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September 3, 2020

Via Electronic Filing

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P.O. Box 3265
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Re: Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period from June 1, 2021 through May 31, 2025 – Docket No. P-2020-3019356

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Inspire Energy Holdings, LLC's ("Inspire") Main Brief in the above captioned matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Deanne M. O'Dell".

Deanne M. O'Dell

DMO/lww

Enclosure

cc: Hon. Elizabeth Barnes w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Inspire Energy's Main Brief upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of a Default :
Service Program and Procurement Plan for : Docket No. P-2020-3019356
the Period June 1, 2021 Through May 31, :
2025 :

**MAIN BRIEF OF
INSPIRE ENERGY HOLDINGS, LLC**

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I. INTRODUCTION AND SUMMARY OF ARGUMENT

Inspire Energy Holdings, LLC (“Inspire”) supports continuation of the Customer Assistance Plan – Standard Offer Program (“CAP-SOP”) of PPL Electric Utilities Corporation (“PPL”) through PPL’s next default service plan period. PPL’s ratepayers have already invested much in implementing this program (to include defending legal challenges to it) and they deserve a full and fair opportunity to receive the benefits that no party denies result when low-income customers are able to receive service through CAP-SOP. The benefits of offering a CAP-SOP rate that is a 7% discount off of PPL’s Price to Compare (“PTC”) at the time of contract enrollment include: (1) enabling the participant in PPL’s customer assistance program (branded as “OnTrack”) to receive financial benefits for a longer period of time; and, (2) reducing the overall costs other ratepayers must pay to subsidize the reduced payment requirements of the OnTrack participants. Moreover, continuing CAP-SOP through the next default service plan period is reasonable because: (1) the CAP-SOP has only been fully operational for a relatively short time (a little over a year and a half) due to the need to resolve legal challenges and implementation issues; and, (2) the lack of compliance by PPL in providing notice to electric generation suppliers (“EGSs”) about the enrollment of their customers in OnTrack negatively skews PPL’s data about the true impact of shopping for OnTrack participants.

The current structure of the CAP-SOP was affirmed by the Commonwealth Court¹ and offers the only way low-income customers can receive financial assistance through OnTrack and avail themselves of competitive generation service from an EGS.² Ending the CAP-SOP and

¹ *Retail Energy Supply Ass'n v. Pa. PUC*, 185 A.3d 1206, 1210 (Pa. Commw. Ct. 2018) (“*PPL CAP-SOP Appeal Order*”).

² Pursuant to Commission Order, EGS customers who subsequently enroll in OnTrack cannot continue to receive EGS service and either at the end of the existing fixed contract or within 120 days for month-to-month contracts, the EGS customer must be returned to default service or receive generation supply

forcing customers to choose between receiving financial assistance and shopping for an EGS does not strike the appropriate balance between these two policy objectives of the Electricity Generation Customer Choice and Competition Act (“Competition Act”).³ Therefore, PPL’s proposal should be rejected and the CAP-SOP should be extended through the next default service plan period (with direction to PPL to comply with the required notice procedures) to be re-evaluated during PPL’s next default service proceeding.

II. PROCEDURAL HISTORY

On March 25, 2020, PPL filed its Petition for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2021 Through May 31, 2025 proposing to establish the terms and conditions under which it will procure default service supplies, provide default service to non-shopping customers, satisfy requirements imposed by the Alternative Energy Portfolio Standards Act and recover all associated costs on a full and current basis for the period from June 1, 2021 through May 31, 2025. The Commission issued a Publication Notice on April 10, 2020 which established a deadline of March 8, 2020 for the filing of Petitions to Intervene. Inspire filed a timely Petition to Intervene which was granted pursuant to Procedural Order dated May 15, 2020.

During the evidentiary hearing held on August 13, 2020 the following evidence was admitted into the record on behalf of Inspire:

Inspire St. No. 1 Direct Testimony of Aaron Jacobs-Smith
Exhibits Attached to Inspire St. No. 1:
Exhibit AJS-1 PPL Response to Inspire-I-2 (CAP-SOP Implementation Costs)
Exhibit AJS-2 PPL Response to Inspire-I-3 (CAP-SOP Ongoing Costs)

through the CAP-SOP. *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 Through May 31, 2021*, Docket No. P-2016-2526627, Final Order entered February 9, 2018 (“*PPL CAP-SOP Implementation Order*”).

³ 66 Pa. C.S. §§2801-2812.

Exhibit AJS-3 PPL Response to OCA-I-23 (Elimination of CAP-SOP As Cure For All Concerns)
Exhibit AJS-4 PPL Response to Inspire-I-6 (Pre-OnTrack Enrollment Arrearages)
Exhibit AJS-5 PPL Response to Inspire-I-4 (Costs Paid By OnTrack Participants)

Inspire St. No. 1-SR Surrebuttal Testimony of Aaron Jacobs-Smith
Exhibit Attached to Inspire St. No. 1-SR
Exhibit AJS-6 AJS-6: Inspire Response to OCA-V-5: Savings to CAP-SOP Participants since March 1, 2020

Also admitted into evidence during the August 13, 2020 hearing was a Joint Stipulation between Inspire and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”). Appendix A included with the Joint Stipulation contains various discovery responses provided by Inspire. Some of the discovery responses were marked confidential.

III. LEGAL STANDARDS AND BURDEN OF PROOF

The Electricity Generation Customer Choice and Competition Act (“Competition Act”) addresses the requirements that PPL, as the default service provider, must meet.⁴ The Competition Act does not require a specific rate design methodology for non-shopping customers in the post transition period. Instead, it requires that the default service provider acquire electric energy through a “prudent mix”⁵ of resources that must be designed: (i) to provide adequate and reliable service; (ii) to provide the least cost to customers over time; and,

⁴ See 66 Pa. C.S. § 2807(e).

⁵ 66 Pa. C.S. § 2807e)(3.2); “In interpreting the term ‘prudent mix,’ the PUC must exercise some balance and discretion under the circumstances of the case in order for the ‘mix’ in question to be ‘prudent’.” *Popowsky v. Pennsylvania Pub. Util. Comm’n*, 71 A.3d 1112, 1117 (Pa. Cmwlth. 2013)(Petition for Allowance of Appeal Denied December 31, 2013, Docket No. 641 MAL 2013).

(iii) to achieve these results through competitive processes which includes auctions, requests for proposals and/or bilateral agreements.⁶

The “overarching goal of the [Competition] Act is competition through deregulation of the energy supply industry, leading to reduced electricity costs for consumers.”⁷ To achieve this, the Competition Act requires the Commission to “allow customers to choose among electric generation suppliers in a competitive generation market through direct access.”⁸ The Competition Act recognizes that greater competition in the electricity generation market benefits all classes of customers, including those of low income.⁹

In addition, the Competition Act requires the Commission to ensure that universal service plans are appropriately funded, available, and cost-effective.¹⁰ In furtherance of this policy, EDCs (like PPL) file with the Commission – on a triennial basis – a Universal Service and Energy Conservation Plan which is defined as “the policies, protections and services that help low-income customers to maintain electric service.”¹¹ PPL’s approved Universal Service and Energy Conservation Plan includes a low-income customer assistance program (“CAP”) which is branded as “OnTrack.”

Pursuant to the Competition Act, the Commission may “effectively limit competition and choice for low-income customers, provided there are no reasonable alternatives to restricting

⁶ 66 Pa. C.S. § 2807(e)(3.1).

⁷ *Coalition for Affordable Util. Servs. and Energy Efficiency in Pennsylvania, et al. v. Pa. Pub. Util. Comm'n*, 120 A.3d at 1101 (Pa. Commw. Ct. 2015), appeal denied, 2016 WL 1383864 (Pa. Apr. 5, 2016). (“*CAUSE-PA CAP Shopping Order*”); 66 Pa.C.S. § 2802(13).

⁸ 66 Pa.C.S. § 2804(2); See also *Popowsky*, 71 A.3d at 1116.

⁹ 66 Pa. C.S. § 2802(7); *Commonwealth Court CAP Shopping Order* at 1106.

¹⁰ 66 Pa. C.S. § 2804(9). *Retail Energy Supply Ass'n v. Pa. PUC*, 185 A.3d 1206, 1210 (Pa. Commw. Ct. 2018) (“*PPL CAP-SOP Appeal Order*”).

¹¹ 66 Pa. C.S. §§ 2803 and 2804(15); 52 Pa. Code § 54.74(a)(1);

competition so that other important policy concerns of the General Assembly, such as access, affordability, and cost-effectiveness may be served.”¹² “The proponents of the rule restrictions . . . ha[ve] the burden of proof and ultimately the burden to persuade the PUC to enact the proposed restrictions on competition.”¹³ According to the Commonwealth Court, “a restriction on competition is necessary when, one, there is a harm associated with competition and, two, there is no reasonable alternative to the rule that restricts competition.”¹⁴

IV. ARGUMENT

A. BACKGROUND OF CAP-SOP

PPL’s CAP-SOP was a product of negotiation between PPL, CAUSE-PA, the Office of Consumer Advocate (“OCA”) and the Bureau of Investigation and Enforcement (“I&E”) as part PPL’s default service plan proceeding to become effective on June 1, 2017. Over the objections of the Retail Energy Supply Association (“RESA”), the Commission approved the CAP-SOP as supported by PPL, CAUSE-PA, OCA and I&E.¹⁵ Two significant events followed the Commission’s approval. First, RESA filed an appeal of the Commission’s decision which was ultimately affirmed by the Commonwealth Court on May 2, 2018.

Second, the Commission directed the Office of Competitive Market Oversight (“OCMO”) to facilitate meetings with interested stakeholders to examine and resolve any operational issues integral to the implementation of the CAP-SOP and, thereafter, to provide a status report to the Commission. The Commission’s final direction regarding operational issues

¹² *CAUSE-PA CAP Shopping Order* at 1104, 1106; *PPL CAP-SOP Appeal Order* at 1106.

¹³ *PPL CAP-SOP Appeal Order* at 1227.

¹⁴ *PPL CAP-SOP Appeal Order* at 1228.

¹⁵ *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 Through May 31, 2021*, Opinion and Order entered October 27, 2016 at 53-56, 66 (“*PPL CAP-SOP DSP Order*”).

was provided in its February 9, 2018 *PPL CAP-SOP Implementation Order*. Pursuant to this order, EGSs were given direction about how to transition existing customers under contract with them who were enrolled (or subsequently enrolled) in PPL’s OnTrack program. More specifically, the Commission directed that: (1) EGS customers on a fixed duration contract were permitted to remain with the EGS until contract expiration or termination at which point they were to be returned to default service; and, (2) EGS customers on a month-to-month contract must be dropped by the EGS within 120 days after the customer is enrolled in OnTrack.¹⁶ The Commission also directed PPL to send an email to each EGS at least once a month identifying which existing customers have enrolled in OnTrack during the preceding month and to indicate the date the customer was enrolled. EGSs were directed to act upon this information from PPL consistent with the directives of the *PPL CAP-SOP Implementation Order*.¹⁷

B. EXISTING CAP-SOP IS A REASONABLE ALTERNATIVE TO MAKING LOW INCOME CUSTOMERS CHOOSE BETWEEN SHOPPING OR RECEIVING FINANCIAL ASSISTANCE

Given the Commonwealth Court’s approval of the current CAP-SOP, there can be no dispute that PPL’s CAP-SOP strikes the appropriate balance “between competing policy concerns promoting competition and choice, and protecting access, affordability, and cost-effectiveness” of universal service programs.¹⁸ The issue in this proceeding is whether ending the CAP-SOP and forcing customers to choose between receiving financial assistance and shopping for an EGS continues to strikes the appropriate balance among these competing policy concerns. The answer to that question is no.

¹⁶ *PPL CAP-SOP Implementation Order* at 27, Ordering Paragraphs 1 and 2.

¹⁷ *PPL CAP-SOP Implementation Order* at 28, Ordering Paragraph 4.

¹⁸ *PPL CAP-SOP Appeal Order* at 1223.

1. There Is No Dispute That CAP-SOP Provides All Ratepayers Benefits

OnTrack participants who receive EGS service through CAP-SOP benefit in a number of ways. First, their overall energy bill is lowered which forestalls them from reaching their CAP maximum amount so that they can enjoy their OnTrack benefits longer.¹⁹ At the time of enrollment in CAP-SOP, the bills for OnTrack participants are 7% less than the PTC.²⁰ While this initial rate is held for 12-months, there are no early cancellation fees.²¹ Historically, the initial contract rate has continued to provide savings off the then-effective PTC even when the PTC changes during the 12-month term of the CAP-SOP contract. For example, although the PTC decreased in June 2020, Inspire's CAP-SOP customers who enrolled prior to June 2020 are continuing to receive a rate that is 2.55% below PPL's current PTC.²² Since June 2018, the average percent change of PPL's PTC has been -0.42% meaning that the PTC decreases have not been enough to cause those being billed pursuant to CAP-SOP to be billed more than the effective PTC.²³ Notably, when PPL's PTC increases, existing CAP-SOP participants will receive increased savings beyond the initial 7% off the PTC. For example, the June 2019 PTC increased by 7.76% meaning that CAP-SOP participants enrolled during the prior PTC period were billed 14.76% less than PPL's PTC.²⁴ In terms of dollars, Inspire's CAP-SOP customers enrolled with Inspire since March 2020 through July 1, 2020 have received a total monthly savings of \$22,592.40.²⁵ There is no serious dispute in the record that OnTrack customers

¹⁹ Inspire St. No. 1 at 5; Inspire St. No. 1-SR at 6.

²⁰ PPL St. No. 3 at 7-8.

²¹ PPL St. No. 3 at 7-8.

²² Inspire Exh. ALJ-6.

²³ Inspire St. No. 1-SR at 7-8.

²⁴ Inspire St. No. 1-SR at 7.

²⁵ Inspire Exh. ALJ-6.

participating in CAP-SOP are reducing their overall energy bills thereby enabling them to enjoy their OnTrack benefits longer.

OnTrack participants receiving competitive service through the CAP-SOP also have an opportunity to support larger societal goals, such as renewable energy. Inspire will be purchasing Renewable Energy Certificates (“RECS”) equivalent to its load for the PPL CAP-SOP customers.²⁶ The purchase of the RECS will be done at no extra cost to the CAP-SOP customer and his or her participation in CAP-SOP is the only way this customer can support renewable energy, participate in PPL’s OnTrack program, and receive the discount off the PTC pursuant to the CAP-SOP.²⁷ Inspire’s product is just one example of what could be made available to OnTrack participants via the CAP-SOP which they cannot receive through any other manner.

CAP-SOP also provides real benefit to PPL’s other ratepayers who are required to bear the costs of PPL’s financial assistance programs.²⁸ By decreasing the overall energy bills of OnTrack participants, the amounts other ratepayers are required to subsidize are also less.²⁹ Also, by lengthening the amount of time an OnTrack participant can access financial benefits without reaching the CAP maximum, the more ability the customer will have to make the required asked-to-pay amounts thus not adding to the total amount of PPL’s uncollectible accounts expense which is also paid by all ratepayers.

²⁶ Inspire St. No. 1-SR at 8.

²⁷ Inspire St. No. 1-SR at 8.

²⁸ Inspire Exh. AJS-5, PPL Response to Inspire-I-4 “PPL Electric recovers all OnTrack program costs through the Universal Service Rider, which is paid by all residential customers.”

²⁹ Inspire St. No. 1 at 5.

2. There Has Not Been A Sufficient Amount Of Time To Reasonably Evaluate The Effectiveness Of The Existing CAP-SOP

No party seriously disputes the benefits that arise when OnTrack customers are able to participate in CAP-SOP. Rather, they argue that the Commission should abandon the CAP-SOP on the basis that: (1) the program features of the CAP-SOP are not removing OnTrack customers from EGS supply fast enough; and, (2) when no EGSs elect to offer service through CAP-SOP, consumers are confused. There are no remaining implementation costs for the CAP-SOP and PPL does not believe that the on-going costs associated with CAP-SOP are “material.”³⁰

a. Transitioning EGS Customers to CAP-SOP

PPL takes the position that CAP-SOP has not been effective in removing OnTrack customers from EGS supply fast enough.³¹ Therefore, PPL proposes to discontinue the CAP-SOP and require OnTrack applicants to cancel their existing EGS contract within two weeks of notification of their OnTrack eligibility in order to be enrolled in OnTrack.³² By doing this, PPL is attempting “to protect customers who were shopping before entering OnTrack.”³³ Because PPL is proposing to further restrict the ability of low-income customers to shop by forcing them to forgo either their right to shop or their right to financial assistance, PPL has the burden of showing why such restriction on competition is necessary and that there are no reasonable alternatives.³⁴ In this case, the existing CAP-SOP is the Commission and Commonwealth Court approved reasonable alternative to what PPL is proposing and the record does not support the

³⁰ Inspire Exhs. AJS-1 and AJS-2: PPL Response to Inspire 1-2 and PPL Response to Inspire I-3.

³¹ PPL St. No. 3 at 8-9.

³² PPL St. No. 3 at 15-17.

³³ PPL St. No. 3 at 13.

³⁴ *PPL CAP-SOP Appeal Order* at 1128.

view that the Commission’s currently approved process is failing such that further restrictions on competition are necessary.

First, there is evidence in the record that PPL is not complying with the Commission’s required notice process to EGSs. More specifically, the Commission directed PPL “to send an email to each EGS at least once a month identifying which existing customers of the [EGS] have enrolled in OnTrack during the preceding month and indicating the date the customer was enrolled.”³⁵ PPL has not provided the required monthly notices on a regular or consistent basis. The last report received by Inspire was in May 2020 after having not received a report since April 2019.³⁶ Inspire – as directed by the Commission in the *PPL CAP-SOP Implementation Order* – relies on these monthly notices from PPL to return its existing customers to default service.³⁷ The failure of PPL to comply with the directives of the Commission to give EGSs notice of when their customers enroll in OnTrack frustrates the ability of EGSs to return customers to default service as required by the Commission. A lack of ability of EGSs to comply with the directives of the Commission negatively impacts the data upon which PPL is relying to claim that OnTrack customers are continuing to receive EGS service for too long a period. In other words, EGSs may not be returning existing customers to default service “fast enough” because they are not receiving the required notices from PPL; thereby, calling into question the accuracy of the data upon which PPL is relying to claim that the CAP-SOP needs to be discontinued to get EGS customers returned to default service quicker.

³⁵ *PPL CAP-SOP Implementation Order* at 28, Ordering Paragraph 4.

³⁶ Inspire St. No. 1-SR at 4.

³⁷ Inspire St. No. 1-SR at 5.

Second, there is evidence in the record that EGSs may elect to exercise their contractual right to return an existing customer to default service more quickly upon notice from PPL that the customer has enrolled in OnTrack.³⁸ Inspire, for example, returns customers to default service upon receiving notice from PPL that the customer has enrolled in OnTrack.³⁹ The return to default service is usually effectuated within 30 days of receiving the notice.⁴⁰ Thus, some EGSs may actually be returning existing customers to default service quicker than either the 120-days or contract expiration terms permitted by the *PPL CAP-SOP Implementation Order*. Again, however, if EGSs are relying on the monthly reports from PPL to take this action and PPL is not consistently sending these reports, than the data upon which PPL is relying to claim that EGSs are not returning OnTrack enrollees to default service fast enough is unreliable.

In addition to the unreliability of PPL's data, though, it is important to remember that the CAP-SOP is in its infancy. Though approved by the Commission in 2016 for implementation on June 1, 2017, there was much uncertainty about both the legality of the CAP-SOP and the transition of EGS customers to default service upon their enrollment in OnTrack. These questions were not resolved until the Spring of 2018 with June 2018 marking the point in time by which all month-to-month EGSs customers enrolled in OnTrack were to be transitioned to default service. However, PPL's data regarding the prices paid by OnTrack customers covers a much longer period of time from 2013 through January 2020.⁴¹ Expecting that CAP-SOP is

³⁸ 52 Pa. Code § 45.4(c)(7) permits an EGS to include cancellation provisions in their disclosure statements. The Commission has concluded that EGSs may use these cancellation provisions to cancel a contract with a consumer who enrolls in a customer assistance program. *Petition of Metropolitan Edison Company for Approval of a Default Service Program for the Period Beginning June 1, 2019 through May 31, 2023*, Docket No. P-2017-2637855, Final Order entered February 28, 2019 at 25.

³⁹ Inspire St. No. 1-SR at 5.

⁴⁰ Inspire St. No. 1-SR at 5.

⁴¹ PPL St. No. 3 at 22, Table 4.

going to completely reverse prior trends in approximately a year and a half is not realistic especially when the Commission directed requirements of the CAP-SOP regarding notice to EGSs has not been followed. In sum, more time and better compliance with the notice requirements of CAP-SOP is necessary to be able to reasonably evaluate whether or not the CAP-SOP is achieving the goals for which it was created.

b. Lack of EGS Participation in CAP-SOP

Another reason PPL proposes to discontinue the CAP-SOP and force low-income customers to either forgo financial benefits or their right to shop is due to the lack of consistent EGS participation.⁴² According to PPL, the lack of consistent EGS participation creates “customer confusion when CAP customers can shop at certain times and at other times must receive default service when no suppliers are participating.”⁴³ The historical lack of EGS participation in certain periods of time is not a reasonable basis upon which to discontinue the CAP-SOP.

First, the CAP-SOP is in place and functioning with no further implementation costs and only immaterial on-going costs.⁴⁴ Therefore, even in periods of time where no EGSs are participating, customers enrolled in CAP-SOP in prior periods will continue to receive the benefits of the CAP-SOP as discussed above in Section IV.B.1. Moreover, in future periods, when EGSs are participating, future OnTrack participants will have the opportunity to avail themselves of CAP-SOP for the benefit of all ratepayers.⁴⁵ Eliminating CAP-SOP now would deprive Pennsylvanians from enjoying the full benefit of their investment.

⁴² PPL St. No. 3 at 8-9.

⁴³ PPL St. No. 3 at 8.

⁴⁴ Inspire Exhs. AJS-1 and AJS-2: PPL Response to Inspire 1-2 and PPL Response to Inspire I-3.

⁴⁵ PPL St. No. 1-SR at 5.

Second, to the extent customer confusion exists because there may be periods of time when CAP-SOP is unavailable due to a lack of EGS participation, this issue can be addressed through appropriate customer education in the same way customers are educated about OnTrack. PPL has an evergreen obligation to improve and refine its customer education efforts and eliminating the CAP-SOP would not avoid the need for good customer education about OnTrack.⁴⁶

Third, as explained more fully in the previous section, PPL's CAP-SOP continues to be in its infancy and uncertainty regarding the legality of the program structure as well as implementation details surrounded its initial implementation. For its part, Inspire was not able to commit to participating in the CAP-SOP until March 2020 at which time it determined that it could offer CAP-SOP participants a renewable energy product at no additional cost.⁴⁷ Thus, it is entirely possible that with certainty as to the existence of the CAP-SOP and the following of required notice rules, other EGSs may elect to participate in the next default service plan period. As such, it is too soon to judge whether the historical lack of EGS participation will continue going forward.

Finally, there may be programmatic revisions to the CAP-SOP that could make it more desirable for EGSs to participate. Given the benefits of the CAP-SOP to all of PPL's ratepayers, exploration of this avenue would be warranted before jumping to PPL's extreme proposal of ending the CAP-SOP.⁴⁸

⁴⁶ Inspire St. No. 1 at 4.

⁴⁷ Inspire Exh. AJS-6.

⁴⁸ Inspire St. No. 1-SR at 6.

In sum, the historical lack of EGS participation in CAP-SOP may be due to a number of factors that will not exist (or can be rectified) in the next default service plan period. Given all the effort undertaken to create and implement the CAP-SOP and the undeniable benefits received by all PPL's ratepayers when low-income customers participate, the CAP-SOP should be continued in the next default service plan period (with direction to PPL to comply with the required notice procedures) to be re-evaluated in the next default service proceeding.

V. **CONCLUSION**

Inspire respectfully requests that the ALJ issue a Recommended Decision denying PPL's proposal to discontinue the CAP-SOP. Instead, the CAP-SOP should be continued in the next default service plan period (with direction to PPL to comply with the required notice procedures) to be re-evaluated in the next default service proceeding.

Respectfully submitted,



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Date: September 3, 2020

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Appendix A

Proposed Findings of Fact

APPENDIX A – PROPOSED FINDINGS OF FACT

1. PPL Electric Utilities Corporation (“PPL”) currently offers a Customer Assistance Program – Standard Offer Program (“CAP-SOP”) which allows low-income customers participating in PPL’s customer assistance program (branded as “OnTrack”) to shop for competitive electric generation supply. PPL St. No. 3 at 7-8.
2. There are no remaining implementation costs for the CAP-SOP and PPL does not believe that the on-going costs associated with CAP-SOP are “material.” Inspire Exhs. AJS-1 and AJS-2: PPL Response to Inspire 1-2 and PPL Response to Inspire I-3.
3. Electric Generation Suppliers (“EGSs”) who participate in the CAP-SOP must provide service to customers at a 7% discount off the price-to-compare (“PTC”) at the time of customer enrollment. CAP-SOP customers receive electric generation supply at the fixed rate for a term of twelve months with the option to terminate or cancel the CAP-SOP contract at any time without incurring fees or penalties. PPL St. No. 3 at 7-8.
4. Inspire Energy Holdings, LLC (“Inspire”) is a Pennsylvania licensed EGS that focuses on providing renewable electric energy supply to create a truly transformative smart energy experience for its members. Inspire serves customers in PPL’s service territory. Inspire St. No. 1 at 2-3.
5. Inspire has participated in PPL’s CAP-SOP since June 2020 and plans to continue participating at least through the end of 2020. Inspire St. No. 1 at 3; Inspire Exh. ALJ-6.
6. OnTrack participants benefit from enrolling in CAP-SOP because their overall energy bill is lowered which forestalls them from reaching their CAP maximum amount so that

they can enjoy their OnTrack benefits longer. Inspire St. No. 1 at 5; Inspire St. No. 1-SR at 6.

7. The initial rate of 7% off the then-current PTC is guaranteed at enrollment and maintained for the 12-month term of the CAP-SOP contract and customers can cancel the CAP-SOP contract at any time without any penalty. PPL St. No. 3 at 7-8.
8. Historically, the initial contract rate has continued to provide savings off the then-effective PTC even when the PTC changes during the 12-month term of the CAP-SOP contract. Although, the PTC decreased in June 2020, Inspire's CAP-SOP customers enrolled prior to June 2020 are continuing to receive a rate that is 2.55% below PPL's current PTC. Inspire Exh. ALJ-6.
9. Since June 2018, the average percent change of PPL's PTC has been -0.42% meaning that the PTC decreases have not been enough to cause those being billed pursuant to CAP-SOP to be billed more than the effective PTC. Inspire St. No. 1-SR at 7-8.
10. When PPL's PTC increases, existing CAP-SOP participants will receive increased savings beyond the initial 7% off the PTC. For example, the June 2019 PTC increased by 7.76% meaning that CAP-SOP participants enrolled during the prior PTC period were billed 14.76% less than PPL's PTC. Inspire St. No. 1-SR at 7.
11. Inspire's CAP-SOP customers enrolled with Inspire since March 2020 through July 1, 2020 have received a total monthly savings of \$22,592.40. Inspire Exh. ALJ-6.
12. Inspire will be purchasing Renewable Energy Certificates ("RECS") equivalent to its load for the PPL CAP-SOP customers. The purchase of the RECS will be done at no extra cost to the CAP-SOP customer and his or her participation in CAP-SOP is the only

way this customer can support renewable energy, participate in PPL's OnTrack program, and receive the discount off the PTC pursuant to the CAP-SOP. Inspire St. No. 1-SR at 8.

13. PPL Electric recovers all OnTrack program costs through the Universal Service Rider, which is paid by all residential customers. Inspire Exh. AJS-5, PPL Response to Inspire-I-4
14. By decreasing the overall energy bills of OnTrack participants, the amounts other ratepayers are required to subsidize are also less. Inspire St. No. 1 at 5.
15. The Commission requires PPL to send an email to each EGS at least once a month identifying which existing customers have enrolled in OnTrack during the preceding month and to indicate the date the customer was enrolled. *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 Through May 31, 2021*, Docket No. P-2016-2526627, Final Order entered February 9, 2018 at 28, Ordering Paragraph 4.
16. PPL has not provided the required monthly notices on a regular or consistent basis. The last report received by Inspire was in May 2020 after having not received a report since April 2019. Inspire St. No. 1-SR at 4.
17. Upon receiving notice from PPL about the OnTrack enrollment of its existing customers, Inspire immediately returns customers to default service and the return to default service is usually effectuated with 30 days of receiving the notice from PPL. Inspire St. No. 1-SR at 5.

APPENDIX B

Proposed Conclusions of Law

APPENDIX B – PROPOSED CONCLUSIONS OF LAW

1. Because PPL is proposing to further restrict the ability of low-income customers to shop by forcing them to forgo either their right to shop or their right to financial assistance, PPL has the burden of showing why such restriction on competition is necessary and that there are no reasonable alternatives. *Retail Energy Supply Ass'n v. Pa. PUC*, 185 A.3d 1206, 1228 (Pa. Commw. Ct. 2018).
2. PPL has failed to meet its burden of proof to further restrict the right of its OnTrack customers to avail themselves of the CAP-SOP because (1) the CAP-SOP has only been fully operational for a relatively short time (a little over a year and a half) due to the need to resolve legal challenges and implementation issues; and, (2) the lack of compliance by PPL in providing notice to EGSs about the enrollment of their customers in OnTrack negatively skews PPL's data about the true impact of shopping for OnTrack participants.

APPENDIX C

Proposed Ordering Paragraphs

APPENDIX C – PROPOSED ORDERING PARAGRAPHS

IT IS ORDERED:

1. PPL’s proposal to discontinue the existing CAP-SOP is denied.
2. PPL is directed to comply with the notice requirements of Ordering Paragraph 4 of the Commission’s Final Order entered February 9, 2018 at Docket No. P-2016-2526627.
3. The Commission will re-evaluate the effectiveness of the CAP-SOP as part of PPL’s next default service proceeding.