

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

Public Meeting held April 10, 2025

Commissioners Present:

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

Metropolitan Edison Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036532
West Penn Power Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036533
Pennsylvania Power Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036534
Pennsylvania Electric Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036535
FirstEnergy Pennsylvania Electric Company	P-2024-3052623

ORDER

BY THE COMMISSION:

On December 19, 2024, the FirstEnergy Pennsylvania Electric Company (FirstEnergy PA) filed a Petition to Amend its 2024-2028 Universal Service Energy Conservation Plan (2024 USECP), at Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535. The FirstEnergy PA Petition was also docketed at P-2024-3052623. FirstEnergy PA subsequently filed a revised Petition on January 7,

2025 (FirstEnergy PA Petition) and a clean and redlined version of a Proposed Amended 2024 USECP.^{1,2} By this Order, we approve the FirstEnergy PA Petition.

I. HISTORY

On March 14, 2024, the Commission entered an Order (March 2024 Order) approving FirstEnergy PA's 2024 USECP. In the March 2024 Order, the Commission directed FirstEnergy PA to file a Revised 2024 USECP consistent with the March 2024 Order and consult with its universal service advisory committee (USAC) to revise the following provisions of the customer consent language in its WARM³ Application: (1) sharing customer information with any third party for purposes other than WARM services; (2) identifying household records subject to release; and (3) use of a description or pictures related to the work performed in the customer's home. The Commission also directed FirstEnergy PA to work with its USAC to establish parameters and an allowance threshold for performing incidental repairs in WARM and file and serve an amendment to its 2024 USECP within six months of the entry date of the March 2024 Order (*i.e.*, by Monday, September 16, 2024) with the proposed revisions to its WARM Application and incidental repair parameters and allowance threshold. March 2024 Order at 86, 113, 119, 122, OP #17, 18.

On March 29, 2024, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition (CAUSE-PA Petition) seeking reconsideration or clarification of the March 2024 Order. On April 18, 2024, FirstEnergy PA filed a letter stating that it will file a Revised 2024 USECP as directed in the March 2024 Order upon resolution of the CAUSE-PA Petition. On July 11, 2024, the Commission entered an Order on Reconsideration (July 2024 Order) addressing the

¹ All references to the FirstEnergy PA Petition refer to the version filed on January 8, 2025.

² All references to the Proposed Amended 2024 USECP refer to the redlined version (*i.e.*, Attachment B).

³ WARM is FirstEnergy PA's Low Income Usage Reduction Program (LIURP).

CAUSE-PA Petition. In the July 2024 Order, the Commission directed FirstEnergy PA to file a Revised 2024 USECP with the following clarifications: (1) the exemptions to its Pennsylvania customer assistance program (PCAP)⁴ subsidy credit limits; (2) that it will perform outreach to its PCAP customers when they exceed 50% and 80% of their subsidy credit limits; and (3) that it will keep customers that exceed their maximum subsidy credit limits in PCAP. July 2024 Order at 32, OP#5.

On August 30, 2024, FirstEnergy PA filed clean and redlined versions of a Revised 2024 USECP (August 30 Revised 2024 USECP). On September 17, 2024, the Commission's Bureau of Consumer Services (BCS) issued a Secretarial Letter (September 17 Secretarial Letter) identifying that the August 30 Revised 2024 USECP was inconsistent with the 2024 USECP changes approved or directed by the Commission in the March 2024 and July 2024 Orders. BCS found, *inter alia*, that the August 30 Revised 2024 USECP included a new provision which established a WARM incidental repair allowance threshold and set parameters for performing incidental repairs, which were not approved by the Commission in its March 2024 or July 2024 Orders. FirstEnergy PA was directed to remove this unapproved provision from its Revised 2024 USECP, FirstEnergy PA was also granted an extension until December 31, 2024 to consult with its USAC on the WARM application, incidental repair, and health and safety proposals and submit a Petition to Amend its 2024 USECP with those proposed changes. September 17 Secretarial Letter at 2-3.

On October 7, 2024, FirstEnergy PA filed and served clean and redlined versions of a Revised 2024 USECP which, *inter alia*, removed the new provision regarding WARM incidental repairs. On October 28, 2024, BCS issued a Secretarial Letter (October 28 Secretarial Letter) finding the October 7, 2024 USECP compliant with the

⁴ PCAP is FirstEnergy PA's customer assistance program (CAP).

March 2024 and July 2024 Orders. October 28, 2024 Secretarial Letter at 2. The 2024 USECP filed on October 7, 2024 remains in effect.⁵

On December 19, 2024, FirstEnergy PA filed a Petition (December 19 Petition) to Amend its 2024 USECP to propose updated subsidy PCAP credit limits, parameters, and allowances for performing WARM health and safety and incidental repair measures, a revised WARM application, and establishing a timeframe for subsidy credit exemptions.

On January 7, 2025, FirstEnergy PA filed the Petition to Amend its 2024 USECP (January 7 Petition) reflecting updated PCAP participant and budget projections and maximum subsidy credit limits based on the Settlement approved as part of its 2024 Rate Case proceeding.⁶ On February 27, 2025, BCS issued a Secretarial Letter (February 27 Secretarial Letter) indicating the modifications proposed in the January 7 Petition were not consistent with all of the universal service program and consumer education and outreach changes approved in the 2024 Base Rate Case Settlement. FirstEnergy PA was directed to file a further Revised 2024 USECP reflecting all applicable rate case changes within 30 days (*i.e.*, by March 31, 2025). February 27 Secretarial Letter at 3.

On January 8, 2025, FirstEnergy PA filed the instant Petition (FirstEnergy PA Petition) which modified the December 19 Petition by rescinding its request for approval of its updated PCAP subsidy credit limits as these limits were already approved in its 2024 Rate Case proceeding and addressed in its January 7 Petition.

⁵ All citations or references to FirstEnergy PA's current 2024 USECP reflect the version filed on October 7, 2024.

⁶ See Joint Petition for Settlement of All Issues (2024 Rate Case Settlement) at 16, ¶59, filed on September 13, 2024 at Docket No. R-2024-3047068. By Order entered on November 21, 2024 (November 2024 Order), the Commission approved, *inter alia*, the 2024 Rate Case Settlement. November 2024 Order at 2, OP #2.

On March 25, 2025, FirstEnergy PA filed a letter requesting an extension to file its Further Revised 2024 USECP, consistent with the requirements of the February 27 Secretarial Letter, until the Commission has addressed its January 8 Petition. On March 28, 2025, the Commission issued a Secretarial Letter granting the extension.

II. PROPOSED CHANGES TO FIRSTENERGY PA'S 2024 USECP

In the instant Petition, FirstEnergy PA proposes to implement new practices related to its WARM and PCAP. First, it proposes establishing parameters and allowance thresholds for performing health and safety measures and incidental repairs as well as refining the terms and conditions of the customer consent language in its WARM application. Finally, it proposes establishing that when a PCAP account is coded as exempt from the subsidy credit limit, that exemption will remain in-effect through December 31 of the following year. FirstEnergy PA Petition at 3-5.

We shall address the WARM and PCAP proposals separately.

a. WARM

FirstEnergy PA proposes separate parameters and allowance thresholds for performing health and safety measures and incident repairs. Specifically, FirstEnergy PA proposes a health and safety allowance of \$1,000 per job for WARM contractors to spend on health and safety measures even if full cost measures are not installed. FirstEnergy PA proposes to include dryer ventilation, safety drops for hot water heaters, batteries for smoke and CO detectors, and sump pump pit covers to the list of suggested health and safety measures. Proposed Amended 2024 USECP at 28-29.

FirstEnergy PA proposes to allow contractors to spend up to 50% of the seasonal allowance on performing incidental repairs (*i.e.*, minor repairs) to address barriers in a home that prevent the installation of energy saving measures. Under the proposed incidental repair parameters, contractors would be instructed to contact the FirstEnergy PA program manager if the budget amount is insufficient to address minor repairs needed to install WARM measures. FirstEnergy also proposes including a list of incidental repair measures, which includes electrical, plumbing, and roof repairs and ventilation. Proposed Amended 2024 USECP at 29-30.

FirstEnergy PA also proposes to update the terms and conditions of the customer consent language in the revised WARM application to address the following: (1) sharing of customer information with authorized third-party administrating services for WARM services; (2) identifying customer account records (*i.e.*, energy usage, household income and contact information) that are subject to release; and (3) prohibiting a third party from selling or disclosing customer information, outside of providing WARM services, including a description or pictures related to the work performed in the customer's home. Proposed Amended 2024 USECP at 62.

FirstEnergy PA reports that it developed its proposals for WARM relating to health and safety, incidental repairs, and the WARM application through discussions with its USAC. FirstEnergy PA Petition at 3.

Stakeholder Responses

OCA filed a Letter in Lieu of Answer on January 27, 2025, to indicate its support for FirstEnergy PA's proposed revisions to WARM and the WARM application and its proposed revisions to establishing a timeframe for subsidy credit exemptions. OCA states that it has participated in discussions about the proposed changes at FirstEnergy PA's USAC meetings and does not oppose them. OCA Letter in Lieu of Answer at 2.

We have received no further stakeholder answers to the FirstEnergy PA Petition relative to the proposed changes to the WARM provisions or application in the Proposed Amended 2024 USECP.

Discussion

The Commission has previously requested that public utilities establish or identify parameters and allowance thresholds for performing incidental repairs and health and safety measures, and to track costs associated with incidental repairs separately from the costs associated with health and safety measures.⁷ The Commission has found that customers ultimately benefit from the additional energy savings and comfort provided by having health and safety measures installed.⁸ We have no objection to the health and safety and incidental repair parameters and allowance thresholds proposed by FirstEnergy PA. Further, FirstEnergy PA's proposed guidelines for incidental repairs are consistent with the LIURP regulations at 52 Pa. Code § 58.12 (relating to incidental repairs).⁹

In its March 2024 Order, the Commission agreed with CAUSE-PA that the consent language in FirstEnergy PA's WARM application did not have sufficient protections on the use of customer information. The Commission directed FirstEnergy PA to work with its USAC to revise this customer consent language by, at a minimum, (1) placing limits on the sharing of customer information with third parties, (2) identifying information subject to release, and (3) explaining how pictures and descriptions of work in the customer's home will be used. March 2024 Order at 78-79.

⁷ See PECO 2016-2018 USECP Order, Docket No. M-2015-2507139 (Order entered on August 11, 2016), at 48-50; Duquesne 2017-2019 USECP Order, Docket No. M-2016-2534323 (Order entered on March 23, 2017) at 36-38; and NFG 2022-2026 USECP Order, Docket No. M-2021-3024935 (Order entered on May 3, 2022) at 39-41.

⁸ For example, see PPL 2014-2016 USECP Order, Docket No. M-2013-2367021 (Order entered on September 11, 2014), at 40-42.

⁹ Section 58.12 applies to using LIURP funds to perform incidental repairs necessary to permit proper installation of program measures or repairs to existing weatherization measures needed to make those measures operate effectively.

We find FirstEnergy PA's proposed updates to the terms and conditions of the customer consent language in the revised WARM application appropriately addresses these issues and provides sufficient protection on the use of a customer's information.

Resolution: We find FirstEnergy PA's proposed changes to its 2024 USECP relative to its WARM health and safety and incidental repair measures and application compliant with the Commission directives in the March 2024 Order. Accordingly, these aspects of the FirstEnergy PA Petition are approved.

b. PCAP Subsidy Credit Limit Exemption Process

FirstEnergy PA performs outreach to PCAP customers when they exceed 50% and 80% of their account's annual subsidy credit limit. Furthermore, customers that surpass 80% of their annual subsidy credit limit will be referred to the WARM program for energy efficiency measures or education. Annual subsidy credit limits are reset at the January billing. These credits do not carry over into the following year. FirstEnergy PA informs the PCAP customer of the exemptions and how to notify FirstEnergy PA if they think their situation qualifies their PCAP account for an exemption. 2024 USECP at 13. FirstEnergy PA currently waives annual subsidy credit limits for PCAP customers that meet one or more of the exemption conditions recommended in the CAP Policy Statement (2020) at 52 Pa. Code § 69.265(3)(vi), as follows:

- The addition of a family member.
- A household member experiencing a serious illness.
- Energy consumption beyond the household's ability to control.
- The household is in housing that is or has been condemned or has housing code violations.

- Energy consumption estimates have been based on a previous occupant’s consumption.

2024 USECP at 13, Proposed Amended 2024 USECP at 14.

As described in the FirstEnergy PA Petition, FirstEnergy PA proposes that when a PCAP account is coded as exempt from the PCAP annual subsidy credit limit, the household will remain exempt until December 31 of the next calendar year. FirstEnergy PA Revised Petition at 4, Proposed Amended 2024 USECP at 13.

Stakeholder Responses

We have received no stakeholder answers to the FirstEnergy PA Petition responding to the proposed timeframe for PCAP subsidy credit limit exemptions.

Discussion

The Commission’s CAP Policy Statement recommends exempting a CAP household from maximum CAP credit or consumption limits if they meet the exemptions listed in 52 Pa. Code § 69.265(3)(vi) but does not recommend a timeframe for how long such exemptions may apply. The Commission has not yet recommended any timeframes for granting or extending CAP credit exemptions in USECP proceedings. Further, no public utilities that allow exemptions to CAP credit limits currently specify a specific end date for those exemptions in their USECPs. Presumably, such end dates would correspond with the close of a CAP household’s “program year” or “program anniversary date” when their CAP credit limits would be reset.

FirstEnergy PA, which resets subsidy credit limits for all PCAP participants in January each year, proposes to maintain the exemption status for all qualifying PCAP accounts through December 31 of the following year. This timeframe would ensure that all PCAP participants who qualify as exempt from the annual subsidy credit limit would be granted this exemption for at least one full year. No stakeholders have filed objections to FirstEnergy PA's proposal on this matter.

Resolution: Granting exemptions to qualifying PCAP participants who exceed annual subsidy credit limit thresholds can help PCAP customers maintain energy service. The subsequent outreach to these high-usage customers, including referral to WARM, are important actions which work toward a solution to the issue(s) that is currently contributing to subsidization of energy bills exceeding PCAP's annual subsidy credit limits. Based on FirstEnergy's current process of resetting all subsidy credit limits annually in January each year, we find it reasonable to allow PCAP households who meet the exemption criteria to maintain this exemption for at least one year (*i.e.*, through December 31 of the following year). Accordingly, we approve FirstEnergy PA's proposed timeframe for its subsidy credit limit exemptions.

III. CONCLUSION

Consistent with the discussion above, we find it reasonable to approve the USECP changes proposed by FirstEnergy PA in its January 8, 2025 Petition. FirstEnergy PA is directed to file a Revised 2024 USECP within 20 days with the changes approved in this Order and the relevant 2024 Base Rate Case provisions, as specified in the

February 27, 2025 Secretarial Letter. Accordingly, FirstEnergy PA's proposed amendments to its PCAP and WARM programs approved in this order shall take effect as of the filing date of its Revised 2024 USECP; **THEREFORE,**

IT IS ORDERED:

1. That FirstEnergy Pennsylvania Electric Company's Petition, filed on January 8, 2025, is granted.

2. That FirstEnergy Pennsylvania Electric Company shall file a Revised 2024-2028 Universal Service and Energy Conservation Plan within 20 days with the changes approved in this Order and the 2024 Base Rate Case provisions identified in the February 27, 2025 Secretarial Letter.

3. That the Revised 2024-2028 Universal Service and Energy Conservation Plan shall be provided electronically in Word[®]-compatible format to Jennifer Johnson, Bureau of Consumer Services, jennifjohn@pa.gov; Regina Carter, Bureau of Consumer Services, regincarte@pa.gov; Stephanie Wilson, Law Bureau, stepwilson@pa.gov; and Louise Fink Smith, Law Bureau, finksmith@pa.gov.

4. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate FirstEnergy Pennsylvania Electric Company's Revised 2024-2028 Universal Service and Energy Conservation Plan as filed and served pursuant to this Order and prepare a Secretarial Letter confirming whether the changes in the filing comply with this Order.

5. That FirstEnergy Pennsylvania Electric Company's 2024-2028 Universal Service and Energy Conservation Plan shall remain in effect until a Revised 2024-2028 Universal Service and Energy Conservation Plan is approved and fully implemented.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: April 10, 2025

ORDER ENTERED: April 10, 2025