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October 5, 2026

VIA E-FILING

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

**RE: PECO Energy Company's CAP Universal Services Advisory Committee (USAC)
Stakeholder Collaborative Status Report
Electric Division Docket No. R-2024-3046931 / Gas Division Docket No. R-2024-3046932**

Dear Secretary Homsher:

In order to cure administrative errors, PECO Energy Company hereby resubmits its timely filed CAP Universal Services Advisory Committee ("USAC") Stakeholder Collaborative Status Report, submitted on September 30, 2026.

As directed, the original submission has been amended to consolidate all documents into a single PDF. Additionally, as the status reports are identical for both the Gas and Electric Divisions, both docket numbers are reflected but the report will only be filed in the Electric Division Docket, R-2024-3046931.

I have enclosed an updated Certificate of Service reflecting service of this refiling as required.
Thank you for your time and attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Nguyen", written in a cursive style.

Catherine Nguyen
Assistant General Counsel
PECO Energy Company

(Encl.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION,**

v.

PECO ENERGY COMPANY

**Docket No. R-2024-3046931 (Electric Division)
Docket No. R-2024-3046932 (Gas Division)**

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have on this day served a copy of **PECO Energy Company's CAP Universal Services Advisory Committee (USAC) Stakeholder Collaborative Report** on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL

The Honorable Marta Guhl
Administrative Law Judge
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
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mguhl@pa.gov

The Honorable Darlene Heep
Administrative Law Judge
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Dated: October 5, 2026



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September 30, 2026

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**RE: PECO Energy Company's CAP Universal Services Advisory Committee (USAC)
Stakeholder Collaborative Status Report
Electric Division Docket No. R-2024-3046931
Gas Division Docket No. R-2024-3046932**

Dear Secretary Homsher:

In accordance with Paragraph 26 of PECO Energy Company's Joint Petition for Settlement of Rate Investigation at the above-referenced matters, PECO hereby submits its CAP Universal Services Advisory Committee ("USAC") Stakeholder Collaborative Status Report, which is required on or before October 1, 2026.

I have enclosed a Certificate of Service reflecting service as required. Thank you for your time and attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Nguyen", written in a cursive style.

Catherine Nguyen
Assistant General Counsel
PECO Energy Company

(Encl.)

**PECO Energy Company's
CAP Universal Services Advisory Committee (USAC) Stakeholder Collaborative Status Report
October 1, 2026
Electric Division Docket No. R-2024-3046931
Gas Division Docket No. R-2024-3046932**

I. Introduction

In the 2024 Electric and Gas Distribution Rate Cases before the Pennsylvania Public Utility Commission (“PAPUC” or “Commission”), PECO agreed to convene a stakeholder collaborative with its Universal Services Advisory Committee (“USAC”) and any interested parties to this case as follows:

By July 1, 2025, PECO agrees to convene a stakeholder collaborative with its Universal Services Advisory Committee (“USAC”) and any interested parties to this case to discuss how PECO could implement automatic enrollment of non-CAP Low-Income Home Energy Assistance Program recipients in CAP, including but not limited to: customer education, notice prior to automatic enrollment, treatment of shopping customers, and treatment of arrears for new enrollees. The collaborative will identify all costs for residential customers of any such implementation, including information technology and administrative costs, and potential adjustment to the CAP offset factor to take into account the additional costs of any automatic enrollment. The collaborative will meet at least one additional time before April 1, 2026. **PECO will submit a report in this docket documenting the views of the collaboratives and PECO's recommendations no later than October 1, 2026.**¹

PECO convened the required collaborative sessions, and this Report is submitted in accordance with the commitment to document the discussions that occurred, the information provided to collaborative participants, such as implementation considerations and associated costs, a summary of PECO and stakeholder views raised during the collaboratives and PECO recommendations.

II. Collaborative Meetings and Participants²

PECO convened a series of stakeholder collaborative meetings with its USAC and any interested parties to discuss potential implementation of automatic enrollment of non-CAP Low-Income Home Energy Assistance Program (“LIHEAP”) recipients into the Customer Assistance Program (“CAP”). The meetings occurred on the following dates:

- June 17, 2025
- December 2, 2025
- March 16, 2026

¹ Paragraph 26 of PECO Energy Company's Joint Petition for Settlement of Rate Investigation at Docket No. R-2024-3046931 (Electric) and Docket No. R-2024-3046932 (Gas) (emphasis added).

² PECO incorporates by reference three (3) slide presentations shared during the collaborative meetings; See *Exhibits 1, 2, and 3*.

Collaborative participants included representatives from Community Legal Services (“CLS”), Pennsylvania Utility Law Project (“PULP”), and Pennsylvania Office of Consumer Advocates (“OCA”), who are all members of PECO’s USAC.

III. Collaborative Meetings Overview

At the initial collaborative meeting on June 17, 2025, PECO presented, for purposes of discussion, an overview of existing community outreach efforts, an overview of its current CAP Application and Enrollment process, and Program qualification requirements.

In addition, PECO identified several CAP processes that may be impacted by the automatic enrollment of non-CAP LIHEAP recipients. To facilitate discussion, PECO presented examples of related process requirements for collaborative participants to consider when evaluating the implementation of automatic enrollment. The impacted processes included:

- A. DHS Data Sharing Requirements,
- B. Customer Noticing Process,
- C. Administration of CAP Auto-Enrollment,
- D. Customer Rights and Protections,
- E. Treatment of Arrears for New Enrollees,
- F. Cost Considerations and Recovery, and
- G. CAP Offset Factor Considerations.

Participants discussed the requirements and implementation considerations associated with each process area, including customer education, customer notice requirements, treatment of shopping customers, treatment of arrearages for newly enrolled customers, customer protections, program administration, budget billing and supplier enrollment restrictions, and recertification requirements. Participants also discussed potential administrative and information technology costs, as well as direct CAP costs, including CAP bill credits, and the potential impacts on applicable cost recovery mechanisms.

During the June 17, 2025 collaborative meeting, participants requested several follow-up items, including high-level cost estimates, clarification regarding existing CAP program rules, and an update on the status and utilization of DHS data sharing. PECO provided this information during subsequent collaborative meetings.

Throughout the three collaborative meetings, and consistent with the commitment made by the parties, discussions focused on identifying opportunities to leverage DHS data-sharing information to support the potential automatic enrollment of non-CAP LIHEAP recipients into CAP. Utilizing the information provided by PECO, participants explored implementation considerations, operational requirements, and potential impacts associated with such an approach. Additional details regarding these discussions, including participant perspectives, are summarized below.

IV. Summary of Discussion by Topic³

A. DHS Data Sharing Requirements

Collaborative participants generally agreed that two key prerequisites for any automatic enrollment of non-CAP LIHEAP recipients are: (1) the customer must authorize the sharing of income information through the DHS LIHEAP application, and (2) the customer must direct their LIHEAP grant to PECO. PECO noted that automatic enrollment cannot be considered for customers who do not direct their LIHEAP grant to PECO, regardless of whether they have consented to DHS data sharing.

Discussions regarding DHS data sharing focused on identifying opportunities to leverage available data to simplify CAP enrollment and recertification processes. Participants recognized that DHS data sharing has already produced meaningful benefits for both customers and PECO by improving administrative efficiencies and reducing customer burden. For example, customers who consent to data sharing may indicate their election on the PECO CAP application and are not required to submit duplicative income documentation, helping to streamline the application process. Similarly, PECO utilizes available DHS data during CAP recertification to determine continued eligibility, enabling eligible customers to remain enrolled without additional income verification.

Additionally, DHS data sharing has enabled PECO to implement an Informed Consent Form process. Following consultation with its USAC, including several collaborative participants, PECO amended its USECP to establish a process through which LIHEAP data-sharing customers who direct their grant to PECO may enroll in CAP without completing a separate CAP application. Beginning with the 2026-2027 LIHEAP season, PECO will make an Informed Consent Form available to eligible data-sharing customers who wish to enroll in CAP.

Overall, participants viewed DHS data sharing as a valuable tool for streamlining income verification, reducing customer burden, and enhancing customer experience. Participants generally agreed that PECO and interested stakeholders should continue to identify and evaluate feasible opportunities to further leverage DHS data sharing in support of CAP administration and customer enrollment processes.

B. Customer Noticing Process

Collaborative participants discussed the need to develop a customer notification and enrollment process to support any automatic enrollment initiative. Participants generally agreed that customer communications would need to clearly explain the CAP program, including program benefits, eligibility requirements, and conditions of participation. Notifications would also need to address restrictions applicable to CAP participants, including the prohibition on budget billing and customer choice supplier participation while enrolled in CAP. In addition, communications should explain customer rights and protections, the treatment of Pre-Program Arrearage (“PPA”), and any actions required by the customer prior to enrollment.

³ Because stakeholder viewpoints varied across topics, the summary below identifies key themes that emerged during the process. This summary is not intended to represent a comprehensive statement of any specific participant, or to be comprehensive of every participant.

As an example, participants discussed that if a customer is identified as eligible for automatic enrollment, the customer would need to be notified of PECO's intent to enroll them in CAP and informed of any prerequisite steps necessary to facilitate enrollment. Discussions included how supplier-related requirements would be administered, including responsibility for terminating competitive supplier service before enrollment, procedures for removing budget billing, consumer protections associated with supplier contract termination, and the process for customers who subsequently wish to return to supplier service after CAP enrollment.

Overall, participants recognized that a successful automatic enrollment process would require clear and timely customer communications, well-defined administrative procedures, and appropriate customer protection.

C. Administration of CAP Auto-Enrollment

From an administrative perspective, the participants discussed the need to develop processes to identify, evaluate, track, and report on auto-enrollment activity. Discussions also focused on the procedures that would need to be established to administer key program elements, including the timing and tracking of PPA set-aside benefits, potential modifications to existing Deferred Payment Arrangements ("DPAs"), and the treatment of potential reversal of Percentage of Income Payment Plan ("PIPP") credits in situations where a customer's enrollment status changes.

Participants recognized that implementing an automatic enrollment framework would require the development of new administrative processes, system controls, and reporting capabilities to support ongoing program administration and oversight. Accordingly, all parties agreed that these operational and administrative considerations are significant issues that would require further discussion, evaluation, and resolution before automatic enrollment of non-CAP LIHEAP recipients could be considered for implementation.

D. Customer Rights and Protections

The collaborative also discussed customer rights and protections that would need to be incorporated into any auto-enrollment framework, including procedures for customer notification, opt out administration, and the associated administrative and information technology requirements necessary to support these processes.

Participants identified a number of policy questions requiring further evaluation, including which types of LIHEAP grants (*i.e.*, Cash, Crisis, and Supplemental grants) should establish eligibility for auto-enrollment; whether an arrearage threshold should be required for enrollment; the amount of time customers should be provided to opt out of CAP enrollment and/or defer application of PPA set-aside benefits; overall treatment of one-time PPA benefits, including whether first-time CAP customers who were auto-enrolled should retain eligibility for one-time PPA benefits notwithstanding a subsequent opt-out decision; the complexity of addressing situations in which a customer subsequently elects to opt out of CAP, including consideration of how CAP benefits previously provided to the customer would be treated; and, policies governing the reenrollment of customers who were previously automatically enrolled in CAP.

The potential impact of automatic enrollment on eligibility for other assistance programs, including hardship grants and LIHEAP Crisis assistance, was also discussed. For example, the collaborative noted that auto-enrollment following receipt of a LIHEAP Cash grant could affect a customer's eligibility for a LIHEAP Crisis grant if the resulting arrearage balance is transferred to a payment arrangement or debt forgiveness mechanism.

PECO recommended that if automatic enrollment were implemented, customers should remain responsible for completing any actions necessary to discontinue participation in budget billing and competitive supplier service prior to CAP enrollment. PECO explained that this approach would help ensure customers make informed decisions regarding changes to their existing service arrangements and would avoid potential customer-choice concerns associated with automatic cancellation of supplier contracts.

Continued evaluation of these questions will be necessary before consideration of an auto-enrollment plan in order to ensure protection of customer rights and protections.

E. Treatment of Arrears for New Enrollees

Participants discussed treatment of arrears for customers automatically enrolled into CAP and the determination of how those arrears would be addressed within the CAP program (*i.e.*, PPA forgiveness or DPA).

Discussions included existing PPA rules and how debt eligible for forgiveness, if applicable, would be identified along with the need to establish a process to address debt not eligible for forgiveness which could include potential utilization of a DPA. Participants agreed there would also need to be a process to determine treatment of customers who have received PPA forgiveness and who later choose to opt out.

F. Cost Considerations and Recovery⁴

Consistent with its commitment during the collaborative discussions, PECO identified potential costs associated with the implementation of an automatic enrollment program for non-CAP LIHEAP recipients. Participants recognized that implementation would result in incremental costs and that an appropriate mechanism for recovery of such costs would need to be established.

The cost categories identified and discussed included administrative costs, direct CAP program costs, and information technology costs. Participants also acknowledged the importance of understanding both the initial implementation costs and any ongoing program administration costs associated with automatic enrollment. Additional details regarding these cost categories and associated considerations are provided below and in the Exhibit⁵.

1. **Administrative Costs** associated with program implementation include items such as enrollment processing, exception handling, printing and postage expenses

⁴ All estimates are preliminary and subject to change depending upon enrollment levels, customer eligibility, program design, and implementation requirements.

⁵ See Exhibit 3 at Presentation of Collaborative Meeting #3 (March 16, 2026), Slide 12.

and ongoing operational support. Initial high-level estimates were approximately \$0.5M and subject to change.

2. **Direct Program Costs** associated with CAP bill credits and arrearage forgiveness. Preliminary estimates were based on historical data from 2024 and assumed approximately 10,000 non-CAP LIHEAP recipients would be eligible. Estimated costs were \$17M-\$21M and are subject to change based on timing of program enrollment, average CAP credits, and average past-due balances eligible for PPA at the time of program commencement if auto-enrollment were to be implemented.
3. **Information Technology Costs** associated with initial implementation and ongoing maintenance include items such as automation of auto-enrollment based on eligibility, opt-out processing, status tracking and reporting, and handling of enrollment-related exceptions. Initial high-level estimates were approximately \$2M for initial implementation and approximately \$0.5M for ongoing maintenance. Estimates are subject to change.

G. CAP Offset Factor Considerations

The collaborative discussed recovery of any incremental costs associated with automatic enrollment. Participants recognized that implementation of an automatic enrollment program would increase CAP-related expenditures and would require consideration of how such costs would be recovered through existing or future mechanisms. Discussions also included the potential need for adjustments to recovery mechanisms, including consideration of the CAP Offset Factor, to account for incremental administrative, programmatic, and information technology costs associated with automatic enrollment. Participants acknowledged that any cost recovery approach would require further evaluation and discussion.

V. Summary of PECO Recommendations

Collectively, the collaborative identified significant operational, administrative and customer related complexities associated with CAP auto-enrollment. These considerations included supplier cancellations, budget billing restrictions, administration of opt-out requests, treatment of PPA benefits, customer rights and protections, information technology development, program administration, cost and recovery mechanisms.

As PECO evaluates future program enhancements, we believe DHS data-sharing can be effectively utilized to streamline eligibility verification, reduce customer documentation requirements, and support increased benefits for potentially eligible customers. PECO remains committed to working collaboratively with stakeholders to identify, evaluate, and implement opportunities to further leverage DHS data-sharing capabilities in a manner that supports customer access to benefits, preserves customer choice, and enhances program administration. PECO believes these efforts offer a practical path to optimizing customer benefits while maintaining appropriate customer protections and informed customer decision-making.

While PECO supports leveraging DHS data to support CAP process efficiencies, we continue to oppose automatic enrollment of customers into CAP and maintain our position that customers should have the ability to affirmatively choose whether or not to enroll in CAP. While auto-enrollment may offer benefits to a customer in the form of bill discounts, it may also restrict other types of customer activities such as the ability to shop for an electric supplier, utilize budget billing, or retain their one-time opportunity for PPA forgiveness if they do not currently have a significant past-due balance. Furthermore, customers should have the opportunity to understand the specific program benefits and requirements before being enrolled in CAP.⁶

VI. Conclusion

PECO submits this Report in fulfillment of the reporting commitment adopted in the 2024 Electric and Gas Distribution Rate Case settlements and will continue working with stakeholders to identify opportunities to improve access to customer assistance programs while maintaining appropriate customer protections and program integrity.

PECO appreciates the participation of USAC members and other interested stakeholders throughout the collaborative process.

⁶ The recent withdrawal of Peoples Natural Gas' CAP auto-enrollment proposal reinforces the importance of carefully considering preserving customer rights, informed decision-making, and customer choice. *See* Order at Docket M-2018-3003177 (September 10, 2026) (approving Peoples Natural Gas Company LLC's Petition to withdraw its request to implement a Customer Assistance Program auto-enrollment process). The review of the proposed program placed significant emphasis on customer consent, opt-out provisions, customer communications, and the treatment of customers following enrollment and program exit. These same considerations have been discussed extensively throughout these collaborative sessions and remain critical components of any future auto-enrollment discussions.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC
UTILITY COMMISSION,**

v.

PECO ENERGY COMPANY

**Docket No. R-2024-3046931 (Electric Division)
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Dated: September 30, 2026



June 17, 2025

CAP Auto-Enrollment Collaborative

Collaborative Purpose

- In the 2024 Electric and Gas Distribution Rate Cases the parties agreed on the following:
 - PECO agrees to convene a stakeholder collaborative with its Universal Services Advisory Committee ("USAC") and any interested parties to this case to discuss how PECO could implement automatic enrollment of non-CAP Low-Income Home Energy Assistance Program (LIHEAP) recipients in CAP, including but not limited to:
 - Customer education, notice prior to automatic enrollment, treatment of shopping customers, and treatment of arrears for new enrollees.
 - The collaborative will identify all costs for residential customers of any such implementation, including information technology and administrative costs, and potential adjustment to the CAP offset factor to take into account the additional costs of any automatic enrollment.
 - The collaborative will meet at least one additional time before April 1, 2026. PECO will submit a report in this docket documenting the views of the collaboratives and PECO's recommendations no later than October 1, 2026.

Community Engagement

Our Mission



Awareness

Inform and educate customers and service providers on PECO's products and services designed to help ensure energy security for vulnerable populations.



Access

Ensure versatile access methods and ease of enrollment to accommodate diverse customer populations. Help customers navigate assistance options.



Advocacy

Serve as an advocate for vulnerable customer populations through activism. Build and nurture trusting relationships with customers and service providers.



PECO Outreach Activities

Best Practices & Innovative Outreach

- In-person events: Strategically located in specifically targeted communities (LMI, LEP, etc.)
- Virtual, one-on-one sessions: Customers sign-up in advance to be assisted
- Customer Referrals & Findhelp.org: New, expanded, personalized outreach
- Radio Remotes: Radio stations broadcast live from PECO and invite listeners to come
- Church Services: Present during official church service and assist customers after service concludes
- CAP Auto-Solicitation: PECO mails a CAP application upon receipt of the LIHEAP grant (i.e. in real time) to all non-CAP LIHEAP recipients to encourage them to apply
- Targeted Mailing & Calls: PECO conducts targeted outreach to confirmed and unconfirmed low-income customers via mailings and calls

Stakeholder Engagement

- Community Partners
- Neighborhood Energy Centers
- Community Advocates
- Elected Officials / Municipalities
- Hospitals
- Public Schools

Enhanced Outreach

- Out-of-Home Advertising (i.e., billboards)
- Social Media (targeted towards specific low-income zip codes)
- Direct dial phone calls
- Email
- Radio advertising and radio interviews
- Postcards, Flyers, Posters
- QR Codes

2024 Outreach Results

Over 30

Virtual assistance sessions conducted assisting nearly 4,000 customers with one-on-one, individualized assistance. Positive feedback received from customers on post session surveys

Over 300

In-person and virtual outreach events conducted, creating nearly 25,000 customer touchpoints

Over 2,600 customers

Received direct, personalized assistance via customer referrals. Referrals come from a variety of external sources including elected officials' offices (i.e., constituent concerns), public schools (i.e., school counselors), social service agencies, hospital systems, Findhelp.org, etc.

Over 35,000 non-CAP LMI customers

Received a postcard and/or direct call with information on PECO assistance programs, including how to apply to CAP

Over 38,000 customers

Received assistance through LIHEAP to help ensure they had heat during the cold winter months

Over 135,000 customers

Received essential aid through other PECO assistance programs including debt forgiveness, reduced billings, hardship grants, and energy efficiency programs to help ensure energy security

PECO Partners with



- PECO partners with *findhelp.org*, a national online portal that offers assistance for PECO programs and non-utility assistance
- Customers and service providers alike submit referrals to *findhelp.org* via *PECO.com/findhelp*
- Customers and service providers can also search and secure other assistance opportunities as well (*e.g., food pantry*)
- PECO's FindHelp list displays the following (4) Customer Assistance Programs: **MEAF, CAP, CARES and LIURP**
- The 5th Program, **LIHEAP**, is available during the LIHEAP season; typically, November through March annually
 - Detailed Information on each of PECO's assistance programs and services are available for review on each program card by selecting the *More Info* button. Information includes:
 - Eligibility criteria
 - Program description
 - Program contact information

A screenshot of the PECO FindHelp website interface. It displays four program cards stacked vertically. Each card has a title, a brief description, eligibility criteria, main services, and a 'Next Steps' section. Red arrows are overlaid on the image: one points to the 'MEAF: Matching Energy Assistance Fund' title, another to the 'Customer Assistance Program (CAP)' title, a third to the 'CARES (Customer Assistance and Referral Evaluation Services)' title, and a fourth to the 'LIURP: Low Income Usage Reduction' title. Additionally, red arrows point to the 'MORE INFO' button on the first two cards. The interface includes a search bar at the top, a sidebar with filters, and a footer with contact information.

Current CAP Application Process

- Customers can apply for CAP via USPS, Fax, Email, and online via the PECO website
- Customer must be an existing residential customer with a verified, total household gross income at or below 150% of the Federal Poverty Level (FPL) and income must be confirmed through PECO's proof of income (POI) verification process.
- Program qualification requirements:
 - Complete a CAP application and provide documented proof of income
 - For those customers who have selected DHS data sharing on their LIHEAP application and have directed LIHEAP funds to their PECO bill, PECO will obtain the verified income information from DHS
 - Receive default generation service from PECO
 - Customer must not be on budget bill
 - Agree to recertification at applicable intervals
 - Participate in energy efficiency and conservation programs offered by PECO (i.e. LIURP) if identified as high-usage
 - Identify only one premise to apply CAP benefits

Current CAP Enrollment Process

- Once a customer is found to be eligible for CAP, they will be notified via USPS that their application has been accepted or if further action is needed by the customer, such as dropping a supplier or removal from budget bill.
- Once all actions are completed the customer will begin to receive PIPP credits on their next bill
- First time CAP customers are eligible for Pre-Program Arrearage (PPA) forgiveness for previously accrued balances
 - CAP customers are entitled to PPA forgiveness only at their initial enrollment in CAP.
 - The customer's total arrearage is set-aside and divided into 12 equal parts. Each month the CAP customer pays their bill in-full and on-time, one-twelfth of their PPA is forgiven.
 - PECO allows for CAP customers who may have missed PPA forgiveness due to late or missed payments to “catch-up” on missed forgiveness. When a customer brings their bill current, PECO will forgive any missed forgiveness the customer did not receive during that time.
- Re-enrolled CAP customers who have been off of the program for over 12 months will receive PPA setaside for any remaining unforgiven balance from prior enrollment, and then receive a 24-month payment arrangement for any remaining balance
- Re-instated CAP customers who have been off of the program for less than 12 months will receive retroactive PIPP credits and PPA forgiveness for the months they were off the program where eligible, and then receive PPA setaside for any remaining unforgiven balance from prior enrollment

Identified Requirements for CAP Auto-Enrollment

- Customer must select the DHS data sharing check box on the LIHEAP application and direct their LIHEAP grant to PECO
 - PECO will obtain customer Proof Of Income (POI) from DHS and will need to confirm if customer qualifies for PECO CAP
- If the customer is found to be eligible for CAP auto-enrollment, they will need to be notified that PECO is auto-enrolling them in CAP and/or that they may need to take further action, such as dropping a supplier or removal from budget bill
- A process for customer notifications, including initial and follow up notifications, must be developed and include:
 - Explanation of the auto-enrollment process, a detailed explanation of the PIPP program and program recertification requirements
 - Customer rights on how to Opt-out of CAP Auto-enrollment, including timing and bill impacts
 - CAP credit and/or consumption limits (if applicable) and their effect on CAP bills
 - Restrictions that come with CAP participation, including a prohibition on supplier shopping
 - The amount of the customer's PPA debt eligible for forgiveness, if applicable, and how PPA forgiveness is earned
 - How the customer can contact the public utility (e.g., by phone, email, etc.) if they have additional questions
- A processes to administer CAP auto-enrollment:
 - Identify non-CAP LIHEAP recipients to start the auto-enrollment process
 - Administrative process to evaluate and process accounts
 - Track enrollment process and customer contacts (e.g. follow-ups or opt-out)
 - Next steps if customer selects opt-out, such as reversal of PIPP credits, and unwinding of PPA setaside
 - Track program metrics for reporting

Auto-Enroll Customer Protections and Rights

- Customer rights and protections that need to be defined that will need to be included, as appropriate, in Administrative and/or IT costs:
 - Which LIHEAP grant types are eligible for auto-enrollment?
 - *note: Auto-enrollment after receiving Cash could impact customer eligibility for Crisis due to the balance going into PPA/DPA*
 - Is there an arrearage threshold for auto-enrollment?
 - How long does the customer have to Opt-out? (i.e. they didn't want to be auto-enrolled)
 - What are the rules for recertification?
 - Who is responsible for dropping the energy supplier?
 - What are the protections for early cancellation of a supplier agreement for customers who committed to a contract prior to June 2025?
 - What would be the impact to their eligibility for hardship grants (e.g. MEAF)?
 - Policy on reenrollment of prior auto-enrolled customers?
 - Other existing Consumer/PUC rights?
- Protections and rules after a customer opts-out:
 - Are they subject to collections?
 - Are they given a payment agreement?

Auto-Enrollment Costs

Administrative Costs

- Additional back-office support for increased enrollment processing volume, support to handle processing exceptions, follow-ups and questions, and tracking & reporting metrics etc...
- Creation of new/updated correspondence, including postage

IT Costs – System Changes to Perform the Following:

- Identify and track customers eligible for auto-enrollment
- Enable Opt-out, including mechanism to reverse PIPP credits and/or PPA set-aside
- Mechanism to differentiate if a customer was auto-enrolled
- Track stages of the auto-enrollment process
- Develop, deploy and track new/updated correspondence
- Updates to PECO.com website
- Track prior opt-out customers to ensure they are not auto-enrolled again
- Enable reporting statistics

Direct CAP Costs

- PIPP credits and PPA set-aside associated with auto-enrolled customers

Cost Recovery

- Process to recover incremental setup and ongoing costs associated with auto-enrolled customers

Feedback and Questions



December 2, 2025

CAP Auto-Enrollment Collaborative #2

Collaborative Purpose

- In the 2024 Electric and Gas Distribution Rate Cases the parties agreed on the following:
 - PECO agrees to convene a stakeholder collaborative with its Universal Services Advisory Committee ("USAC") and any interested parties to this case to discuss how PECO could implement automatic enrollment of non-CAP Low-Income Home Energy Assistance Program (LIHEAP) recipients in CAP, including but not limited to:
 - Customer education, notice prior to automatic enrollment, treatment of shopping customers, and treatment of arrears for new enrollees.
 - The collaborative will identify all costs for residential customers of any such implementation, including information technology and administrative costs, and potential adjustment to the CAP offset factor to take into account the additional costs of any automatic enrollment.
 - The collaborative will meet at least one additional time before April 1, 2026. PECO will submit a report in this docket documenting the views of the collaboratives and PECO's recommendations no later than October 1, 2026.

Current CAP Application Process

- Customers can apply for CAP via USPS, Fax, Email, and online via the PECO website
- Customer must be an existing residential customer with a verified, total household gross income at or below 150% of the Federal Poverty Level (FPL) and income must be confirmed through PECO's proof of income (POI) verification process.
- Program qualification requirements:
 - Complete a CAP application and provide documented proof of income
 - For those customers who have selected DHS data sharing on their LIHEAP application and have directed LIHEAP funds to their PECO bill, PECO will obtain the verified income information from DHS
 - Receive default generation service from PECO
 - Customer must not be on budget bill
 - Agree to recertification at applicable intervals
 - Participate in energy efficiency and conservation programs offered by PECO (i.e. LIURP) if identified as high-usage
 - Identify only one premise to apply CAP benefits

Current CAP Enrollment Process

- Once a customer is found to be eligible for CAP, they will be notified via USPS that their application has been accepted or if further action is needed by the customer, such as dropping a supplier or removal from budget bill.
- Once all actions are completed the customer will begin to receive PIPP credits on their next bill
- First time CAP customers are eligible for Pre-Program Arrearage (PPA) forgiveness for previously accrued balances
 - CAP customers are entitled to PPA forgiveness only at their initial enrollment in CAP.
 - The customer's total arrearage is set-aside and divided into 12 equal parts. Each month the CAP customer pays their bill in-full and on-time, one-twelfth of their PPA is forgiven.
 - PECO allows for CAP customers who may have missed PPA forgiveness due to late or missed payments to “catch-up” on missed forgiveness. When a customer brings their bill current, PECO will forgive any missed forgiveness the customer did not receive during that time.
- Re-enrolled CAP customers who have been off of the program for over 12 months will receive PPA setaside for any remaining unforgiven balance from prior enrollment, and then receive a 24-month payment arrangement for any remaining balance
- Re-instated CAP customers who have been off of the program for less than 12 months will receive retroactive PIPP credits and PPA forgiveness for the months they were off the program where eligible, and then receive PPA setaside for any remaining unforgiven balance from prior enrollment

Requirement Considerations for CAP Auto-Enrollment

- DHS data sharing check box on the LIHEAP application would have to be checked and their LIHEAP grant directed to PECO
 - PECO would obtain customer Proof Of Income (POI) from DHS and will need to confirm if customer qualifies for PECO CAP
- If the customer is found to be eligible for CAP auto-enrollment, they would be notified that PECO is auto-enrolling them in CAP and/or that they may need to take further action, such as dropping a supplier or stopping budget bill
- A process for customer notifications, including initial and follow up notifications, would need to be developed and include:
 - Explanation of the auto-enrollment process, a detailed explanation of the PIPP program and program recertification requirements
 - Customer rights on how to Opt-out of CAP Auto-enrollment, including timing and bill impacts
 - CAP credit and/or consumption limits (if applicable) and their effect on CAP bills
 - Restrictions that come with CAP participation, including a prohibition on supplier shopping/budget billing
 - The amount of the customer's PPA debt eligible for forgiveness, if applicable, and how PPA forgiveness is earned
 - How the customer can contact the public utility (e.g., by phone, email, etc.) if they have additional questions
- A processes to administer CAP auto-enrollment would need to be developed and include:
 - Identify non-CAP LIHEAP recipients to start the auto-enrollment process
 - Administrative process to evaluate and process accounts
 - Track enrollment process and customer contacts (e.g. follow-ups or opt-out)
 - Next steps if customer selects opt-out, including the potential reversal of PIPP credits, PPA set-aside and forgiveness earned
 - Track program metrics for reporting

Customer Protections & Rights Considerations for Auto-Enrollment

- Customer rights and protections would need to be defined and include, as appropriate, associated Administrative and/or IT costs:
 - Which LIHEAP grant types (Cash/Crisis/Supplemental) are eligible for auto-enrollment?
 - *note: Auto-enrollment after receiving Cash could impact customer eligibility for Crisis due to the balance going into PPA/DPA*
 - Is there an arrearage threshold for auto-enrollment?
 - How long does the customer have to Opt-out? (i.e. they didn't want to be auto-enrolled)
 - How/who will be responsible for dropping the energy supplier/budget billing before auto-enrollment can process?
 - What are the protections for early cancellation of a supplier agreement for customers who committed to a contract prior to June 2025?
 - What would be the impact to their eligibility for hardship grants (e.g. MEAF)?
 - Policy on reenrollment of prior auto-enrolled customers?
 - Other existing Consumer/PUC rights?
- Protections and rules after a customer opts-out:
 - Are they subject to collections?
 - Are they given a payment agreement?

Auto-Enrollment Cost Estimates (INITIAL ESTIMATES ONLY – SUBJECT TO CHANGE)

Direct CAP Costs: Approximately \$20-25M per year

- Estimated value based on ~10k non-CAP LIHEAP recipients
- Average annual electric bill credits of ~\$1.2k per customer
- Average arrearage forgiveness of ~\$1.2k per customer
- ~\$2M of gas bill credits included for dual service customers, contingent on customer service type
- Additional enrollments of future non-CAP LIHEAP recipients would further increase Direct Cap Costs

IT Costs: ~\$2M initial set up with ~\$0.5M+ ongoing support

- Identify and track customers eligible for auto-enrollment vs. ineligible reasons
- Enable Opt-out, including mechanism to reverse PIPP credits and/or PPA set-aside
- Mechanism to track/differentiate if a customer was auto-enrolled and/or opt-out
- Track stages of the auto-enrollment process
- Develop, deploy and track new/updated correspondence
- Updates to PECO.com website
- Enable reporting statistics
- Other IT costs associated with process

Administrative Costs: ~\$0.5M+ per year

- Additional back-office support for enrollment processing, exception handling, follow-ups, overall account issue support, tracking and reporting metrics, etc...
- Creation of new/updated correspondence; ongoing printing/postage costs
- Other administrative costs associated with process

• **Cost Recovery**

- Process needed to recover above incremental costs



March 16, 2026

CAP Auto-Enrollment Collaborative #3

Collaborative Purpose

- In the 2024 Electric and Gas Distribution Rate Cases the parties agreed on the following:
 - PECO agrees to convene a stakeholder collaborative with its Universal Services Advisory Committee ("USAC") and any interested parties to this case to discuss how PECO could implement automatic enrollment of non-CAP Low-Income Home Energy Assistance Program (LIHEAP) recipients in CAP, including but not limited to:
 - Customer education, notice prior to automatic enrollment, treatment of shopping customers, and treatment of arrears for new enrollees.
 - The collaborative will identify all costs for residential customers of any such implementation, including information technology and administrative costs, and potential adjustment to the CAP offset factor to take into account the additional costs of any automatic enrollment. The collaborative will meet at least one additional time before April 1, 2026.
 - PECO will submit a report in this docket documenting the views of the collaboratives and PECO's recommendations no later than October 1, 2026.

Summary of December Collaborative Discussion

Considerations that would need to be addressed if PECO could implement automatic CAP enrollment of non-CAP LIHEAP recipients:

- **Eligibility of Customers**
 - PECO would obtain customer Proof Of Income (POI) from DHS and will need to confirm if customer qualifies for CAP
 - If the customer is found to be eligible for CAP auto-enrollment, they would be notified that PECO is auto-enrolling them in CAP and/or that they may need to take further action, such as dropping a supplier or stopping budget bill
- **Customer Notification**
 - A process for customer notifications, including initial and follow up, would need to be developed
- **Administration of CAP Enrollment**
 - Process to evaluate, track and address items such as PPA set-aside timing, existing DPA's, and potential reversal of PIPP credits
- **Customer Rights and Protections**
 - Need to be defined and include Opt-out handling
- **Cost Estimates**
 - Direct cost for bill credits & forgiveness
 - Program implementation & ongoing administrative costs
 - Recovery

Follow-up Items

Direct CAP Costs: What is the breakdown of annual enrollment of CAP customers who are eligible for PPA set-aside?

- For 2024 – 2025, we enrolled/reenrolled an average of ~42k customers per year; approximately ~45% received PPA set-aside
- Based on the 45%, we would anticipate ~4,500 auto-enrollment customers eligible for PPA set-aside at ~\$1k
- Updated average arrearage set-aside (range) = \$4-5M; resulting in DIRECT CAP Costs of \$17-21M per year

Consideration of CAP w/ no Arrears Leaving to Shop & Returning with a Balance:

- Customer would be eligible for re-isolation of prior/unforgiven PPA set-aside and/or 2 year DPA if off CAP over 1 year

New PPA Eligibility as part of Auto-Enrollment Question:

- Program allows for one time set-aside of PPA as part of USECP and this would apply to auto-enrollment customers

Update on DHS Data Sharing:

- Approx. 725 CAP accounts were successfully auto-recertified; targeting an additional ~3k accounts, and that number continues to grow
- CAP back-office process will check for DHS data sharing incomes before sending follow-up letters for incomplete applications
- Informed Consent Form / USECP filing

Informed Consent Form (DRAFT)

PECO An Exelon Company	Date (Month, Day, Year)
Bar Code	Account Number: #####
Customer Name Mailing Address City, State Zip Code	Service Address: Street City, State Zip Code

Customer Assistance Program (CAP) Eligibility

Dear Customer Name,

You recently received a LIHEAP grant. ***Did you know that*** customers who qualify for LIHEAP may also be eligible for PECO's Customer Assistance Program (CAP)?

CAP customers pay a percentage of their total gross income as their monthly PECO bill and may also be eligible for forgiveness of their past-due balances when they enroll for the ***first time*** in CAP.

How to Apply for CAP:

- 1) If you agreed to share your information with PECO ***on your LIHEAP application***, please sign and return the enclosed "CAP Consent Form", or
- 2) If you did not agree to share your information with PECO ***on your LIHEAP application***, please complete and return the enclosed CAP application along with proof of gross household income for all adults, or
- 3) If you are not sure if you agreed to share your information with PECO ***on your LIHEAP application***, please complete and return the enclosed CAP application along with proof of gross household income for all adults.

As a CAP Customer You Must:

- Pay your CAP bills in full and on time
- Verify your total gross household income every two years, or when requested
- No-income customers must verify their income every six months and specify how they are paying their bills by submitting a No-Income Form
- Take part in the Low-Income Usage Reduction Program (LIURP) if your household is identified as a high energy user
- Report any changes to your household income
- Not have an alternative energy supplier and not be enrolled in the Budget Billing Plan

You must continue to pay your bills on time. If you do not pay your bill, your service may be shut off. To pay your balance by credit/debit card or e-check, please call 877-432-9384 or visit peco.com/payment. You may be charged a convenience fee by the payment vendor for each payment you make.

At PECO, we are committed to helping every customer meet their energy needs. If you have questions about CAP, please visit peco.com/CAP or call 800-774-7040.

Sincerely,
PECO

Bar Code	Account Number: #####
Customer Name Mailing Address City, State Zip Code	Service Address: Street City, State Zip Code

CAP Consent Form – DHS Data Sharing

Dear Customer Name,

As part of the completion of your LIHEAP application, you may have given the Department of Human Services (DHS) permission to share your income information with PECO for the purpose of enrolling you in our Customer Assistance Program (CAP).

The CAP program provides a fixed monthly bill based on a percentage of household gross income for eligible PECO residential customers. Eligibility for CAP is based on your total gross household income (before taxes) for all adults.

If you provided such permission, you may simply sign and return this consent form in order to apply for CAP. You can submit the form either by email (PECOCAP@exeloncorp.com), fax (855-358-9369), or USPS mail using the enclosed return envelope.

There is no need for you to fill out and return a separate CAP application.

As a CAP customer you must:

- Pay your CAP bills in full and on time
- Verify your total gross household income every two years, or when requested
- No-income customers must verify their income every six months and specify how they are paying their bills by submitting a No-Income Form
- Take part in the Low-Income Usage Reduction Program (LIURP) if your household is identified as a high energy user
- Report any changes to your household income
- Not have an alternative energy supplier and not be enrolled in the Budget Billing Plan

If you have questions about CAP, please visit peco.com/CAP or call 800-774-7040.

Sincerely,
PECO

Consent for Enrollment in CAP

By signing below, I give my consent for PECO to enroll me in the Customer Assistance Program (CAP). I also agree to meet all requirements to remain on CAP.

Customer Name: _____

Customer Signature: _____

Date: _____

Q&A Example Questions

- How PECO can leverage data from DHS Data Sharing?
- Ways to simplify and streamline processes?
- Optimization opportunities?

Appendix

CAP Application Process

Current

- Customers can apply for CAP via USPS, Fax, Email, and online via the PECO website
- Customer must be an existing residential customer with a verified, total household gross income at or below 150% of the Federal Poverty Level (FPL) and income must be confirmed through PECO's Proof of Income (POI) verification process *-or- through utilization of DHS Data Sharing*
- Program qualification requirements:
 - Complete a CAP application and provide documented proof of income
 - For those customers who have selected DHS data sharing on their LIHEAP application and have directed LIHEAP funds to their PECO bill, PECO will obtain the verified income information from DHS
 - Receive default generation service from PECO
 - Customer must not be on budget bill
 - Agree to recertification at applicable intervals
 - Participate in energy efficiency and conservation programs offered by PECO (i.e. LIURP) if identified as high-usage
 - Identify only one premise to apply CAP benefits

2026 Enhancements

- *Filed amended USECP plan in compliance with January PUC Order*

Current CAP Enrollment Process

- Once a customer is found to be eligible for CAP, they will be notified via USPS that their application has been accepted or if further action is needed by the customer, such as dropping a supplier or removal from budget bill.
- Once all actions are completed the customer will begin to receive PIPP credits on their next bill
- First time CAP customers are eligible for Pre-Program Arrearage (PPA) forgiveness for previously accrued balances
 - CAP customers are entitled to PPA forgiveness only at their initial enrollment in CAP.
 - The customer's total arrearage is set-aside and divided into 12 equal parts. Each month the CAP customer pays their bill in-full and on-time, one-twelfth of their PPA is forgiven.
 - PECO allows for CAP customers who may have missed PPA forgiveness due to late or missed payments to “catch-up” on missed forgiveness. When a customer brings their bill current, PECO will forgive any missed forgiveness the customer did not receive during that time.
- Re-enrolled CAP customers who have been off of the program for over 12 months will receive PPA setaside for any remaining unforgiven balance from prior enrollment, and then receive a 24-month payment arrangement for any remaining balance
- Re-instated CAP customers who have been off of the program for less than 12 months will receive retroactive PIPP credits and PPA forgiveness for the months they were off the program where eligible, and then receive PPA setaside for any remaining unforgiven balance from prior enrollment

Proposed Considerations/Requirements for Auto-Enrollment

- DHS data sharing check box on the LIHEAP application would have to be checked and their LIHEAP grant directed to PECO
 - PECO would obtain customer Proof Of Income (POI) from DHS and will need to confirm if customer qualifies for PECO CAP
- If the customer is found to be eligible for CAP auto-enrollment, they would be notified that PECO is auto-enrolling them in CAP and/or that they may need to take further action, such as dropping a supplier or stopping budget bill
- A process for customer notifications, including initial and follow up, would need to be developed and *potentially* include:
 - Explanation of the auto-enrollment process, a detailed explanation of the PIPP program and program recertification requirements
 - Customer rights on how to Opt-out of CAP Auto-enrollment, including timing and bill impacts
 - CAP credit and/or consumption limits (if applicable) and their effect on CAP bills
 - Restrictions that come with CAP participation, including a prohibition on supplier shopping/budget billing
 - The amount of the customer's PPA debt eligible for forgiveness, if applicable, and how PPA forgiveness is earned
 - How the customer can contact the public utility (e.g., by phone, email, etc.) if they have additional questions
 - *Potential option to forego one-time PPA set-aside and maintain that for a future date (note: complex IT change)*
- A processes to administer CAP auto-enrollment would need to be developed and *potentially* include:
 - Identify non-CAP LIHEAP recipients to start the auto-enrollment process
 - Administrative process to evaluate and process accounts
 - Track enrollment process and customer contacts (e.g. follow-ups or opt-out)
 - Next steps if customer selects opt-out, including the *potential* reversal of PIPP credits & forgiveness earned, *treatment of PPA setaside and/or DPA, and maintaining one-time PPA eligibility if applicable*

peco Track program metrics for reporting

Customer Protections & Rights Considerations for Auto-Enrollment

- Customer rights and protections would need to be defined and include, as appropriate, associated Administrative and/or IT costs:
 - Which LIHEAP grant types (Cash/Crisis/Supplemental) are eligible for auto-enrollment?
note: Auto-enrollment after receiving Cash *would* impact customer eligibility for Crisis due to the balance going into PPA/DPA
 - Is there an arrearage threshold for auto-enrollment?
 - How long does the customer have to Opt-out of CAP *and/or defer PPA set-aside*? (i.e. they didn't want to be auto-enrolled)
 - How/who will be responsible for dropping the energy supplier/budget billing before auto-enrollment can process?
 - What are the protections for early cancellation of a supplier agreement for customers who committed to a contract prior to June 2025?
 - What would be the impact to their eligibility for hardship grants (e.g. MEAF)?
 - Policy on reenrollment of prior auto-enrolled customers?
 - Other existing Consumer/PUC rights?
- Protections and rules after a customer opts-out:
 - Are they subject to collections?
 - Are they given a payment agreement?
 - *Need to maintain one-time PPA eligibility if they were a first time CAP customer as part of auto-enroll?*

Auto-Enrollment Cost Estimates (INITIAL ESTIMATES ONLY – SUBJECT TO CHANGE)

Direct CAP Costs: Approximately \$17-21M per year

- Estimated value based on ~10k non-CAP LIHEAP recipients
- Average annual electric bill credits of ~\$1.2k per customer
- Average arrearage forgiveness of ~\$1k per customer for approx. ~45% of new customers
- ~\$2M of gas bill credits included for dual service customers, contingent on customer service type
- Additional enrollments of future non-CAP LIHEAP recipients would further increase Direct Cap Costs

IT Costs: ~\$2M initial set up with ~\$0.5M+ ongoing support

- Identify and track customers eligible for auto-enrollment vs. ineligible reasons
- Enable Opt-out, *potentially to include* mechanism to reverse PIPP credits, PPA set-aside, and/or PPA earned forgiveness
- Mechanism to track/differentiate if a customer was auto-enrolled and/or opt-out
- Track stages of the auto-enrollment process
- Develop, deploy and track new/updated correspondence
- Updates to PECO.com website
- Enable reporting statistics
- Other IT costs associated with process

Administrative Costs: ~\$0.5M+ per year

- Additional back-office support for enrollment processing, exception handling, follow-ups, *opt-outs*, overall account issue support, tracking and reporting metrics, etc...
- Creation of new/updated correspondence; ongoing printing/postage costs
- Other administrative costs associated with process

• Cost Recovery

- Process needed to recover above incremental costs