

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17120**

**Pennsylvania Public Utility Commission**  
v.  
**PPL Electric Utilities Corporation**

**Public Meeting: June 4, 2026**  
**3057164-OSA**  
**Docket No. R-2025-3057164 et al.**

**JOINT STATEMENT OF COMMISSIONER RALPH V. YANORA AND**  
**COMMISSIONER JOHN F. COLEMAN, JR.**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions of the Customer-Generator Coalition (CGC), filed on April 27, 2026, to the Recommended Decision of Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Barbara Shadie Nause (collectively, the ALJs), issued on April 17, 2026, in the above-captioned proceeding. Replies to Exceptions were filed on May 4, 2026, by PPL Electric Utilities Corporation (PPL), the Office of Consumer Advocate (OCA), and the Office of Small Business Advocate (OSBA). Also before the Commission for consideration and disposition is the Joint Petition for Approval of Non-Unanimous Settlement of All Issues (Joint Settlement), filed by PPL, the Commission's Bureau of Investigation and Enforcement (I&E), the OCA, the OSBA, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Commission on Economic Opportunity (CEO), Convergent Energy and Power LP (Convergent), Dimension PA 1 LLC (Dimension), the U.S. Department of Defense and all other Federal Executive Agencies (DOD/FEA), the Environmental Intervenors (EI or Environmental Intervenors),<sup>1</sup> the Energy Justice Advocates (EJA), the Joint Solar Advocates (JSA),<sup>2</sup> PP&L Industrial Customer Alliance (PPLICIA), the Retail Energy Supply Association (RESA), the Sustainable Energy Fund (SEF), Walmart Inc. (Walmart), and Mr. Eric Joseph Epstein (collectively, the Joint Petitioners) on March 13, 2026..

We support the Joint Settlement in full and agree with the Recommended Decision that the Joint Settlement is in public interest and should be approved without modification. Its terms are reasonable and rate proceedings are expensive with costs recovered from customers. Partial or full, as well as non-unanimous or unanimous settlements allow the parties to avoid the substantial costs of fully litigating a proceeding, yielding significant expense savings for customers.

We find that the parties have reached a fair balance of interests in the reduced revenue increase. We also appreciate the Joint Settlement provisions relating to the support of PPL's infrastructure replacement through the Distribution System Improvement Charge and the Storm Damage Expense Rider. We recognize that this Joint Settlement is a hard-won agreement by the supporting parties with forward-looking terms for Large Load Interconnections, Maximum

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<sup>1</sup> The Environmental Intervenors consist of the Environmental Defense Fund (EDF), the Natural Resources Defense Council (NRDC), and Citizens for Pennsylvania's Future (PennFuture).

<sup>2</sup> The JSA consist of the Coalition for Community Solar Access and the Solar Energy Industries Association. JSA supported Section III.J of the Joint Settlement but took no position on any other Section of the Joint Settlement.

Registered Peak Load (MRPL), and Electric Vehicle Time-of-Use Charging Rates. We note paragraph 127 of the Joint Settlement states, “If the Commission modifies the Partial 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.”

The Motion offered proposes to modify the Joint Settlement and exempt agricultural customer-generators from its Maximum Registered Peak Load (MRPL) provision and would have small commercial and industrial (C&I) customers continue to indefinitely subsidize agricultural customer-generators. We believe this will result in affordability concerns, especially for small business customers operating in the PPL service territory. The Joint Settlement is in full accord with Pennsylvania Court precedent, Commission regulations and relevant statutes. Its modification may result in its failure or continued litigation that could jeopardize the benefits that would otherwise accrue to PPL’s other 1.4 million customers.

Under PPL’s current tariff, PPL assigns customers a default generation rate based on “peak demand” which is tied to the customer’s Installed Capacity Peak Load Contribution for the most recent PJM planning year. The dividing line between the two PPL Generation Supply Charge tariff options, rate GSC-1 (small C&I customers) and Rate GSC-2 (large C&I customers) is 100 kilowatts of peak demand. PPL proposed changes to alter its classification framework as PPL is concerned that the existing methodology creates an inequitable cost allocation outcome within its default-service portfolio. Customers are currently classified based only on their net demand of the system regardless of the electric infrastructure needed to support the net supply a customer-generator may export. The Joint Settlement terms related to the MRPL provision are intended to provide for more equitable cost recovery from customers in the small commercial and industrial rate classes. The change is designed to account for both peak demand and peak export, rather than demand alone.<sup>3</sup> PPL infrastructure must be ready to support both the peak demand and peak export of customers and costs should be allocated to account for total system usage.

At the end of the year, customer-generators receive annual cash-outs at the applicable retail generation rate for excess generation banked. When large customer-generators remain in the Small C&I GSC-1 class, the cost of excess generation cash-outs is recovered from the same class of customers, primarily small businesses, even though the customer-generators function more like wholesale merchant generators than traditional retail customers.

PPL estimates that by 2029 the Small C&I net-metering cash-out expenses could grow dramatically and reach between approximately \$60 million and more than \$300 million. PPL’s evidence showed that, without MRPL, the Rate GSC-1 Price To Compare could increase from \$0.12114/kWh in 2025 to \$0.30562/kWh in 2029, and that PPL could pay an annual premium of approximately \$414.2 million by 2029 for no-load customer-generator supply, compared with supply obtained through full-requirements default-service contracts.<sup>4</sup> These additional costs would be borne by small C&I customers.

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<sup>3</sup> PPL Statement in Support at 61-62.

<sup>4</sup> PPL Statement in Support at 61-62; PPL R. Exc. at 6-7.

The MRPL Joint Settlement terms were supported by the Office of Consumer Advocate as the MRPL better aligns the default-service procurement task with the actual customer base served through that rate. It will help ensure that customers pay no more than necessary for adequate, reliable, and safe utility service.

The Office of Small Business Advocate (OSBA) sought to limit the number of net-metering customers classified to the GSC-1 small business customer class. Without a limit, the OSBA stated that the resulting impact on small business electric rates would range from “significant to catastrophic.”<sup>5</sup>

The Joint Solar Advocates (JSA) central concern in the proceeding was to protect investments in alternative energy customer-generator projects. The JSA supported the Joint Settlement because it included the Rate GSC-1 legacy rights framework — which not only protects current customer-generators but also provides that near-operational customer-generators will receive legacy-rights status up to the 140MW cap. The JSA noted that its evidence showed that customer-generator excess generation can reduce generation supply costs included in the GSC-1 rate, but that the GSC-1 rate class is constrained in its ability to absorb additional generation and fully realize those savings.<sup>6</sup>

We agree that Pennsylvania agriculture provides significant economic, societal, and environmental benefits. However, the Public Utility Code does not require other small business customers to subsidize a special rate for agricultural net-metering to address policy goals outside our jurisdiction. The terms proposed in this Joint Settlement provide for just and reasonable rates based on each customer’s use of the grid. PPL provides the necessary grid infrastructure to be able to handle both the demand and supply of net-metering customers and rates should be designed so that each customer pays for its use of the grid.

We fully support the Joint Settlement terms that grandfather current customers for ten years and new customers up to a 140 MW cap. We have long held to gradualism and the avoidance of rate shock and acknowledge that many of the customer-generators net-metering under the GSC-1 rate class have built the subsidy they are receiving through their electric rates into their business model. While we do not support the continuation of such a growing burden to non-net-metering customers in these rate classes, we do appreciate the Parties’ agreement to make sure there is substantial time for all affected customers to adjust to new parameters. We also support the Joint Settlement terms enhancing GSC-2 compensation through additional components, such as capacity, line losses, and Gross Receipts Tax treatment.

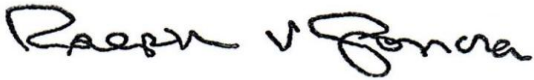
In conclusion, we find that the most prudent and reasonable course of action is to approve the Joint Settlement. In reviewing the settlement, we counted no less than sixteen attorneys’ signatures representing dozens of individuals, state and federal agencies, regulated entities, non-profit organizations, and businesses. If any of these parties choose to withdraw from the settlement in response to this Motion, the settlement is rendered null and void, along with today’s Order and the prior Recommended Decision. The case will be returned to the OALJ, and PPL’s original, and significantly more expensive filing, will take effect on July 1 by law without

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<sup>5</sup> OSBA Statement in Support at 4.

<sup>6</sup> JSA Statement in Support at 8-9.

extraordinary efforts by all involved. Settlements of Commission proceedings usually involve compromise, and parties rarely achieve what in their minds may be the perfect outcome. The settlement before us is a good and lawful settlement.



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**RALPH V. YANORA**  
**COMMISSIONER**



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**JOHN F. COLEMAN, JR.**  
**COMMISSIONER**

**DATE: June 4, 2026**