

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

Public Meeting held October 27, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Joint Petition of Metropolitan Edison  
Company, Pennsylvania Electric Company,  
Pennsylvania Power Company, and West Penn  
Power Company for Approval to Modify their  
Default Service Programs.

Docket Numbers:  
P-2021-3030012  
P-2021-3030013  
P-2021-3030014  
P-2021-3030021

**ORDER**

**BY THE COMMISSION:**

On September 2, 2022, Metropolitan Edison Company (Met-Ed), Utility Code 110300, Pennsylvania Electric Company (Penelec), Utility Code 110400, Pennsylvania Power Company (Penn Power), Utility Code 110450, and West Penn Power Company (West Penn), Utility Code 111250, (collectively FirstEnergy or the Companies) filed a Joint Petition (Petition) for approval to modify the FirstEnergy Default Service Programs (DSP) to change the procurement schedule for FirstEnergy's sixth DSP (DSP VI).

FirstEnergy served the Petition on the Commission's Bureau of Investigation and Enforcement, Office of Consumer Advocate, Office of Small Business Advocate (OSBA), and the parties of record to Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021. Multiple parties filed letters in support of the Petition. For the reasons expressed in this Order, the Pennsylvania Public Utility Commission (Commission) will grant the Petition.

FirstEnergy states that it is requesting the Commission's approval to modify the DSP VI procurement plan. FirstEnergy also states that the proposed modification will shift procurement from November 2022 to January 2023 for FirstEnergy's residential and commercial products with 24-month terms.

FirstEnergy submits that the schedule change is necessary because PJM Interconnection, LLC (PJM) announced that it would delay the release of the 2024/2025 base residual auction (BRA) results from August 2022 to December 2022. FirstEnergy also submits that the procurement schedule the Companies agreed to for DSP VI was based on the original timeline where the BRA results would be publicly available in August 2022. FirstEnergy submits that under the new BRA schedule, default service suppliers will not be able to incorporate the 2024/2025 BRA capacity prices in their bids for 24-month products submitted in the DSP VI auction scheduled for November 2022. FirstEnergy further submits that if the Companies do not delay procurement FirstEnergy would need to employ its recently approved capacity proxy price (CPP) methodology for the 24-month products spanning the PJM 2024 and/or 2025 delivery years to be procured for DSP VI in the November 2022 auction. Lastly, FirstEnergy submits that this would require a manually performed true-up process to address the difference between the CPP and the actual BRA clearing price.

FirstEnergy avers that moving the procurement of the 24-month residential and

commercial products for DSP VI from November 2022 to January 2023 would allow suppliers bids to incorporate the BRA results corresponding to the 2024 and 2025 delivery years and using the CPP methodology would not be required. FirstEnergy also avers that this would eliminate the potential for default service rate impacts associated with reconciliation of the CPP differential and issues related to the timing of the true-up cashflow and PJM's assessment of capacity charges to suppliers. Finally, FirstEnergy avers that the Companies have consulted with CRA International, Inc. d/b/a Charles River Associates (CRA), the independent third-party evaluator for the Companies' default service procurements, and CRA supports the proposed schedule revisions.

On September 7, 2022, Calpine Retail Holdings, LLC filed a letter stating that they have no objection to the Companies' request to modify the procurement schedule. On September 15, 2022, the Office of Small Business Advocate also filed a letter indicating no objection to the to the Companies' request to modify the procurement schedule. No other Answers or letters were filed.

Pennsylvania's diverse constituency of electric distribution companies often results in a diverse establishment of policies. In this instance, we believe the Commission's prior approval of FirstEnergy's DSP VI, and specifically the use of a CPP, does not preclude us from considering and adopting alternative means to address this issue. To that end, we find the Petition of FirstEnergy persuasive, particularly given how this proposal will mitigate embedded risk premiums. Accordingly, we grant FirstEnergy's request to modify the procurement schedule for DSP VI; **THEREFORE,**

**IT IS ORDERED:**

1. That the Joint Petition filed by the Metropolitan Edison Company, Pennsylvania Power Company, Pennsylvania Electric Company, and West Penn Power

Company, for approval to modify their Default Service Programs, is hereby granted.

2. That this Order be served on Metropolitan Edison Company, Pennsylvania Power Company, Pennsylvania Electric Company, West Penn Power Company and all parties of record in the above-referenced Docket Numbers.

3. That this proceeding at Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021 be closed.

**BY THE COMMISSION,**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta  
Secretary

ORDER ADOPTED: October 27, 2022

ORDER ENTERED: October 27, 2022