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February 15, 2024

Rosemary Chiavetta, Esq., Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

**Re: Initiative to Review and Revise the Existing Low-Income Usage Reduction
Program (LIURP) Regulations at 52 Pa. Code §§ 58.1 – 58.18
Docket No. L-2016-2557886**

Dear Secretary Chiavetta:

Enclosed please find the reply comments of the Energy Association of Pennsylvania to the Notice of Proposed Rulemaking Order entered on May 18, 2023 at the above-captioned docket.

Please contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicole W. Luciano'. The signature is written in a cursive, flowing style.

Nicole W. Luciano
Director of Policy

Enclosure

CC (via email): Regina Carter, Bureau of Consumer Services
Joseph Magee, Bureau of Consumer Services
Louise Fink Smith, Esq., Law Bureau
Erin Tate, Esq., Law Bureau
Karen Thorne, Law Bureau

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Initiative to Review and Revise the Existing :
Low-Income Usage Reduction Program (LIURP) : Docket No. L-2016-2557886
Regulations at 52 Pa. Code §§ 58.1 – 58.18 :

**REPLY COMMENTS OF THE ENERGY ASSOCIATION OF PENNSYLVANIA
TO MAY 2023 NOTICE OF PROPOSED RULEMAKING ORDER**

I. INTRODUCTION

The Energy Association of Pennsylvania (“EAP” or “Association”) submits the following Reply Comments on behalf of its electric distribution company (“EDC”) and natural gas distribution company (“NGDC”) members¹ to the various parties commenting upon the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Notice of Proposed Rulemaking Order dated May 18, 2023 regarding its initiative to review and revise the existing Low-Income Usage Reduction Program (“LIURP”) regulations. Initial responses were due to the Commission 45 days following publication in the *Pennsylvania Bulletin*, i.e., January 16, 2024, with reply comments permitted 30 days thereafter. EAP incorporates its original Comments filed on January 16, by reference.

¹ Electric Utility Members: Citizens’ Electric Company; Duquesne Light Company; FirstEnergy Pennsylvania Electric Company; PECO Energy Company; Pike County Light & Power Company; PPL Electric Utilities; UGI Utilities, Inc.-Electric Division; and Wellsboro Electric Company. Gas Utility Members: Columbia Gas of Pennsylvania, Inc.; Leatherstocking Gas Company; National Fuel Gas Distribution Corp.; PECO Energy Company; Peoples Natural Gas Company LLC; Philadelphia Gas Works; UGI Utilities Inc – Gas Division.; and, Valley Energy Inc.

The Energy Association of Pennsylvania submits these reply comments to address some positions and suggestions raised by certain stakeholders in filed comments. Individual EAP members may also express their views on these issues in separate company filings. EAP will not address all suggestions made by all commenters; to the extent EAP is silent on any suggestion it does not connote support for that suggestion.

II. COMMENTS

A. The Role of Utilities and Scope of LIURP

Under the regulatory compact, the role of the regulated utility is to provide adequate, efficient, safe and reasonable service² pursuant to laws and regulations established by the General Assembly and the Commission. Under this regulatory relationship wherein the Commission approves retail rates, investor-owned utilities are granted a monopoly franchise for service and the right to earn a profit (rate of return) on fixed assets. The Commission, via the authority set forth in the Competition Acts³ among others, requires utilities to offer a variety of universal service programs, including LIURP. Universal service programs generally target families earning at or less than 150 percent of the Federal Poverty Income Guideline (“FPIG”) in order to help them afford essential utility service. LIURP constitutes one component of a comprehensive strategy by utilities to assist low-income customers meet payment obligations while at the same time easing the costs of collection activities, uncollectable expenses, and write-offs that would otherwise be paid by the remainder of the residential rate base.

Ratepayer dollars are directed to universal service programs with the expectation that lower bills for low-income households will lead to fewer delinquencies which in turn will inure to the

² 66 Pa.C.S. § 1501.

³ Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, The Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212, collectively known as the “Competition Acts”.

benefit of all residential ratepayers. Thus, to the extent that the commenters' remarks suggest that LIURP can be improved by budget or broad programmatic expansion, EAP would disagree. LIURP is, and should remain, a *targeted* program provided by utilities to "assist low-income customers conserve energy and reduce residential energy bills."⁴ LIURP, and other utility universal service programs, is not intended to be a "catch-all" solution for all Pennsylvanians who might struggle to pay their bills or for remediation of housing stock deficiencies in the Commonwealth. The social agency of last resort is – and should remain – a function of government or private entities whose mission is dedicated to such causes, not regulated utilities. EAP would gladly work alongside other stakeholders to encourage the General Assembly to make low-income energy assistance a priority in Pennsylvania.⁵

Many of the commenters' suggestions can be broadly categorized into increasing the size and scope of utility LIURPs, alleging a vast need across the Commonwealth. While calculations of true need can be debated, EAP does not believe broad expansion is in ratepayer interests. Widening eligibility and/or increasing budgets without balance as to administrative burden and costs will only serve to overburden these programs. Many utilities already struggle to find contractors available to do LIURP jobs, given that many energy service providers ("ESPs") are simultaneously completing work from the other weatherization programs / funding streams available across the state, including new federally-funded Inflation Reduction Act programs that have a weatherization focus. With this in mind, EAP offers the following in response to the suggestions proffered by other commenters, broken down by proposed regulatory section:

⁴ 52 Pa Code § 58.1

⁵ For example, EAP has and continues to advocate before the Department of Human Services with regard for a dedicated state funding stream to match the federal Low Income Home Energy Assistance Program ("LIHEAP") grant.

B. Section 58.2 Definitions

Many of the proposed expansions to the definitions are beyond the scope of this proceeding and would curtail utilities' managerial discretion for executing LIURP in their service territories. EAP opposes the suggestion made by the Office of Consumer Advocate ("OCA") that the Commission require "the development of an evidentiary basis for the development of LIURP budgets and programmatic terms." OCA at 5-6. While there may be both advantages and disadvantages to this type of paradigm, such a requirement would be a wholesale change in the manner in which LIURPs specifically, but Universal Service and Energy Conservation Plan ("USECP") programs generally, are approved and implemented. Similarly, OCA's suggestion that the definition of low-income customer be changed to those with incomes at or below 200% of FPIG would have detrimental impacts to the current ability for customers to be cross eligible for other programs, such as utility Customer Assistance Programs ("CAPs") or the federal LIHEAP program. Furthermore, some utilities do not currently have information on customers whose incomes are above the current threshold for eligibility (150% or below FPIG), so this could create additional programmatic changes and costs as well. Doing so would also increase the number of LIURP-eligible recipients by over 900,000 in Pennsylvania, which will commensurately increase program costs. For comparison, the latest PUC Universal Service Report⁶ indicates that there are just over 2,000,000 estimated low-income customers across the major EDCs and NGDCs in the Commonwealth. Such an expansion as contemplated by OCA would overwhelm LIURPs.

OCA also proposes expanding LIURP to special needs customers with household incomes at or below 300% FPIG. There are nearly 2,000,000 individuals between 200% and 300% FPIG

⁶ PA PUC Universal Service Programs & Collections Performance, 2022 Report, "Estimated Low-Income Electric Customers – 2022" and "Estimated Low-Income Natural Gas Customers – 2022," p. 9.

in Pennsylvania.⁷ According to ACS Census Table S1810, 14.6% of residents have a disability.⁸ Therefore, approximately 300,000 additional recipients could be included for LIURP benefits under OCA’s proposal. “Special needs” should not be treated as a category of eligibility separate and apart from the income qualification. LIURP by definition is a program targeted at low-income customers.

CAUSE-PA asks for the definition of ESPs to be limited to “community based” organizations (“CBOs”). CAUSE-PA at 21-22. First, there are not enough or not large enough CBOs to handle the existing workload; this would be compounded if made a requirement, particularly in conjunction with the CAUSE-PA’s programmatic expansion suggestions. LIURPs would not meet their job or budget goals if they were limited to using only CBOs. Second, the decision about which contractors to use for ratepayer-funded programs should remain with the utility. Related suggestions contained in comments to the NOPR regarding RFP review and selection would similarly unduly curtail utility managerial discretion.⁹

CAUSE-PA would like to see the definition of utility expanded by removing the current customer count threshold required. CAUSE-PA at 26-28. EAP opposes such expansion, particularly without an attendant cost-benefit analysis as to the financial burden such a requirement would put on small utility ratepayers.

⁷ <https://data.census.gov/table/ACSST1Y2022.S1701?q=Pennsylvania%20S1701>

⁸ <https://data.census.gov/table?q=Pennsylvania%20disabled>

⁹ PA-CLEEC makes a recommendation in its comments that the RFP for the provider selection process include “confidential feedback from the utility to an unsuccessful bidder, up front clarity on how bids would be evaluated, and dispute resolution when RFPs include criteria that would unnecessarily limit who could be an eligible bidder.” (PA-CLEEC, p.4) and wants the USECP or other budget proceeding to include a draft RFP for Commission approval (p.10-11). To preserve the competitive market for weatherization projects, RFP results must be protected from public disclosure. EAP opposes these suggestions as they wade into managerial discretion. Recommendations that the LIURP regulations prescribe the scope and types of agencies that should perform LIURP work appear to be coming from organizations that serve as LIURP contractors who would financially benefit from the adoption of these recommendations.

CAUSE-PA and OCA propose removing the usage threshold for LIURP. CAUSE-PA at 22 and OCA at 6. Doing so removes the existing clarity and predictability for determining eligibility. Such a change would also foster a subjective approach that permits extending LIURP to non-high use customers. Moreover, removing the usage threshold would materially increase the potential number LIURP jobs and corresponding costs by establishing a wholly new class of LIURP eligible customers. This would raise immediate questions with regard to the capacity of available weatherization resources to successfully administer such a significant program increase.

OCA suggests that the definition of “health and safety measure” be expanded to “any measure that would be necessary to maintain and protect the physical well-being and comfort of a dwelling, including pest remediation.” OCA at 19. EAP agrees with this suggestion, so long as such measure is explicitly tied to another, necessary weatherization measure. EAP would not want to see LIURP monies be used solely for “health and safety” measures separate and apart from utility weatherization work.

OCA proposes a definition for “full weatherization” regarding the installation of energy reduction measures, excluding repair or replacement of heating systems, which results in a 15% minimum savings. OCA at 17-18. A 15% post-measure savings target may not be workable for all utilities. There are many factors that could influence the actual post-measure savings including, but not limited to, an increase in household members. A utility also cannot control post-measure usage at the property. Additionally, there could be significant changes to the dwelling that would impact the results of prior measures.

OCA further proposes that “full weatherization” should be available every seven years. EAP notes, by example, that Columbia’s USECP states, “If at any time, a customer’s usage is still over the minimum usage requirements after weatherization in the last seven years, it can be

reviewed by the Company's Quality Assurance Coordinator and/or the installation contractor to receive further treatment." OCA's proposal would go further by requiring all previously weatherized homes to requalify for costly "full weatherization" measures every seven years regardless of usage need. EAP does not believe it is plausible to re-weatherize homes every seven years. Such an effort will result in significant programmatic cost increases and a decreasing cost/benefit ratio.

C. Section 58.4 LIURP Budgets

Several commenters opposed the Commission's removal of the word "reasonable" from the utility's timeline to serve all identified eligible customers in proposed Section 58.4 (c) (8). EAP also opposed this revision, but for different reasons. EAP interpreted "a proposed timeline" to mean, presumably, the "timeline" of the five years covered by an approved USECP. Even if a primary goal of energy utilities was to provide weatherization services, it would be unreasonable to require utilities to provide weatherization services to all eligible customers in such a short of a timeframe. Commenters (OCA, the PUC Consumer Advisory Council aka PUC CAC, Energy Justice Advocates, and CAUSE-PA) instead viewed the removal of the word "reasonable" as detrimental to the standard, believing that the word should be reinstated. OCA and CAUSE-PA recommended a 15-year benchmark, or at least, that the Commission establish "a policy for the length of time over which it would be reasonable to provide services to all households." OCA at 27. PA-CLEEC suggests a budgetary funding goal of weatherizing "at least" 10% of all eligible customers in a given year, arguing that higher budgets are necessary. PA-CLEEC at 7.

However, OCA goes on to say that "it may not be reasonable to mandate that utilities serve all homes that are eligible for, and in need of, LIURP services." OCA at 28. EAP would strongly agree with this point. EAP does not believe LIURP regulations should contemplate the ability of

a ratepayer-funded program to complete all potentially eligible customers or homes in the Commonwealth on any timeline. Such a standard is impractical for this limited program, ignores the availability and eligibility of customers for other state and federal weatherization programs, removes customer agency for participating in a voluntary program, and sets up a moving target that no program could reasonably accomplish. This proposal also ignores the fact that low-income customers frequently move, and may cycle in and out of LIURP needs, so households included in the needs assessment today may be different from those in the near future. In addition to benefiting the individual program participants, LIURP should be evaluated on a cost-benefit analysis to the remainder of the residential rate base that funds the program. The exponential costs of weatherizing *every* potentially eligible home in the Commonwealth would not prove cost-effective – and the financial impact of imposing a single “length of time” to serve all eligible customers would be dramatic for ratepayers in service territories with a high proportion of the customer base comprised of low-income customers.

EAP believes the Commission should continue to regulate LIURP in its context as one piece of a bigger weatherization network in Pennsylvania. In fact, given the limited scope (targeted at low-income / high-energy users, ratepayer-funded) it should be viewed as one of the *smaller* programs, not as the one with the deepest pockets as the various commenters have envisioned. CAUSE-PA suggests that LIURPs are “chronically underfunded” given the high number of “potentially” eligible customers. CAUSE-PA at 6. CAUSE-PA claims that utilities are “not sufficiently funding their LIURPs to comprehensively address identified weatherization needs in their specific service territories.” CAUSE-PA at 8. CAUSE-PA and other commenters take the point of view that it is the responsibility of utilities – and seemingly utilities only – to address

weatherization needs for low-income customers across the Commonwealth¹⁰; EAP disagrees. A goal that envisions a ratepayer-funded program servicing all potentially or even technically eligible customers in a service territory should not be the floor upon which budgets are set. The Competition Acts require utilities to offer a variety of universal service programs, including LIURP. The language of the Electric Competition Act, for example, directs the Commission to “ensure that universal service and energy conservation policies, activities, and services” remain “appropriately funded and available” in each EDC territory. While there is no statutory definition of “appropriate,” EAP believes its meaning to be a level at which, like utility ratemaking generally, a balance is achieved between the benefits of the program and the cost to ratepayers.

Relatedly, EAP does not find it to be appropriate to stop considering, as suggested by the PUC’s Consumer Advisory Council, the number of dwellings that have already received or are otherwise not in need of program services in the needs assessment. PUC CAC at 3. Nor does EAP find it compelling to add an “Act 129”-like statewide evaluator for LIURP as suggested by CAUSE-PA. CAUSE-PA at 45. The needs assessment should be an accurate picture of the true necessity for these services in a specific service territory; those homes already weatherized (either by a utility or government program) are by definition not in need of additional ratepayer-funded weatherization. Given varying needs of utility service territories based on type of heat used, housing stock, and customer demographics, it remains appropriate for LIURP to have a more targeted needs and budgetary calculation as is presently done. Many utilities currently experience difficulty finding willing customer participants and available contractors to do their existing

¹⁰ CAUSE-PA and the Energy Justice Advocates are concerned that adopting a 25% spend ceiling on special needs customers will erode LIURP benefits for low-income customers. CAUSE-PA at 41-42; EJA at 3-4. EAP notes that with vast federal funding becoming available through the Inflation Reduction Act and other state programs, it is premature to expand utility-run LIURPs. Such expansion may be duplicative of other Pennsylvania weatherization programs that receive these funds and other income-based targeting for incentives.

planned / budgeted LIURP jobs. Requiring utilities to collect additional monies from ratepayers for program expansion based on casting an artificially wider “needs” net that cannot be completed would be wasteful and compound the issue of underspent/rollover budgets.

With respect to the proposal to allow for reallocation of unspent LIURP funds to the following program year, EAP agrees with the other commenters that the Commission should clarify that this is meant to be additive, not substitutive, to funds for the following program year. However, EAP reiterates its concerns from its initial comments regarding the potential compounding effect of continued, additive rollover budgets. EAP asks the Commission to consider a percent threshold or other limit where the monies would not need to be reallocated to future LIURP program years, but instead could be redirected to other USECP offerings or returned to ratepayers. EAP suggests a cap of no more than 20% as related to permitted rollover amounts.

D. Section 58.5 Administrative costs

CAUSE-PA recommends that the PUC “ensure” any LIURP administrative funds expended to support contractor training are coordinated with WAP provider training. CAUSE-PA at 16. EAP believes such a broad requirement for all training funds would be an unreasonable limit. Coordination should be encouraged, not forced via regulation. Training is developed to strengthen knowledge and skills specific to individual company programs to ensure successful program implementation. Although WAP and utility-run LIURPs are very similar programs with similar services, training needs are not the same for all programs.

CAUSE-PA suggests that the proposed 15% administrative cost cap apply to all administrative costs, including administration of pilot programs. CAUSE-PA at 49. EAP disagrees with this suggestion, as such a hard limit on pilot program administrative costs could be disincentivizing. Pilot programs are by nature experimental and total administrative costs or ratios

may not be fully understood at the time a pilot is proposed. Flexibility with regard to pilot programs should be maintained to encourage innovation.

CAUSE-PA further suggests that cost categories should be disaggregated in any utility reporting. CAUSE-PA at 50-51. This data would be difficult to disaggregate without much in the way of benefit, as administrative money is typically bucketed altogether. Separating these monies may create a distinction without a difference. This fungibility of money on a LIURP job also applies to various categories contemplated by the Commission inclusive of “material and labor costs of measures installed ... inter-utility trainings, coordinated trainings and outreach, health and safety, incidental repairs, energy conservation education and cost to serve special needs customers.”¹¹ For example, the cost to complete a job may be able to be broken down by materials vs labor or by special needs customer, but an hourly labor rate would not necessarily be able to be broken down further than that and any requirement to do so would add to administrative costs. Further, without clear direction on how to break down specific work into these various subcategories, there may be arbitrary labeling making the collection and review of such data confusing.

E. Section 58.6 Consultation

EAP does not agree that utilities should be required in regulation to consult with the USACs. PUC CAC at 6. Energy Justice Advocates at 5. CAUSE-PA at 79. Individual utility USAC meetings are typically proscribed by individual USECPs regarding timing and frequency, particularly as relative to the related filing and evaluation schedule. A stringent regulation here could be redundant and, if left too broad, would create uncertainty with regard to whether the meetings already planned via USECPs would meet this requirement or if additional

¹¹ NOPR Annex at 22.

meetings/consultations are implied. EAP believes the better place to address USAC consultation would be in the individual USECPs. The PUC's proposed regulation in the NOPR order appropriately accounts for existing practice and the importance of consultation in the development of LIURP designs or pilot programs.

F. Section 58.8 Tenant household eligibility

EAP reiterates its support for the ability of utilities to determine whether or not to impose additional requirements on landlords for tenant participation. Several commenters were opposed to this change, arguing that such elimination of a requirement removes “an important protection for the tenant” and, while intended to be expansive, could have a “chilling effect” on tenant willingness to participate in LIURP. OCA at 37.¹² TURN goes further by way of its suggestion to assume consent and allow for landlord opt-out in the event they would not want their eligible tenant to participate.

EAP does not believe that the previous requirement for landlord participation regarding prohibition of rent increases or evictions was particularly enforceable. A landlord could easily argue that any rent increase or eviction was the cause of other factors; forcing landlords to make these kinds of extralegal promises was precluding more tenant participation than it was jeopardizing. Furthermore, utilities are not in the position to serve as proxy landlords or tenant rights' advocates and should not be put between customers and their landlords. Utilities have no obligation to ensure housing rights or certain rental rates to tenants.

TURN's “opt-out” suggestion is equally problematic as this would imply utilities and contractors could remove property (e.g., an appliance swap) or make permanent work to a building

¹² TURN at 7; CAUSE-PA at 71.

without the express consent of the landlord/owner. This would create a much bigger legal issue for utilities and LIURP contractors than is necessary.

OCA would also like to see multi-family housing provisions added to these LIURP regulations. OCA recommends the Commission adopt a usage threshold based on square footage rather than just strict usage. OCA at 39. This would be extremely difficult to implement, as the utility does not have a customer's house or apartment measurements. To the extent these are taken at all, that is done at the time the measures are being performed in the house after an eligibility determination is already made. Additional IT programming and customer household segmenting would be required to accomplish this and may negatively impact customers who qualify under the current paradigm. EAP believes multifamily weatherization is best left to other programs – such as EDC Act 129 offerings or the upcoming federal Home Owner Managing Energy Savings (“HOMES”) program – and PUC regulations should not further expand LIURP to compete in this space.

OCA's previous comments to this docket indicated they believed that multi-family housing efforts are best undertaken through EDCs' Act 129 programs and through voluntary natural gas programs. *See* OCA Comments to 2016 Secretarial Letter.¹³ OCA further claimed that LIURP funds should not be used to provide services when the tenant is not the public utility's direct customer. EAP agrees. Multifamily housing issues have been discussed previously in this proceeding. The Commission has duly reviewed the comments¹⁴ on this topic and elected not to put forth a multifamily LIURP regulatory proposal at this time. EAP supports this decision.

¹³ Filed at L-2016-2557886, dated January 30, 2017, p. 30.

¹⁴ “We note that any issue raised in response to the 2016 Secretarial Letter that we may not have specifically delineated herein has been considered even though we have not incorporated it in the proposed Annex.” NOPR Order at 11.

G. Section 58.9 LIURP outreach

OCA recommends that outreach – via both written and oral communication – be held to a “substantial number” threshold, rather than the current 5% threshold. OCA at 41-42. Furthermore, OCA argues that such a threshold should apply to a “geographically clustered” group of customers, rather than the service territory as a whole, and should apply to ESPs as well. It is not clear how utilities would know this type of information in order to comply with such a requirement and the potential cost of collection and data storage / updates would likely outweigh the benefit of changing from the current standard. Utilities would likewise face difficulty in finding ESPs capable of meeting this proposed requirement.

H. Section 58.10 Prioritization of program services

Commenters made various suggestions that would expand the number of prioritization criteria. The PUC CAC recommended that households that have experienced a recent termination be prioritized, as well as those households receiving services via Act 129, WAP, Whole Homes Repair or Inflation Reduction Act programs. PUC CAC at 3. CAUSE-PA recommended striking existing language that requires utilities to consider the number of consecutive service months at the dwelling. CAUSE-PA at 67. CAUSE-PA also recommends prioritization on high usage relative to energy used per square foot. CAUSE-PA at 66-67.

As raised in its initial comments, EAP does not believe a compounding, complicated list of prioritizations is useful or particularly prudent given the current difficulties some utilities experience in getting LIURP jobs scheduled and completed. Further expanding a prioritization matrix will exacerbate these issues. In particular, utilities do not have sight into all of the program benefits a potential LIURP recipient may be receiving in order to prioritize recipients of other weatherization or assistance programs. Any additional prioritization criteria not already readily

available to utilities should be evaluated on a cost-effective basis and customer/ratepayer benefit. To the extent utility prioritizations may already differ from one another, further prioritization criteria should be considered in a USECP and not addressed broadly in this rulemaking.

OCA argues that, although LIURP should be recommended and encouraged for customers receiving CAP, accepting LIURP should not be required for participation in CAP. OCA at 44-45. EAP disagrees with this argument. Some utilities have found success in attracting customers to LIURP by linking it to CAP eligibility, which is important at a time when other utilities have struggled to use their full LIURP budgets exclusively via voluntary enrollment. Prohibiting utilities from electing to utilize this eligibility requirement would impede their ability to reach their LIURP goals and provide weatherization to as many customers as possible. Furthermore, utilities with this requirement provide exceptions to customers who need to refuse services due to personal issues or issues with their home. They also offer significant flexibility on the timeline that a customer receive services, and a series of warnings and communications before removing customers from CAP. It is understood that customers have a wide range of reasons to object to weatherization that may not fall strictly within the formal exemption categories, as stated by OCA, and utilities have responded reasonably to these customer requests. EAP does not believe the option to make LIURP participation a CAP requirement places an undue burden on low-income customers.

I. Section 58.12 Incidental repairs and health and safety measures

The PUC CAC requested the Commission establish a standardized health and safety allowance across the state. EAP does not believe this is necessary, or even in the best interests of customers. As addressed previously, the individual utility LIURPs are designed and budgeted to meet the specific needs of their service territories. Even within a single service territory, there may be wide differences in the cost of labor and materials. Setting a singular limit or budgetary goal

could end up disadvantaging some households. EAP opposes any “one size fits all” codification into these LIURP regulations.

Several commenters requested that the Commission require utilities to maintain referral lists to available “home repair, social and housing service providers and/or other relevant programs” in cases where customers are deferred for health, safety, or structural issues. PUC-CAC at 5. Energy Justice Advocates at 8. TURN at 9. EAP disagrees that this should be the responsibility of utilities, or that this suggestion is even practical. First, any compiled referral list could become ineffectual given that a USECP is good for five years. At the time a list is put together such programs or contractors could be in business / in good standing and several years later they could be defunct. Further, this suggestion puts utilities in the position of vetting and conveying confidence in particular “home repair and housing service providers” in their territories. This is not the function of a utility and the inclusion of such providers in a utility USECP is inappropriate.

CAUSE-PA suggests that before a home is deferred due to exceeding the job budget a utility should be required to assess whether it could perform the work in conjunction with another program. CAUSE-PA at 54. EAP does not see how this could be practically implemented. Other weatherization programs operating in the state do not share their deferral lists with utilities to coordinate, likely because of the administrative burden of collecting this kind of information and doing time-consuming outreach to the various programs. While a utility or its contractor is paused exploring potential coordination, other jobs and customers are not receiving direct assistance.

J. Section 53.13a LIURP pilot programs

CAUSE-PA opposes the Commission’s proposed language in this section that would “require proposed pilot programs to be subject to approval only in a USECP proceeding.”

CAUSE-PA at 47. EAP agrees that this restriction would create barriers to developing shorter

term pilot programs or innovatively addressing service needs outside the five-year regulatory USECP cycle. EAP supports pilot program filing at the existing (and/or newly proposed) USECP docket and the attendant Commission review and approval; however, pilot programs should be available for proposal and approval at any point in the plan cycle.

K. Section 58.14 Program measure installation

OCA proposes an “integrated, whole-house approach” that includes water and wastewater assistance programs. OCA at 53. EAP notes that its member utilities strive to coordinate where possible and practical to improve service to the customer and limit disruptions to the household. However, any further prioritization or application of LIURP with water/wastewater conservation programs does not immediately benefit energy utility ratepayers. EDC and NGDC ratepayers fund LIURP with an expected benefit and there are no express attendant benefits for natural gas customers, for example, in reductions to water or wastewater use. LIURP’s focus and priority should remain with reducing energy usage to the benefit of the recipient customer as well as to the ratepayers who fund this program.

L. Section 58.15 LIURP reporting and evaluation

Several commenters asked for expansion of the existing LIURP reporting regulations. OCA would like to see zip code level reporting. OCA at 54. CAUSE-PA wants to add a slew of additional reporting on “the costs of termination, the collection costs, and incurred uncollectible expenses for the following segments of customers: (1) high usage customers; (2) high usage confirmed low-income customers; (3) high usage customers enrolled in CAPs; and (4) customers who receive LIURP services.” CAUSE-PA at 75. CAUSE-PA would also like to see additional reporting on disqualified LIURP households and the reason(s) for disqualification. *Id.*

EAP believes these requests, on the whole, are excessive. CAUSE-PA is looking for data not on LIURP recipients (a trackable, knowable category) but rather on “high usage” customers as a whole. Utilities do not necessarily have or track this information or segment it as suggested. As raised *supra*, creating additional administrative tasks for utilities and contractors takes dollars and time away from energy-saving measures. Further, it is not clear how this information would be utilized to improve efficiencies or reach of the program. EAP believes efforts are better spent on reaching customers and getting program buy-in than requiring utilities to spend hours tracking and compiling reports to little effect. To the extent the Commission believes this level of specific data is necessary for program evaluation, that can be addressed in the LIURP evaluation cycle or USECP review process.

EAP asserts that LIURP “outcome” reporting, as suggested by OCA, is particularly problematic as LIURP itself cannot preclude an increase in energy usage or bill amounts. Utilities and LIURP measures themselves are not directly responsible for customer usage post-installation and any such “outcome” reporting would be a misrepresentation of the value of LIURP.

The OCA also proposes utility adoption of a mechanism to track the extent to which LIURP reduces arrearages and/or bad debt on carrying costs, which OCA characterizes as “expenses that a utility has to incur for managing and holding accounts receivable that go unpaid for a period of time.” OCA at 62. There is no specific correlation between weatherizing homes and reducing unpaid bills that accumulated prior to the installation of weatherization measures. Regarding the impact that LIURP has on bill payments post weatherization, there are many factors that could influence a customer’s ability to pay their bill in addition to LIURP-related energy reduction measures. Implementing such a tracker will be costly in terms of time and dollars and would likely not be a reliable measure for controlling costs.

M. Other Issues

1. Expansion of LIURP to address cooling needs

Pennsylvania remains a primarily cold-weather state, and EAP does not believe LIURP should explicitly address warm weather or cooling needs at this time. If the Commission wishes to proceed, EAP would caution against making it a primary purpose of LIURP. Addressing customer heating needs (e.g. window repair or replacement, energy conservation education, etc.) also provides benefit to customers in the summer by way of reducing their energy needs year-round. Natural gas utilities would also face unique challenges in addressing cooling needs as gas is not typically a cooling energy. Today, utility-run LIURPs evaluate homes as a whole, encompassing overall energy usage which inherently includes some cooling aspects.

2. LIURP and accounts with high arrearages

EAP and other commenters pointed out that LIURP itself is not a collection tool.¹⁵ LIURP can only result in a decrease of collection costs / uncollectible expenses if it is paired with express bill assistance, such as CAP or a payment arrangement. Those tools, not LIURP, help customers to reduce arrearages and establish good payment habits going forward, which in turn helps the utility address its collection costs.

III. CONCLUSION

LIURP is an important utility-provided and ratepayer-funded program that all stakeholders have an interest in ensuring runs as efficiently and beneficially as possible. EAP believes the best way to achieve the improvements and streamlining of the program sought by the Commission and other stakeholders is to remain focused on the purpose and achievable goals

¹⁵ EAP rejects the suggestion made by TURN and CAUSE-PA that receipt of LIURP should allow a previously removed or defaulted CAP customer a “fresh start”. LIURP regulations should not impact CAP administration and any such design requirement across universal service programs should be addressed via the Commission’s broader Universal Service Review docket at L-2019-3012600.

of utility-funded weatherization measures. We urge the Commission not to place an undue burden on ratepayers by expanding utility weatherization programs beyond their scope in an attempt to address all deficiencies in the Commonwealth's housing stock or to solve all issues related to low-income customer payment issues and attendant utility costs. This is particularly important for EAP's small utility member companies whose ratepayers may not be able to afford the cost of a mandatory weatherization program. EAP believes there are many other available weatherization programs in the state that are better suited for the expansive suggestions made by the commenters. EAP respectfully requests that the Commission consider these comments as it evaluates revisions to the existing LIURP regulations.

Respectfully submitted,



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