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VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Energy Efficiency and Conservation Programs; Docket No. M-2025-3052826

Dear Secretary Homsher:

Please find UGI Utilities Inc. – Electric’s and Gas Division’s Reply Comments to the Tentative Implementation Order in the above-referenced docket. If you have any questions, please contact me directly at (610) 992-3763.

Very truly yours,

/s/ Michael S. Swerling
Michael S. Swerling
Counsel for UGI

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Energy Efficiency and Conservation Program : Docket No. M-2025-3052826
:

**UGI UTILITIES, INC. – GAS DIVISION’S AND ELECTRIC DIVISION’S
REPLY COMMENTS TO THE COMMISSION’S TENTATIVE IMPLEMENTATION
ORDER**

I. INTRODUCTION

On February 20, 2025, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Implementation Order (“TIO”) to present its evaluation of the costs and benefits of the Energy Efficiency and Conservation (“EE&C”) program at Docket No. M-2025-3052826¹. The TIO proposed further incremental reductions to electric consumption and peak demand for electric distribution companies (“EDC”) to meet in the upcoming Phase V of the EE&C program. (TIO at 5-8.) Initial comments were filed by interested parties on April 7, 2025. UGI Utilities, Inc. – Gas and Electric Divisions (collectively referred to herein as “UGI” or the “Company”) provide the following reply comments to the TIO.

II. REPLY COMMENTS

A. The Commission Should Not Adopt a Strict Prohibition on Electric to Natural Gas Fuel Switching

In its comments, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) and the Tenant Union Representative Network (“TURN”), collectively the “Low Income Advocates”, stated that the Commission should not permit electric to fossil fuel switching. (Low Income Advocates Comments at 73.) According to the Low

¹ See *Energy Efficiency and Conservation Program*; Docket No. M-2025-3052826 (Tentative Implementation Order entered Feb. 20, 2025).

Income Advocates, electric to fossil fuel switching is inconsistent with Pennsylvania and municipal policy goals of decarbonization and electrification. (Id.) Further, the Low Income Advocates assert:

While these measures may be rarely utilized, they continue to carry the potential for harm to low-income households and the environment and continue to undermine Pennsylvania State Decarbonization Goals. Thus, we suggest that any electric usage and peak demand reduction that EDCs can achieve from electric-to-fossil fuel switching measures does not justify the risk of harm to consumers and state environmental policy goals.

(Id at 74).

UGI cautions against adopting a strict prohibition on electric to natural gas fuel switching in EE&C Plans. In the Commission’s 2026 TRM Update Final Order (“Order”)² at page 116, it stated: “[w]hile the fuel-switching measures will be removed from the 2026 TRM, if an EDC wishes to incentivize a fuel-switching measure in Phase V, *the Commission proposes that the EE&C plan should state a proposed minimum standard and provide justification for the threshold.*” [emphasis added].

Adoption of the Low Income Advocates’ position would abolish the above-recognized due process rights that permit utilities to propose and justify a minimum standard for fuel switching from electric to natural gas. UGI requests that the Commission reject the Low Income Advocates’ proposal and maintain regulatory certainty that utilities may propose and justify fuel switching from electric to gas because doing so serves the customer interest.³ In considering

² See *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual 2026 Update*; Docket No. M-2023-3044491 (Final Order entered Sep. 12, 2024).

³ As stated in its comments to this docket: “UGI offers a portfolio of voluntary EE&C programs and seeks allowance to continue incentivizing high efficiency gas and electric equipment for all qualifying customers, regardless of their prior fuel source. This level of flexibility, which supports customers’ efficiency objectives, will minimize customer and contractor confusion and provide continued opportunities for customers to utilize the available fuel source that best meets their needs.” (UGI Comments at 3).

such a proposal, the Commission should weigh the savings and efficiency benefits that influence customers when pursuing the fuel source and appliance efficiency that best fits their needs.

Moreover, the Low Income Advocates recognized that fuel switching from electric to gas is “rarely utilized”. (Low Income Advocates Comments at 74). Therefore, it is unlikely that such limited fuel switching would thwart the State’s and local municipalities’ environmental goals.

Regarding customer choice and energy affordability, in 2024 the Department of Energy (“DOE”) found that the delivered cost of electricity was approximately 3.5 times higher than natural gas nationally⁴. Accordingly, the evidence does not support the notion that fuel switching would significantly impact the state’s environmental goals. Furthermore, depending on the mix of electricity generation, natural gas homes may have lower overall greenhouse gas emissions than those that heat with electric⁵. For reference, in 2023, Pennsylvania generated 59% of its electricity from natural gas with renewables making up 4% of the power generation⁶.

III. CONCLUSION

The Company appreciates the opportunity to provide reply comments to the Tentative Implementation Order and asks that the Commission favorably consider its reply comments.

⁴ <https://public-inspection.federalregister.gov/2024-23893.pdf>

⁵ <https://www.aga.org/report-finds-gas-heating-beats-cold-climate-heat-pumps-on-cost-and-emissions/#:~:text=A%20new%20analysis%20shows%20that,with%20electricity%20and%20fuel%20oil>

⁶ <https://www.eia.gov/state/analysis.php?sid=PA>

Respectfully submitted,

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