.

RESA opposed PECO's proposed plan to contract to obtain solar AECs and allocate them only to default service load. RESA St. 1 at 33. RESA raised competitive concerns and recommended that the Commission require PECO to assign the acquired solar AEC to all load serving entities on a load ratio sharing basis with recovery of costs through a non-bypassable charge. RESA St. 1 at 34; RESA St. 1SR at 2, 13-14. OCA witness Dr. Ogur recommended against adoption of the RESA position for PECO DSP VI. OCA St. 1R at 6. Dr. Ogur determined that

under RESA's proposal "some shopping customers could pay twice for the same solar AECs which are acquired and allocated to all load-service entities," related to RESA's non-bypassable charge concept. OCA St. 1R at 6. Dr. Ogur identified flaws and timing issues associated with RESA's non-bypassable charge concept, with the clear caveat that he did not recommend adoption of a modified version of the RESA proposal in this case. OCA St. 1R at 6. RESA's surrebuttal support for a supposed OCA "alternative proposal" is not consistent with the testimony of Dr. Ogur. *Compare*, OCA St. 1R at 6, RESA St. 1SR at 2. The record does not support adoption of RESA's flawed recommendation.

The Settlement provides a reasonable plan for PECO to acquire and use AECs in a manner that will satisfy PECO's AEPS obligations and benefit the Company's overall portfolio. The alternative proposed by RESA should not be adopted for the PECO DSP VI.

III. RATE DESIGN AND COST RECOVERY

A. Adjustment of Default Service Rates

1. PECO's Agreement to Change Adjustment of Default Service Rates from Quarterly to Semi-Annually Is Supported by the Record and in the Public Interest.

Under the terms of the Settlement, PECO will continue to recover its default service costs from customers through the Generation Supply Adjustment (GSA) and the Transmission Service Charge (TSC). Petition at ¶40. For the Residential and Small Commercial classes, default service rates that are established pursuant to the GSA will now be adjusted semi-annually rather than quarterly. Petition at ¶40. This Settlement term adopts part of an OCA recommendation sponsored by OCA witness Ogur. *See*, OCA St. 1 at 27-28; OCA St. 1SR at 2-6.

In his direct testimony, Dr. Ogur recommended the company change from quarterly to semi-annual adjustments for the GSA. OCA St. 1 at 28. As explained by Dr. Ogur, under the

Company's original DSP VI proposal, 99 percent of the Company's residential default service supplies would be procured in either 12- or 24-month FPFR contracts. OCA St. 1 at 27. These contracts terminate on May 31 and November 30 of each year and delivery of new contracts begins the next day. OCA St. 1 at 27. With contracts changing semi-annually, there is no reason to adjust rates quarterly. Semi-annual adjustment would provide greater rate stability for customers and reduce administrative costs for the Company. OCA St. 1 at 28; OCA St. 1SR at 2-3. Therefore, the OCA submits that semi-annual adjustment as set forth in the Settlement is supported by the record and in the public interest.

The OCA had also recommended that PECO modify its method of recovery or refund revenue under/over-collections, to extend the recovery or refund period from PECO's six-months to twelve-months. OCA St. 1 at 27-28; OCA St. 1SR at 3-6. Per the Settlement term, PECO will continue to reconcile over/under-collection of default service costs on a semi-annual basis. Petition at ¶40. The OCA supports this term for PECO DSP VI as the result of negotiations of the overall Settlement.

2. RESA's Preference that PECO Adjust Default Service Rates Quarterly is Not Supported and Not in the Public Interest.

RESA opposed the OCA recommendation that PECO change from quarterly to semi-annual adjustments for the GSA. RESA St. 1R at 12-13. RESA favored more frequent default service adjustment, such as quarterly. RESA St. 1R at 12. RESA opined that such quarterly adjustment would better reflect changes in the spot market pricing component. RESA St. 1R at 13.

The Commission should not adopt RESA's position. As Dr. Ogur explained, semi-annual adjustment of residential default service rates "would provide greater rate stability and certainty for residential default service customers, reduce PECO's administrative cost and burden associated with GSA-1 and E-Factor rate adjustments, and align PECO with the rest of Pennsylvania electric

distribution companies (‘EDCs’) in terms of residential generation rate and PTC adjustment frequency.” OCA St. 1SR at 2. Dr. Ogur emphasized that PECO’s original default service portfolio proposal would include 99% of residential default service supplies in the form of 12-month and 24-month FPCR contracts. OCA St. 1SR at 2. Effectively, RESA’s concern for timely reflection of spot prices failed to acknowledge the miniscule proportion of PECO’s planned spot purchases and so the lack of a compelling reason to require the March 1 and September 1 quarterly adjustments. *See*, OCA St. 1SR at 2-3.

Moreover, as part of the Settlement, PECO has agreed to procure through ten-year, fixed price purchase power agreements more solar energy, capacity, and solar AECs than in the PECO’s original DSP VI plan. Petition ¶¶ 21-25. The energy generated by the selected solar project(s) “will be used *to offset the spot purchases* for the residential customer class...” Petition at ¶24 (emphasis added). Effectively, under the Revised DSP proposed by the Settlement even more than 99% of default supply for residential will be purchased under long term contracts. Contrary to RESA’s position, the OCA contends that the change to semi-annual adjustment of residential default service rates as set forth in the Settlement is supported by the record and in the public interest.

B. Time-of-Use Rates

1. The Settlement Terms Provide for Continuation of PECO’s TOU Program Subject to Further Evaluation.

Under the terms of the Settlement, PECO will continue its Commission-approved Time-of-Use Rate (TOU) options for customers in the Residential and Small Commercial procurement Class who are eligible. Petition at ¶46. PECO will also perform a one-time evaluation of the current TOU rate structure and present these results in its next default service filing. Petition at ¶47. PECO will evaluate enrollment rates and customer characteristics through a voluntary email survey of all participating TOU customers (e.g., income, air condition, rooftop solar and electric vehicles

ownership, etc.). Petition at ¶47. The survey used will include questions regarding whether customers would prefer an incentive-based program. Petition at ¶47. PECO will utilize this information to determine whether to propose an incentive-based time varying rate in future proceedings. Petition at ¶47. Furthermore, PECO will analyze seasonal variation in the calculation of TOU Multipliers. Petition at ¶47.

As summarized in the OCA Statement in Support, both Dr. Ogur and Ms. Alexander contested the Company's position that the TOU program implemented as part of DSP V was effective. OCA Statement in Support at 8-10; *see*, OCA St. 1 at 4, 32-36, OCA St. 1SR at 14-15; OCA St. 2 at 4-5, 16-20. Dr. Ogur recommended in part that PECO consider, for implementation in DSP VII whether seasonally differentiated TOU periods would incentivize more efficient TOU customer response. OCA St. 1 at 34-36. OCA witness Alexander recommended changes to PECO's current TOU program, to improve its effectiveness and make better use of available Advanced Metering Infrastructure (AMI) for the benefit of eligible residential households. The Settlement provisions provide the first steps to the development of programs via the valuation of customer input. *See*, Petition at ¶ 47. The evaluation of an incentive-based program is in the public interest as it takes steps towards the creation of a program that may better benefit the public. Additionally, PECO's evaluation will include analysis of seasonal variation in the calculation of the TOU multipliers. Petition at ¶ 47.

The OCA Statement in Support reviews other Settlement terms regarding the TOU program and rates, including the calculation of the TOU rates on a semi-annual basis and particular TOU eligibility considerations. Petition at ¶¶53-56; OCA Statement in Support at 9. The OCA Statement in Support also explains the purpose and public benefits of the other Settlement provisions concerning PECO's communications plan to inform customers about TOU rates and update

customers about opportunities for bill savings, and particular messaging and consideration of consumers who may be low-income. Petition ¶¶ 57-61; OCA Statement in Support at 10.

The Commission should find that the Settlement provisions regarding PECO's offering of the TOU rates and service as part of PECO DSP VI reflect compromises by the OCA, Company, and TURN/CAUSE-PA, have support in the record, and are in the public interest.

2. RESA's Generalized Objections to Any Enhancement of PECO's TOU Rates Do Not Support Rejection of the Settlement.

In rebuttal, RESA opposed "any efforts here to enhance the PECO TOU rate offering..." RESA St. 1R at 14. Notwithstanding PECO's statutory obligation as an EDC to offer a TOU rate, RESA opined that competitive markets should be allowed to address customer needs. RESA St. 1R at 14-15. RESA opposed the expenditure of ratepayer money on the TOU program. RESA St. 1R at 14-15.

The Commission should reject RESA's broadly stated opposition to the OCA's direct case. As Dr. Ogur noted, RESA failed to explain how PECO could fulfill its statutory obligation to offer a TOU rate without the expenditure of ratepayer money. OCA St. 1SR at 15. Nor did RESA identify what kinds of products that PECO could create that could not be delivered by the competitive market. OCA St. 1SR at 15. Based upon the \$5 million investment of ratepayer funds already expended to establish PECO's TOU rate offering, Dr. Ogur recommended that investment be leveraged to its fullest extent to meet the Commission's TOU rate program goals. OCA St. 1SR at 15. RESA's litigation position as espoused in rebuttal testimony was broad in scope and unsound. *See*, RESA St. 1R at 14-15.

RESA's broad objections based on pro-competition interests do not support rejection of these Settlement terms.

IV. PECO's Standard Offer Program

A. The Settlement Proposes a Program Rule to the Standard Offer Program, Coupled with Changes to the Supplier Coordination Tariff and Scripting Changes to Implement the Rule.

The Joint Petition reflects the Company's commitment and the agreement of OCA, TURN/CAUSE-PA and other parties to set revised program rules for the SOP that will commence June 1, 2025, as part of PECO's revised DSP VI. The OCA supports the terms of the Settlement which address PECO's standard offer program. The Commission should approve these terms as the result of negotiations and compromise among PECO, OCA, and TURN/CAUSE-PA, and in the public interest.

The Joint Petition provides that the currently effective SOP, including the cost recovery mechanism last approved as part of PECO DSP V "will continue as modified by this Settlement until May 31, 2029, unless ordered by the Commission to be terminated sooner." Petition at ¶63. The specific modifications to define the SOP in effect during the term of the revised DSP VI are incorporated into PECO's proposed Supplier Electric Generation Coordination Tariff (Supplier Tariff) provided with the Joint Petition. Petition at ¶64, Exhibits F and G. "The Joint Petitioners agree that for all SOP contracts executed after June 1, 2025, EGSs must automatically transfer SOP customer to default service upon the expiration of the SOP contract unless the customer affirmatively elects to remain with the SOP supplier." Petition at ¶64. The Joint Petition further provides that "PECO will change its SOP scripting to inform customers who enroll after June 1, 2025, that enrollment in an SOP contract under those terms will operate as consent to return to default service absent an affirmative decision to remain with the SOP supplier at the end of the term." Petition at ¶64.

Modification of the Company's current SOP is necessary and appropriate. PECO's current SOP requires participating EGSs to offer a fixed price agreement for 12 billing cycles to

participating customers. OCA St. 2 at 5. The fixed price is set at 7% below the price-to-compare in effect at the time of the customer's agreement to participate. OCA St. 2 at 5. As Ms. Alexander explained, consumers enrolled in the SOP may pay more than the PTC over the course of the 12-month contract, offsetting or exceeding the initial 7% discount, as the PTC is adjusted periodically. OCA St. 2 at 5. Similarly, the SOP rate may be less than the later adjusted PTC, providing savings of more than 7%. OCA St. 2 at 5, 10. The Settlement terms and modification to the SOP are focused on what happens at the end of the 12-months, when the SOP contract ends.

As explained by OCA witness Alexander, the referral program or SOP has been in effect for 10 years, for the purpose of exposing PECO's residential and small commercial customers to the retail energy supply market. OCA St. 2 at 3, 14. Ms. Alexander described the complicated role of PECO in marketing and enrolling consumers in the SOP, the costs to PECO, and the low fee for EGSs to participate and gain competitive supply customers. OCA St. 2 at 9, 11-12, 14-15; OCA St. 2R at 3. Ms. Alexander described the concern that customers who enrolled via their trusted utility provider, with the expectation of savings relative to the PTC, are left with minimal protections against supplier rule violations or misleading communications as the SOP contract runs and then ends. OCA St. 2 at 6-7, 14-15.

The OCA's primary recommendation – that the SOP be terminated – is supported by the record. After 10 years of SOP programs, Ms. Alexander noted the decline in residential enrollment with EGSs as reflected in PUC reports and that residential enrollment is now 25% or less of eligible residential customers. OCA St. 2 at 14. PECO's residential enrollment with EGSs under the SOP has leveled off and is a relatively small percentage of the customers who contact PECO and agree to be transferred to hear the SOP offer and enrollment script. OCA St. 2 at 14, Exhibit BA-2. The Joint Petition does not request that the Commission order termination of the SOP, but it does

acknowledge that the Commission could issue an order directing PECO to end the SOP. Petition at ¶¶63.

The OCA supports the compromise set forth in the Settlement which requests that Commission approve a program rule change to PECO's prospective SOP to operate during the PECO DSP VI period. Petition at ¶¶63-64. This modification of the Company's current SOP program is in line with OCA's alternative recommendation. OCA St. 2 at 3-4, 15-16; OCA St. 2R at 3-4. Based upon her experience and observations specific to PECO, Ms. Alexander described a long history of EGS prices exceeding the Price to Compare in Pennsylvania. OCA St. 2 at 12. In discovery, PECO provided a chart showing what PECO residential customers paid to suppliers compared to what would have been charged had the customer remained with default service for each month in 2018 through 2023.² OCA St. 2 at 12. In every year residential PECO customers paid more to suppliers than compared to the price to compare, *amounting to an excess of \$800 million more than they would have if they remained on default service*. OCA St. 2 at 12. These facts suggest that rather than benefitting customers, the competitive market within PECO's service territory is causing significant harm to customers. TURN/CAUSE-PA witness Elizabeth Marx evaluated the PECO data and determined that the average cost per kilowatt hour (kWh) for Default service was lower every month than the average shopping cost per kWh. TURN/CAUSE PA St. 1 at 10. This harm real world consequences as demonstrated by Ms. Marx's testimony wherein she demonstrated that confirmed low income customers not enrolled in a customer assistance program (CAP) had a significantly higher termination rate if they were served by a competitive supplier than if they remained on default service. TURN/CAUSE PA St. 1 at 15-18.

² The PECO Response to TURN/Cause-PA-I-16(a) provided monthly data, quantifying the "Supplier Revenue" and "Supplier Revenue @ PECO Rate." OCA St. 1 at 12-13. Ms. Alexander summarized the PECO provided information on an annual basis. See, OCA Statement 2, p. 13, Chart.

OCA witness Alexander recommended modification of the PECO SOP for the DSP VI period to protect future SOP enrollees from this outcome, for SOP enrollees who would otherwise roll-over to some other rate with the SOP EGS, in the absence of an affirmative decision by the consumer to switch. As stated by Ms. Marx, the SOP currently provides a passive “on-ramp” to the market, without matching it with a passive “off-ramp” for unengaged customers. TURN/CAUSE PA St. 1 at 5. By revising the PECO SOP for DSP VI as provided in the Joint Petition, consumers enrolled in the SOP after June 1, 2025 who do not affirmatively opt to remain with the SOP supplier or select another EGS will return to default service. Petition at ¶¶63-64. This modification would end the current negative option renewal policy under which a consumer’s SOP contract ends and the consumer rolls over to some other terms without affirmative consent. *See*, OCA St. 2 at 13-15.

The Commission has authority to approve this settlement term and the amended SMA which would give all EGSs notice of the operative SOP provisions, before the EGS decides whether to participate in the SOP during the DSP VI period. In 2012, the Commission set forth general guidelines for an EDC Standard Offer Program. *Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2337952, Final Order at 32 (Mar. 1, 2012) (*IWP Order*). The PUC was clear that the SOP for an individual EDC would be shaped by facts and circumstances specific to the EDC, as reviewed during the EDC’s subsequent DSP proceedings. *Id.* at 31-32. The Commission’s standards for changing a customer’s EGS are clear that a customer is not required to contact their supplier to initiate a switch “when a Commission-approved program requires the EDC to initiate a change in EGS service.” 52 Pa. Code §57.172(a). As to the balance between the Choice Act’s promotion of competition in supply and the Commission’s authority to approve SOPs that are in the public interest, Commonwealth Court has

on two separate occasions referenced a Commission-approved SOP as an example of how the Commission has exercised authority to approve or implement program rules that restrict competition. *See RESA*, 185 A3d at 1221 and *CAUSE-PA*, 120 A.3d at 1093, 1103.

The OCA acknowledges that in the *PPL DSP V* case, the Commission rejected PPL's proposed modification to its SOP due to "our inability to determine from this record that harm is occurring as a result of the existing SOP program." *Petition of PPL Electric Utilities Corporation for Approval of Its Default Service Plan for the Period June 1, 2021, Through May 31, 2024*, 2020 Pa. PUC LEXIS 636, *47-48 (Order Dec. 17, 2020). The record in this case is abundantly clear that shopping harms customers in aggregate month in and month out. In this proceeding, the record shows that ***PECO customers who shopped have paid an excess of \$800 million dollars in six years to suppliers than they would have paid under the default service rate.*** OCA St. 2 at 12-13. While not limited to only SOP shopping customers, the Commission has a clear ability and to ensure that its market enhancement program approved in 2012 does not exacerbate this harm as the data shows that the SOP, and its negative option renewal, have produced harms to shopping customers and other ratepayers that are undeniably detrimental to consumers. An example of this harm is the increased termination rates for confirmed low-income shopping customers as demonstrated in the direct testimony of Ms. Marx. TURN/CAUSE PA St. 1 at 18; OCA St. 2R at 3-4. These higher termination rates drive higher collection costs and uncollectible expenses which are borne by other ratepayers. TURN/CAUSE PA St. 1 at 18. Given this reality, and in light of the fact that the SOP is itself is a limitation on competition because of the price offering, it is a reasonable means by which the Commission can "bend" competition to ensure that customers remain protected.³

³ In *CAUSE-PA*, the Commonwealth Court held that the General Assembly has reserved within the Commission the authority to "bend" competition to further other important aspects of the Code, including the Choice Act, where the

Furthermore, the terms of the settlement provide that this change will only be prospective – for contracts after June 1, 2025, thereby not interfering with any existing SOP agreements, and will only occur after PECO informs customers that as a condition of enrollment in the SOP that they will be returned to default service at the end of the term unless they make an affirmative choice to remain with their SOP supplier. Petition at ¶¶63-64. Thus, it does not impair existing contracts and would be done with the informed consent of the customer entering the program.

These are reasonable conditions that protect current supplier contracts while ensuring that the clear harms to consumers demonstrated in this proceeding concerning shopping are no longer exacerbated by a Commission-designed, utility-promoted program. Importantly, nothing in the Settlement terms prevents a customer from choosing to shop at any time. They can enroll with another EGS while being served on SOP, they can choose another EGS at the end of their SOP-contract, they can choose to remain with their SOP-supplier by affirmatively electing to remain. In every way, a customer’s direct access to the retail market is maintained by the terms of this settlement. Thus, the requirement that for all SOP enrollments after June 1, 2025, customers be returned to default service at the end of the contract term unless they make an affirmative decision to remain with the SOP supplier is in the public interest and should be adopted.

B. RESA’s Broad Policy Arguments Do Not Counter the Reasonableness and Public Benefit of the SOP Program Rule Change Agreed to by the Joint Petitioners.

RESA opposed termination of the SOP or any revision of the SOP as unreasonable, based upon RESA’s view of the current competitive market structure and perception that default service continues to dominate. RESA St. 1R at 2. RESA contested the direct testimony of OCA witness Alexander and TURN/CAUSE-PA witness Marx which compare prices paid by shopping

Commission provides substantial reasons why the restriction on competition is necessary (*i.e.*, there are no reasonable alternatives). *CAUSE-PA*, 120 A.3d at 1103-1104, 1106.

customers with the prices in effect for PECO default service available to those customers. RESA St. 1R at 3-6, citing TURN/CAUSE-PA St. No. 1 at 5-11, OCA St. 2 at 12-14. RESA witness Caliva labelled the OCA and TURN/CAUSE-PA price comparisons as “spurious,” offered in support of “anti-market” recommendations, and misleading. RESA St. 1R at 3-4.

The Commission should dismiss RESA’s opposition and approve the Joint Petition terms which would modify the SOP terms in the revised SMA accompanying the Settlement.

RESA witness Caliva’s labelling of the OCA’s primary or alternative recommendation regarding the SOP as anti-competitive does not reflect the current state of affairs. Furthermore, it bears repeating that nothing in the Settlement terms prevents a customer from choosing to shop at any time. They can enroll with another EGS while being served on SOP, they can choose another EGS at the end of their SOP-contract, they can choose to remain with their SOP-supplier by affirmatively electing to remain. These changes are not anti-competitive. They merely seek to ensure that a Commission designed SOP does not exacerbate harm – harm that was clearly shown from the record demonstrating that customers paid \$800 million more over 6 years because of shopping than they would have paid on default service.

As OCA witness Alexander noted, the SOP has been in place for 10 years, providing consumers with the opportunity to learn and decide whether and when to shop for competitive supply. OCA St. 2 at 3, 14. Additionally, although PECO has scripting and webpages to provide consumers with information about the SOP and manage the enrollment process,⁴ individual EGSs decide whether or not to participate. In recent periods covered by PECO DSP V, the number of

⁴ The Commission approved a partial settlement regarding PECO’s DSP V for the period from June 1, 2021 through May 31, 2025. The *PECO DSP V* order approved settlement terms modifying PECO’s prior SOP: changing the name to ‘Customer Referral Program,’ requiring customer authorization to enroll with a named supplier prior to the customer’s agreement to participate in the SOP, and changes to allow customers to enroll through the PECO website in the SOP, with waiver of the SOP referral fee otherwise paid by the participating EGS. *Petition for PECO Energy Company for Approval of its Default Service Program for the Period from June 1, 2021 through May 31, 2025*, Docket No. P-2020-3019290, Order at 22-23, 30-32 (Dec. 3, 2020) (*PECO DSP V*).

EGSs participating in the SOP have varied from zero to 16. OCA St. 2 at 11-12. OCA Statement 2, Exhibit BA-2 includes a PECO discovery reply that provides data for June 2021 through December 2023, identifying the number of calls received by PECO's SOP enrollment vendor and the number of resulting enrollments for each month, by residential or small commercial classes. Even if there are zero EGSs participating in the SOP for a period, consumers who contact PECO are still exposed to the SOP concept and shopping for supply as shown in Exhibit BA-2.

RESA's general opposition to the "price to compare" label and the concept of measuring the value of a competitive supply offer against the PTC does not diminish the reasonableness and public benefit of the Joint Petition proposed program rule change to the SOP. The OCA and TURN/CAUSE-PA evaluations of the benefits of shopping versus default supply, on a revenue basis, over several years are not "spurious" or false or of a deceitful nature as alleged by RESA. *See*, RESA St. 1R at 3; OCA St. 2 at 12-13; OCA St. 1SR at 4-5. OCA witness Alexander's analysis was directly based upon billing data from PECO, factual data that RESA witness Caliva did not contest or dispute. OCA St. 1SR at 4-5, Exhibit BA-4. Instead, Mr. Caliva dismisses Ms. Marx and Ms. Alexander's comparison of revenues billed by suppliers to shopping customers with the prices that PECO would have charged those customers for default service as a misleading comparison. RESA St. 1R at 3-5. Ms. Alexander used the historic comparison of competitive supply billed rates and default service rates as "evidence of higher prices charged by EGSs and the resulting impact on higher collection costs imposed on PECO ratepayers." OCA St. 1SR at 5. This evaluation by Ms. Alexander directly supports the narrow, focused program rule change to the SOP agreed to by the Joint Petitioners. In the context of the SOP, the relationship between the supplier price at a 7% discount from the then effective PTC highlights the importance of cost or pricing, regardless of other features included in competitive supply products outside of the SOP.

Notwithstanding RESA's bluster and unfounded accusations, the record supports the Joint Petition term that would require consumers at the end of the SOP term to provide affirmative consent to continue with the SOP provider. This would ensure that the service and price for supply paid by the consumer, after the SOP contract, are the result of affirmative choice.

RESA's testimony does not provide probative reasons why the Commission should not approve the Joint Petition terms regarding PECO's SOP effective for the DSP VI period. RESA's position should be denied.

V. OTHER ISSUES

A. RESA's Request for a Statewide Commission Investigation of Default Service Messaging

RESA has asked the Commission to "open a statewide investigation regarding messaging of default service, to include discontinuing use of that term and improving the messaging so that customers are able to make more informed decisions when they evaluate competitive offers." RESA St. 1 at 4-5, 17-18, 35; RESA St. 1R at 1, 11; RESA St. 1SR at 1-8. RESA recommends that an outcome of the investigation include the replacement of the phrase "price to compare" with "default service rate." RESA St. 1 4-5, 17; RESA St. 1SR at 2. RESA describes the current state of the competitive market as "stagnant" and so grounds for the Commission to open the requested investigation as a first step to improve competition versus default service. RESA St. 1 at 10-18; RESA St. 1SR at 2. RESA posited that its call for a statewide investigation focused on the messaging of default service "is one that should not be objectionable to any party in this proceeding." RESA St. 1 at 18.

RESA's request that the Commission order a statewide investigation and take decisive action in favor of RESA's position *is* opposed by the OCA, the Company, and TURN/CAUSE-PA. RESA St. 1 at 18; OCA St. 2R at 4; PECO St. 1R at 24-25; PECO St. 3R at 57-59;

TURN/CAUSE-PA St. at 2-7. Briefly, RESA's premise that competition is stagnant and that the Commission must do more to follow-up on a statement in the 2013 *End State Order* is unsound, as explained by OCA witness Alexander. OCA St. 2R at 1, citing *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952, Order (Feb. 13, 2013) (*End State Order*). RESA has ignored more recent and other important provisions of the Public Utility Code which require the procurement of default supply through competitive processes, inclusive of a prudent mix of contracts of varying durations. OCA St. 2R at 1-2, citing 66 Pa. C.S. §2807(e) (3.1)-(3.2). Ms. Alexander emphasized that default service pricing, reflected in the price to compare, includes recovery by EDCs of their actual costs to procure and administer the default service supply portfolio through Section 1307(e) reconcilable surcharges. OCA St. 2R at 2, citing 66 Pa. C.S. §§ 1307(e), 2807(e)(3.9). RESA's suggested new label would not alter how the price to compare rate is developed.

OCA witness Alexander also disputed RESA's position that EGSs have innovative services and favorably priced products that they would have marketed, but for barriers including default service and the price to compare concept. OCA St. 2R at 2-4. Ms. Alexander opposed the prospect, as sought by RESA, that the Commission's use of "price to compare" in educational messaging about the retail energy market, its appearance on EDC customer bills, and role as the basis for comparison by consumers between the default service and offers by suppliers on the Commission's shopping web portal should be cast aside. OCA St. 2R at 4. Ms. Alexander deemed the RESA request that the Commission eliminate the use of price to compare in messaging unreasonable, given the costs incurred, the years of consumer education that would be wiped away and the resulting customer confusion about how to shop and compare. OCA St. 2R at 4. The OCA notes that RESA's professed concern that ratepayers should be spared from more expense – regarding

PECO's TOU rate offering – does not carryover to RESA's request for a statewide investigation to result in RESA's specific affirmative relief. *See*, RESA St. 1R at 14-15.

The OCA is opposed to the RESA request that the Commission open a statewide investigation to result in elimination of the price to compare term as part the messaging about consumer choices between default service or offerings by EGSs. Grant of the RESA request is not necessary and is not in the public interest. As the proponent of an order in this proceeding, the burden lies with RESA to establish that it is entitled to the relief it is seeking. 66 Pa. C.S. §332(a). The OCA reserves the right to respond in the OCA Reply Brief to any RESA arguments advanced in support of this RESA request for a statewide investigation and the scope of such an investigation, if any.

B. PECO's Proposed Residential Customer Bill Format Changes

1. PECO's Revised Residential Bill Format Is Reasonable and in the Public Interest.

Under the Settlement, PECO's residential bill format will add a graphic to the first page of the customer bill that compares the customer's total supplier charges for each billing period with what they would be under PECO's applicable PTC based on the customer usage during the billing period. Petition at ¶65, Exhibit H. PECO will not include an "Electric Supplier Savings" column in the revised customer bill graphic. Petition at ¶66; *compare* Settlement Exhibit H and PECO Exhibit SD-6.

The OCA supports the Company's proposal to include on residential customer bills a dollars and cents comparison or juxtaposition of the customer's EGS costs with the applicable PTC. OCA St. 1 at 4, 8. The OCA supports the removal of the proposed "Electric Supplier Savings" column, which was presented in the Company's direct case. *See* PECO Exhibit SD-6. As explained in the testimony of Ms. Alexander, that proposed column would not have necessarily

been labeled correctly as it is not guaranteed to always be savings, some months may be losses. OCA St. 2 at 8. As a result, this column had the risk of confusing customers. The removal of this column will allow customers to focus on the actual dollar amount and would allow for a true dollar to dollar comparison. OCA St. 2 at 8; *see*, Settlement Exhibit H.

This Settlement provision will provide information for residential customers in a useful format, is in the public interest and should be approved by the Commission as part of the Joint Petition.

2. RESA's Opposition to PECO's Proposed Customer Bill Format Change

RESA opposed PECO's proposed customer bill format change, which originally included three columns, including the "Electric Summary Savings" column. RESA St. 1 at 4-5,18-23. According to RESA, PECO should not include any of the proposed information on the shopping residential customer bill as to do so would be misleading and anti-competitive. RESA St. 1 at 18-22. RESA specifically opposed the third, Electric Summary Savings column as judgmental and confusing. RESA St. at 18-20. According to RESA, the Commission should reject PECO's modification of the residential bill format to avoid damage to the competitive market. RESA St. 1 at 22. In the alternative, RESA proposed that PECO should not be allowed to implement any customer bill format change pending completion of the statewide investigation requested by RESA. RESA St. 1 at 22-23. RESA also asked the Commission to order PECO to provide EGSs with more messaging space on the residential bills. RESA St. 1 at 23.

The Settlement Petition resolves both the OCA and RESA concerns as to the merits of the proposed "Electric Summary Savings" column. Petition at ¶66; *compare* Settlement Exhibit H and PECO Exhibit SD-6. As to the remainder of RESA's theory that the Commission can and should prevent PECO from modifying its residential bill format, the OCA disagrees.

Indeed, the OCA recommended that PECO did not require Commission approval through the DSP proceeding to implement the residential bill format modification. OCA St. 2 at 2. However, by including the proposal as part its DSP Petition, PECO has provided notice of the planned change. The resulting Joint Petition terms recommending Commission approval of the revised bill format modification is supported by the record and will benefit the public. For example, OCA witness Alexander determined that residential customers participating in the SOP would benefit from the monthly presentation of the supplier charge and usage at the PTC. OCA St. 2 at 4.

RESA's position that less information available to consumers is better for the competitive market is unfounded and does not merit rejection of these Joint Petition provisions. RESA's suggestion that the Commission deny PECO's proposal which has been presented and reviewed by the participating parties, so that the concept and broad issue of consumer messaging might be reviewed in a future statewide investigation is not reasonable nor productive. RESA's alternative request that the Commission order PECO to provide more messaging space on the residential bill is also unnecessary. As OCA witness Alexander explained, EGSs have multiple channels to communicate with the public and their customers regarding the products and services offered. OCA St. 2SR at 8.

The Commission should deny RESA's position and alternative proposals. The PECO residential bill modification, as agreed to by the Joint Petitioners is supported by the record, in the public interest and should be approved.

C. Supplier Issues During PECO's Customer Information System Upgrade

The OCA takes no position on the issue identified by RESA regarding how PECO has implemented upgrades and modifications to its Customer Information System. See, RESA St. 1 at 5, 24-28, 36-37.

VI. NON-SETTLING PARTIES' POSITIONS ON SETTLEMENT

The OCA is a party to the Joint Petition and supports Commission approval of the Settlement in its entirety, without modification.

VII. CONCLUSION

The Office of Consumer Advocate supports the Joint Petition for Non-Unanimous Settlement as a reasonable resolution, with record support, of the Company's Petition to establish a Default Service Program for the period from June 1, 2025 through May 31, 2029 that complies with relevant law and policy goals. The Commission should find that the terms of the Joint Petition are in the public interest and approve the Joint Petition without modification. The OCA requests that the Commission dismiss any opposition to the Joint Petition and deny the requests for relief presented by RESA.

Respectfully submitted,

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