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File #: 207296

February 13, 2026

***VIA ELECTRONIC FILING***

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pa 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase V  
Energy Efficiency and Conservation Plan  
Docket No. M-2025-3057329**

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Dear Secretary Homsher:

Attached for filing is the Joint Petition for Settlement and Statements in Support thereof on behalf of PPL Electric Utilities Corporation, the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission on Economic Opportunity, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, and the Sustainable Energy Fund, as well as the letter of non-opposition to the Settlement of the PP&L Industrial Customer Alliance. As noted in footnote 1 of the Joint Petition, the Keystone Energy Efficiency Alliance has represented that it does not oppose the Settlement.

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Megan E. Rulli

MER/dmc  
Enclosures

cc: The Honorable Steven K. Haas (*via email; w/attachment*)  
The Honorable Emily A. Farren (*via email; w/attachment*)  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this filing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: February 13, 2026

  
\_\_\_\_\_  
Megan E. Rulli

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of its Act 129 : Docket No. M-2025-3057329  
Phase V Energy Efficiency and :  
Conservation Plan :

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**JOINT PETITION FOR APPROVAL OF  
SETTLEMENT OF ALL ISSUES**

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**TO ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS AND ADMINISTRATIVE  
LAW JUDGE EMILY A. FARREN:**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Commission on Economic Opportunity (“CEO”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), and the Sustainable Energy Fund (“SEF”), all parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”), hereby file this Joint Petition for Approval of Settlement of All Issues (“Settlement”) and respectfully request that the Pennsylvania Public Utility Commission (“Commission”) approve PPL Electric’s Phase V Energy Efficiency and Conservation Plan (“Phase V EE&C Plan” or “EE&C Plan”), subject to the terms and conditions of the Settlement.<sup>1</sup>

This Settlement resolves all of the issues raised by all of the parties to the instant proceeding. In support of the Settlement, the Joint Petitioners state the following:

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<sup>1</sup> PP&L Industrial Customer Alliance (“PPLICA”) and the Keystone Energy Efficiency Alliance (“KEEA”) are not parties to the Settlement but have indicated that they do not oppose the Settlement.

## I. BACKGROUND

1. On December 1, 2025, PPL Electric filed the above-captioned Petition with the Commission. This filing was made pursuant to Act 129 of 2008 (“Act 129”), P.L. 1592, 66 Pa. C.S. §§ 2806.1 and 2806.2, and the Commission’s Implementation Order entered on June 18, 2025.<sup>2</sup>

2. In its Petition, PPL Electric requested Commission approval of PPL Electric’s Phase V EE&C Plan. The Phase V EE&C Plan includes a broad portfolio of energy efficiency programs, conservation practices, and energy education initiatives. These integrated programs are designed to meet the goals established by Sections 2806.1 and 2806.2 of Act 129 and the Commission’s *Implementation Order*.

3. As part of the December 1, 2025, Petition, PPL Electric submitted its written direct testimony and exhibits.

4. On December 2, 2025, CAUSE-PA filed a Petition to Intervene.

5. On December 4, 2025, SEF filed a Petition to Intervene.

6. Also on December 4, 2025, OSBA filed a Notice of Appearance.

7. On December 8, 2025, OCA filed a Notice of Appearance.

8. On December 11, 2025, the OCA filed a Notice of Intervention and Public Statement.

9. On December 17, 2025, CEO filed a Petition to Intervene.

10. On December 19, 2025, the OSBA filed a Notice of Intervention, Public Statement, and Verification.

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<sup>2</sup> *Energy Efficiency and Conservation Program, Docket No. M-2025-3052826 (Implementation Order Entered June 18, 2025) (“Implementation Order”)*.

11. On December 31, 2025, a Notice was issued scheduling a prehearing conference for January 6, 2026. Also, a Prehearing Conference Order was issued.

12. Also on December 31, 2025, PPLICA filed a Petition to Intervene.

13. On January 6, 2026, KEEA filed a Petition to Intervene and Answer.

14. On January 6, 2026, a prehearing conference was held as scheduled. PPL Electric, OCA, OSBA, CAUSE-PA, CEO, KEEA, SEF, and PPLICA were represented at the conference. No party objected to the Petitions to Intervene, and the Petitions were granted during the prehearing conference. The parties also discussed discovery rule modifications and the litigation schedule.

15. Two Prehearing Orders were entered on January 8, 2026, which, among other things, provided notice of the evidentiary hearing, established a litigation schedule, and modified the discovery rules. Also, the Commission issued a Notice scheduling an evidentiary hearing for February 3, 2026.

16. On January 20, 2026, OCA, CAUSE-PA, SEF, OSBA, and KEEA served their written direct testimony and exhibits.

17. On January 29, 2026, PPL Electric and CAUSE-PA served their written rebuttal testimony and exhibits.

18. Subsequently, on February 3, 2026, the evidentiary hearing was held as scheduled, and the parties' written testimony and exhibits were moved into the record.

19. The active parties engaged in formal and informal discovery throughout the proceeding.

20. As a result of extensive settlement discussions, the active parties were able to reach a Settlement on all issues. The Joint Petitioners are in full agreement that the Settlement is

reasonable and in the public interest and should be approved without modification. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

## **II. SETTLEMENT**

### **A. GENERAL**

21. The following terms of this Settlement reflect a carefully balanced compromise of the interests of all of the active parties in this proceeding. The Joint Petitioners unanimously agree that the Settlement, which resolves all issues, is reasonable and in the public interest.

22. The Joint Petitioners respectfully request that the Commission approve PPL Electric's Petition for Approval of its Phase V EE&C Plan in its entirety as modified by and subject to the terms and conditions of this Settlement, as specified below:

### **B. RESOURCE CONSTRAINED ENERGY EFFICIENCY PROGRAM**

23. PPL Electric will increase the budget for long-term savings measures in the Resource Constrained Energy Efficient Homes component from \$7.5 million to \$9.0 million. These long-term measures will consist of building insulation, air sealing, efficient heat pumps, and heat pump water heaters, or other measures designated as comprehensive in the Table 8 Addendum to the Commission's Phase V EE&C Plan Template.

24. To facilitate participation between the Appliance Recycling and the Energy Efficient Homes components of the Resource Constrained Energy Efficiency Program ("RCEEP"), the RCEEP Conservation Service Provider ("CSP") will follow up directly with participating low-income customers to provide the program materials necessary to facilitate energy assessments to determine eligibility for additional program measures. The Company will track the number of customers participating in Appliance Recycling that also received an energy audit and will share the participation levels at its biannual stakeholder meetings. After the CSP's contract is approved by the Commission, PPL Electric will develop and implement a detailed marketing

plan for the Appliance Recycling component of the RCEEP, specifically tailored to increase low-income customer participation in the program. Print and email marketing materials for the appliance recycling component of the RCEEP will include information about both the Appliance Recycling and examples of the no cost measures available through the Resource Constrained Energy Efficient Homes component. Copies of this draft marketing plan will be provided to the other Joint Petitioners by no later than May 1, 2026.

25. PPL Electric agrees to remove the Student Energy Education component from the RCEEP. The Company agrees to reallocate the budget for the RCEEP Student Energy Education component to the Energy Efficient Homes component of the RCEEP. PPL Electric agrees not to count low-income student participation in the Student Energy Education component of the Residential Energy Efficiency Program (“REEP”) toward its low-income savings target.

26. PPL Electric will allocate \$2 million for health and safety repairs and/or upgrades needed to install comprehensive measures for customers eligible for its RCEEP, and will allot additional funding if necessary and available.

### **C. RESIDENTIAL ENERGY EFFICIENCY PROGRAM**

27. PPL Electric will evaluate the total portfolio savings of the Plan at the end of Program Year 21 and the forecasted savings for Program Year 22, and if the Company is projected to be in excess of the compliance target, the Company will not report any savings from Student Energy Education energy efficiency kits in the final year of the Phase V Plan.

28. During Program Year 18, the Company shall complete a feasibility study of a proposed residential Conservation Voltage Reduction (“CVR”) pilot program. If the results of the feasibility study warrant, the Company shall develop a detailed proposal for implementation of the CVR pilot program. If the Company determines that the proposed CVR pilot program is not feasible, it shall reallocate the CVR funding within the Residential Energy Efficiency Program.

29. In developing the CVR pilot proposal, the Company shall evaluate program designs implemented in other jurisdictions for similar programs or pilots. The proposal shall describe the pilot program's objectives; performance metrics; data to be tracked; projected costs; projected performance, including energy and demand savings; and the proposed schedule. The CVR pilot program shall have a budget not to exceed \$1.0 million.

30. Prior to submitting a description of the pilot program to the Commission's Statewide Evaluator ("SWE") and the Bureau of Technical Utility Services ("TUS") for approval, the Company shall provide the parties to this proceeding with a copy of the pilot program proposal for review and provide them with an opportunity to provide the Company with comments. The Company will attach a copy of the other parties' comments in its submission to TUS. If TUS determines that a minor or major plan change is necessary to implement the CVR pilot, the Company will comply with TUS's direction.

31. The Company's Evaluation, Measurement, and Verification ("EM&V") CSP shall assess the performance of the CVR pilot program. If the Company implements the CVR pilot, it shall assign the pilot's costs and benefits to the appropriate rate class(es); provided, however, that no savings shall be assigned or allocated to the low-income customer savings carve-out requirement.

32. The parties' agreement to the provisions in Paragraphs 28 through 31 do not constitute agreement as to the prudence or cost-effectiveness of any proposed CVR pilot, and the parties expressly reserve the right to challenge the CVR pilot in an appropriate filing or in subsequent phases.

33. PPL will expand the Enhanced Trade Ally Network to include heat pump water heater technology training and Trade Allies.

34. PPL will consider additional incentives and/or rebates for homes that are 100% electric.

**D. BUSINESS ENERGY EFFICIENCY PROGRAM**

35. The Company will review and evaluate Small C&I Non-Residential lighting annually and if the performance of the measure and future forecasts are not within 70% of the Company's EE&C Plan forecast, the Company will lower its forecast for Small C&I lighting and increase the forecast for non-lighting measures as is necessary to ensure compliance with all targets. The Company will review the Small C&I Non-Residential lighting performance with stakeholders during the biannual stakeholder meetings.

36. PPL Electric will conduct an evaluation of the Peak Load Shift pilot no later than 12 months after the start date. The evaluation will be included in the Company's annual report. As part of the Company's planned CSP quarterly business reviews, PPL Electric will review results of the Peak Load Shift pilot for process improvement, opportunities and insights, and participation levels.

37. On an annual basis, the Company will report the number of participating customers in the Company's Peak Load Shift Pilot that used diesel or other fossil fuel backup generators.

38. PPL Electric will track the number of small business participants in the Phase V Plan programs and include that figure in its annual reports.

**E. PROGRAM COORDINATION**

39. During Program Year 18, PPL Electric's RCEEP manager(s) and CSP will meet with PPL Electric's LIURP manager; representatives from agencies administering the Weatherization Assistance Program ("WAP"), representatives from UGI Utilities, Inc. – Gas Division ("UGI Gas") and Pennsylvania American Water to discuss strategies for enhanced program coordination during Phase V. At a minimum, these meetings will discuss the potential

for developing a program coordination plan that includes data sharing policies and procedures, streamlined referral processes, consolidated application processes, coordinated measure delivery, and other ways to eliminate duplicative program administration and coordinate service delivery. PPL Electric will also meet with other electric distribution companies (“EDCs”) through the Energy Association of Pennsylvania (“EAP”) to gain insight on best practices for EE&C program coordination. The Company will seek to identify municipally-funded and regional home repair programs and will consider recommendations from the parties to this proceeding for other local home repair programs operating in the service territory for inclusion in the program coordination meetings.

40. The Company will create a coordination plan that will include current and ongoing collaboration activities for each participating organization, if applicable, as well as proposed enhancements and future collaboration plans with implementation dates, if available.

41. At the start of PY 19, and at least annually thereafter through the duration of the Phase V Plan, the Company will convene ongoing program coordination meetings consistent with the stakeholders and topics identified in Paragraph 39. The parties to this proceeding will be invited to these meetings. The focus of these meetings will be to further refine and advance implementation of the coordination plan.

42. At its biannual stakeholder meetings, the Company will review its coordination plan and will provide ongoing updates on its coordination efforts.

#### **F. THIRD PARTY FINANCING**

43. PPL Electric will work with the CSP and subcontractor National Energy Improvement Fund (“NEIF”) to explore providing third-party financing options to moderate income residential customers and to evaluate methods for increasing participation in the third-party financing offering, including the length and buy-down of interest rates. The Company will

utilize a pilot framework or soft launch to test program design for future scaling. Prior to implementing any third-party financing option, the Company will invite the other parties to this proceeding to provide recommendations for its consideration regarding program eligibility and design. As to any pilot program developed, the Company will strongly encourage each applicant to have an energy audit performed prior to enrollment. PPL Electric will work with SWE and the third-party evaluator to develop an evaluation process for any pilot. The Company will include anonymized weather normalized pre- and post-usage data of pilot participants in the Company's annual reports.

44. PPL Electric will continue to collaborate with Key Account Managers and Business Accounts Services to increase awareness of Act 129 Programs for small and large commercial and industrial customers. The Energy Efficiency & Conservation team will continue to hold regular meetings with the Interconnection team to discuss projects, timelines, incentives, and other critical information to ensure customers receive information related to Act 129 participation. The Energy Efficiency & Conservation team will continue to collaborate with the Company's Manager of Economic Development as well as the Company's national accounts team to ensure potential new customers to the territory fully understand all services, programs, and incentives available through Act 129. PPL Electric will continue to provide information to new home builders in the Company's service territory through the Residential New Construction component of the REEP in Phase V.

### **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

45. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. In

order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order Entered Oct. 4, 2004); *Pa. PUC v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

46. This Settlement was achieved by the Joint Petitioners after an investigation of PPL Electric's Phase V EE&C Plan filing, including informal and formal discovery and the submission of testimony by the active parties.

47. Approval of the Settlement will reduce the time and expenses that the active parties and the Commission must expend on the proceedings.

48. The Joint Petitioners will further supplement the reasons that the Settlement is in the public interest in their Statements in Support, which are attached hereto as **Appendices A through F**. In their respective Statements in Support, each Joint Petitioner explains why, in its view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding. PPLICA's letter of non-opposition to the Settlement is attached hereto as **Appendix G**.

#### **IV. SETTLEMENT CONDITIONS**

49. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission modifies the Settlement, then any Joint Petitioner may elect to withdraw from this Settlement and may proceed with litigation and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five (5) business days after the entry of an order modifying the Settlement. The Joint Petitioners acknowledge and agree that this Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.

50. Each term and condition set forth in this Joint Petition, whether or not set out in a numbered paragraph, shown in a table or other graphic presentation, bolded, italicized, or otherwise emphasized, or set forth in the body, a footnote, a parenthetical, an appendix, an exhibit, or otherwise, is material consideration to the entry into this Settlement by the signatory parties.

51. This Settlement is proposed by the Joint Petitioners to settle certain issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue to further hearings, the Joint Petitioners reserve their respective rights to present additional testimony and to conduct full cross-examination, briefing, and argument. The Settlement is made without any admission against, or prejudice to, any position which any Joint Petitioner may adopt in the event of any subsequent litigation of this proceeding.

52. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

53. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner which is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of this Settlement. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities.

54. If the presiding administrative law judges adopt the Settlement without modification, the Joint Petitioners waive their rights to file Exceptions.

55. Unless otherwise expressly indicated, all terms and conditions contained herein shall take effect upon issuance of a final order in this proceeding, without the need or requirement for additional Commission review or approval.

V. **CONCLUSION**

WHEREFORE, PPL Electric Utilities Corporation, the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission for Economic Opportunity, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, and the Sustainable Energy Fund respectfully request that the Pennsylvania Public Utility Commission approve this Joint Petition for Approval of Settlement of All Issues.

Respectfully submitted,



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February 13, 2026

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February 13, 2026

Date

# Appendix A

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of its Act 129 : Docket No. M-2025-3057329  
Phase V Energy Efficiency and :  
Conservation Plan :

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**STATEMENT IN SUPPORT OF PPL ELECTRIC UTILITIES CORPORATION**

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**TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

**I. INTRODUCTION**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits this Statement in Support of the Joint Petition for Approval of Settlement of All Issues (“Settlement”) entered into by PPL Electric, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Commission on Economic Opportunity (“CEO”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), and the Sustainable Energy Fund (“SEF”), all parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”).<sup>1</sup> PPL Electric respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) approve the Settlement, including the terms and conditions thereof, without modification.

The Joint Petitioners agree that PPL Electric’s Phase V Energy Efficiency and Conservation Plan (“Phase V EE&C Plan” or “EE&C Plan”) should be approved, subject to the terms and conditions of the Settlement.

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<sup>1</sup> PP&L Industrial Customer Alliance (“PPLICA”) and the Keystone Energy Efficiency Alliance (“KEEA”) are not parties to the Settlement but have indicated that they do not oppose the Settlement.

The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners. PPL Electric submits that the Settlement should be approved without modification because it is in the public interest, reasonable, and supported by substantial evidence. For the reasons explained below, PPL Electric respectfully requests that the Commission approve the Company's Phase V EE&C Plan, subject to the terms and conditions of the Settlement.

## **II. COMMISSION POLICY FAVORS SETTLEMENT**

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See* 52 Pa. Code § 69.401. The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. PUC v. MXenergy Elec. Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Order entered Dec. 5, 2013). In order to approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Order entered Sept. 27, 2012); *Pa. PUC v. C.S. Water and Sewer Assoc.*, Docket No. R-881147, 74 Pa. PUC 767 (Order entered July 22, 1991). As explained in the next section of this Statement in Support, PPL Electric believes that the Settlement should be approved without modification because it is in the public interest, is reasonable, and is supported by substantial evidence.

## **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

### **A. GENERAL**

The Settlement reflects a carefully balanced compromise of the competing interests of all of the active parties in this proceeding. The Joint Petitioners agree that the Settlement is in the

public interest. The fact that the Settlement is unopposed in this proceeding, in and of itself, provides strong evidence that the Settlement is reasonable and in the public interest, particularly given the diverse interests of these parties and the active roles they have taken in this proceeding.

Moreover, the Settlement was achieved only after a comprehensive investigation of PPL Electric's Phase V EE&C Plan. In addition to informal discovery, the parties propounded many formal discovery requests, a substantial number of which included several subparts. The active parties submitted multiple rounds of testimony, including direct testimony by PPL Electric, OCA, CAUSE-PA, SEF, OSBA, and KEEA. PPL Electric and CAUSE-PA also submitted rebuttal testimony.

Finally, the parties in this proceeding, their counsel, and their expert consultants have considerable experience in EE&C Plan proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus in this proceeding on the settled issues.

For these reasons and the more specific reasons set forth below, the Settlement is just and reasonable and in the public interest. Therefore, PPL Electric's Phase V EE&C Plan should be approved subject to the terms and conditions of the Settlement.

**B. RESOURCE CONSTRAINED (LOW-INCOME) ENERGY EFFICIENCY PROGRAM**

As proposed, PPL Electric's Resource Constrained (Low-Income) Energy Efficiency Program ("Resource Constrained Program") in its Phase V EE&C Plan had three components: (1) Energy Efficient Home; (2) Appliance Recycling; and (3) Student Energy Education. The Company took a new approach for the Resource Constrained Program in Phase V by aligning measure and channel delivery with the Residential Energy Efficiency Program ("Residential Program"), keeping the existing participation pathways while expanding options for income-

eligible customers. (PPL Electric St. No. 1, p. 9.) The Resource Constrained Program includes measures for customers at or below 150% of the federal poverty level. Only measures outlined within this program will be attributed to the low-income carve-out. This program also includes several measures targeted at owners of multifamily buildings, who fall within the Small C&I customer sector. (*Id.*)

Several parties raised issues and recommendations regarding the Company's proposed Resource Constrained Program. First, CAUSE-PA witness Grevatt argued that PPL Electric did not focus on comprehensive measures in the Resource Constrained Program. (CAUSE-PA St. No. 1, pp. 26-27.) In his testimony, Mr. Grevatt also expressed a concern that the Resource Constrained Program purportedly "has placed a high level of prioritization on shallow measures that will do little to reduce the energy burdens of PPL's low-income households." (CAUSE-PA St. No. 1, p. 29.) To address this alleged shortcoming, Mr. Grevatt recommended that PPL Electric revise its Phase V EE&C Plan to "rebalance its proposed measure mix in the [Resource Constrained Program] such that a combination of building insulation and air sealing measures and efficient heat pumps and heat pump water heaters comprise 25% of the low-income portfolio savings for Phase V." (CAUSE-PA St. No. 1, p. 35.)

Second, CAUSE-PA witness Grevatt and OCA witness Sherwood took issue with the Company's inclusion of the Appliance Recycling component in the Resource Constrained Program, claiming that it was not sufficiently distinguishable from the Appliance Recycling component in the Residential Program to be considered a program solely dedicated to low-income customers. (*See* CAUSE-PA St. No. 1, pp. 37-39; OCA St. No. 1, pp. 18-19.) Mr. Grevatt and Ms. Sherwood raised similar concerns with the inclusion of the Student Energy Education component in the Resource Constrained Program, with Mr. Grevatt arguing that any savings from

this component should not be counted toward the low-income carve-out because it is not “directed solely at low-income customers as required by the Commission” and Ms. Sherwood recommending that “[n]o savings from the School Education component should be counted towards the low income carve-out target unless the installation can be verified that it was installed in an income eligible household.” (CAUSE-PA St. No. 1, pp. 37-38; OCA St. No. 1, p. 17.)

Third, KEEA witness Zappa recommended that the Company increase its Health & Safety budget from the proposed \$1.5 million budget to \$2.5 million during the term of the Phase V Plan, or \$500,000 per year. (See KEEA St. No. 1, pp. 12-14.)

In the Company’s Rebuttal Testimony, PPL Electric witness McAteer responded to the parties’ issues and recommendations regarding the Resource Constrained Program. First, in response to CAUSE-PA witness Grevatt, Mr. McAteer explained that there are many comprehensive measures included in the proposed Phase V EE&C Plan, such as Air Sealing, Window Heat Pumps, Ceiling, Attic, Wall, Floor and Rim Joist Insulation, Basement and Crawlspace Insulation, Heat Pump Water Heaters, Duct Sealing, ECM Circulation Fans, Ductless Heat Pumps, and Energy Star Refrigerator and Freezer replacements when paired with eligible comprehensive measures as defined by the Commission. (PPL Electric St. No. 1-R, p. 16.) However, Mr. McAteer also made clear that the Company “must design its Low-Income Program to meet the *Phase V Implementation Order’s* target of achieving 7.9% of total plan savings from the Low-Income sector while staying under total Plan budget requirements.” (PPL Electric St. No. 1-R, pp. 16-17.) This requires the Company to deliver the Resource Constrained Program with a low acquisition cost. (PPL Electric St. No. 1-R, p. 17.) Therefore, the Company cannot simply commit to including additional comprehensive measures without analyzing the impact of such additions on the Phase IV EE&C Plan as a whole. (PPL Electric St. No. 1-R, p. 16.)

Furthermore, Mr. McAteer explained that the Commission has already rejected the proposal to require EDCs to achieve a minimum of 25% of the low-income savings goal through comprehensive, whole-home programs in its *Final Implementation Order*. See *Final Implementation Order*, p. 52. PPL Electric witness McAteer explained that the Company does not have the luxury of looking at measures in a vacuum but must always consider the impact of specific measures on the Plan holistically. (PPL Electric St. No. 1-R, p. 17.) The comprehensive measures identified by Mr. Grevatt have an incentive cost per kWh that is approximately 15 times greater than the overall average incentive cost per kWh for the Resource Constrained Energy Efficiency Program. (PPL Electric St. No. 1-R, pp. 17-18.) As such, the cost to acquire 25% of the portfolio from comprehensive measures is simply not feasible while remaining within the statutory budget cap. Finally, Mr. McAteer pointed out that for Phase V, PPL Electric significantly increased its commitment to comprehensive measures by increasing the budget for these comprehensive measures from up to \$2.0 million per the Phase IV Settlement, to approximately \$7.5 million in Phase V. The Company's significant investment in these measures in Phase V addresses the underlying concern raised in Mr. Grevatt's testimony while ensuring that the Company's Plan is cost-effective. (PPL Electric St. No. 1-R, p. 18.)

In response to OCA and CAUSE-PA's concerns with the inclusion of an Appliance Recycling component in the Resource Constrained Program, Mr. McAteer explained that only customers verified through SWE-approved evaluation methodologies to be at or below 150% of FPL will be counted towards the Company's low-income compliance targets. (PPL Electric St. No. 1-R, p. 19.) Mr. McAteer also described that in Phase IV, PECO had a dedicated low-income version of their appliance recycling program and plans to include appliance recycling in their low-income offering in Phase V. (*Id.*) PPL Electric's dedicated low-income Appliance Recycling

component will also be directly marketed to underserved customers to increase awareness and participation. (*Id.*)

Regarding the Student Energy Education component proposed for the Phase V Resource Constrained Program, Mr. McAteer explained that schools will be identified using publicly available data, providing insight into districts that have a majority of households at or below 150% of the federal poverty level, though savings will only be counted towards the Company's low-income target based on SWE approved methodology that accurately measures the correct percentage of eligible households. (PPL Electric St. No. 1, p. 21.) Mr. McAteer further explained that the Student Energy Education component provides critical early education around electrical safety, energy efficiency, and sustainability for students that is appropriate for their education level, and that the Company's Conservation Service Provider ("CSP") will utilize a Home Energy Worksheet that asks questions to track installation rates of items in the kits and collects participant information to verify savings. (*Id.*)

In addition, PPL Electric witness McAteer pointed out that neither CAUSE-PA nor OCA raised similar concerns with the Resource Constrained Energy Efficient Homes component, although the measures offered, including home energy audits, mirror those offered in the Residential Energy Efficient Homes component, which also offers a free virtual assessment. Instead, CAUSE-PA and OCA seem focused on shifting the Company's low-income programming toward energy audits and weatherization measures. (PPL Electric St. No. 1, p. 19.) In order to meet the low-income reduction targets for Phase V, the Company must offer a mixed portfolio of a wide range of measures and cannot solely focus on weatherization and energy audits. (*Id.*, p. 20.) Further, Mr. McAteer explained that it is reasonable for the Company to propose stand-alone programs for low-income customers based on proven successes from existing Residential

programs. Building upon those models, the Company proposed dedicated low-income program components with their own budgets and savings targets that will employ targeted marketing plans to reach underserved populations. (*Id.*, pp. 22-23.)

Concerning KEEA witness Zappa's proposal to increase funding for Health & Safety measures to \$2.5 million over the term of the Phase V Plan, Mr. McAteer explained that the Company elected to increase the amount of dedicated health and safety funding from \$750,000 in Phase IV to up to \$1.5 million in Phase V, with additional funding possible, if necessary. (PPL Electric St. No. 1-R, p. 24.) Mr. McAteer described that this doubling of the Health & Safety budget for Phase V is more than sufficient, and that the budget was determined based on a review of the Phase IV health and safety pilot, the projections of comprehensive measures in Phase V, and the required health and safety budget to resolve likely issues. (*Id.*, p. 24.)

The Settlement contains several provisions that address the parties' issues and recommendations regarding the Resource Constrained Program. Specifically, in response to the parties' concerns about the comprehensive measures offered under the Resource Constrained Program, PPL Electric will modify its Energy Efficient Homes component from \$7.5 million to \$9.0 million. These long-term measures will consist of building insulation, air sealing, efficient heat pumps, and heat pump water heaters, or other measures designated as comprehensive in the Table 8 Addendum to the Commission's Phase V EE&C Plan Template. (Settlement ¶ 23.)

Under the Settlement, the Joint Petitioners agreed that, to facilitate participation between the Appliance Recycling and the Energy Efficient Homes components, the Company's Resource Constrained Program CSP will follow up directly with participating low-income customers to provide the program materials necessary to facilitate energy assessments to determine eligibility for additional program measures. The Company will track the number of customers participating

in Appliance Recycling that also received an energy audit and will share the participation levels at its biannual stakeholder meetings. After the CSP's contract is approved by the Commission, PPL Electric will develop and implement a detailed marketing plan for the Appliance Recycling component of the Resource Constrained Program, specifically tailored to increase low-income customer participation in the program. Print and email marketing materials for the appliance recycling component of the Resource Constrained Program will include information about both the Appliance Recycling and examples of the no cost measures available through the Resource Constrained Energy Efficient Homes component. Copies of this draft marketing plan will be provided to the other Joint Petitioners by no later than May 1, 2026. (Settlement ¶ 24.) Under the Settlement, the Company also agreed to withdraw the proposed Student Energy Education component from the Resource Constrained Program for Phase V and not to count low-income student participation in the Student Energy Education component of the Residential Energy Efficiency Program toward its low-income savings target. (Settlement ¶ 25.)

The Settlement also provides that PPL Electric will allocate \$2 million for health and safety repairs and/or upgrades needed to install comprehensive measures for customers eligible for its Resource Constrained Program and will allot additional funding if necessary and available. (Settlement ¶ 26.)

Collectively, these Settlement provisions reflect a reasonable compromise of the parties' issues and recommendations regarding the Resource Constrained Program. Additional funding for comprehensive measures will be added to the Resource Constrained Program, while reflecting the Company's need to achieve the overall electric consumption and peak demand reduction targets, as well as the low-income carve-out, within budget. The parties reached a reasonable compromise related to dedicated low-income programming through the withdrawal of the

proposed Student Energy Education component for Phase V and the enhanced commitments to facilitate participation between the Appliance Recycling and Energy Efficient Homes components. The Settlement also appropriately addresses the parties' issues concerning funding for Health & Safety measures in Phase V. Based on the foregoing, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

### **C. RESIDENTIAL PROGRAM**

PPL Electric's Residential Program in its Phase V EE&C Plan has four components: (1) Energy Efficient Homes; (2) Appliance Recycling; (3) Student Energy Efficient Education; and (4) Persistent Demand Response. (PPL Electric Exh. 1, p. 25.) These components are a part of an EE&C Plan that is designed to exceed the Commission-established electric consumption reduction compliance target. (*See, e.g.*, PPL Electric St. No. 1, p. 5.) No party disputed that the Company's Phase V EE&C Plan would achieve the overall electric consumption reduction compliance target. (PPL Electric St. No. 1-R, p. 3.) Indeed, the OCA affirmatively stated that the Company's proposed EE&C Plan will meet or exceed the targets. (OCA St. No. 1, p. 7.) Nevertheless, some parties proposed modifications or requested clarifications regarding PPL Electric's EE&C Plan, including the Residential Program.

First, OCA witness Sherwood expressed a concern over the incentive levels for certain measures offered under the Energy Efficient Homes component of the Residential Program because she believed they were "excessive." (OCA St. No. 1, p. 19.) Ms. Sherwood also recommended that the Company discontinue the use of Home Energy Reports and eliminate residential lighting measures in Phase V, and that the Company re-allocate the funds for these measures to audits and weatherization measures. (*See* OCA St. No. 1, pp. 11, 15.) Ms. Sherwood recommended that if Home Energy Reports are included for Phase V, the Company include similar home comparisons, raising concerns that removing these comparisons could negatively impact

program effectiveness, portfolio risk, and Act 129 objectives. (OCA St. No. 1, p. 15.) Ms. Sherwood also recommended excluding kits from the Student Energy Education component, arguing that the Company does not track the kit recipient's information and so cannot track installation rates or know whether a household receives multiple kits. (OCA St. No. 1, p. 16.)

Second, CAUSE-PA and OSBA raised concerns with the Company's proposed Conservation Voltage Reduction ("CVR") Pilot. Specifically, CAUSE-PA witness Grevatt criticized the proposed CVR Pilot, arguing that because the Company did not include projected savings for the Pilot it was not fully fleshed out enough to include in the Phase V Plan, and recommended that the Commission reject the proposed CVR Pilot altogether. (CAUSE-PA St. No. 1, pp. 9, 49-51.) OSBA witness Kaufman recommended that the Company set an initial funding cap to answer the threshold question of whether the Company has the existing technology to implement a CVR program, and recommended that if the CVR pilot is implemented, the Commission should require the Company to track the benefits and costs of the pilot program and ensure they are assigned to the appropriate customer class. (OSBA St. No. 2, p. 16.)

In addition, KEEA witness Zappa recommended that the Company expand its enhanced trade ally network component to include training on heat pump water heater technology and to identify contractors as specialized installers of this important technology. (KEEA St. No. 1, p. 20.) SEF witness Costlow also recommended that the Company restructure its rebate offerings based on volumetric consumption levels, arguing that "ratepayers who purchase more from PPL and contribute more to the Act 129 EE&C program should receive a larger rebate." (SEF St. No. 1, p. 4.)

In rebuttal, PPL Electric witness McAteer explained that the Company does not share Ms. Sherwood's concerns about the planned incentive ranges under the Energy Efficient Homes

component. (PPL Electric St. No. 1-R, pp. 5-6.) Mr. McAteer pointed out that the incentive amounts provided by the Company in Table 8 of the Phase V Plan and highlighted by Ms. Sherwood list the maximum planned incentive for the listed measures and that the Company does not plan to start incentive levels at the maximum levels listed. (PPL Electric St. No. 1-R, pp. 5-6.) Mr. McAteer also made clear that this approach provides the Company with flexibility in its incentive offerings and follows the format used in previous Act 129 Phases. Providing a flexible incentive range also allows the Company to consider new delivery channels and provides an option if particular measures become more costly due to market changes. (PPL Electric St. No. 1-R, p. 5.) Therefore, Ms. Sherwood's concerns about the proposed incentive levels were addressed by PPL Electric.

As for Ms. Sherwood's recommendation that the Company discontinue the use of Home Energy Reports in Phase V, PPL Electric witness McAteer explained that Home Energy Reports and the associated Energy Analyzer disaggregation tool are important tools for customer education and program awareness. (PPL Electric St. 1-R, p. 8.) Mr. McAteer also explained that Home Energy Reports are a valid Pennsylvania TRM measure, that only 5% of the projected total portfolio energy consumption reduction is attributable to Home Energy Reports, and that the reports cease in the last two years of Phase V. (*Id.*) The Company removed similar home comparisons from the Home Energy Reports in Phase V due to direct customer feedback showing dissatisfaction with the similar home comparisons, and the removal of similar home comparisons did not change the evaluation methodology used by the Company's third-party evaluator CSP or the SWE, which is based on identifying energy savings for participants for the report overall, not specific elements of the report. (*Id.*) As such, the Company demonstrated that Home Energy Reports should remain in the Phase V Plan as proposed.

In response to Ms. Sherwood's residential lighting concerns, Mr. McAteer explained that lighting projections in the Residential Program account for less than 3,000 MWh of energy savings, or 0.003% of the total portfolio savings, while measures such as HVAC replacement and service and shell measures account for almost 37,000 MWh in the Residential Energy Efficiency Program. (PPL Electric St. No. 1-R, pp. 7-8.) Further, Mr. McAteer demonstrated that the Company's projections for Phase V are reasonable considering the Company's successes during Phase IV. For example, the Company's Program Year 16 annual report indicated an in-service rate for LEDs of 98% for remote assessments and of 91% for on-site assessments, indicating both proper installation of LED lighting and customer use. (*Id.*, p. 10.) Thus, the Company addressed Ms. Sherwood's concerns about the role of residential lighting in the Residential Energy Efficiency Program.

Regarding the inclusion of energy efficiency kits in the Student Energy Education component, PPL Electric witness McAteer explained that the Company has robust measures in place to track in-service rates, verify savings, and ensure homes do not receive multiple kits. For example, Mr. McAteer specified that the Company's CSP uses Home Energy Worksheets ("HEW") to verify in-service rates and collect participant information, and the program offers small grants as incentives for teachers to return 25% or more of HEWs. (PPL Electric St. No. 1-R, p. 11.) In Phase IV, the Company's third-party evaluator conducted in-depth interviews with school administration staff and leveraged the surveys from the HEW for over 15,000 participating students and teachers through both paper and online methodology. (*Id.*) Mr. McAteer also described the reasonable steps the Company takes to avoid providing multiple kits to a single household, including by aligning school outreach strategy and schedules to reduce the likelihood of a customer receiving multiple kits. (*Id.*, p. 12.) He also noted that the use of HEWs ensures

that even if multiple kits were received, only valid in-serve measures are reflected in the verified savings. (*Id.*) Thus, Ms. Sherwood's concerns about the Company's ability to track and report savings for energy efficiency kits were addressed by PPL Electric.

In response to the other parties' concerns regarding the proposed CVR Pilot, PPL Electric witness McAteer explained that one of the primary goals of the CVR Pilot is to study its feasibility and that the Company did not include projected savings for this pilot program because it is still in its early stages of development. Indeed, the Company's decision not to include projected savings helps ensure that the Company will meet its compliance targets in the event that it determines the CVR pilot is not feasible for Phase V. (PPL Electric St. No. 1-R, p. 14.) In response to Mr. Kaufman's recommendations, Mr. McAteer explained that imposing an initial funding cap is not necessary because, based on estimates from the third-party evaluator, the Company expects the feasibility analysis costs to be less than 15% of the total pilot budget. (*Id.*, p. 15.) PPL Electric also clarified that it will track the benefits and the costs of the CVR pilot according to customer class and will assign them to the appropriate customer class. (*Id.*)

In Rebuttal, PPL Electric agreed to KEEA's proposal to include heat pump water heater ("HPWH") technology as part of the overall enhanced trade ally approach in Phase V. Trade allies participating in the program will be provided with additional information and high-quality installation requirements for HPWH technology. (PPL Electric St. No. 1-R, p. 40.)

PPL Electric did not agree to SEF witness Costlow's recommendation to overhaul its existing rebate structure based on consumption, explaining that the recommendation would create a usage-qualification requirement, making incentive values unclear, difficult to market, and create significant delays in rebate processing. In addition, Mr. McAteer explained that the change would

require significant analysis of the potential impacts and the Company's ability to meet compliance targets. (PPL Electric St. No. 1-R, p. 41.)

Under the Settlement, the Joint Petitioners agreed that the Company will evaluate the total portfolio savings of the Plan at the end of Program Year 21 and the forecasted savings for Program Year 22, and if the Company is projected to be in excess of the compliance target, the Company will not report any savings from Student Energy Education energy efficiency kits in the final year of the Phase V Plan. (Settlement ¶ 27.)

Furthermore, the Joint Petitioners agreed to a number of terms related to the CVR Pilot. During Program Year 18, the Company will complete the feasibility study of a proposed residential CVR Pilot. If the results of the feasibility study warrant, the Company will develop a detailed proposal for implementation of the CVR pilot program. If the Company determines that the proposed CVR pilot program is not feasible, it will reallocate the CVR funding within the Residential Energy Efficiency Program. (Settlement ¶ 28.) In developing the CVR pilot proposal, the Company will evaluate program designs implemented in other jurisdictions for similar programs or pilots. The proposal will describe the pilot program's objectives; performance metrics; data to be tracked; projected costs; projected performance, including energy and demand savings; and the proposed schedule. The CVR pilot program's budget will not exceed \$1.0 million. (Settlement ¶ 29.)

The Joint Petitioners also agreed that prior to submitting a description of the CVR pilot program to the Commission's Statewide Evaluator ("SWE") and the Bureau of Technical Utility Services ("TUS") for approval, the Company will provide the parties to this proceeding with a copy of the pilot program proposal for review and provide them with an opportunity to provide the Company with comments. The Company will attach a copy of the other parties' comments in its

submission to TUS. If TUS determines that a minor or major plan change is necessary to implement the CVR pilot, the Company will comply with TUS's direction. (Settlement ¶ 30.) The Company's Evaluation, Measurement, and Verification ("EM&V") CSP will assess the performance of the CVR pilot program. If the Company implements the CVR pilot, it will assign the pilot's costs and benefits to the appropriate rate class(es); provided, however, that no savings shall be assigned or allocated to the low-income customer savings carve-out requirement. (Settlement ¶ 31.) The Joint Petitioners also specified that agreement to these terms does not constitute agreement as to the prudence or cost-effectiveness of any proposed CVR Pilot and they reserved their right to challenge the CVR Pilot in an appropriate filing or in subsequent phases. (Settlement ¶ 32.)

The Settlement also reflects the Company's commitment to expand the Enhanced Trade Ally Network to include heat pump water heater technology training and Trade Allies. (Settlement ¶ 33.) In addition, the Settlement Agreement includes a provision to consider additional incentives and/or rebates for homes that are 100% electric. (Settlement ¶ 34.)

These Settlement provisions reflect a reasonable compromise of the parties' positions on the proposed Residential Program. The Settlement addresses the concerns raised by OCA about the inclusion of energy efficiency kits in the Student Energy Education component while preserving the Company's ability to meet its compliance target using a valid TRM measure. In response to the parties' concerns related to the CVR Pilot, the Settlement incorporates a number of measures that will increase transparency in the design and development of any CVR pilot proposed, addresses what will happen to the budget if the pilot is not implemented, and provides the parties an opportunity to provide comments on the pilot's design. The Settlement also addresses KEEA's recommendation related to expanded training for installers of heat pump water

heater technology and SEF's recommendation to consider additional incentives for all-electric homes. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

**D. BUSINESS ENERGY EFFICIENCY PROGRAM**

As proposed, PPL Electric's Business Energy Efficiency Program is designed to target business customers of all sizes and in every segment, as well as government and educational institutions, with a comprehensive range of prescriptive measures as well as opportunities to implement custom efficiency projects for measures not included in the TRM. Custom component measures cover a comprehensive set of non-residential needs, including CHP, advanced controls, compressed air, and other projects that result in cost-effective energy efficiency savings. (PPL Electric St. No. 1, p. 14.)

In their Direct Testimony, OSBA witness Vitulli and OCA witness Sherwood raised concerns with the Company's projected savings for non-residential lighting in Phase V. OSBA witness Vitulli claimed that the Company's projected savings for Small C&I lighting "is not realistic due to its misalignment with the 2025 market potential study and its overreliance on lighting," and recommended that the Commission reject the Phase V Plan unless PPL Electric adjusted its savings projections for the Small Commercial and Industrial ("C&I") sector to align with the 2025 Market Potential Study. (*See* OSBA St. No. 1, pp. 2-3, 11-12.) Similarly, OCA witness Sherwood recommended that the Company should limit non-residential lighting savings "to 40% in PY 18, declining annually over Phase V to acknowledge the maturation of the commercial lighting market." (*See* OCA St. No. 1, p. 11.)

In addition, OSBA witness Vitulli recommended that the Company track the number of small business participants in the Company's EE&C programming and include that figure in its annual reports, and for PPL Electric to be required to "disaggregate process evaluation results for

the Non-Residential Program by customer sector, showing breakouts for Small C&I and Large C&I.” (OSBA St. No. 1, p. 3.)

OSBA witness Kaufman also made recommendations related to the Company’s proposed Peak Demand Reduction pilot. Here, Mr. Kaufman recommended that the Company conduct an evaluation of the Peak Demand Reduction pilot no later than 12 months after the start date and conduct quarterly assessments of the pilot’s progress. (OSBA St. No. 2, p. 9.) Mr. Kaufman recommended that the Company increase the scope of the pilot “by recruiting a larger number of SC&I participants for the initial pilot, if possible given funding limitations.” (OSBA St. No. 2, p. 9.) In addition, OSBA witness Kaufman expressed concern that participants in the Peak Demand Reduction pilot may rely on fossil fuel generators during a peak demand event and recommended that the Commission exclude diesel and other fossil fuel backup generators from receiving incentives under the Peak Demand Reduction pilot. (OSBA St. No. 2, pp. 10-11.)

In Rebuttal, PPL Electric witness McAteer responded to OCA and OSBA’s concerns regarding non-residential lighting. First, he explained that the Market Potential Study (“MPS”) is designed to provide guidance and conservative estimates of achievable savings and that the Commission does not require EE&C plan projections to align with the MPS. Mr. McAteer also noted that particular measures and/or end uses can overperform the MPS when market conditions are right or when program design and customer engagement strategies supersede the study’s original assumptions. (PPL Electric St. No. 1-R, p. 27.) Regarding OCA witness Sherwood’s proposed 40% cap, Mr. McAteer described that capping potential participation at 40% reduces program flexibility and does not reflect the findings of the MPS, which shows Non-Residential lighting accounting for 62% of all SCI program potential in the Company’s service territory. (*Id.*, p. 28.) Mr. McAteer also explained the basis for the Company’s proposed forecasts for non-

residential lighting in Phase V, including leveraging historical participation, reviewing the pipeline of known projects and the impact of new business support offerings, and capitalizing on the Company's existing robust contractor network, established customer relationships, and customer-focused participation requirements. Importantly, Mr. McAteer clarified that the Company's forecast for non-residential lighting in Program Year ("PY") 22 is 26% lower than PY 18, a conscious decline that takes into account decreasing opportunities over time. (*Id.*)

Regarding OSBA's tracking and reporting recommendations, the Company agreed in Rebuttal to track small business participants during Phase V and include that figure in its annual reports, as well as to disaggregate the small and large commercial industrial sectors in process evaluation results as part of the annual report process. (PPL Electric St. No. 1-R, pp. 29-30.)

With regard to Mr. Kaufman's recommendations for the Peak Demand Reduction Pilot, PPL Electric agreed to conduct an evaluation 12 months after the start date of the pilot. PPL Electric witness McAteer also clarified that the pilot will be incorporated into the Company's existing quarterly business reviews for all programs, to evaluate progress, review performance metrics and participation, and look for process improvements. (PPL Electric St. No. 1-R, p. 30.) As such, the Company's existing review processes already addressed Mr. Kaufman's quarterly review recommendation. Mr. McAteer also explained that the Company designated the participation and incentive levels necessary to ensure full customer participation throughout the pilot without attrition. He noted that if the pilot is successful and funds are available, the Company will evaluate the potential to expand the scope of the pilot into an offering for additional participants. (*Id.*, p. 31.) Mr. McAteer clarified that there is no need to limit access to the pilot based on backup generation fuel because the demand response planned under the Pilot will have

an incremental impact on customers and will not require back up generation, including diesel or other fossil fuels. (*Id.*)

Under the Settlement, the Joint Petitioners agreed that PPL Electric will review and evaluate Small C&I Non-Residential lighting annually, and if the performance of the measure and future forecasts are not within 70% of the Company's EE&C Plan forecast, the Company will lower its forecast for Small C&I lighting and increase the forecast for non-lighting measures as is necessary to ensure compliance with all targets. The Company will review the Small C&I Non-Residential lighting performance with stakeholders during the biannual stakeholder meetings. (Settlement ¶ 35.)

The Joint Petitioners also agreed that PPL Electric will conduct an evaluation of the Peak Load Shift pilot no later than 12 months after the start date. The evaluation will be included in the Company's annual report. As part of the Company's planned CSP quarterly business reviews, PPL Electric will review results of the Peak Load Shift pilot for process improvement, opportunities and insights, and participation levels. (Settlement ¶ 36.) The Company will report the number of participating customers in the Company's Peak Load Shift Pilot that used diesel or other fossil fuel backup generators, on an annual basis. (Settlement ¶ 37.) Finally, the Company will track the number of small business participants in the Phase V Plan programs and include that figure in its annual reports. (Settlement ¶ 38.)

These Settlement provisions address the concerns raised by OCA and OSBA about the projected savings for non-residential lighting in Phase V and build in safeguards to ensure the Company will meet its compliance target. In addition, the Settlement terms address the recommendations from OSBA related to the Peak Demand Reduction Pilot, as well as tracking

and reporting small business participation throughout Phase V. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

#### **E. PROGRAM COORDINATION**

Several parties made recommendations related to PPL Electric's planned program coordination efforts during Phase V. OCA witness Sherwood recommended that the Company "commit to including engagement of Act 129 programs during the interconnection and economic development process." (OCA St. No. 1, p. 7.) OSBA witness Vitulli and KEEA witness Zappa recommended that the Company develop more formal processes to support the braiding of funds between the Company and the Pennsylvania Department of Environmental Protection ("PA DEP"). (*See* OSBA St. No. 1., pp. 3, 11; KEEA St. No. 1, p. 17.) CAUSE-PA witness Grevatt recommended that PPL Electric improve coordination between the Resource Constrained Program and the Company's Low-Income Usage Reduction Program ("LIURP"), and that the Company resolve barriers to coordination with UGI Utilities, Inc. – Gas Division ("UGI Gas"). (CAUSE-PA St. No. 1, pp. 44-45, 47.) Mr. Grevatt also recommended that the Company develop a detailed and formal coordination plan to govern its partnerships with other organizations. (CAUSE-PA St. No. 1, pp. 47-48.) Finally, KEEA witness Zappa recommended that the Company work with the other Act 129 EDCs to create a unified marketing website that would work as a single entry point for all the Act 129 programs. (KEEA St. No. 1, p. 16.)

In Rebuttal, PPL Electric witness McAteer explained that some of the coordination efforts recommended by the parties were already in place and would continue in Phase V. For example, the Company already coordinates its EE&C Plan with interconnection and new business efforts and committed to continuing these processes throughout Phase V. The EE&C team collaborates with Key Account Managers and Business Accounts Services and has regular, recurring meetings with the Interconnection team to discuss projects, timelines, incentives, and other critical

information to ensure customers receive the best possible outcomes, including Act 129 participation. The EE&C team also collaborates closely with the Company's Manager of Economic Development and national accounts team to ensure potential new customers to the territory fully understand all services, programs, and incentives available through Act 129. (PPL Electric St. No. 1-R, pp. 33-34.)

Mr. McAteer also clarified that there is a Commission-directed formal data sharing effort, and the Company is actively working with the PA DEP through the Data Sharing Working Group to develop a cross-EDC framework to ensure customer data is safe, yet available, to parties that require it for program implementation. Additionally, the Company has met directly with PA DEP and their program implementation vendor to better understand their needs and committed to providing 100% of ASHRAE level II multifamily audit costs for the forecast provided by PA DEP and its vendor. (PPL Electric St. No. 1-R, p. 34.)

PPL Electric witness McAteer also addressed CAUSE-PA's concerns regarding coordination with LIURP and UGI Gas. As to LIURP, Mr. McAteer explained that the Company's coordination activities currently include joint marketing, integrated and seamless customer intake, internal administrative collaboration and management alignment, and consistent quality assurance and control approaches. Mr. McAteer stated that the Company is actively working on ways to enhance coordination between EE&C programs and LIURP in Phase V, including updating eligibility requirements for each program with the potential for cost-sharing of measures. (PPL Electric St. No. 1-R, p. 35.) Mr. McAteer also explained the challenges faced in Phase IV for coordination with UGI Gas and stated that PPL Electric will continue to meet and collaborate with UGI Gas in Phase V to identify barriers to coordination and improve collaboration opportunities.

Regarding Mr. Grevatt's proposed coordination plan framework, PPL Electric witness McAteer responded that the Company could not commit to such a prescriptive proposal. The Company described the administrative burden associated with the recommendation, including increased costs, reduced program efficiency, and potentially lower overall participation. PPL Electric has extensive experience coordinating with other organizations to implement energy efficiency programs and requires flexibility to make coordination successful. (*See* PPL Electric St. No. 1-R, pp. 37-38.) As such, PPL Electric could not commit to implementing Mr. Grevatt's proposed coordination plan framework.

PPL Electric also explained in Rebuttal why KEEA's proposed unified marketing proposal was not feasible to implement in this proceeding. Mr. McAteer pointed out that EE&C Plans were not highly coordinated by design, as each EDC serves different customers across various geographical locations, and each Act 129 Plan features varied program and measure offerings. PPL Electric also explained that the proposal contemplates a significant overhaul of how Act 129 plans are designed and marketed to customers, which would be more appropriately raised with the Commission in the planning stage for Act 129 phases. (PPL Electric St. No. 1-R, pp. 38-39.) For these reasons, PPL Electric declined to adopt KEEA's unified marketing proposal.

The Settlement appropriately resolves the issues raised by the parties concerning the program coordination during Phase V. Under the Settlement, during PY 18, PPL Electric will meet with its LIURP manager, representatives from agencies administering the Weatherization Assistance Program ("WAP"), representatives from UGI Utilities, Inc. – Gas Division ("UGI Gas"), and Pennsylvania American Water to discuss strategies for enhanced program coordination during Phase V. At a minimum, these meetings will discuss the potential for developing a program coordination plan that includes data sharing policies and procedures, streamlined referral

processes, consolidated application processes, coordinated measure delivery, and other ways to eliminate duplicative program administration and coordinate service delivery. PPL Electric will also meet with other electric distribution companies through the Energy Association of Pennsylvania (“EAP”) to gain insight on best practices for EE&C program coordination. The Company will seek to identify municipally-funded and regional home repair programs and will consider recommendations from the parties to this proceeding for other local home repair programs operating in the service territory for inclusion in the program coordination meetings. (Settlement ¶ 39.)

In addition, the Company will create a coordination plan that will include current and ongoing collaboration activities for each participating organization, if applicable, as well as proposed enhancements and future collaboration plans with implementation dates, if available. (Settlement ¶ 40.) At the start of PY 19, and at least annually thereafter through the duration of the Phase V Plan, the Company will convene ongoing program coordination meetings consistent with the stakeholders and topics identified in Paragraph 39 of the Settlement. The parties to this proceeding will be invited to these meetings and their focus will be to further refine and advance implementation of the coordination plan. (Settlement ¶ 41.) At its biannual stakeholder meetings, the Company will review its coordination plan and will provide ongoing updates on its coordination efforts. (Settlement ¶ 42.)

Finally, the Company committed to continuing to collaborate with Key Account Managers and Business Accounts Services to increase awareness of Act 129 Programs for small and large commercial and industrial customers. The EE&C team will continue to hold regular meetings with the Interconnection team to discuss projects, timelines, incentives, and other critical information to ensure customers receive information related to Act 129 participation. The Energy Efficiency

& Conservation team will continue to collaborate with the Company's Manager of Economic Development as well as the Company's national accounts team to ensure potential new customers to the territory fully understand all services, programs, and incentives available through Act 129. PPL Electric will continue to provide information to new home builders in the Company's service territory through the Residential New Construction component of the REEP in Phase V. (Settlement ¶ 44.)

These Settlement provisions will ensure that the Company takes actionable steps to develop a functioning program coordination plan through engagement with other energy efficiency programs, while also providing the Company with enough flexibility to design and implement a practical plan that can evolve over time. These provisions also enable stakeholders to review the Company's program coordination plan, provide input and feedback on its design and implementation, and to track PPL Electric's progress throughout Phase V. Thus, these Settlement provisions are reasonable and in the public interest and should be approved without modification.

#### **F. THIRD PARTY FINANCING**

As part of its Phase V EE&C Plan, PPL Electric proposed to refer moderate income customers to non-utility, third-party financing offerings to help them source funding for energy efficiency projects. SEF witness Costlow raised consumer protection concerns with this proposed offering. Specifically, Mr. Costlow argued that the proposal did not contain guardrails to prevent or alert customers if their financing payments will or may exceed projected energy savings. Mr. Costlow also recommended that the Company evaluate the appropriate level of interest buy downs and work with a third-party financing company such as SEF or the National Energy Improvement Fund to develop the financing structure. (*See* SEF St. No. 1, pp. 6-8.)

In Rebuttal, PPL Electric witness McAteer clarified that the Company's financing offering is designed to connect customers to available funding for which they may be qualified as a referral

service, not to provide underwriting, protections, loans, loan servicing, or other associated responsibilities. The Company and the Company's implementation CSP will partner with National Energy Improvement Fund ("NEIF"), a respected and experienced financing organization, to provide this service. Customers will be able to select or decline available options based on their loan qualifications and individual needs. The Company is not providing financing directly and is merely making customers aware of a potential financing option to reduce financial barriers for moderate income customers. (PPL Electric St. No. 1-R, p. 42.)

Under the Settlement, the Joint Petitioners agree that the Company will work with the CSP and subcontractor National Energy Improvement Fund ("NEIF") to explore providing third-party financing options for moderate income residential customers and to evaluate methods for increasing participation in the third-party financing offering, including the length and buy-down of interest rates. The Company will utilize a pilot framework or soft launch to test program design for future scaling. Prior to implementing any third-party financing option, the Company will invite the other parties to this proceeding to provide recommendations for its consideration regarding program eligibility and design. As to any pilot program developed, the Company will strongly encourage each applicant to have an energy audit performed prior to enrollment. PPL Electric will work with SWE and the third-party evaluator to develop an evaluation process for any pilot. The Company will include anonymized weather normalized pre- and post-usage data of pilot participants in the Company's annual reports. (Settlement ¶ 44.)

These provisions appropriately address SEF's concerns regarding consumer protections by ensuring that the Company will refer moderate income customers to a reputable financing organization experienced in providing funding for energy efficiency projects. The Settlement also allows the parties to this proceeding to provide input on the design of the offering and gain insight

into the success of the program through the tracking and reporting of pre- and post-usage data of participating customers. Based on the foregoing, these Settlement provisions are reasonable, reflect an appropriate balance of the parties' interests, and should be adopted without modification.

#### IV. CONCLUSION

The Settlement is the result of a detailed examination of PPL Electric's Phase V EE&C Plan, substantial discovery requests, multiple rounds of testimony, numerous settlement discussions, and compromise by all active parties. PPL Electric believes that fair and reasonable compromises have been achieved on the settled issues in this case, particularly given the fact that the active parties have such diverse and competing interests in this proceeding and have reached an agreement on all issues. PPL Electric fully supports this Settlement and respectfully requests that the Pennsylvania Public Utility Commission approve the Joint Petition for Approval of Settlement of All Issues without modification and approve PPL Electric's Phase V EE&C Plan subject to the terms and conditions of the Joint Petition for Approval of Settlement of All Issues.

Respectfully submitted,



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Date: February 13, 2026

Attorneys for PPL Electric Utilities Corporation

# Appendix B

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :  
for Approval of its Act 129 Phase V Energy : Docket No. M-2 025-3057329  
Efficiency and Conservation Plan :

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STATEMENT OF THE  
OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF FULL SETTLEMENT

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The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Full Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

**I. INTRODUCTION**

On October 15, 2008, Act 129 of 2008 (Act 129 or the Act) was signed into law by Governor Edward G. Rendell. Act 129 made numerous amendments to Chapter 28 of the Public Utility Code and required the seven major electric distribution companies (EDCs) to file energy efficiency and conservation plans (EE&C Plans). This proceeding concerns the Phase V Plan filing of PPL Electric Utilities Corporation (PPL Electric, PPL, or Company) which was filed on December 1, 2025 pursuant to Act 129 of 2008 (“Act 129”), P.L. 1592, 66 Pa. C.S. §§ 2806.1 and 2806.2, and the Commission’s Implementation Order entered on June 18, 2025.<sup>1</sup>

PPL Electric’s filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judges Steven K. Haas and Emily A Farren for investigation. On

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<sup>1</sup> Energy Efficiency and Conservation Program, Docket No. M-2025-3052826 Implementation Order Entered June 18, 2025) (“Implementation Order”).

December 11, 2025, the OCA filed a Notice of Intervention and Public Statement. On December 30, 2020, ALJs Haas and Farren issued a Prehearing Conference Order. On January 2, 2021, the matter was published in the *Pennsylvania Bulletin*. On January 7, 2021, the telephonic Prehearing Conference was held at which time a procedural schedule was established.

On January 20, 2026, the OCA submitted the Direct Testimony of Stacy L. Sherwood (OCA Statement No. 1). On February 3, 2026, an evidentiary hearing was held wherein the parties stipulated to the admission of written testimony and exhibits and waived cross-examination of all parties' witnesses.

The Joint Petitioners participated in settlement discussions which resulted in this Joint Petition for Approval of Full Settlement. The Settlement provides for approval of PPL's Phase V EE&C Plan with certain modifications and clarifications related to issues raised by the parties. For the reasons discussed below, the OCA submits that the Settlement is in the public interest and should be adopted.

## **II. SUMMARY OF FILING**

PPL's Plan includes three efficiency programs, including the Residential Energy Efficiency Program ("REEP"), Resource Constrained Energy Efficiency Program ("RCEEP") designed for low-income customers, and the Business Energy Efficiency Program ("BEEP").<sup>2</sup> The three programs collectively provide nine components or opportunities for participation.<sup>3</sup>

REEP offers Energy Efficiency Homes, Appliance Recycling, Student Education, and Persistent Peak Demand.<sup>4</sup> This program is designed for residential market rate customers and also

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<sup>2</sup> OCA St. 1 at 2-3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

has enhanced incentives for qualified moderate-income customers between 151-250% of the Federal Poverty Level (“FPL”) guidelines.<sup>5</sup> RCEEP offers all the same components as REEP, except for Persistent Peak Demand, for income qualified customers up to 150% of the FPL.<sup>6</sup> The BEEP offers the Small C&I Business Solutions and Large C&I Business Solutions components.<sup>7</sup>

The majority of the Plan’s programs are a continuation of Phase IV programs.<sup>8</sup> However, PPL did offer key modifications for Phase V. Key changes include the creation of a Moderate Income incentive tier to broaden residential participation and the establishment of a \$1.5 million health and safety budget to address barriers preventing weatherization in eligible homes.<sup>9</sup> The plan also adds early engineering assistance, training, and certification incentives to strengthen commercial and industrial program offerings.<sup>10</sup> On the residential side, PPL introduced a persistent peak demand program leveraging thermostat optimization, managed electric vehicle charging, and residential battery integration.<sup>11</sup>

In addition, income-eligible offerings were expanded to include measures previously available to all customers, such as Appliance Recycling and School Energy Education, thus allowing associated savings to count toward the Company’s low-income carve-out target.<sup>12</sup> Finally, the plan proposed several pilots to evaluate residential conservation voltage reduction,

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<sup>5</sup> *Id.* at 3.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 4.

peak time rebates, window saddle heat pumps for income-eligible multifamily properties, and daily load shifting in the commercial and industrial sector.<sup>13</sup>

The OCA did find PPL’s Phase V Plan, as filed, was reasonable and meets the requirements established by the Commission for Phase V.<sup>14</sup> The Company appropriately balances its portfolio investments and has proposed pilots that could potentially add to Phase V savings in later years or be used to inform the next Phase.<sup>15</sup> PPL’s Phase V Plan is designed to reduce energy consumption by 1,066,059 MWh over the five-year Plan and peak demand by 167 MW of coincident peak demand from energy efficiency measures and 13 MW will be provided through demand response.<sup>16</sup> Overall, the Plan will cost \$307,506,888 million over the five years, excluding Statewide Evaluator (“SWE”) costs, which is equivalent to spending 2% of PPL’s 2006 revenue, with annual budgets ranging from \$55.4 million to \$65.8 million.<sup>17</sup>

### III. LEGAL STANDARDS

The Commission’s policy promotes settlements.<sup>18</sup> In order to approve a Settlement, the Commission must determine that the proposed terms and conditions are in the public interest.<sup>19</sup>

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 3.

<sup>17</sup> *Id.*

<sup>18</sup> 52 Pa. Code §§ 5.231, 69.401.

<sup>19</sup> *Pa. PUC v. Philadelphia Electric Company*, 60 Pa. P.U.C. 1, 22 (1985); *Pa. PUC v. City of Bethlehem – Water Dept.*, Docket No. R-2020-3020256 (Order entered April 15, 2021) (*City of Bethlehem*) at 13 (citing *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered October 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*CS Water and Sewer*)). “It is the Commission’s duty to determine the public interest and to protect the rights of the public.” *Duquesne Light Co. v. Pa. PUC*, 715 A.2d 540, 546 (Pa. Cmwlth. Ct. 1998) (citations omitted).

The Commission recognizes that settlements represent “a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”<sup>20</sup>

Consistent with the Commission’s other statutory responsibilities, the Commission must determine the public interest with “due consideration to the interests of consumers.”<sup>21</sup>

Proponents of an order bear the burden of proof.<sup>22</sup> Because the Settling Parties request that the Commission enter an order adopting the settlement without modification, they share the burden of proof to show that the terms and conditions of the settlement are in the public interest.<sup>23</sup> It is well-established that the “degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence.”<sup>24</sup> For a Commission decision to be supported by substantial evidence, it must be supported by such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.<sup>25</sup> The evidence must be substantial and legally credible, not mere “suspicion” or a “scintilla” of evidence.<sup>26</sup>

#### **IV. SETTLEMENT IS IN THE PUBLIC INTEREST**

The Commission encourages settlement, and to do so it must recognize the balance of compromises struck by settling parties. While the OCA does not address all issues contained within the Settlement in this Statement in Support, the OCA does not oppose terms and conditions not expressly addressed herein. The OCA submits that the Settlement, taken as a whole, is a reasonable

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<sup>20</sup> *CS Water and Sewer*, 74 Pa. P.U.C. at 771.

<sup>21</sup> 71 P.S. § 309-5 (2).

<sup>22</sup> 66 Pa.C.S. § 332(a).

<sup>23</sup> 66 Pa.C.S. § 332(a); *City of Bethlehem* at 13.

<sup>24</sup> *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990) (*Lansberry*).

<sup>25</sup> *Dutchland Tours, Inc. v. Pa. PUC*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975) (*Dutchland*).

<sup>26</sup> *Lansberry*, 578 A.2d at 602.

compromise in consideration of likely litigation outcomes before the Commission. The OCA submits that the Settlement is in the public interest and supports Commission approval of the Settlement without modification. The OCA points to the substantial evidence in the record as support for the provisions addressed by the OCA below and relies on the other parties to the Settlement to address those provisions that are significant and material to them in their respective statements in support.

## **V. SETTLEMENT TERMS**

### **1. RCEEP Homes Component Budget Increase (Settlement at ¶¶ 23, 26)**

In its filing, the Company asserted that the goal of the Energy Efficient Homes Component in the Resource Constrained Energy Efficiency Program (RCEEP) is to promote the adoption and use of no-cost efficient products and appliances in existing qualified residential single and multifamily buildings.<sup>27</sup> Their program, as filed, is designed to target residential sector customers at or below 150% of the federal poverty level.<sup>28</sup>

OCA witness Sherwood testified to concerns that the RCEEP should remain focused on home energy audits and installation of weatherization measures.<sup>29</sup> The OCA did not specifically have concerns regarding the value of money budgeted for this program and the OCA's recommendations regarding the overall Phase V Plan related more to energy kits and HER adjustments, Ms. Sherwood did testify that "the RCEEP should be reallocated to weatherization measures to provide long lasting saving in verified low-income households."<sup>30</sup>

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<sup>27</sup> Company filing at 80-81.

<sup>28</sup> *Id.*

<sup>29</sup> OCA St. 1 at 6.

<sup>30</sup> *Id.* at 17.

In paragraphs 23 and 26, the settling Parties agreed to settle the RCEEP Homes Budget Increase issue as follows:

PPL Electric will increase the budget for long-term savings measures in the Resource Constrained Energy Efficient Homes component from \$7.5 million to \$9.0 million. These long-term measures will consist of building insulation, air sealing, efficient heat pumps, and heat pump water heaters, or other measures designated as comprehensive in the Table 8 Addendum to the Commission's Phase V EE&C Plan Template.<sup>31</sup>

PPL Electric will allocate \$2 million for health and safety repairs and/or upgrades needed to install comprehensive measures for customers eligible for its RCEEP, and will allot additional funding if necessary and available.<sup>32</sup>

Initially the company offered to budget \$7.5 million to the home's component of the RCEEP but, after engaging in settlement negotiation with the parties the company agreed to increase the budget to \$9.0 million.<sup>33</sup>

The OCA submits that these terms taken together are in the public interest as to the RCEEP Home Budget issue because increasing the allotted budget to assist homes in becoming more energy efficient through building insulation, air sealing, efficient heat pumps and other similar measures will result in more qualifying consumers receiving meaningful energy-efficiency improvements. These amendments to the Phase V Plan also address the concerns as detailed in OCA witness Sherwood's testimony related to deeper savings measures. As such, the OCA contends that this provision of the settlement is reasonable and in the best interest of consumers.

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<sup>31</sup> Settlement at ¶ 23.

<sup>32</sup> Settlement at ¶ 26.

<sup>33</sup> Settlement at ¶ 23.

## 2. Appliance Recycling (Settlement at ¶ 24)

In Phase V, the Company proposed counting savings from low-income households under the Appliance Recycling component towards its low income carve-out target.<sup>34</sup> The Company structured the Appliance Recycling program to offer rebates for the recycling of room air conditioners, refrigerators/freezers, and dehumidifiers.<sup>35</sup> OCA witness Sherwood observed that the Company had not provided any difference in the rebate level provided to the market rate customers and those participating under the RCEEP.<sup>36</sup>

In her direct testimony, OCA witness Sherwood testified about her concern regarding the Appliance Recycling components in the RCEEP program.<sup>37</sup> She testified that the Company is making a significant shift in its dedicated low income program by claiming savings from components that were not previously targeted to low income customers, but all residential customers.<sup>38</sup> Witness Sherwood recommended that the Appliance Recycling component be limited to the REEP.<sup>39</sup> In his rebuttal testimony Company witness McAteer disagreed and testified that it is fundamentally unfair to prohibit the Company from including verified savings from verified low-income participants.<sup>40</sup>

In paragraph 24, the settling Parties agreed to settle the Appliance Recycling issue as follows:

To facilitate participation between the Appliance Recycling and the Energy Efficient Homes components of the Resource Constrained Energy Efficiency Program (“RCEEP”), the RCEEP Conservation Service Provider (“CSP”) will

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<sup>34</sup> OCA St. 1 at 18.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> PPL St. No. 1R at 19.

follow up directly with participating low-income customers to provide the program materials necessary to facilitate energy assessments to determine eligibility for additional program measures. The Company will track the number of customers participating in Appliance Recycling that also received an energy audit and will share the participation levels at its biannual stakeholder meetings. After the CSP's contract is approved by the Commission, PPL Electric will develop and implement a detailed marketing plan for the Appliance Recycling component of the RCEEP, specifically tailored to increase low-income customer participation in the program. Print and email marketing materials for the appliance recycling component of the RCEEP will include information about both the Appliance Recycling and examples of the no cost measures available through the Resource Constrained Energy Efficient Homes component. Copies of this draft marketing plan will be provided to the other Joint Petitioners by no later than May 1, 2026.<sup>41</sup>

This settlement is in the public interest because it will improve accountability for the company and provide useful data about whether this program is actually being utilized by confirmed low-income consumers. Requiring the company to provide a detailed marketing plan with input from interested parties will assist in increasing low-income customer participation in this useful program. The OCA contends that increasing access and knowledge to this useful program will greatly benefit low-income consumers. As such, this provision of the settlement is reasonable and in the best interest of consumers.

### **3. Student Energy Education (Settlement at ¶¶ 25, 27)**

The Company's plan, as filed, included two School Education components, one designed for market-rate customers and another for low-income customers.<sup>42</sup> PPL averred that the Company provides educational presentations on energy savings, management, and conservation through school-based events and classroom instruction for students in grades 2–12.<sup>43</sup> By and through the programming, participating students receive an energy efficiency kit that may include items such

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<sup>41</sup> Settlement ¶ 24.

<sup>42</sup> OCA St. 1 at 16.

<sup>43</sup> *Id.*

as LED bulbs and nightlights, an air handler filter whistle, a water heater temperature setback device, low-flow faucet aerators and showerheads, and advanced power strips.<sup>44</sup> Through Program Year 2016, more than 267,000 energy efficiency kits have been distributed through this program.<sup>45</sup> For Phase V, the Company had proposed continuing a School Energy Education component.<sup>46</sup> Through Program Year 2016, more than 267,000 energy efficiency kits have been distributed through this program.<sup>47</sup>

For Phase V, the Company had proposed continuing a School Energy Education component.<sup>48</sup> Although similar components were offered in prior phases, associated savings were not previously counted toward the low-income carve-out; under the Phase V proposal, those savings would be included.<sup>49</sup>

In her direct testimony OCA Witness Sherwood recommended that the School Energy Education component be discontinued as a program component.<sup>50</sup> She recommended that the fund currently apportioned to the kits should be redirect to weatherization measure that can be tracked.<sup>51</sup> Witness Sherwood further testified that if the Company is approved to offer kits it should only be under the REEP and that no savings should be counted towards the low income carve-out target.<sup>52</sup>

Ms. Sherwood also explained that the Company *can* continue to offer the educational component of the initiative.<sup>53</sup> However, the distribution of energy efficiency kits should not be

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<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> OCA St. No. 1 at 17

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

included as part of the program's savings.<sup>54</sup> The OCA had recommended in its litigated position that the funding currently allocated to the kits could instead be directed toward weatherization measures or other verifiable energy efficiency improvements that can be more reliably tracked and evaluated.<sup>55</sup> Lastly, the OCA recommended that, if the Company is approved to offer kits, it should only be approved under the REEP.<sup>56</sup>

In his rebuttal testimony Company witness McAteer testified that, similar to the appliance recycling, verified savings attributable to low-income customers should be counted toward the low-income carve-out for Phase V.<sup>57</sup> He explained that schools would be identified using publicly available data, providing insight into districts that have a majority of households at or below 150% of the federal poverty level, though savings will only be counted towards the Company's low-income target based on SWE approved methodology that accurately measures the correct percentage of eligible households.<sup>58</sup>

PPL witness McAteer testified that PPL believed their education kit program as filed to have a "100% realization rate for both energy savings and peak demand reduction," and felt validated by the SWE confirming the same.<sup>59</sup> PPL testified that, to verify in-service rates, the Company's CSP uses a "Home Energy Worksheet (HEW)" to collect participant information and track installation of kit items.<sup>60</sup> Teachers are offered small grants to encourage HEW returns, and they are also asked to complete evaluation forms.<sup>61</sup> In addition, the Company's third-party

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<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> PPL St. No. 1R at 20.

<sup>58</sup> *Id.* at 21.

<sup>59</sup> PPL St. 1-R at 11.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

evaluator reported that 15,000 HEW surveys from participating students and teachers, collected through both paper and online methods.<sup>62</sup> Thus, the OCA and the Company had divergent viewpoints regarding the value and need for Student Energy Education kits.

In paragraphs 25 and 27, the settling Parties agreed to settle the Student Energy Education issue as follows:

PPL Electric agrees to remove the Student Energy Education component from the RCEEP. The Company agrees to reallocate the budget for the RCEEP Student Energy Education component to the Energy Efficient Homes component of the RCEEP. PPL Electric agrees not to count low-income student participation in the Student Energy Education component of the Residential Energy Efficiency Program (“REEP”) toward its low-income savings target.<sup>63</sup>

PPL Electric will evaluate the total portfolio savings of the Plan at the end of Program Year 21 and the forecasted savings for Program Year 22, and if the Company is projected to be in excess of the compliance target, the Company will not report any savings from Student Energy Education energy efficiency kits in the final year of the Phase V Plan.<sup>64</sup>

This settlement term is in the public interest because it diverts funding to programs that will create greater energy savings for low-income consumers. This settlement provision also addresses OCA witness Sherwood’s primary concern with the education kits, as she testified that the Company does not track the kit recipient’s information and therefore does not know whether a household receives multiple kits and cannot conduct surveys regarding installation rates.<sup>65</sup> Ms. Sherwood was also concerned about the education kit program due to the Company requesting a portion of the savings towards its low income carve-out target, without knowing whether a low income household received the kit.<sup>66</sup>

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<sup>62</sup> *Id.*

<sup>63</sup> Settlement ¶ 25.

<sup>64</sup> Settlement ¶ 27.

<sup>65</sup> OCA St. 1 at 17.

<sup>66</sup> *Id.*

By adding more funding to the homes portion of the REEP, qualifying consumers will see greater savings making this a more efficient use of company's allocated EE&C funds. This Settlement provision adopts OCA's recommendation as to the low-income programming related to education kits. As such, the OCA contends that this provision of the settlement is reasonable and reflects a reasonable and significant compromise reached through collaboration among the parties. The OCA respectfully submits that this term is necessary to support effective EE&C program implementation. Accordingly, the OCA recommends that the Commission approve the same.

Further, these Settlement Terms related to education kits, taken together and in the context of the holistic settlement, represent a thoughtful and balanced compromise that serves the public interest. By requiring the Company to evaluate total portfolio savings at the end of Program Year 21 and projected savings for Program Year 22, this provision ensures that, if the Company is projected to exceed its compliance target, it will not report savings from Student Energy Education energy efficiency kits in the final year of the Phase V Plan. The OCA respectfully asserts that this approach maintains flexibility while acknowledging the Company's desire to prioritize potential savings targets. Settlement Paragraph 25 partially addresses Ms. Sherwood's and the OCA's concerns by limiting the use of education kit savings when they are likely unnecessary for compliance in the final program year, thereby directing credit toward measures that achieve more sustained and verifiable energy reductions. The OCA also believes that this approach avoids unnecessary disruption to the broader program portfolio. As such, the term reflects a practical, performance-based safeguard and a reasonable compromise among the parties.

The OCA respectfully asserts that these provisions related to Student Energy Education will prevent the company from using this program to overcompensate their savings for Phase V,

and provide meaningful, deeper measures in eligible homes. Thus, inclusion of these provisions to the settlement is and was integral in achieving settlement for the OCA. Accordingly, the OCA recommends that the Commission approve the same.

#### **4. Conservation Voltage Reduction (CVR) Pilot Terms (Settlement at ¶¶ 28-31)**

The OCA takes no position on the CVR Pilot but considers the related settlement terms to be in the public interest. This provision benefits consumers by ensuring that any new CVR pilot is carefully evaluated and implemented only if demonstrated to be feasible. It helps ensure that program funds are used effectively by requiring that the pilot be based on proven designs, incorporate clear objectives and measurable outcomes, and be subject to review by stakeholders and regulators to promote transparency and accountability. If the pilot is ultimately determined not to be feasible, the associated funding will be redirected to other residential energy efficiency programs. Together, these safeguards protect consumers by prioritizing demonstrable savings and maximizing the value of ratepayer dollars.

#### **5. Program Coordination (Settlement at ¶¶ 39-42)**

The OCA takes no position on the settlement terms regarding program coordination but asserts that greater collaboration with stakeholders and agencies can enhance synergies and better serve consumers. By bringing together PPL Electric, Low Income Usage Reduction Program (LIURP) managers, Weatherization Assistance Program representatives, other utilities, and local program operators, the Company can streamline applications, share data, and coordinate service delivery, making it easier for eligible households to access multiple programs. Learning from other utilities' best practices and considering local repair programs ensures that programs are effective, responsive, and deliver maximum energy savings and benefits. Ultimately, consumers benefit from more efficient program delivery, faster access to services, and better use of program funds. The

OCA supports being included in the meetings and efforts associated with the outlined coordination provisions in the settlement and believes that this term was an integral provision allowing for settlement in this proceeding.

#### **VI. ADDITIONAL SETTLEMENT TERMS AND CONDITIONS**

The OCA does not oppose any of the remaining paragraphs of the Settlement reflecting an agreement by the Company, as the remaining paragraphs are reasonable compromises in consideration of possible litigation outcomes and are in the public interest.

## VII. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of the PPL Electric's proceeding represent a fair and reasonable resolution of the issues and claims arising in this matter. If approved, the proposed Settlement will benefit the Commission and all Parties by foregoing the additional costs of litigation and will provide consumers with a reasonable EE&C Plan. For the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the public interest and in the interest of PPL Electric's customers and therefore, should be approved.

Respectfully submitted,

*/s/ Katie Kennedy*

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Dated: February 13, 2026

Counsel for:

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Consumer Advocate

# Appendix C

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation for :  
Approval of its Act 129 Phase V Energy : Docket No. M-2025-3057329  
Efficiency and Conservation Plan :

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**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA IN SUPPORT OF THE JOINT  
PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES**

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The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), a signatory party to the Joint Petition for Approval of Settlement of All Issues (Joint Petition or Settlement), respectfully requests that the Pennsylvania Public Utility Commission (Commission) approve the proposed Settlement without modification. For the reasons stated more fully below, CAUSE-PA asserts that the terms and conditions of the proposed Settlement are in the public interest, are consistent with the Commission’s Phase V Final Implementation Order,<sup>1</sup> and should be approved without delay.

**I. INTRODUCTION**

On December 1, 2025, PPL Electric Utilities Corporation (“PPL” or “the Company”) filed its Petition for Approval of its Act 129 Phase V Energy Efficiency and Conservation Plan at the above captioned docket. CAUSE-PA intervened in this proceeding to ensure that PPL’s Phase V EE&C Plan is appropriately designed to provide meaningful access to energy efficiency measures that deliver appreciable electricity and bill savings for low income customers and other vulnerable consumer groups, consistent with the Commission’s Phase V Final Implementation Order. The

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<sup>1</sup> Act 129 Energy Efficiency and Conservation Program, M-2025-3052826, Final Implementation Order (June 18, 2025) (hereinafter “Ph. V Implementation Order”).

proposed Settlement, which was arrived at through good faith negotiation by all parties, is in the public interest in that it addresses issues of concern to CAUSE-PA, balances the interests of the parties, and fairly addresses a number of issues raised in the proceeding. If approved, the Settlement will avoid substantial litigation and associated costs and will eliminate the possibility of further Commission litigation and appeals, along with their attendant costs. As such, and although CAUSE-PA's positions were not fully adopted, we assert that the proposed Settlement strikes an appropriate balance and should be approved without modification.

## **II. BACKGROUND**

CAUSE-PA adopts the background as set forth in paragraphs 1-20 of the Petition. By way of further background, CAUSE-PA submitted the expert testimony of Mr. Jim Grevatt in this proceeding, analyzing the details of PPL's proposed Phase V low income programming and its alignment with the Commission's Phase V Implementation Order and other important policy goals and objectives. (CAUSE-PA St. 1). CAUSE-PA also submitted the rebuttal testimony of Mr. Grevatt in response to proposals put forward in the direct testimony of Sustainable Energy Fund witness John M. Costlow. (CAUSE-PA St. 1-R).

Through testimony, Mr. Grevatt explained that PPL serves a substantial number of low income customers who are unable to afford utility service and are in dire need of energy efficiency programs that deliver deep electricity savings to help control their usage and, in turn, reduce their monthly electric bills. (CAUSE-PA St. 1 at 14-24). PPL estimates that approximately 27.2% (345,414) of its residential customers had income at or below 150% of the federal poverty level (FPL) in 2024. (Id. at 15).<sup>2</sup> PPL's low income households have disproportionate energy burdens

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<sup>2</sup> At this level of income, a household of four has a gross annual income of less than \$48,225. (CAUSE-PA St. 1 at 15).

and termination rates, as well as a far higher rate of payment trouble than residential customers overall. (Id. at 16-19). Notably, PPL’s low income customers were terminated at a rate of 20% in 2024. (Id. at 18). As Mr. Grevatt explained, low income households are more likely to live in energy inefficient homes, further compounding energy unaffordability and underscoring the dire need for comprehensive energy efficiency and conservation services for low income households to provide meaningful bill savings. (Id. at 21-23).

In reviewing PPL’s Phase V low income programming, Mr. Grevatt concluded that PPL’s Plan placed too little emphasis on deep savings measures and projects such as heat pumps, heat pump water heaters, and building shell measures, and placed far too much emphasis on shallow savings measures such as lighting and other low-impact measures that do not produce meaningful bill savings for low income consumers. (Id. at 24-36, Figures 1-6). As he explained, this was inconsistent with the Commission’s Phase V Final Implementation Order and undermined the Commission’s important and explicit goal to ensure that Phase V programming delivers more comprehensive measures to consumers. (Id. at 28; Phase V Implementation Order at 11).

In addition to concerns about the measures PPL emphasizes in its proposed low income programming, Mr. Grevatt also raised concerns about components of PPL’s proposed low income programming that seemed not to satisfy the Commission’s explicit requirement that savings counted toward the EDCs’ low income savings targets come from programs “solely directed at low-income customers or low-income-verified participants in multifamily housing programs.” (CAUSE-PA St. 1 at 37-39). Specifically, Mr. Grevatt concluded that the Appliance Recycling and Student Energy Education components of PPL’s proposed Resource Constrained Energy Efficiency Program (RCEEP), and the Home Energy Reports offered as part of the RCEEP’s Energy Efficient Homes component, were not distinct from the same offerings that PPL proposes

for inclusion in its Residential Energy Efficiency Program (REEP). (Id.) Mr. Grevatt therefore concluded that these components were not derived from programs “solely directed at low-income customers” and that the savings from these components should not qualify to be counted toward PPL’s low income savings target. (Id.)

Mr. Grevatt further explained that funding for remediating health and safety barriers for low-income households is critical to effectively deliver energy efficiency measures to those customers, and encouraged the Company to devote additional funds, as needed, to its proposed health and safety budget. (Id. at 39-41).

Further, Mr. Grevatt identified that PPL’s proposed plan failed to integrate meaningful coordination with PPL’s Low Income Usage Reduction Program (LIURP) or with external home repair, weatherization, and energy efficiency programs that would enable the Company to deliver more comprehensive services to its customers. (Id. at 41-48). He further noted the Commission’s encouragement in its Phase V Final Implementation Order for EDCs to pursue program coordination. (Id.).

Finally, Mr. Grevatt examined PPL’s proposed Conservation Voltage Reduction (CVR) pilot, concluding that the Company’s proposal was only “vaguely described” and asserting that savings methodologies for CVR are not widely uniform and accepted; as such, he recommended the Commission reject the proposed pilot. (Id. at 48-51).

Through rebuttal testimony, Mr. Grevatt explained that the purpose of energy efficiency programs is to address customer barriers to adopting energy efficiency measures, and that for low-to-moderate income households, the primary barrier is cost. (CAUSE-PA St. 1-R at 2-3). Therefore, he explained, an incentive structure based on income level, not electric usage, would be most effective at addressing the primary barrier to adopting energy efficiency for low-to-

moderate income households. (Id. at 3). Mr. Grevatt also explained that without appropriate consumer protections, households participating in the Company’s proposed third-party financing for energy efficiency measures risked financial harm. (Id. at 4-5). Further, Mr. Grevatt explained that it is not clear that spending Act 129 funds to buy down the interest rate of third-party financing would produce better results for customers than simply providing customers with increased incentives. (Id.).

To address the issues identified with PPL’s proposed Phase V programming for low income consumers, Mr. Grevatt set out several recommendations for how PPL could improve its program design and delivery of services to this uniquely vulnerable population. (See CAUSE-PA St. 1 at 51-52).

### **III. CAUSE-PA SUPPORT FOR THE SETTLEMENT**

The following terms of the Settlement address issues of concern raised by CAUSE-PA, as explained in Mr. Grevatt’s testimony, and reflect a carefully balanced compromise of the varied interests in this proceeding. While many of the provisions of the Settlement are discussed with specificity below, CAUSE-PA’s silence with respect to any particular provision does not indicate that CAUSE-PA is not in agreement with the provision. CAUSE-PA supports the Settlement and urges the Commission to approve the Settlement without modification.

#### **1. Increased Focus on Deep Savings Measures**

The Settlement provides that the Company will increase the budget for long-term savings measures provided through the Energy Efficient Homes component of the RCEEP by \$1.5 million (to \$9 million total), to be used to provide low-income customers with deep savings measures including building insulation and air sealing, efficient heat pumps, heat pump water heaters, and other measures the Commission has identified as “comprehensive measures.” (Joint Petition at ¶

23). Additionally, the Settlement provides that the Company will evaluate its portfolio savings performance at the end of Program Year 21, and if the Company projects it will exceed its compliance target, the Company agrees it will not count savings from energy efficiency kits for the final year of the Phase V Plan. (Joint Petition at ¶ 27).

CAUSE-PA asserts that these provisions represent a reasonable compromise that appropriately balances the interests of the parties and interested stakeholders. As noted above, Mr. Grevatt explained in testimony that the Company's Plan, as proposed, placed too little focus on deep savings measures and too much emphasis on shallow savings measures that do not produce lasting and meaningful electricity and bill savings for low income consumers. (CAUSE-PA St. 1 at 24-36, Figures 1-6). The Settlement fairly addresses this concern, in balance with the other issues and interests in this proceeding, because it requires the Company to measurably increase its reliance on deep savings measures and deemphasize reliance on shallow savings measures to achieve its low-income savings target. As such, these terms are just, reasonable, and in the public interest and should be approved by the Commission.

## **2. Reduced Reliance on Programs Not Solely Directed at Low-Income Customers to Meet Low-Income Savings Target**

The Settlement provides that the Company will remove the Student Energy Education component from the RCEEP and will reallocate its budget to the RCEEP's Energy Efficient Homes component. (Joint Petition at ¶ 25). Additionally, the Settlement provides that the Company will facilitate participation between the Appliance Recycling and Energy Efficient Homes components of the RCEEP through direct follow up with participating low-income customers to facilitate connecting them with additional program measures. (Joint Petition at ¶ 24). Further, the Settlement commits the Company to developing a marketing plan aimed at increasing low-income

participation in the Appliance Recycling component, and to tracking and reporting the number of Appliance Recycling participants who receive energy audits. (Id.).

As noted above, Mr. Grevatt explained in testimony that the Student Energy Education and Appliance Recycling components of the RCEEP were substantially the same as program components with the same names in the Company's Residential Energy Efficiency Program (REEP) and seemed not to satisfy the Commission's requirement that savings counted toward the low-income savings target be derived from programs "solely directed at low-income customers or low-income-verified participants in multifamily housing programs." (CAUSE-PA St. 1 at 37-39). The Settlement fairly addresses Mr. Grevatt's concern regarding the Student Energy Education component as the settlement would remove that component from the RCEEP, allowing students in low-income customer households to participate in the Student Energy Education component of the REEP without attributing savings toward the low-income carveout. The Settlement also addresses Mr. Grevatt's concern regarding the Appliance Recycling component of the RCEEP by requiring the Company to take steps toward distinguishing this program component from the program component of the same name in the REEP by facilitating customer participation in other low-income program components. CAUSE-PA supports these terms and urges the Commission to approve them.

### **3. Enhanced Program Coordination**

The Settlement provides that the Company will hold meetings including the Company's RCEEP manager and CSP, the Company's Low Income Usage Reduction Program (LIURP) manager, and representatives from utilities and Weatherization Assistance Program provider agencies to discuss strategies to enhance coordination. (Joint Petition at ¶ 39). The Settlement further commits the Company to developing a coordination plan and to hold ongoing meetings

through Phase V to refine and advance implementation of the plan. (Joint Petition at ¶¶ 40-41). The Company will review its coordination plan and will provide ongoing updates on its coordination efforts at its biannual stakeholder meetings. (Joint Petition at ¶ 42).

As noted above, Mr. Grevatt explained that the Company's Plan, as proposed, failed to plan for meaningful coordination between RCEEP and the Company's LIURP or with external energy efficiency and housing remediation providers. (CAUSE-PA St. 1 at 41-48).

The Settlement provides a fair compromise regarding this concern by committing the Company to taking actionable steps towards developing and implementing a clear coordination framework. Thus, CAUSE-PA supports approval of these terms without modification.

#### **4. Health and Safety Measures**

The Settlement provides that the Company will increase the amount it budgets toward remediation of health and safety barriers for low-income customers by \$500,000 to a total of \$2 million through Phase V and will allot more funds if necessary and available. (Joint Petition at ¶ 26). As Mr. Grevatt explained in testimony, funding to remediate health and safety barriers is essential to ensuring that low-income customers can meaningfully participate in energy efficiency programming and receive measures that deliver appreciable bill savings. (CAUSE-PA St. 1 at 39-41). Mr. Grevatt encouraged the Company to devote additional funds to its proposed health and safety budget. (Id.)

The Settlement addresses Mr. Grevatt's recommendation by increasing the funding available to remediate health and safety barriers to providing comprehensive energy efficiency measures for low-income households and is just, reasonable, and in the public interest. The additional funding for health and safety remediation provided by the Settlement will enable more

low-income customers to receive deep savings measures that result in meaningful bill savings. CAUSE-PA urges the Commission to approve this term.

### **5. Front of the Meter Measures**

The Settlement provides that the Company will take several procedural steps to enhance transparency and provide for public input prior to initiating any CVR pilot. (Joint Petition at ¶¶ 28-32). The Settlement commits the Company to completing a feasibility study and to only proceeding with a CVR pilot proposal if warranted by the study's results. (Joint Petition at ¶ 28). If the Company determines that the proposed CVR pilot program is not feasible, it shall reallocate the CVR funding within the Residential Energy Efficiency Program. (*Id.*). If the Company proceeds with developing a CVR pilot proposal, it will share a description of the proposal with the parties to this proceeding, will provide parties with an opportunity to provide comments on the proposal, and will include parties' comments in its submission of the pilot proposal to the Commission. (Joint Petition at ¶ 30). CAUSE-PA notes that its agreement to this provision does not constitute agreement as to any proposed CVR pilot, and the parties have expressly reserved their respective right to challenge the CVR pilot in an appropriate filing or in subsequent phases. (Joint Petition at ¶ 32).

The Commission clarified in its Phase V Implementation Order that "if an approved EE&C plan simply earmarks budget for pilot(s) without the necessary implementation details, the EDC will need to file a plan change prior to pilot initiation so that the Commission can review the pilot details." (Ph. V Implementation Order at 205). As Mr. Grevatt explained in testimony, savings methodologies for CVR are not uniformly accepted. (CAUSE-PA St. 1 at 50). Mr. Grevatt pointed to a Maryland Commission's Working Group Report on Conservation Voltage Reductions (CVR), which found that CVR savings methodologies were out of date and recommended CVR savings

be excluded from goal setting in that jurisdiction. (*Id.*). Mr. Grevatt further explained that the Company's CVR pilot proposal as included in the Plan as proposed was vaguely described, falling short of the Commission's requirement to describe expected savings for any FTM initiative. (CAUSE-PA St. 1 at 49-50). The Settlement addresses these concerns by requiring the Company to complete a study demonstrating the feasibility of generating electricity savings through a pilot before proceeding, by requiring transparency with the parties about the details of any pilot proposal, and by reserving the parties' ability to challenge any subsequent CVR proposal. Thus, these terms are just and reasonable and should be approved by the Commission.

## **6. Third Party Financing**

As part of its filing, PPL proposed offering, through a CSP, third party financing of energy efficiency improvements for moderate income (150%-250% FPL) customers. (CAUSE-PA St. 1-R at 2). Mr. Grevatt voiced concerns about the cost of providing that financing and the lack of consumer protections in PPL's proposals. (*Id.* at 4-5).

The Settlement provides that if the Company decides to move forward with its third party financing proposal, it will utilize a pilot framework or soft launch to test program design for future scaling. (Joint Petition at ¶ 43). Prior to implementing any third-party financing option, the Company will invite the parties to this proceeding to provide recommendations for its consideration regarding program eligibility and design. (*Id.*). Further, the Company will strongly encourage each applicant to have an energy audit performed prior to enrollment, work with SWE and the third-party evaluator to develop an evaluation process for any pilot, and include weather normalized pre- and post-usage data of pilot participants in the Company's annual reports. (*Id.*).

These provisions address Mr. Grevatt's concerns by limiting the scope of any third party financing to a pilot and providing for input from the parties and evaluation metrics to ensure that

participating consumers derive a benefit. Thus, this provision is just and reasonable and should be approved.

#### **7. Miscellaneous Provisions**

The Settlement is made subject to conditions that further the Settlement's alignment with the public interest. (Joint Petition at ¶¶ 49-55). Key conditions to the Settlement include statements that the Settlement is presented without prejudice to any position of the joining parties and does not create precedent (Joint Petition at ¶ 52-53); that every term and condition in the Settlement is material regardless of its placement in the body, footnotes, parentheticals, or otherwise in the Settlement's text (Joint Petition at ¶ 50); and that the Settlement's terms are self-effectuating upon issuance of a final order in this proceeding (Joint Petition at ¶ 55), among others. CAUSE-PA supports the inclusion of these conditions in the Settlement and requests that the Commission approve the Settlement without modification.

#### **IV. CONCLUSION**

CAUSE-PA submits that the proposed Settlement, which was achieved by the Joint Petitioners after an investigation of the Companies' filing, is in the public interest, and should be approved. Acceptance of the Settlement avoids the necessity of further administrative and possibly appellate proceedings regarding the settled issues at what would have been a substantial cost to the Joint Petitioners and the Companies' customers. Accordingly, CAUSE-PA respectfully requests that the Commission approve the Settlement without modification.

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for CAUSE-PA*



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February 13, 2026

# Appendix D

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities** : **Docket No. M-2025-3057329**  
**Corporation for Approval of its Act 129** :  
**Phase V Energy Efficiency and** :  
**Conservation Plan** :

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**STATEMENT IN SUPPORT OF THE  
JOINT PETITION FOR APPROVAL OF  
SETTLEMENT OF ALL ISSUES  
ON BEHALF OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

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**I. Introduction**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a notice of intervention in response to the Petition of PPL Electric Utilities Corporation (“PPL” or the “Company”) for Approval of its Act 129 Phase V Energy Efficiency and Conservation (“EE&C”) Plan with the Pennsylvania Public Utility Commission (“Commission”) on December 19, 2025.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Settlement of All Issues (“*Joint Petition*”). The *Joint Petition* addresses the issues raised by this office in this proceeding. Therefore, the OSBA submits this statement in support of the *Joint Petition*.

## **II. Standards for Approval of Non-Unanimous Settlement**

Section 5.231(a) of the Commission’s regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission’s regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission’s judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

## **III. Settlement Terms**

As set forth in the *Joint Petition*, the OSBA negotiated several important concessions that will protect the interests of PPL’s small businesses.

### **A. Participation Tracking and Reporting**

The *Joint Petition* requires PPL to report small business participation in terms of numbers of small business served, which is meaningful metric for tracking actual participation. PPL will report this metric in the Company’s annual reports.<sup>1</sup> PPL’s originally filed proposal was to only track the number of “measures” installed, which is not meaningful because one lightbulb can equal one “measure.” This metric was inappropriate as small business customers participating in an EE&C program typically receive multiple measures through their participation.

### **B. Lighting Savings**

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<sup>1</sup> *Joint Petition*, Paragraph 38.

PPL's originally filed proposal assumed that the Company would be able to capture more than the remaining lighting energy savings technically available within the small business sector in its territory, as estimated in the Commission's recent potential study. PPL refuted the results of the Commission's potential study and would not make meaningful concessions on reducing its lighting forecast. However, as set forth in the *Joint Petition*, PPL will review and evaluate small business's lighting annually. If PPL finds that the performance of its lighting measure and future forecasts are not within 70% of the Company's EE&C Plan forecast, PPL will lower its forecast for small business lighting and increase the forecast for non-lighting measures as is necessary to ensure compliance with the Plan's targets. PPL will review the small business lighting performance with stakeholders during the Company's annual stakeholder meetings.<sup>2</sup> The OSBA will remain active in these annual meetings and will scrutinize PPL's energy savings from lighting, and advocate for reprogramming funds into other measures (custom program, HVAC, and insulation and air sealing) if PPL starts to miss its lighting savings forecast.

### **C. Front of the Meter Programs**

PPL originally filed proposal included a \$1 million Conservation Voltage Reduction ("CVR") pilot program. However, the Company's original CVR pilot program Plan provided little detail and no opportunity for stakeholders to provide comment on the pilot. As such, the OSBA negotiated several provisions that protect ratepayer funds, enhance transparency, provide meaningful opportunities to comment on the pilot, and ensure that small businesses only bear the costs of measures that benefit them.

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<sup>2</sup> *Joint Petition*, Paragraph 35.

1. Feasibility Study

During Program Year 18, the *Joint Petition* requires PPL to complete a feasibility study of its proposed CVR pilot program. If the Company determines that the proposed pilot program is not feasible, it will reallocate the funding. If the Company determines the pilot is feasible, it will develop a detailed proposal including the pilot program's objectives; performance metrics; data to be tracked; projected costs; projected performance, including energy and demand savings; and the proposed schedule.<sup>3</sup>

2. Pilot Program

Prior to submitting a description of the pilot program to the Commission for approval, the *Joint Petition* requires PPL to provide the parties to this proceeding with a copy of the pilot program proposal for review and provide them with an opportunity to provide the Company with comments. The Company will attach a copy of the other parties' comments in its submission to the Commission. If the Commission determines that a minor or major plan change is necessary to implement the CVR pilot, the Company will comply with the Commission's direction.<sup>4</sup>

3. Assignment of Costs

The *Joint Petition* requires PPL to assign the pilot's costs and benefits to the appropriate rate class(es).<sup>5</sup>

**D. Daily Load Shifting Program Protections**

This is a new program for utilities in the Commonwealth and poses risk of failure if not implemented correctly. As such, the OSBA negotiated provisions to protect the interests of PPL's small business customers.

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<sup>3</sup> *Joint Petition*, Paragraph 28.

<sup>4</sup> *Joint Petition*, Paragraph 30.

<sup>5</sup> *Joint Petition*, Paragraph 31.

1. Review

As part of the Company's planned quarterly business reviews, the *Joint Petition* will require PPL to review results of the Peak Load Shift pilot for process improvement, opportunities and insights, and participation levels.<sup>6</sup> These reviews will help ensure that the pilot achieves its targets for small business participation and demand reductions.

2. Evaluation

The *Joint Petition* will require PPL to conduct an evaluation of the Peak Load Shift pilot no later than 12 months after the start date. The evaluation will be included in the Company's annual report.<sup>7</sup> This timing will allow PPL to seek additional funding if the pilot proves successful or to revise the pilot if it is not successful.

3. Reporting

The *Joint Petition* requires PPL to report annually the number of customers who use diesel generation and other fossil fuel backup generators.<sup>8</sup> This provision will provide transparency and encourage demand response opportunities that are accessible to small businesses and protect local air quality.

**D. Program Coordination**

PPL's originally filed proposal did not have specifics on how the utility was going to coordinate efforts of its low-income program with an increasingly broad landscape of non-129 funding and programs dedicated to low-to-moderate income households. This is relevant to PPL's small businesses C&I because lack of program coordination hampers the efficiency of utility low-income programs (which already have low cost-effectiveness), driving up the cost of

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<sup>6</sup> *Joint Petition*, Paragraph 36.

<sup>7</sup> *Joint Petition*, Paragraph 36.

<sup>8</sup> *Joint Petition*, Paragraph 37.

the low-income portfolio to the detriment of all ratepayers. The OSBA negotiated with PPL to create a coordination plan that will include current and ongoing collaboration activities for each participating organization.<sup>9</sup> In addition, PPL will annually convene program coordination meetings with the parties, review its coordination plan, and provide ongoing updates on its coordination efforts at its biannual stakeholder meetings.<sup>10</sup>

#### **IV. Conclusion**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the issue set forth in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

*/s/ Steven C. Gray*

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Steven C. Gray  
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Attorney I.D. No. 77538

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Dated: February 13, 2026

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<sup>9</sup> *Joint Petition*, Paragraph 40.

<sup>10</sup> *Joint Petition*, Paragraph 41, 42.

# Appendix E

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities Corporation :**  
**For Approval of its Act 129 Phase V :** **Docket No. M-2025-3057329 Energy**  
**Efficiency and Conservation Plan :**

**COMMISSION ON ECONOMIC OPPORTUNITY'S**  
**STATEMENT IN SUPPORT OF JOINT PETITION**  
**FOR APPROVAL OF SETTLEMENT OF ALL ISSUES**

NOW COMES the Intervenor, the Commission on Economic Opportunity (CEO) and files this Statement in Support of the Joint Petition for Approval of Settlement of All Issues in the above-captioned matter and agrees to its terms based upon the following:

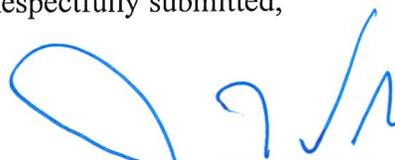
1. CEO is a not-for-profit Pennsylvania corporation and an advocate for its clients - the low-income population of Luzerne County.
2. CEO intervened in the above-captioned matter to address the adequacy of the Company's ACT 129 programs for its low-income customers.
3. Although CEO joins in the settlement of all issues, this Statement in Support will address only those issues that are of concern to CEO.
4. CEO supports the Joint Petition for Approval of Settlement of All Issues and believes that it is in compliance with the applicable laws and regulations and serves the public interest based upon the following:
  - A. The Settlement provides additional funding for full house measures for low-income ratepayers. Such measures will allow low-income ratepayers to reduce the amount of their bills through reduced energy usage.
  - B. The Settlement provides for increased coordination among the Act 129 CSP and other contractors who provide conservation services to ratepayers.

C. The Settlement provides additional funding for health and safety measures for low-income ratepayers.

D. This settlement is consistent with the Commission's obligation to ensure that Act 129 programs include a sufficient number of measures designated for low-income ratepayers.

WHEREFORE, CEO respectfully requests that the settlement be approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'JL Vullo', is written over a horizontal line.

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JOSEPH L. VULLO, ESQUIRE  
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Opportunity

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities Corporation :**  
**For Approval of its Act 129 Phase V :** **Docket No. M-2025-3057329 Energy**  
**Efficiency and Conservation Plan :**

**CERTIFICATE OF SERVICE**

The undersigned certified that he served a copy of the foregoing Statement in Support upon the following participants by electronic mail on the 13th day of February 2026:

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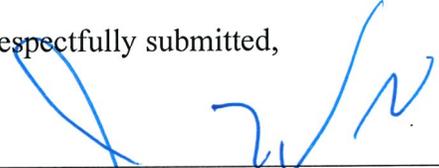
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Respectfully submitted,



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# Appendix F

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :  
for Approval of its Act 129 Phase V Energy : Docket No. M-2025-3057329  
Efficiency and Conservation Plan :

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**STATEMENT OF THE SUSTAINABLE ENERGY FUND  
IN SUPPORT OF THE JOINT SETTLEMENT AGREEMENT**

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**TO ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS  
AND ADMINISTRATIVE LAW JUDGE EMILY A. FARREN:**

The Sustainable Energy Fund (“SEF”), one of the signatory parties to the Joint Petition for Approval of Partial Settlement (“Settlement”), believes the terms and condition of the Settlement are in the public interest, and through its counsel, HMS Legal, LLP, submits this statement in support:

1. SEF is a Pennsylvania corporation established upon the conclusion of PPL Electric Utilities Corporation’s (“PPL”) Restructuring Proceeding and pursuant to the terms of the Joint Settlement of that proceeding approved by the Commission’s August 27, 1998 Order at Docket No. R-00973954.

2. SEF’s mission is to promote and invest in energy efficiency, renewable energy and energy education that provide opportunities and benefits for PPL ratepayers, including low-income ratepayers.

3. SEF intervened and participated as a party in PPL’s Phase I, II, III, and IV EE&C Plan filings at Docket Nos. M-2009-2093216, M-2012-2334388, M-2015-2515642, and M-2020-302-824, respectively. On December 4, 2025, SEF intervened in PPL’s Phase V EE&C Plan Filing

at Docket No. M-2025-3057329. SEF's intervention was necessary to ensure the development of a complete record on the reasonableness of PPL's Phase V EE&C Plan proposals.

4. SEF actively participated in the Phase V proceedings, including filing SEF-Statement No. 1 of John M. Costlow, the President and Chief Executive Officer of SEF. SEF's testimony concerned PPL's EE&C Phase V plan as it related to proposed Tiered Rebates, CSP Third Party Financing, and proposed rebates to encourage electrification.

5. On February 3, 2026, an evidentiary hearing was held, at which time SEF moved its Statement No. 1 into the record. At that time, PPL also indicated to Judges Haas and Farren, the presiding Administrative Law Judges, that the parties had reached a settlement of all issues.

6. As part of the Settlement, PPL and SEF were able to come to mutually agreeable terms regarding SEF's concerns with the Plan. The agreed upon terms include:

43. PPL Electric will work with the CSP and subcontractor National Energy Improvement Fund ("NEIF") to explore providing third-party financing options to moderate income residential customers and to evaluate methods for increasing participation in the third-party financing offering, including the length and buy-down of interest rates. The Company will utilize a pilot framework or soft launch to test program design for future scaling. Prior to implementing any third-party financing option, the Company will invite the other parties to this proceeding to provide recommendations for its consideration regarding program eligibility and design. As to any pilot program developed, the Company will strongly encourage each applicant to have an energy audit performed prior to enrollment. PPL Electric will work with SWE and the third-party evaluator to develop an evaluation process for any pilot. The Company will include anonymized weather normalized pre- and post-usage data of pilot participants in the Company's annual reports.

44. SEF believes that this Settlement is in the public interest.

45. Based on the above, SEF supports the Joint Petition for Approval of Settlement.

Respectfully submitted,

/s/ Judith D. Cassel

Judith D. Cassel

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Date: February 13, 2026

# Appendix G



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February 13, 2026

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**RE: Petition of PPL Electric Utilities Corporation For Approval of its Act 129 Phase V Energy Efficiency and Conservation Plan; Docket No. M-2025-3057329**

Dear Ms. Rulli:

Please be advised that the PP&L Industrial Customer Alliance ("PPLICA") does not oppose the Joint Petition for Settlement in the above-captioned docket to be filed with the Pennsylvania Public Utility Commission on February 13, 2026.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a horizontal line.

Adeolu A. Bakare  
MCNEES WALLACE & NURICK LLC

Counsel to the PP&L Industrial Customer Alliance