



July 31, 2024

VIA eFILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Enclosed please find the Certificate of Service evidencing service upon the parties of record of the Reply Brief of TURN and CAUSE-PA in the above-captioned proceeding. If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Robert W. Ballenger
Robert W. Ballenger

Counsel for TURN and CAUSE-PA

Enc.

Cc: Service list

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for :
Approval of Its Default Service Program for : P-2024-3046008
the Period From June 1, 2025 Through :
May 31, 2029 :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the Reply Brief of of TURN and CAUSE-PA upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code §1.54.

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July 31, 2024

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

JOINT REPLY BRIEF OF TENANT UNION
REPRESENTATIVE NETWORK (TURN) AND
COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA
(CAUSE-PA)

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July 31, 2024

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I. INTRODUCTION

A. Procedural History

On February 2, 2024, PECO Energy Company (“PECO” or “the Company”) filed a Petition for Approval of its Default Service Program for the Period of June 1, 2025, through May 31, 2029 (“Petition”), which was assigned to this Docket No. P-2024-3046008. PECO’s Petition was assigned to Administrative Law Judges (ALJs) Eranda Vero and Arlene Ashton.

Tenant Union Representative Network (TURN) and Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a joint Petition to Intervene in this proceeding on March 4, 2024. A Prehearing Conference Order was issued on March 4, 2024, and a Prehearing Conference was held on March 8, 2024. On April 2, 2024, the ALJs issued their second Prehearing Order, granting Petitions to Intervene of TURN/CAUSE-PA, Philadelphia Area Industrial Energy Users Group (PAIEUG); Calpine Retail Holdings, LLC (Calpine); NRG Energy, Inc. (NRG); Retail Energy Supply Association (RESA); POWER Interfaith, Vote Solar, Clean Air Council, Sierra Club, Physicians for Social Responsibility Pennsylvania and PennEnvironment (collectively, Energy Justice Advocates, or EJA); Constellation NewEnergy, Inc., and Constellation Energy Generation, LLC (collectively, Constellation). The ALJs’ April 2, 2024, Prehearing Order also adopted a procedural schedule and discovery rules for this proceeding.

Public Input Hearings were held on April 16 and April 18, 2024, and were well-attended. Non-PECO parties filed Direct Testimony on April 25, 2024. The parties filed Rebuttal Testimony on May 15, 2024, and Surrebuttal Testimony on May 29, 2024. The ALJs approved the agreement of the parties to cancel the June 4, 2024, hearing and a single day of evidentiary hearings was held on June 5, 2024. At the June 5, 2024, evidentiary hearing, each party was

permitted to move previously served testimony and exhibits onto the record by stipulation and PECO offered brief Oral Rejoinder testimony. TURN/CAUSE-PA Statement No. 1 (Direct Testimony of Elizabeth R. Marx, with accompanying Exhibits and Appendices), TURN/CAUSE-PA Statement No. 1-R (Rebuttal Testimony of Elizabeth R. Marx), and TURN/CAUSE-PA Statement No. 1-SR (Rebuttal Testimony of Elizabeth R. Marx with accompanying Exhibits), have all been accepted onto the record of this proceeding.

On July 10, 2024, PECO, the Office of Consumer Advocate (OCA), Office of Small Business Advocate (OSBA), TURN/CAUSE-PA and EJA submitted a Joint Petition for Non-Unanimous Settlement, together with Statements of Support for the terms set forth therein (Joint Petition). The Joint Petition, if approved, resolves several key issues advanced by TURN/CAUSE-PA that were not challenged by the non-settling parties. As a consequence, those issues not in dispute are addressed in TURN/CAUSE-PA's Statement in Support but are not otherwise discussed fully herein.

On July 17, 2024, PECO, OCA, NRG and RESA filed Main Briefs. In addition, American Power & Gas filed an *amicus curiae* brief.¹ TURN/CAUSE-PA submit this Reply Brief in response to other parties' positions regarding the Joint Petition, including issues related to PECO's Standard Offer Program (SOP) as modified by the Joint Petition, RESA's proposed statewide investigation into default service and the Commission-approved Electric Distribution

¹ TURN/CAUSE-PA note that, although American Power & Gas may be permitted by 52 Pa. Code § 5.502(e) to submit its *amicus curiae* brief, it is not a party to this proceeding and, accordingly, its *amicus curiae* brief may not be dispositive of any issues in this proceeding. See, e.g., Kreider v. PECO Energy Co., Docket No. P-2015-2495064, 2016 WL 406549, at *10 (Jan. 28, 2016). Additionally, as *amicus*, American Power & Gas cannot contribute factual averments not of record, but instead takes the record as established by the parties. See, e.g., Petition of W. Penn Power Co. d/b/a Allegheny Power for Approval of Its Energy Efficiency & Conservation Plan, Approval of Recovery of Its Costs Through A Reconcilable Adjustment Clause & Approval of Matters Relating to the Energy Efficiency & Conservation Plan, Docket No. M-2009-2093218, 2009 WL 3481832 at n. 13 (Oct. 23, 2009).

Company (EDC) use of the term “Price to Compare” (PTC), and PECO bill format changes agreed to in the Joint Petition. For all the reasons discussed herein, the Commission should approve the Joint Petition and decline to initiate a statewide investigation as requested by RESA.

B. Non-Unanimous Settlement

As set forth in the Joint Petition, the parties thereto submit that the terms of the Joint Petition and the proposed settlement described therein are fair, just, reasonable, non-discriminatory, lawful and in the public interest. The proposed settlement represents a balanced compromise of the competing interests of the Joint Petitioners and amicably and expeditiously resolves a significant number of issues in this proceeding, avoiding administrative burden and costs of further litigation. The Joint Petition, and the proposed settlement terms contained therein, are consistent with Commission policy promoting settlements, and supported by the evidentiary record of this proceeding.² As relevant hereto, the evidentiary record conclusively demonstrates that residential customers, in particular confirmed low income (CLI) residential customers, experience significant harm due to Electric Generation Supplier (EGS) pricing that has, on average in each month from January 2018 through December 2023, consistently exceeded PECO’s PTC, resulting in more than \$800 million in charges that consumers could have avoided had they remained with default service. TURN/CAUSE-PA submit that the Joint Petition should be approved.

RESA opposes the Joint Petition, asserting that it contains unlawful provisions and is not in the public interest.³ As to allegations that portions of the Joint Petition are unlawful, RESA’s brief fails to convincingly identify any legitimate legal obstacle to implementation of the Joint

² 52 Pa. Code §§ 5.231, 69.391.

³ RESA MB at 1.

Petition's terms. RESA's assertion that the proposed modifications to the SOP are unlawful disregards Commonwealth Court precedent and is unfounded. Indeed, adopting RESA's position would impermissibly restrict the Commission from considering the appropriate terms and conditions for a voluntary, utility-run program. NRG and American Power & Gas similarly oppose the Joint Petition's SOP modifications. TURN/CAUSE-PA's reply regarding the SOP is set forth more fully in Section IV.

RESA's fundamental opposition to the Joint Petition centers around price comparisons and the longstanding Commission-approved messaging on comparing EGS prices to the PTC when making shopping decisions,⁴ which it contends has resulted in "inability of competition to flourish."⁵ To the contrary, however, PECO established that the EGS market is robust in its service territory, with nearly 100 suppliers serving more than half of the total electric load.⁶ Nonetheless, RESA seeks a statewide investigation into the use of the PTC (suggesting it be replaced with "default service rate") and changes to bill messaging to benefit EGSs.⁷ This proposal is discussed more fully below in Section V.A hereto.

RESA, with support from NRG, likewise opposes PECO's proposed residential customer bill modifications, as adjusted pursuant to the Joint Petition. In RESA's view, this mathematical calculation of EGS charges, converting them to cents per kWh, presents a misleading comparison that "reinforces the wrong message to customers that they should be judging all competitive offers against the default service rate."⁸ RESA contends that this comparison is anti-competitive and unlawful pursuant to its erroneous interpretation of the Electricity Generation

⁴ RESA MB at 3.

⁵ RESA MB at 7.

⁶ PECO MB at 19, citing PECO St. 3, p. 31; PECO St. 3-R, pp. 57-58.

⁷ RESA MB at 3.

⁸ RESA MB at 4.

Customer Choice and Competition Act (Choice Act).⁹ TURN/CAUSE-PA's reply to RESA's opposition to the Joint Petition's proposed bill modifications is discussed more fully in Section V.B.

TURN/CAUSE-PA submit that, as set forth in the Joint Petition and the Statements of Support filed therewith, the proposed settlement is supported by substantial record evidence, is consistent with Commission guidance, establishes reasonable terms and conditions for default service and associated programs such as the SOP and Customer Assistance Program (CAP), is in the public interest, and should be approved without modification.

C. Legal Standards

The Choice Act requires that PECO obtain, through a plan for competitive procurement processes, a "prudent mix" of default service supply contracts designed to ensure "adequate and reliable service" at the "least cost to customers over time."¹⁰ As the proponent of a rule or order, in the first instance, PECO bears the burden of proof to demonstrate that its proposal fulfills the requirements of the Choice Act and that all aspects of its proposal are just and reasonable.¹¹

In order to carry its burden, the proponent of a rule or order must support its request with substantial evidence. Substantial evidence is "more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."¹² Courts evaluating the application of the substantial evidence standard have clarified that the sufficiency

⁹ RESA MB at 38.

¹⁰ 66 Pa. C.S. § 2807.

¹¹ 66 Pa. C.S. § 332(a); 66 Pa. C.S. § 315(a); Petition of Pennsylvania Power Co. for Approval of Interim Default Serv. Supply Plan, Docket No. P-00072305, 2007 WL 7232900, at *2 (Dec. 20, 2007) ("As the public utility seeking a Commission Order approving an Interim Default Service Plan, Penn Power has the burden of proving that the aspects of its proposed plan are both just and reasonable.").

¹² Consolidated Edison Co. v. National Labor Relations Board, 305 U.S. 197, 229 (1938).

of the evidence required is directly related to the nature and extent of the authority requested.¹³

A party opposing a proposed rule or order supported by substantial evidence must produce some evidence that would tend to show the reasonableness of an alternative.¹⁴

Commission policy encourages parties to engage in negotiations to identify areas of agreement and potential settlement, in whole or in part.¹⁵ Promotion of settlements is, pursuant to Commission policy, intended to support the public interest, and to permit the parties to engage in negotiations in lieu of expending time and expense on uncertain litigation.¹⁶ Indeed, the Commission has recognized that the results achieved from negotiated settlements are “often preferable to those achieved at the conclusion of a fully litigated proceeding.”¹⁷

II. DEFAULT SERVICE PROCUREMENT AND IMPLEMENTATION PLANS

TURN/CAUSE-PA do not take a position on the Default Service Procurement and Implementation Plans for PECO in this proceeding.

III. RATE DESIGN AND COST RECOVERY

TURN/CAUSE-PA do not take a position on the Rate Design and Cost Recovery issues raised in this proceeding.

IV. STANDARD OFFER PROGRAM

The Joint Petition establishes, as a reasonable voluntary program feature, that participation in the Standard Offer Program concludes at the end of the 12-month program period (unless earlier terminated). Upon conclusion of the program period, customers who have obtained EGS supply via SOP will have the option of being returned to default service or making

¹³ Lansberry v. Pa. Pub. Util. Comm’n, 578 A.2d 600, 603 (Pa. Commw. Ct. 1990).

¹⁴ NRG Energy, Inc. v. Pa. Pub. Util. Comm’n, 233 A.3d 936, 950 (Pa. Commw. Ct. 2020).

¹⁵ 52 Pa. Code §§ 5.231, 69.391 and 69.401.

¹⁶ 52 Pa. Code § 69.391(a).

¹⁷ 52 Pa. Code § 69.401.

an affirmative election to enter a new agreement with an EGS. Customers will be advised of and must consent to this program feature upon enrollment in the SOP on or after June 1, 2025.¹⁸

Accordingly, customers will understand prior to deciding whether to enroll in the voluntary SOP that they will be returned to default service if they don't make a future election to shop for EGS supply.

RESA argues, in the first instance, that this program feature would violate the Choice Act.¹⁹ RESA appears to believe that the structure of any EDC SOP has been permanently established and that the Commission is prohibited from implementing the proposed modification to PECO's SOP, citing to the Commission's Investigation of Pennsylvania's Retail Electricity Market and Intermediate Work Plan Order adopted in March 2012.²⁰ RESA provides no support for why the provisions of the Intermediate Work Plan Order, which required PECO to implement an SOP in its second default service program proceeding (DSP II, taking effect in 2013), now prohibit the Commission from approving modifications to the SOP. Indeed, the Intermediate Work Plan order only applied, by its terms, to PECO's DSP II.²¹ Accordingly, RESA's premise that SOP terms and conditions have been firmly established and cannot be modified is unsupportable and without basis in law.

Furthermore, RESA asserts that the proposed program rule, which would return customers to default service upon expiration of the 12-month SOP program period, is

¹⁸ Joint Petition ¶64.

¹⁹ RESA MB at 23-24.

²⁰ RESA MB at 25, citing Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan, Docket No. I-2011-2237952, Final Order entered March 2, 2012, at 31-32 ("Intermediate Work Plan Order").

²¹ Intermediate Work Plan Order, Ordering ¶ 9 ("Electric Distribution Companies shall implement a Standard Offer Customer Referral Program consistent with the guidance provided in this Final Order. The company should include a proposal for a Standard Offer Customer Referral Program *in its upcoming default service plan filing*, or should amend a plan that is currently pending Commission review to include such a proposal.") (emphasis added).

anticompetitive and/or discriminatory.²² However, the Commonwealth Court has been abundantly clear that competition may permissibly “bend” and that, “under certain circumstances, unbridled competition may have to give way to other important concerns.”²³ As the record evidence in this proceeding demonstrates, residential customers, and CLI customers in particular, consistently experience EGS prices in excess of the PTC, resulting in millions of dollars of higher bill charges and associated financial risk. These facts, discussed more extensively in Section V.A., below, demonstrate the crucial need for the proposed SOP program rule.

Although RESA touts the results of a customer satisfaction survey conducted by PECO, indicating that the majority of those who responded reported a positive experience with the SOP,²⁴ the survey represents only 447 responses out of a total pool of 7,454 customers who were enrolled through the referral program.²⁵ Furthermore, as OCA witness Alexander explains, “[t]he survey confirms that a substantial number of the surveyed customers that PECO and its agent personally enrolled with an EGS did not recall enrolling with this program.”²⁶ OCA’s witness concluded that the sample size was too small to be relied upon and that the survey failed to capture any meaningful data regarding customer experience post-SOP.²⁷

Nonetheless, RESA, NRG and *amicus* American Power & Gas challenge the sufficiency of the evidence in support of the SOP modification. American Power & Gas falsely asserts there

²² RESA MB at 24.

²³ Coalition for Affordable Util. Servs. & Energy Efficiency in PA. et al. v. Pa. Pub. Util. Comm’n, 120 A.3d 1087, 1093, 1103 (Pa. Commw. Ct. 2015).

²⁴ RESA MB at 31-32, *citing* PECO St. 1 at 29-30.

²⁵ OCA St. 2 at 10.

²⁶ OCA St. 2 at 10.

²⁷ OCA St. 2 at 10-11.

is simply “no evidence” to support changes in the SOP.²⁸ Likewise, NRG asserts there’s been no demonstration of harm.²⁹ Finally, RESA complains, “No signatory of the Non-Unanimous Settlement presented evidence in support of upending these prior determinations or showing that the Commission made them in error that needs to be corrected now.”³⁰ On this basis, they argue, the Commission has already considered, and rejected, in PPL’s recent default service proceeding (DSP V), an identical proposal, finding insufficient evidence of harm.³¹

However, the unrebutted record evidence in this proceeding indicates that residential customer shopping is creating significant additional costs and financial harm across the board. As demonstrated by TURN/CAUSE-PA witness Marx, residential shopping customers were charged, on average, between 32% and 81% more per month than residential default service customers.³² Notably, these average figures take into account all SOP participants who receive a 7% discount on the PTC at the time of enrollment. Accordingly, non-SOP participants’ average shopping bills are marginally higher, indicating that customers who have remained on EGS supply after the expiration of the SOP terms have experienced excessive monthly charges.

TURN/CAUSE-PA’s witness Marx demonstrates that residential customers have not, on average, achieved savings in any single month between January 2018 through December 2023 and have collectively been charged more than \$800 million by EGSs in excess of what they would be billed using PECO’s PTC.³³ Ultimately, the unrebutted evidence demonstrates that CLI customers face, on average, the highest EGS charges in the market, exceeding the average

²⁸ American Power & Gas *amicus* brief at 2.

²⁹ NRG MB at 6.

³⁰ RESA MB at 30.

³¹ Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period June 1, 2021 through May 31, 2025, Docket No. P-2020-3019356 (Order entered Dec. 17, 2020).

³² TURN/CAUSE-PA St. 1 at 7.

³³ TURN/CAUSE-PA St. 1 at 7.

EGS charges for non-CLI residential customers in every month between February 2019 and December 2023.³⁴ Those PECO CLI customers who can least afford to pay excessive charges, and who may be inclined to enroll in the voluntary SOP given its savings opportunity, are thus exposed to the significant risk of higher priced EGS supply under the existing framework. As Ms. Marx shows, the consequence of such higher priced EGS supply is the increased likelihood of loss of essential electricity service. CLI customers experience significantly higher rates of termination when served by an EGS compared to those CLI customers who remain on default service.³⁵

OCA witness Alexander likewise recognizes that EGSs serving PECO customers have imposed “startling sums” in excess of PECO’s PTC.³⁶ She confirms that it is reasonable to assume that SOP participants, following their participation in the program, “ended up with an EGS contract that was more expensive than the PTC due to the negative option renewal process or by the selection of another EGS.”³⁷ However, Ms. Alexander recognizes a fundamental difference between the SOP participant, who has entered the EGS market via a phone call to PECO, and a customer who seeks out EGS supply independently. She explains that “it is likely that customers who have enrolled by way of a phone call to PECO that was not intended to seek information about retail choice and who agreed to enroll based on ‘savings,’ may not understand that suppliers can change their pricing terms with some notices that arrive 10-12 months after the phone call with PECO.”³⁸

³⁴ TURN/CAUSE-PA St. 1 at 12-13.

³⁵ TURN/CAUSE-PA St. 1 at 15-18.

³⁶ OCA St. 2 at 12.

³⁷ OCA St. 2 at 13.

³⁸ OCA St. 2 at 14-15.

Ms. Alexander finds that SOP messaging is confusing and contradictory, and that it transfers risk of price volatility to customers.³⁹ She criticizes the SOP for enabling EGSs to enroll customers using PECO's name and brand, raising broader issues about the propriety of the SOP.⁴⁰ She expresses particular concern regarding the expiration of the SOP term, when the supplier is permitted to use a "negative option renewal" to change the price and/or to convert to a variable rate contract, noting Vice Chair Barrow's recent statement concerning the high variable rate experienced by a PECO customer following expiration of the SOP.⁴¹ As expressed by Vice Chair Barrow regarding a PECO customer's complaint:

[W]hile the Commission's Regulations permit an EGS to convert a non-responsive customer to a month-to-month or fixed-duration contract, I caution the EGS industry to exercise good faith and reasonableness when offering the new contract terms and prices. I am concerned with the fact pattern often seen in shopping complaints. Customers complain that any savings experienced during the initial term are more than wiped out once they are moved to a month-to-month or new fixed-duration contract.⁴²

Based on the foregoing, TURN/CAUSE-PA submit that the proponents of the Joint Petition's revision to SOP have carried their burden to prove that the proposed voluntary program change is just and reasonable. A program rule revision, to return SOP participants to default service unless they affirmatively elect otherwise, is clearly justifiable based on the documented disparity in prices demonstrated by TURN/CAUSE-PA and OCA's witnesses. Elimination of the negative option renewal is a minor change to the SOP, but it will prevent

³⁹ OCA St. 2 at 7.

⁴⁰ OCA St. 2 at 9. Ms. Alexander explains that the SOP facilitates access to PECO's customers at a cost to the EGS that is lower than the cost to market to and enroll customers directly. The data indicates EGSs enter the SOP market when it is in their business interest to do so, exiting when market conditions indicate volatility and increased costs of generation supply. OCA St. 2 at 11-14. According to Ms. Alexander:

It is long past time for a reconsideration of the value of this program to consumers as opposed to the benefits to the EGS community, as well as a consideration of the proper role of the EDC in acting as a surrogate for participating EGSs that come and go based on their own profit-making considerations.

OCA St. 2-SR at 1-2.

⁴¹ OCA St. 2R at 3-4, Exhibit BA-3.

⁴² OCA St. 2R, Exhibit BA-3.

EGSs from imposing new prices or converting to variable rates without affirmative customer consent. The modification is directly responsive to the concerns expressed in Vice Chair Barrow’s statement and Ms. Alexander’s concerns about the risk of price volatility SOP participants experience under the program currently. The Joint Petitioners having carried their burden, it falls to the opponents of this proposal to present “some evidence” to support their own conclusion, namely, that the revision to the SOP is not reasonable.⁴³ RESA and NRG have presented no evidence whatsoever that challenges the cost data set forth in Ms. Marx’s testimony, which is unrebutted.⁴⁴ Furthermore, RESA and NRG have failed to produce evidence contrary to Ms. Alexander’s criticism that the SOP, without modification, would continue to expose customers to price volatility risk. Finally, RESA and NRG fail to counter the frequency of customer complaints following the expiration of the SOP term, as expressed by Vice Chair Barrow.

Despite their inability to present reasonable evidence in opposition to the SOP modification, RESA and NRG argue that the existing notification requirements, set forth in 52 Pa. Code § 54.10, govern and provide the exclusive options for a customer upon expiration of a contract with an EGS.⁴⁵ This argument fails to recognize that the SOP is a voluntary, EDC operated program, governed not only by the Commission’s regulations, but also by the Commission’s determination in the EDC’s DSP proceeding. TURN/CAUSE-PA submit that RESA and NRG’s reading of Section 54.10 elevates form over substance. The purpose of the regulation is to enable customers to make informed choices by requiring EGSs to provide certain

⁴³ NRG Energy, Inc. v. Pa. Pub. Util. Comm’n, 233 A.3d 936, 950–51 (Pa. Commw. Ct. 2020).

⁴⁴ TURN/CAUSE-PA St. 1-SR at 3 (“In short, Mr. Caliva doesn’t actually *rebut* any of the facts set forth in my testimony.”).

⁴⁵ NRG MB at 4; RESA MB at 27.

notifications.⁴⁶ The regulation doesn't prohibit terms and conditions of an EDC's SOP which promote informed choices by customers who are introduced to the competitive market via their EDC's voluntary program. Indeed, informing the customer that they will be returned to default service upon expiration of the initial contract, unless they affirmatively elect otherwise, is specifically intended to promote informed decision-making instead of passive conversion to a month-to-month product.

As a voluntary program term, of which the customer is informed from the outset, this modification to the SOP does not constitute "slamming," contrary to RESA's assertion.⁴⁷ The circumstance presented is directly analogous to the approved SOP terms applicable to Customer Assistance Program (CAP) participants in PPL's DSP IV, which were affirmed by the Commonwealth Court. As in that case, the SOP customer retains the ultimate choice to select another EGS or be returned to default service. As the Commonwealth Court has ruled, by retaining that choice, the voluntary program rule does not constitute slamming.⁴⁸

TURN/CAUSE-PA submit that the Joint Petition's modification to the SOP is a reasonable, and limited, program term. This modification helps to prevent the financial harm that results from inaction by customers who have not affirmatively elected a month-to-month product at the expiration of the SOP term. Indeed, the proposed settlement is a minor modification to the SOP, intended to permit it to continue in operation, rather than the more drastic recommendation by OCA witness Alexander that the SOP simply be terminated.⁴⁹ The

⁴⁶ See 44 Pa. B. 3522 ("With this Final-Omitted Rulemaking Order, the Commission enhances these rules to guarantee ample customer protections are in place and that customers are provided with the necessary information to make informed decisions when shopping in Pennsylvania's competitive retail electricity market.").

⁴⁷ RESA MB at 28.

⁴⁸ Retail Energy Supply Ass'n v. Pa. Pub. Util. Comm'n, 185 A.3d 1206, 1224-1225 (Pa. Commw. Ct. 2018).

⁴⁹ OCA St. 1 at 14.

record establishes that no reasonable alternative exists but to modify the SOP to avoid the particularized harm that occurs when customers, through inaction rather than affirmative choice, are converted to costly month-to-month contracts after having entered an agreement with a clear, EDC-provided, expectation of savings.

V. OTHER ISSUES

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

RESA submits that the Commission should commence a statewide investigation to examine the messaging associated with EDC’s communication of their PTC as a mechanism for consumers to evaluate offers from EGSs. RESA argues: “After over 25 years, it is time for the Commission to initiate a statewide investigation that examines all the factors that make these two business models [EGS supply and EDC default service] inappropriate for comparisons or any expectations that they be comparable.”⁵⁰ RESA’s proposition that price comparisons are inappropriate is preposterous. For any customer to evaluate an EGS offer and make a decision as to whether to accept that offer or remain with an existing EGS or default service, they must be able to determine what they will ultimately be asked to pay.

RESA contends that use of the PTC undermines consumers’ ability to understand other non-cost-based characteristics of EGS offers and so impedes development of a “truly competitive market.”⁵¹ At the heart of RESA’s position, and its witness’s testimony, is dissatisfaction with the number of residential customers choosing EGS supply.⁵² On brief, RESA argues that the downward trend in shopping, presumably among residential customers, is due to the failure by

⁵⁰ RESA MB at 36.

⁵¹ RESA St. 1 at 9.

⁵² RESA St. 1 at 4; RESA St. 1-SR at 3-4.

the Commission to consider changes that would ostensibly incentivize more customers to shop.⁵³ RESA seeks to open a statewide investigation in order to pursue policy changes that lead more residential customers to choose EGS products, and to undermine consumer comparisons of EGS products with EDC's PTCs. The Commission should reject RESA's proposal, as it is not factually supported nor legally founded.

The Choice Act was intended to encourage competition for the purpose of benefitting consumers with lower costs.⁵⁴ Accordingly, RESA's position is fundamentally flawed as the Choice Act recognizes the central importance of electricity costs.⁵⁵ A consumer's ability to compare EGS offers to default service based on price is precisely what the General Assembly intended in establishing the competitive market for electricity. As the Commonwealth Court has explained:

The purpose of the Competition Act is clear: to relinquish the local utilities' monopoly control over the generation of electricity and to invite competition *in an effort to lower electric generation rates for the citizens of this Commonwealth.*⁵⁶

RESA's efforts are inconsistent with this legislative purpose and clearly intended to achieve an opposite goal: to distort or obfuscate price comparisons in order to charge *higher generation rates* to residential customers.

Ms. Marx correctly contends the Commission should not undermine efforts to educate consumers in order that they can make meaningful price comparisons. She explains:

[I]t is critically important for consumers to understand the price they are paying for energy services and how to compare that price against different offers in the market. In

⁵³ RESA MB at 36.

⁵⁴ "Rates for electricity in this Commonwealth are on average higher than the national average.... Competitive market forces are more effective than economic regulation in controlling the cost of generating electricity. The cost of electricity is an important factor...." 66 Pa. C.S § 3802(4)-(6) (paragraph numbering omitted).

⁵⁵ TURN/CAUSE-PA St. 1-R at 3.

⁵⁶ Indianapolis Power & Light Co. v. Pa. Pub. Util. Comm'n, 711 A.2d 1071, 1078 (Pa. Commw. Ct. 1998).

my estimation, consumers should be empowered with the tools necessary to make a fully informed choice about the price they...pay for electricity.⁵⁷

OCA witness Alexander likewise opposes RESA's proposed statewide investigation and efforts to challenge the terminology, Price to Compare or PTC adopted by PUC regulation.⁵⁸ She explains:

The use of the term Price to Compare permeates the Commission's educational messaging about the retail energy market, appears on all EDC customer bills, and is the basis for comparing offers among suppliers and with default service on the Commission's shopping web portal. The suggestion that the costs incurred, and years of customer education should be wiped away in favor of a different term for the same service and to promote customer confusion about how to shop and compare is not reasonable.

The basis for continuing to empower customers to make informed choices about the price they pay for energy based on the PTC, required by Commission regulation to be included as a line item on customer bills,⁵⁹ is well-demonstrated by Ms. Marx's analysis. As she demonstrates, conclusively, residential customers who choose to shop with an EGS experience higher prices, on average, than those who choose default service. In brief summary, Ms. Marx's testimony showed that, for the six-year period from January 2018 through December 2023:

- Residential customers choosing to shop for EGS supply were charged between 32% and 81% more per month than residential default service customers.⁶⁰
- Residential shopping customers were charged, on average, 57% more than residential default service customers.⁶¹
- In total, residential shopping customers were charged \$801,873,392.57 more than they would have been charged at PECO's PTC.⁶²
- EGS billed residential revenues were nearly 150% of the revenues that would have been billed at PECO's PTC.⁶³

⁵⁷ TURN/CAUSE-PA St. 1-R at 5.

⁵⁸ 52 Pa. Code § 54.182.

⁵⁹ 52 Pa. Code § 54.187(c).

⁶⁰ TURN/CAUSE-PA St. 1 at 7.

⁶¹ TURN/CAUSE-PA St. 1 at 7.

⁶² TURN/CAUSE-PA St. 1 at 7.

- Residential customers choosing to shop for EGS supply were charged, on average, \$0.0328 per kWh more than residential customers choosing to remain on default service.⁶⁴
- The average per kWh charges imposed by EGSs in excess of the default service price ranged from \$0.023 to \$0.055.⁶⁵
- Confirmed low income (CLI) customers choosing to shop face, on average, the highest EGS charges in the market, exceeding the average EGS charges for non-CLI residential customers in every month between February 2019 and December 2023.⁶⁶

As a consequence of their experience with EGS supply, and the concomitant higher monthly charges billed, Ms. Marx contends that residential customers are increasingly choosing default service because it offers “a stable option for energy services that provides the least cost over time and is not subject to frequent, even daily, adjustments based on market forces.”⁶⁷ Indeed, Ms. Marx demonstrates that residential customers are increasingly choosing to remain with or return to default service because they are experiencing higher costs when they choose to shop for EGS supply.⁶⁸ This is readily apparent from the declining rate of residential shopping, starting at 33% in January 2018, and ending at 21% in December 2023.⁶⁹

The reason residential customers are choosing default service in increasing number, as Ms. Marx explains, is demonstrated by the price information summarized above. Indeed, residential customers did not, on average, save money by shopping for EGS supply in any month in the 72-month period from January 2018 through December 2023. “Declining rates of

⁶³ TURN/CAUSE-PA St. 1 at 11.

⁶⁴ TURN/CAUSE-PA St. 1 at 10.

⁶⁵ TURN/CAUSE-PA St. 1 at 10.

⁶⁶ TURN/CAUSE-PA St. 1 at 12-13.

⁶⁷ TURN/CAUSE-PA St. 1-R at 3-4.

⁶⁸ TURN/CAUSE-PA St. 1-SR at 3.

⁶⁹ TURN/CAUSE-PA St. 1 at 13-14.

residential shopping clearly correspond to the growing knowledge among the customer base that EGS offers very rarely present opportunities for significant savings.”⁷⁰

Nonetheless, RESA claims residential customers have available to them “‘lower priced’” products in the competitive market, but are being misled by the PTC.⁷¹ As Ms. Marx points out, RESA’s identification of supposed “‘lower priced’” products is “misleading and incomplete.” RESA’s Energy Market Savings Reports,⁷² purporting to compare EGS offers with EDC PTCs, only utilize the per kWh charges associated with the various EGS offers.⁷³ Accordingly, RESA’s supposed “‘lower priced’” products completely disregard other charges imposed by EGSs such as monthly fees and customer charges. As Ms. Marx explains, comparing the lowest cost per kWh EGS offer available on May 18, 2024 (SFE Energy, \$0.0469 per kWh) to PECO’s PTC of \$0.0943 on the same date would inaccurately lead to a conclusion that one could obtain substantial savings by enrolling in this product. This conclusion would be incorrect, however, because low priced offers like the illustrative example provided by SFE Energy typically impose other fees.⁷⁴ Indeed, because SFE Energy’s product includes a \$20.99 monthly service fee as well as a daily commodity fee of \$0.69, a typical residential customer using 700 kWh of electricity would pay more than \$8, or roughly 13%, more for electricity if it selected this, supposedly “‘lower priced’” offer.⁷⁵ Ms. Marx clearly demonstrates, as RESA’s witness

⁷⁰ TURN/CAUSE-PA St. 1-R at 5.

⁷¹ RESA MB at 22; RESA St. 1-R at 8 (notably, RESA’s witness places the term “lower priced” in parentheses).

⁷² See RESA St. 1-R at Exhibit FC-7, FC-8.

⁷³ TURN/CAUSE-PA St. 1-SR at 3.

⁷⁴ TURN/CAUSE-PA St. 1-SR at 4.

⁷⁵ TURN/CAUSE-PA St. 1-SR at 4-6.

concedes, RESA's contention regarding "lower priced" offers is not based upon actual supplier charges.⁷⁶

Ultimately, RESA laments that the market for EGS offers will "remain stagnant" if the Commission does not reconsider use of the PTC.⁷⁷ However, RESA stops short of arguing for abandonment of the term, rather submitting that the Commission has a statutory obligation to "consider all possible sources." TURN/CAUSE-PA cannot unearth the foundation of this supposed legal obligation, but instead submit that RESA's premise that the market is stagnant is erroneous. As PECO's witness has testified, there are nearly 100 EGSs competing to serve PECO customers and EGSs currently serve 52% of total electric load in PECO's service territory.⁷⁸

All of the foregoing demonstrate that RESA's proposed statewide investigation is not legally founded because the purposes it intends to serve are inconsistent with Pennsylvania law. Furthermore, even if RESA's proposed statewide investigation was somehow reconcilable with the General Assembly's intention in lowering electricity generation prices, the evidence incontrovertibly establishes that EGSs consistently seek to charge residential customers more than PECO's PTC. RESA's attempt to identify cost savings for residential customers to buttress its recommended statewide investigation was misleading at best, and dishonest at worst.⁷⁹ Having no actual supplier cost information, and instead relying upon an incomplete depiction of supplier charges, RESA failed to demonstrate that a statewide investigation would benefit residential customers seeking to obtain savings consistent with the purposes of the Choice Act.

⁷⁶ TURN/CAUSE-PA St. 1-SR at 3-4 (citing Response to OCA-I-15).

⁷⁷ RESA MB at 36.

⁷⁸ PECO MB at 19; PECO St. 3-R at 57-58.

⁷⁹ RESA MB at 22; RESA St. 1-SR at 4 (alleging "numerous offers available in the Pennsylvania retail market below the utilities default service rate" despite concession the witness did not examine actual EGS cost data).

Finally, the evidence does not support RESA’s contention that the market for EGS supply is stagnant or warrants further Commission action. For these reasons, the Commission should reject RESA’s proposed statewide investigation into default service and use of the PTC to evaluate EGS offers.

B. PECO’s Proposed Residential Customer Bill Format Changes

Following a stakeholder process consistent with the Commission-approved Joint Petition for Partial Settlement in PECO’s DSP V,⁸⁰ PECO developed and proposed a new bill format that displays EGS pricing in one column alongside PECO’s PTC in a second column.⁸¹ PECO proposed a third column which would depict the difference between EGS charges and the PTC. However, as set forth in the Joint Petition, the settling parties have agreed that the third column will be omitted.⁸² Nonetheless, RESA argues that the bill format change is “problematic because it inherently judges the customer’s choice of EGS and retail product in relation to default service, and perpetuates the idea that default service is superior based only on an oversimplified price comparison.”⁸³ This assertion is clearly incorrect as PECO’s bill format change simply performs the mathematical task of calculating EGS charges on a per kWh basis. This task involves no judgment and in no way places the PTC in a superior position relative to EGS charges.

Importantly, as discussed above, many EGS offers include pricing data that is not readily comparable to the per kWh PTC on PECO’s bills and the Commission’s papowerswitch.com website. Indeed, as Ms. Marx explained, taking the illustrative example of SFE Energy’s offer,

⁸⁰ See PECO MB at 21; TURN/CAUSE-PA St. 1-R at 8-9, citing Petition of 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, Joint Petition for Partial Settlement, ¶69 (August 13, 2020).

⁸¹ PECO Exhibit SD-6.

⁸² Joint Petition at ¶ 66. Notably, RESA’s brief continues to argue against PECO’s bill format changes on the basis of this column, which the Joint Petitioners have agreed to remove. RESA MB at 38.

⁸³ RESA MB at 37.

discussed above, the Commission’s website inaccurately reports an estimated monthly cost of \$32.83, based solely on the per kWh charges and omitting the monthly and daily charges embedded in this offer.⁸⁴ This example, and the challenges associated with determining what the actual costs may be of choosing EGS supply, more than justify the inclusion of the comparison of charges on the PECO bill. As Ms. Marx concludes, “PECO’s proposed bill presentment changes are vital to helping customers understand and evaluate, on an ongoing basis, whether their EGS prices are consistent with their expectations.”⁸⁵

RESA argues that default service and EGS prices are developed in different ways and the proposed bill comparison somehow implies that default service and EGS products are developed in a similar way.⁸⁶ RESA’s witness had submitted that the depiction of EGS charges alongside the PTC “does not provide clear and transparent information to residential customers” and failed to explain how pricing is determined.⁸⁷ Furthermore, RESA submits that price information, alone, fails to take into consideration the nature of the contract, its length, or “any other reason why the price in a particular month may be higher.”⁸⁸ Accordingly, RESA submits that the price comparison chart should be rejected as anti-competitive because it perpetuates the idea that default service is a superior product based on price alone and is contrary to the goal of increasing competition.⁸⁹ NRG supports RESA’s position.⁹⁰

RESA’s position disregards the substantial evidence that customers do, in fact, take into account non-price considerations when selecting EGS supply. As Ms. Marx persuasively

⁸⁴ TURN/CAUSE-PA St. 1-SR at 6, Exh. IX at 1.

⁸⁵ TURN/CAUSE-PA St. 1-SR at 6.

⁸⁶ RESA MB at 38-39.

⁸⁷ RESA St. 1 at 19.

⁸⁸ RESA St. 1 at 20.

⁸⁹ RESA MB at 39-40.

⁹⁰ NRG MB at 7.

explains, highlighting the cost of EGS supply versus PECO's PTC on the bill does not "devalue" other non-cost considerations.⁹¹ Indeed, consumers who choose to pay more for other services should be empowered to make an affirmative choice to do so.⁹² As Ms. Marx observed:

[C]ustomers participating in public input hearings readily acknowledged they chose to pay more for certain types of energy, belying RESA's arguments. Likewise, customers who enter into long term contracts with suppliers will not be alarmed to find that their EGS charges are, at least in some months, higher than PECO's default service prices.⁹³

Given that customers may affirmatively select EGS offers with the knowledge that their bills will be higher (for example, to procure green energy products), or will offer long-term savings at risk of short-term higher pricing, RESA's concerns about PECO's proposal are unfounded.

Furthermore, for those customers who may have chosen EGS supply based on a desire to save on electricity, PECO's bill comparison chart will enable them to evaluate their current selection and options for future billing periods. Indeed, as Ms. Marx observes, "PECO's proposal will make it easy for customers to evaluate EGS offers and EGS supply based on cost, consistent with the legislative purposes of the Choice Act."⁹⁴ TURN/CAUSE-PA agree with PECO that "the new bill disclosure agreed to by the Joint Petitioners will enhance the presentation of shopping information and permit active customer review of the rates they are paying for competitive generation service."⁹⁵

RESA introduces a new argument in its Main Brief, asserting that Section 2807(c) of the Choice Act only permits EDC bills to include "sufficient information to determine the basis for the charges" and prohibits "any input or judgement [sic] from the EDC on the customer's

⁹¹ TURN/CAUSE-PA St. 1-R at 8.

⁹² TURN/CAUSE-PA St. 1-R at 8.

⁹³ TURN/CAUSE-PA St. 1-R at 9.

⁹⁴ TURN/CAUSE-PA St. 1-R at 9.

⁹⁵ PECO MB at 22.

shopping choices.”⁹⁶ As discussed above, PECO’s bill format change simply performs a mathematical calculation to depict EGS charges on a per kWh basis to enable a transparent comparison of overall cost, a function that entails no judgment or value consideration.

Ultimately, however, RESA engages in a selective reading of Section 2807(c), ignoring the important language which requires that customer bills “contain *unbundled charges* sufficient to enable the customer to determine the basis for those charges.”⁹⁷ PECO’s proposed bill format does not “bundle” charges at all and, if anything, provides even more information to assist the customer in understanding the bill.⁹⁸ RESA falsely contends that Section 2807(c) imposes a ceiling on what can be included on a PECO bill when in fact it merely sets a floor.

In the alternative, RESA argues that the Commission should require PECO to make additional disclosures “regarding PECO’s lack of knowledge about specific characteristics of the EGS’s products or prices.”⁹⁹ RESA proposes a collaborative process to develop specific disclosures and submits that PECO “should also be directed to consider providing more space on the consolidated utility bill for suppliers to do customer-specific messaging and otherwise explain how the supplier product is different from the default service rate.”¹⁰⁰

RESA’s alternative suggestion, to require PECO to disclaim knowledge of the basis of EGS charges and explain the nature of PECO’s default service rate, is inappropriate. RESA has produced no evidence to support that customers would benefit from the inclusion of this information in PECO’s bill. As Ms. Marx explains, PECO bills are not the appropriate context

⁹⁶ RESA MB at 38.

⁹⁷ 66 Pa. C.S. § 2807(c)(1) (emphasis added).

⁹⁸ Indeed, one could argue that an EGSs pass-through of monthly charges on a “bill-ready” basis, as in PECO’s billing platform (see PECO St. 1 at 29), impermissibly permits EGSs to bundle volumetric, daily and monthly charges, contrary to 66 Pa. C.S. § 2807(c).

⁹⁹ RESA MB at 40. RESA St. 1 at 23; RESA St. 1-SR at 8.

¹⁰⁰ RESA MB at 40-41.

for customer-specific marketing, which is precisely what RESA's recommendation seeks.¹⁰¹ Narrative communication from PECO regarding EGS charges should be limited in the billing context so as to not suggest endorsement of EGS supply or affiliation with EGS suppliers. Requiring PECO to include additional messaging regarding EGS products risks creating just such a misapprehension. Additionally, as PECO details, its bill format gives suppliers up to four lines with 80 characters per line, double the amount of space suppliers use to describe their offers on papowerswitch.com.¹⁰²

Although RESA has provided no suggested language for how it proposes PECO explain the nature of the default service rate, TURN/CAUSE-PA submit that such explanation is likely to be of no benefit to consumers. Additionally, as RESA is aware, "EGSs are heavily engaged in marketing outside of the billing context and can continue to communicate with their customers on a direct basis without the need to add clutter to PECO bills."¹⁰³ Accordingly, because this proceeding will not limit EGS's ability to explain the purported value of their products directly to consumers, there is no reasonable basis to require PECO to provide additional messaging on its customers' bills.

For all of the foregoing reasons, PECO's bill comparison, as modified in the Joint Petition, should be approved.

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

TURN/CAUSE-PA do not take a position on the Supplier Issues during PECO's Customer Information System upgrade raised in this proceeding.

¹⁰¹ TURN/CAUSE-PA St. 1-R at 9.

¹⁰² PECO MB at 21.

¹⁰³ TURN/CAUSE-PA St. 1-R at 9.

VI. CONCLUSION

As set forth herein, TURN/CAUSE-PA submit that the Commission should approve the Joint Petition, including the proposed modifications to the SOP and PECO's bill, deny RESA's request to open a statewide investigation into EDCs PTCs and default service messaging, and deny RESA's proposed messaging and disclosure modifications to PECO's bill.

Respectfully submitted,

/s/ Robert W. Ballenger
Robert W. Ballenger, Esq.
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Vikram Patel, Esq.
COMMUNITY LEGAL SERVICES, INC
For TURN and CAUSE-PA

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

APPENDIX A:

PROPOSED FINDINGS OF FACT OF
TENANT UNION REPRESENTATIVE NETWORK
(TURN) AND COALITION FOR AFFORDABLE UTILITY
SERVICES AND ENERGY EFFICIENCY IN
PENNSYLVANIA (CAUSE-PA)

1. The Joint Petition for Non-Unanimous Settlement reflects significant compromises between the settling parties to resolve a significant number of issues raised in this proceeding.
2. From January 2018 through December 2023, PECO's residential customers choosing to shop for EGS supply were charged between 32% and 81% more per month than residential default service customers. TURN/CAUSE-PA St. 1 at 7.
3. From January 2018 through December 2023, PECO's residential shopping customers were charged, on average, 57% more than default service residential customers. TURN/CAUSE-PA St. 1 at 7.
4. From January 2018 through December 2023, PECO's residential shopping customers were charged \$801,873,392.57 more than they would have been charged at PECO's PTC.
TURN/CAUSE-PA St. 1 at 7.

5. From January 2018 through December 2023, EGS billed PECO residential shopping customers revenues nearly 150% of the revenues that would have been billed at PECO's PTC. TURN/CAUSE-PA St. 1 at 11.
6. From January 2018 through December 2023, PECO's residential customers choosing to shop for EGS supply were charged, on average, \$0.0328 per kWh more than residential customers choosing to remain on default service. TURN/CAUSE-PA St. 1 at 10.
7. From January 2018 through December 2023, the average per kWh charges imposed on PECO's residential shopping customers by EGSs in excess of the default service price ranged from \$0.023 to \$0.055. TURN/CAUSE-PA St. 1 at 10.
8. From January 2018 through December 2023, PECO's confirmed low income (CLI) customers choosing to shop faced, on average, the highest EGS charges in the market, exceeding the average EGS charges for non-CLI residential customers in every month between February 2019 and December 2023. TURN/CAUSE-PA St. 1 at 12-13.
9. PECO's residential customers are increasingly choosing default service because it offers a stable option for energy services that provides the least cost over time and is not subject to frequent adjustments. TURN/CAUSE-PA St. 1-R at 3-4.
10. The Commission's website, papowerswitch.com, does not accurately portray the total charges associated with EGS offers, but instead calculates anticipated bill amounts associated only with any per kWh charges, disregarding any monthly fees or other charges. TURN/CAUSE-PA St. 1-SR at 6, Exhibit IX (example of SFE Energy at \$0.0469 per kWh).
11. The PTC appears on all EDC customer bills and is the basis for comparing offers among suppliers and with default service on the Commission's shopping web portal. OCA St. 2-R at 4.

12. The Commission's regulations define PTC and require it to appear as a separate line item on EDC bills. 52 Pa. Code §§ 54.182, 187(c).
13. The Joint Petition's proposed modification to the SOP, to require EGSs to return program participants to default service unless an affirmative election of EGS supply is made, is a limited and reasonable restraint on competition that protects customers who entered into the 12-month program with the expectation of savings, from month-to-month contracts that expose them to higher pricing. OCA St. 1 at 15.
14. The record reveals no reasonable alternative, other than ending the SOP, that could prevent the harm associated with significant and unexpected price impacts resulting from a customer's failure or neglect to make an affirmative election at the end of the SOP term. OCA St. 1 at 14-15.
15. The market for EGS supply in PECO service territory is not stagnant as there are nearly 100 EGSs competing to serve PECO customers and EGSs currently serve 52% of total electric load in PECO's service territory. PECO St. 3-R at 57-58.
16. Default service and the resulting PTC is not a competitive product, but is intended to provide a stable option for energy services that provides the least cost over time and is not subject to frequent, even daily, adjustments based on market forces. TURN/CAUSE-PA St. 1R at 4.
17. The PTC consists of the "sum of all unbundled generation and transmission related charges to a default service customer for that month of service." TURN/CAUSE-PA St. 1R at 4; 52 Pa. Code §54.182.
18. The PTC does not benefit from any competitive advantages and is simply the price associated with PECO's fulfillment of the regulatory obligation as the default service provider. TURN/CAUSE-PA St. 1 R at 4.

19. Customers are not educated, solely via the PTC, on the selection of EGS products. The Commission's papowerswitch.com website encourages customers to educate themselves on the basis of non-price criteria or services, such as renewable energy. TURN/CAUSE-PA St. 1R at 4.
20. The Joint Petition's proposal to include a chart on the PECO bill showing the total EGS charges for shopping customers compared to the supply charges at the PTC would provide clear and transparent cost information to customers.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

APPENDIX B:

PROPOSED CONCLUSIONS OF LAW OF
TENANT UNION REPRESENTATIVE NETWORK
(TURN) AND COALITION FOR AFFORDABLE UTILITY
SERVICES AND ENERGY EFFICIENCY IN
PENNSYLVANIA (CAUSE-PA)

1. The terms and conditions of the Joint Petition for Non-Unanimous Settlement are fair, just, reasonable, non-discriminatory, lawful and in the public interest.
2. The Joint Petitioners have carried their burden to show the terms of the Joint Petition are the public interest, just and reasonable, and prudently avoid the time, expense and uncertainty of litigation. 52 Pa. Code §§ 69.391, 69.401.
3. The proposed modifications to the SOP are supported by substantial evidence as they are intended to minimize the negative cost impact upon residential customers who would otherwise be converted to higher priced month-to-month contracts if they fail to affirmatively select another EGS product or return to default service at the end of the program term and impose minimal restraints on competition which are permissible in light of the harm to be avoided.

4. None of the non-settling parties have submitted any evidence to rebut the showing of significant financial harm likely to be incurred by SOP participants who, absent an affirmative election, are likely to experience upon their conversion to month-to-month contracts at the end of the 12-month SOP term. As such, none of the opponents to the SOP modification have identified a reasonable alternative to the proposed modifications to the SOP, which are far less drastic than the only other competing proposal, to terminate the SOP.
5. The proposal to commence a statewide investigation into the use of the PTC and consideration of additional EDC bill disclosures and formatting is not adequately substantiated and beyond the scope of issues considered in this PECO-specific proceeding.
6. PECO's proposed addition of EGS pricing information is a mathematical function that does not advantage or disadvantage either the PTC or the EGS price, is not anti-competitive, and supports the legislative purposes of the Choice Act by enabling consumers to make informed choices.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

APPENDIX C:

PROPOSED ORDERING PARAGRAPHS OF
TENANT UNION REPRESENTATIVE NETWORK
(TURN) AND COALITION FOR AFFORDABLE UTILITY
SERVICES AND ENERGY EFFICIENCY IN
PENNSYLVANIA (CAUSE-PA)

It is hereby ORDERED THAT:

1. The Joint Petition for Non-Unanimous Settlement is approved, without modification.
2. PECO's Standard Offer Program, as modified by the Joint Petition, is approved.
3. RESA's proposal for the Commission to commence a statewide investigation is denied.
4. RESA's proposal for modifications to PECO's bill is denied.