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VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

Re: Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18 L-2016-2557886

Dear Secretary Chiavetta:

Duquesne Light Company (“Duquesne Light” or “Company”) respectfully submits this letter in lieu of Reply Comments in the above referenced proceeding. As a public utility as defined by Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, the Company offers LIURP services to eligible customers, in compliance with its Commission-approved Universal Service and Energy Conservation Plan,¹ and thus is impacted by this rulemaking. The Company filed initial comments in this proceeding on January 16, 2024.

As a member of the Energy Association of Pennsylvania (“EAP”), Duquesne Light has participated in preparation of EAP’s comments on behalf of its member companies. Rather than file independent comments raising the same points, instead the Company files this letter endorsing EAP’s comments.

In addition to the input provided by the EAP, the Company wishes to provide a more detailed response on a few issues, as follows:

Expansion of Eligibility

The Company respectfully disagrees with the recommendation of the Office of Consumer Advocate that LIURP eligibility be expanded to include customers at 200% Federal Poverty Income Guidelines (“FPIG”) and to 300% FPIG for customers defined as “special needs.”²

¹ See *Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025*, Docket No. M-2019-3008227.

² See Comments of Office of Consumer Advocate at 10.

While the Company does not disagree that customers at these income levels may struggle to meet basic needs, increasing the pool of eligible customers will result in more quickly depleted LIURP budgets. Increasing eligibility to include higher incomes also presents a risk of delivering services to customers with more resources—and potentially more capacity to avail themselves of assistance-- rather than the most vulnerable customers. As noted throughout comments in this proceeding, there are currently more customers than can be reached under the existing eligibility.

While it is tempting to suggest that LIURP budgets could be increased to reach this expanded pool of customers, the Company believes increasing the costs of the program is not the solution, as these costs are ultimately borne by other customers. Duquesne Light recommends the Commission maintain the existing income thresholds.

Fuel Switching and Beneficial Electrification

Regarding the topic of fuel switching, the Company agrees that it is not in the interest of customers to delay projects by requiring written approval of both utilities. Multiple commenters also discussed support for fuel switching when it provides benefits to the customer such as energy savings, cost savings, reduction of energy burden, and/or health and safety benefits. (See *CAUSE-PA at 68; TURN at 3; OCA at 46-47; Consumer Advisory Council at 3-4; and Earth Justice Advocates at 4.*) These comments discussed evolving technology, such as cold-climate heat pumps that have the ability to not only provide heat but also cooling more efficiently than other air conditioning options.

Duquesne Light notes that this is not the first time this topic has been raised in comments in a regulatory proceeding. For example, the Commission received comments on the Act 129 Phase IV Tentative Implementation Order requesting permission for EDCs to include cost-effective beneficial electrification measures in Phase IV.³ In that proceeding, the Commission declined to address the topic as it is outside of the statutory purpose of Act 129.⁴

It is likely that this topic will continue to be of interest. The Company acknowledges that the cost effectiveness of heat pumps and other beneficial electrification solutions will vary, depending on a customer's existing heating source and attributes of the home. The Company recommends the Commission open a dedicated proceeding specifically on fuel switching, including beneficial electrification, to further explore its applicability, potential benefits, and/or concerns, resulting in the issuance of a Policy Statement on this topic.

Bill Impacts to Customers

Finally, Duquesne Light strongly disagrees with the assertion of the Coalition of Local Energy Efficiency Contractors (“PA-CLEEC”) that its “recommendations on

³ Comments of *Environmental Stakeholders*, filed April 27, 2020, Docket No. 2020-3015228. Page 17.

⁴ *Implementation Order*, Docket No. M-2020-3015228. Adopted June 18, 2020. Page 105.

higher LIURP budgets will not have a material impact on EDCs or NGDCs because the proposed increases in budget are fully recoverable in rates and do not impact recovery or earnings.” (PA-CLEEC at 12) In this and any regulatory proceeding, Duquesne Light assesses proposed changes to understand the impact on customers. PA-CLEEC has no credible basis to assert that as long as EDCs and NGDCs are granted cost recovery, there is no impact on the company. Issues related to affordability and cost increased directly impact EDC and NGDC customer satisfaction, brand, reputation and regulatory compliance inasmuch as utilities are expected to meet customer satisfaction performance metrics.⁵ Moreover, PA-CLEEC is not accountable for utility financial or customer service performance so any attempt to speak for utilities on the topic should be disregarded.

Duquesne Light has been a member of the Pittsburgh community for more than 100 years. The Company’s success is integrally tied to the success of the community it serves, and thus the interests of its customers **cannot** be separated from the interests of the corporation.

In conclusion, Duquesne Light Company supports the comments of the Energy Association of Pennsylvania in this proceeding and encourages the Commission to also consider these additional topics. The Company appreciates the opportunity to review the proposed edits to the Notice of Proposed Rulemaking and share its insight.

Sincerely,



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Enclosure

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⁵ The Commission annually assesses customer service and produces the *Customer Service Performance Report*, in compliance with 52 Pa. Code § 54.156 and 52 Pa. Code § 62.37, available at www.puc.pa.gov/filing-resources/reports/customer-service-performance-reports/.