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HOUSE OF REPRESENTATIVES
COMMONWEALTH *of* PENNSYLVANIA

House Democratic Policy Committee Hearing

Lowering Electric Bills
Wednesday, September 10, 2025 | 1:00 p.m.
Representative Brian Munroe

OPENING REMARKS
1:00 p.m. Rep. Brian Munroe, D-Bucks

PANEL ONE
1:05 p.m. Megan McDevitt, Senior Manager of Retail Rates
PECO Energy Company

Q & A with Legislators

PANEL TWO
1:25 p.m. Aaron Troncoso, Senior Policy Advisor
Office of the Pennsylvania Governor

Q & A with Legislators

PANEL THREE
1:45 p.m. Kimberly Barrow, Esq., Vice Chair
Pennsylvania Public Utility Commission

Q & A with Legislators

PANEL TWO
2:05 p.m. Michael McPeak, Home Repair Program Director
Habitat for Humanity of Bucks County

Q & A with Legislators

Testimony of Megan McDevitt, Sr. Manager of Retail Rates, PECO
Pennsylvania House Democratic Policy Committee
September 10, 2025

Thank you, Chairman Bizzarro, and members of the committee for holding this important hearing today. My name is Megan McDevitt, and I serve as Sr. Manager of Retail Rates at PECO, which provides electric distribution services to Philadelphia and southeastern Pennsylvania, along with natural gas distribution services in the surrounding suburban counties of Philadelphia. I've been with PECO for more than 20 years in various roles within Accounting, Finance, Energy Acquisition, and Regulatory. My primary role is the development and implementation of customer rates, the management and oversight of PECO's electric and natural gas retail and supplier service tariffs, and oversight of numerous filings with the Pennsylvania Public Utility Commission (PUC).

In my testimony today, I will describe the components of an electric customer's energy bill, some of the drivers behind recent increases in energy costs, and programs that PECO offers to help customers save energy and money.

Understanding the Components of a Customer's Electric Bill

In general, the main components of a customer's electric bill are:

Distribution reflects the cost of operating and maintaining the local distribution grid that delivers power directly to homes and businesses. These costs include capital investments in infrastructure which are depreciated over time, as well as O&M expenses like labor, materials, and administrative support. Distribution is a regulated utility service provided to all customers within a service territory through tariffs that treat similar customers or rate classes equally. As part of our responsibility to provide safe and reliable service, we continue to make investments in the grid which are recovered in our distribution rates and adjusted periodically through base rate cases.

These costs, and the rates applied to rate classes, are proposed by utilities, subject to litigated rate cases or settlements, and ultimately amended and approved by the PUC.

The customer's monthly bill is determined based on either their amount of electricity consumed (residential) or peak demand in a given month (commercial and industrial).

The costs of universal service programs, uncollectible bills, the state's Act 129 energy efficiency (EE) and demand response (DR) programs are also included in this portion of the bill.

PECO has continued investing in its distribution system to improve the reliability of our service for all our customers. We were pleased that the PUC recently recognized PECO as one of the EDCs in the state that met its reliability goals even as we continue to experience these extreme weather events.

Transmission is the cost of operating and maintaining the high-voltage transmission grid that delivers electricity from generators to the local distribution systems. These costs are calculated pursuant to a formula approved by the Federal Energy Regulatory Commission (FERC) at the wholesale level and allocated to utility customers by their electric distribution company.

Supply is the cost that the customer pays for the electric commodity provided by a competitive supplier or through utility default service. This includes energy, capacity, ancillary services including costs to keep supply and demand in balance, and the costs of complying with Alternative Energy Portfolio Standards requirements. These charges are passed along to customers at the exact price PECO pays.

Taxes include both the direct tax on electric consumption applied through the Gross Receipts Tax (GRT), federal and state taxes (through base rates and/or the State Tax Adjustment Surcharge – STAS)

In our deregulated electricity market, electric distribution companies are responsible for providing delivery service, while customers have the option to purchase their supply from a non-utility supplier or receive "default service" from their local utility. While competitive suppliers are unregulated, utility default service procurements are conducted under the oversight of the PUC and must be made on a competitive basis, consistent with the "least cost over time" requirements of the law.

Increasing Electricity Bills

Electric Service rates have increased due to higher energy and capacity prices in our regional transmission grid -- PJM – which includes 13 states and the District of Columbia. The capacity market compensates power generators and other resources for the commitment to be available to meet electricity demand and ensure grid reliability in PJM. Capacity resources include generators that produce electricity and other resources, such as demand response, which reduce load on the system when needed.

Three key factors are driving the current capacity market supply and demand imbalance and rising costs:

- increasing demand driven primarily by data centers
- retirements of fossil generating units, particularly in states with mandatory climate policies, and
- uncertainty of new generation entry and delays in interconnecting a higher volume of smaller-scale renewable resources

The most recent PJM Capacity Auction for the 2026/2027 delivery year held in July 2025 set a record high price of $329/MW-day. This price represents the maximum price set approved by FERC in response to high electricity demand from new data centers and concerns about energy supply. The next capacity auction is scheduled for December 2025 for the 2027/2028 delivery year with the same set price of $329/MW-day approved by FERC.

While price caps can provide relief in the short-term, Pennsylvania needs to review its energy policies to ensure that they are aligned with delivering affordable, reliable, and sustainable energy supplies to customers. We're encouraged that bills have been introduced in both the House and Senate (HB 1272 – Rep. Stambaugh, SB 897 – Sen. Coleman) to begin looking at the question of creating a regulated utility generation supply option to serve as a backstop if the market does not provide the generation needed to meet future customer demand.

Affordability

PECO recognizes that electricity is an essential service, and we provide our customers with information and options to help manage their energy bills.

Our default service "Price to Compare" is currently one of the lowest in the state, and the lowest among Pennsylvania's large electric utilities, but we recognize that our customers are always looking for options to reduce their energy bills.

Some of the tools we offer include energy efficiency measures, usage assessments, energy audits, and energy savings tips.

For our low-income customers, we provide a suite of options including ongoing assistance, usage reduction, direct grants, and situational assistance. In 2024, these low-income customer programs totaled more than $150 million between our Customer Assistance Program (CAP) and arrearage forgiveness as part of payment agreements. We also perform extensive outreach to our low-income communities to help connect eligible customers with approximately $15 million in funding through the Low-Income Home Energy Assistance Program (LIHEAP).

Still, we know many customers are facing financial challenges. In recognition of this, in late July, we were pleased to announce the establishment of a $10 million Customer Relief Fund administered through the United Way of Greater Philadelphia and Southern New Jersey. Through this fund, qualifying customers can receive up to $500 to apply to their PECO bill. The Fund has already received around 14,000 applications for this program which is open through the end of the year.

We are also encouraged that Governor Shapiro included a package of reforms to the state's Act 129 energy efficiency and demand response law as part of his Lightning Plan and that this proposal has been introduced as HB 505 by Rep. Donahue. If enacted, this legislation would provide greater flexibility for electric utilities to develop implementation programs that focus more on helping customers, especially our lower-income customers, achieve deeper, more durable savings while establishing a more balanced approach to compliance than the existing inflexible, penalty-based system.

We look forward to working with the House and Senate, where companion bill SB 505 has been introduced by Democratic Chair Boscola, to support passage of this important legislation.

Consumer Protection and Customer Choice

While we encourage our customers to consider opportunities to save on their energy bills through the competitive market, PECO is concerned that thousands of our customers, many of them concentrated in our lowest income areas, are paying electric rates with suppliers that are substantially above the cost of utility default service. This often occurs when a customer's fixed-term, fixed-price contract with a competitive supplier expires, and the customer is shifted to a higher variable rate. By the end of this year, we will be offering customers an easy-to-read graphic on their bill to enable them to compare their supplier rate more easily with default service.

We commend Senator John Kane for introducing legislation (SB 312) that would require competitive suppliers to receive affirmative consent from a customer to move them to a higher rate. If the supplier does not receive that affirmative consent, the customer would be shifted back to EDC default service. We've shared some potential technical refinements to the bill with the Senator and hope both the House and Senate will look closely at that pro-consumer proposal.

Finally, we always emphasize that any customer who has a question or concern about their bill can contact the PECO Customer Care team, or, if they fail to get an issue resolved, they have the right to file a complaint with the PUC.

Conclusion

PECO's employees work every day to provide safe and reliable service to all our customers. We strive to help customers understand their energy usage and bills, and in collaboration with them, build a cleaner brighter future for the communities we serve.

Thank you for the opportunity to testify today, and I'll be pleased to answer any questions.

Testimony of
Aaron Troncoso, Senior Policy Advisor
Governor's Policy Office & Department of Environmental Protection
Before the
House Democratic Policy Committee
Hearing on Lowering Electricity Bills

Good afternoon, Chair Bizzarro, Representative Munroe, and members of the committee. It is my honor to present testimony today in support of Governor Shapiro's Lightning Plan—House Bills 500, 501, 502, 503, 504, and 505. The six-part Lightning Plan will provide the Commonwealth with the tools we need to cut red tape, lower electricity bills, and build the next generation of advanced energy projects right here in Pennsylvania. We are grateful to the many members who are championing and supporting this important legislative package.

To begin, I would like to provide some context on Pennsylvania's energy landscape. As the Committee knows, electricity costs are rising throughout our region, because demand for electricity—from data centers, home electrification, and advanced manufacturing and industry—is rising, while new supply of electricity is largely flat. While Pennsylvania has led the way in getting new energy projects online—including by adding a net 3,482 MW to the grid in the past decade (more than any other state on the PJM grid) and by repowering major retired energy facilities like Three Mile Island's Unit 1—PJM's snarled interconnection queue, uncertainty caused by rapidly changing federal policies, lengthy local siting processes, and other challenges are making it costlier and more time-consuming to get new energy projects online at this critical moment.

Governor Shapiro's Lightning Plan meets the moment and gets us back on track. Laser-focused on energy affordability and economic growth, the Lightning Plan will increase our energy supply and unlock new investment in the industries of the future. The plan includes the following elements:

- **Re-Energizing the EDGE Tax Credit (HB 500 – Representatives Inglis, Matzie, and Mehaffie)**: Updates a collection of tax credit programs designed to attract new investments from businesses in critical manufacturing and energy sectors, including semiconductors, biomedical, milk processing, and clean, reliable, affordable energy generation and storage.
- **Modernizing State Energy Standards through PRESS (HB 501 – Representative Otten)**: Updates Pennsylvania's Alternative Energy Portfolio Standard to include more advanced technologies, reduce compliance costs for consumers, and increase flexibility to meet requirements if electricity prices rise.

- **Building Key Projects with the RESET Board (HB 502 – Representative Steele)**: Creates a new statewide siting board that will streamline the process for building critical energy projects in a responsible way. This optional process will help projects avoid unnecessary delays while offering robust opportunities for local involvement at an early stage of the siting process.
- **Providing Electricity Rebates with PACER (HB 503 – Representative Abney)**: Provides a credit on electricity bills and dedicated funding for advanced energy projects in historic energy communities, energy efficiency projects, and utility support for low-income Pennsylvanians paid for with a Pennsylvania-run program to moderate emissions from large power plants.
- **Helping Rural and Low-Income Communities with Community Energy (HB 504 – Representative Schweyer)**: Creates a new tool that would allow Pennsylvanians to jointly subscribe to a shared energy resource and get guaranteed savings on their electricity bills as a result. For example, a group of farmers could subscribe to a shared methane digester, or apartment building residents could subscribe to a set of solar panels on a nearby parking lot.
- **Modernizing Energy Efficiency Programs in Act 129 (HB 505 – Representative Donahue)**: Updates Pennsylvania's main energy efficiency program—created in 2008—to finally allow the program funding cap to increase over time with utility revenues, to include new energy efficiency technologies, and provide more flexibility for utilities and incentives for overperforming targets.

The Governor's Lightning Plan will increase energy supply by providing new incentives and tools to build energy projects in Pennsylvania, reduce energy demand by improving energy efficiency, and lower electricity bills by returning credits to consumers on their utility bills. It also provides commonsense updates that will make existing programs work more efficiently and effectively for Pennsylvania consumers. Thank you for the opportunity to speak to you today. I look forward to discussing this legislative package with you.

Prepared Testimony of

Kimberly M. Barrow

Vice Chair, Pennsylvania Public Utility Commission

before the

House Democratic Policy Committee

September 10, 2025

Pennsylvania Public Utility Commission

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Introduction

Good afternoon and thank you for the opportunity to provide this testimony to your committee.

I'm Vice Chair Kim Barrow of the Pennsylvania Public Utility Commission.

Key Takeaways

I'd provide two key takeaways for your committee.

First, the costs of electric power are largely split into two types of costs: supply of electricity, and delivery of electricity.

The second takeaway is that the trends for these costs vary in the long term and the short term. The long-term trend of supply of power is that it's getting less expensive. The long-term trend of delivery costs has been increasing over time. The short-term trend for both delivery and generation has been getting more expensive. The resultant combination is the price spike we are seeing now.

Because I believe it is not often discussed, I prepared today to talk about the details of the components of electric costs, and how the different dynamics play into the overall price trends that we have been seeing.

Components of Retail Power Costs

- **Energy:** Wholesale energy procured by the utility and third-party competitive supplier—known statutorily in Pennsylvania as an Electric Generation Supplier (EGS).
- **Capacity:** Most of the year, not all generators need to be kept online. Peak electric demand in most months is not that high relative to the capability of the system. PJM, our regional grid operator, reports that it has around 187 GW of installed generator capacity.[1] In September and October of last year, the peak demand overall was just under 120 GW. In Summer 2024 by contrast the peak load was 152 GW. Capacity revenues compensate resources that are needed for reliability after accounting for the possibility of generator failures and anomalous weather, even if a generator only operates in a few months out of the year.
- **Transmission:** Larger poles and wires, generally at higher voltages, with costs regulated by the Federal Energy Regulatory Commission (FERC).
- **Distribution:** Local poles and wires, meters, smaller substations, underground facilities, trucks to build and maintain systems, and other costs.

[1] Another 8.1 GW of demand response type services are available as well.

- **Ancillary Services:** As consumers, we interact with the grid by using power at the end of the line. The delivery of that power through an alternating current system requires stability services to maintain frequency, voltage, maintain short-term reserves, and other stability services.
- **Other Charges & Taxes:** Statutory programs such as Federal and State Universal Service, Act 129, AEPS, taxes.

Here's a simplified example of how all that is converted to a rate for residential customers. In Pennsylvania, because it is not vertically integrated, the supply parts of the service (Energy, Capacity, Ancillary Services, some of the other riders) are separated out. For the delivery component of the service, the utility will study the share of the total costs that it takes to serve the residential rate class. That cost-of-service revenue requirement is divided by the expected amount of energy delivered, denominated in kilowatt hours; that becomes the $/kWh rate.

For other rate classes, the same type of cost-of-service study is performed, but individual customers in that class may be allocated costs using more complex methods, such as through demand charges that measure a customer's share of total demand during peak times.

Components of Power Costs

Figures 1 and 2 present a simplified breakdown of the cost of power over the prior 8 years, along with an aggregation of wholesale vs. retail cost components. The following figures are constructed from multiple sources. They do not account for differences between rate classes and do not include certain costs such as retail supplier markups above wholesale energy costs, but are illustrative of the trend in power costs. For 2025, the capacity component will increase due to the latest auction, but full-year data is not in yet.

Figure 1

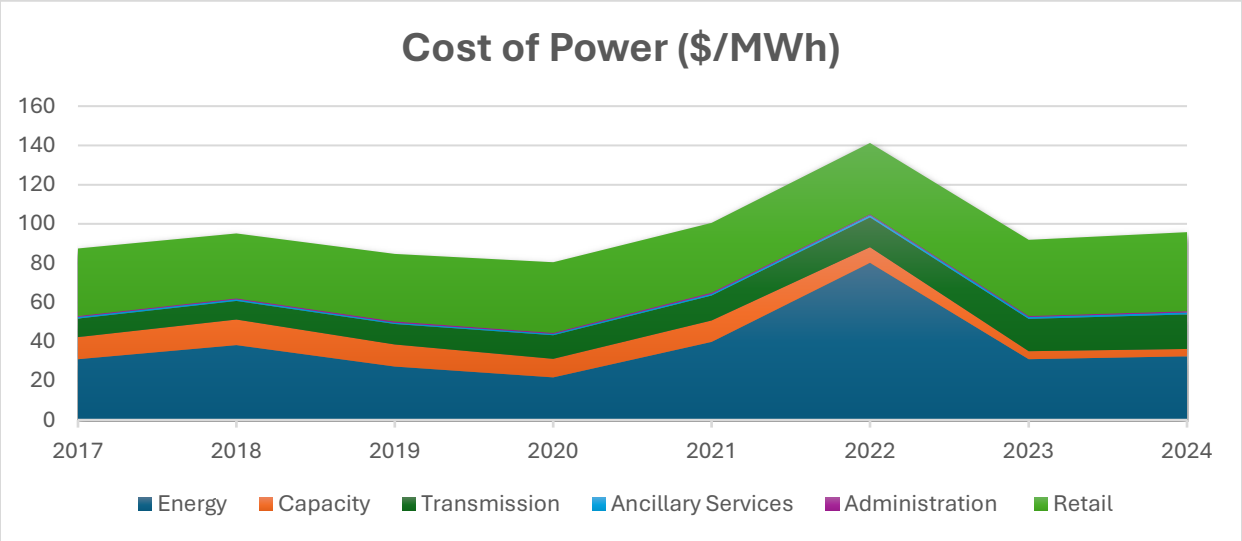
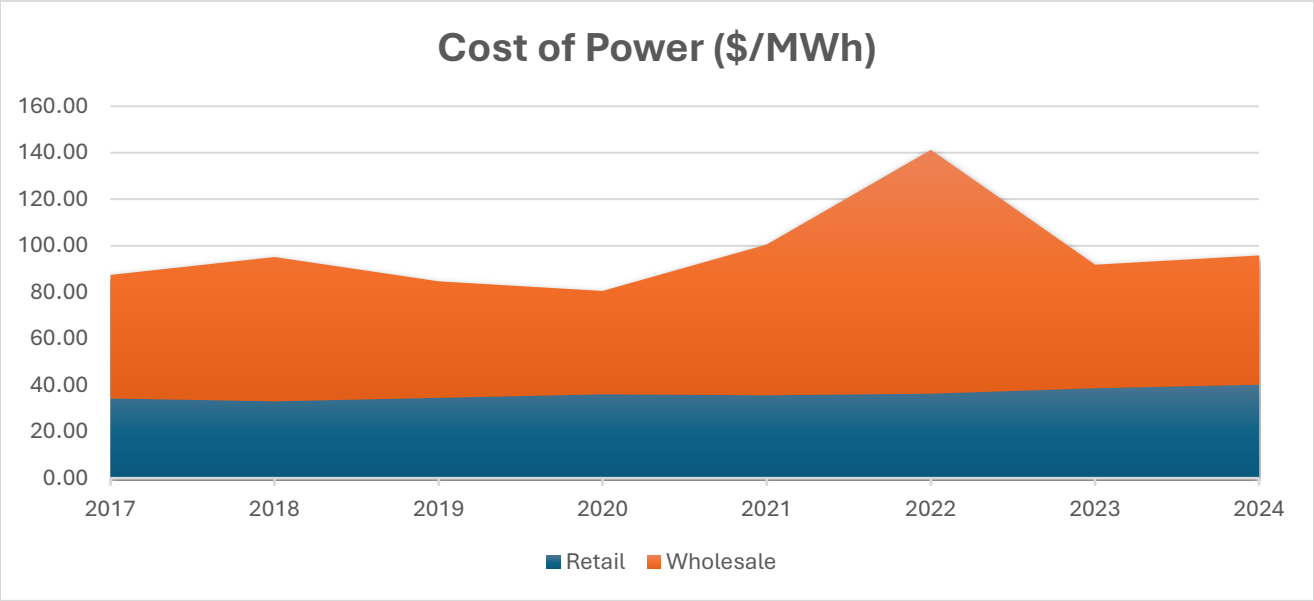


Figure 2

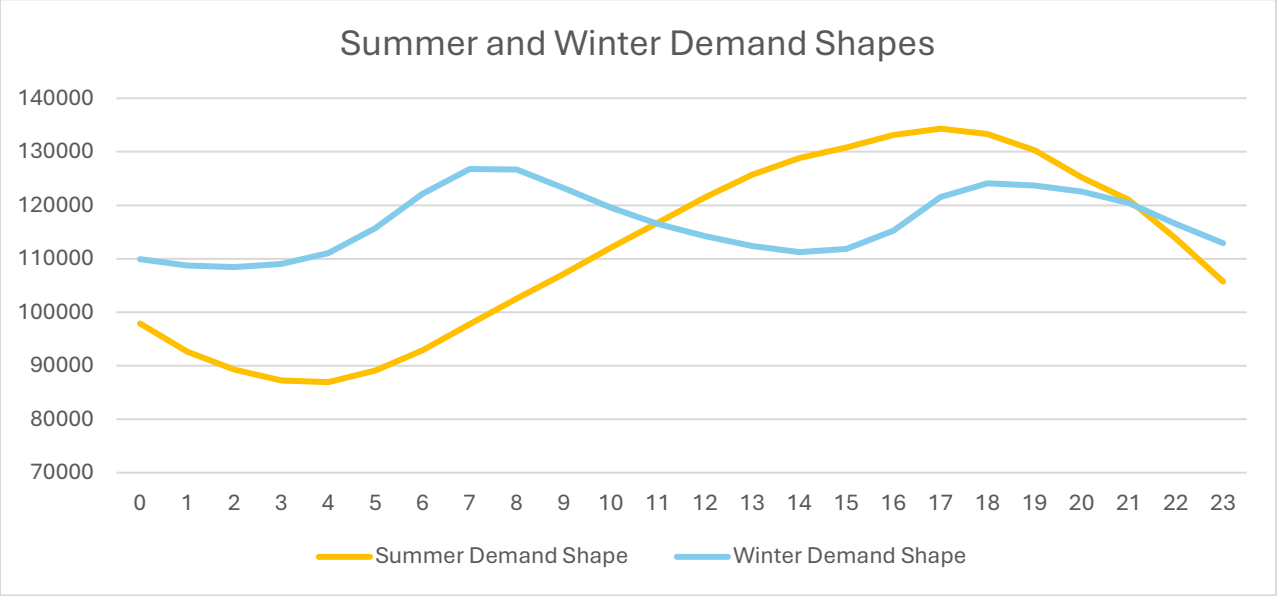


Energy Costs & Intraday Variation

Because of our participation in a regional grid, energy prices are determined at the wholesale level as a balance between supply and demand. Generators are told to run (called being dispatched) in order from least expensive to most expensive. If we have 100 GW of demand in a particular five-minute interval, we "dispatch" generators in order of price until we hit that level of generation. Transmission system constraints are also accounted for, using a tool known as "Security Constrained Economic Dispatch" or SCED.

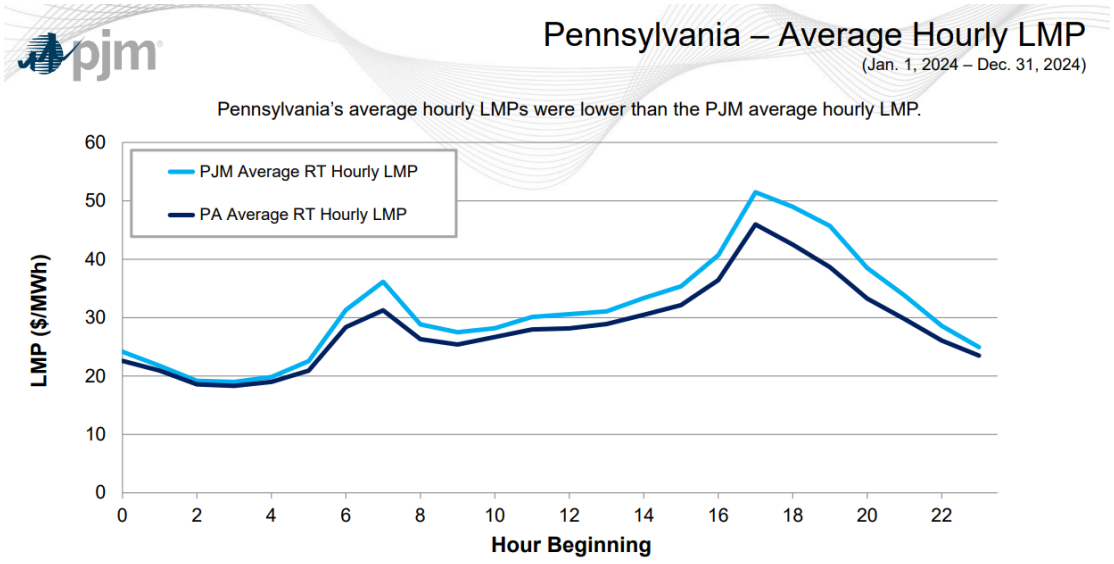
The Daily Load Shape. The level of demand varies significantly within a day. There are generally two peaks within a daily period. The morning peak and the evening peak. In the summer, the evening peak tends to be higher than the morning peak, if the morning peak exists at all. In the winter they are closer to equal. This is demonstrated in Figure 3 below using representative non-emergency days.

Figure 3 – Megawatt Demand by Hour of Day – July 10, 2025 vs. January 9, 2025



During periods of high demand and periods of rapid ramping, prices tend to be higher. As shown in Figure 4, the average price in Pennsylvania and PJM by hour of day. Locational Marginal Price (LMP) refers to the price based on the locational differences on the transmission system.

Figure 4 – Average Prices In Pennsylvania Relative To System Prices Over the Course of a Day[2]



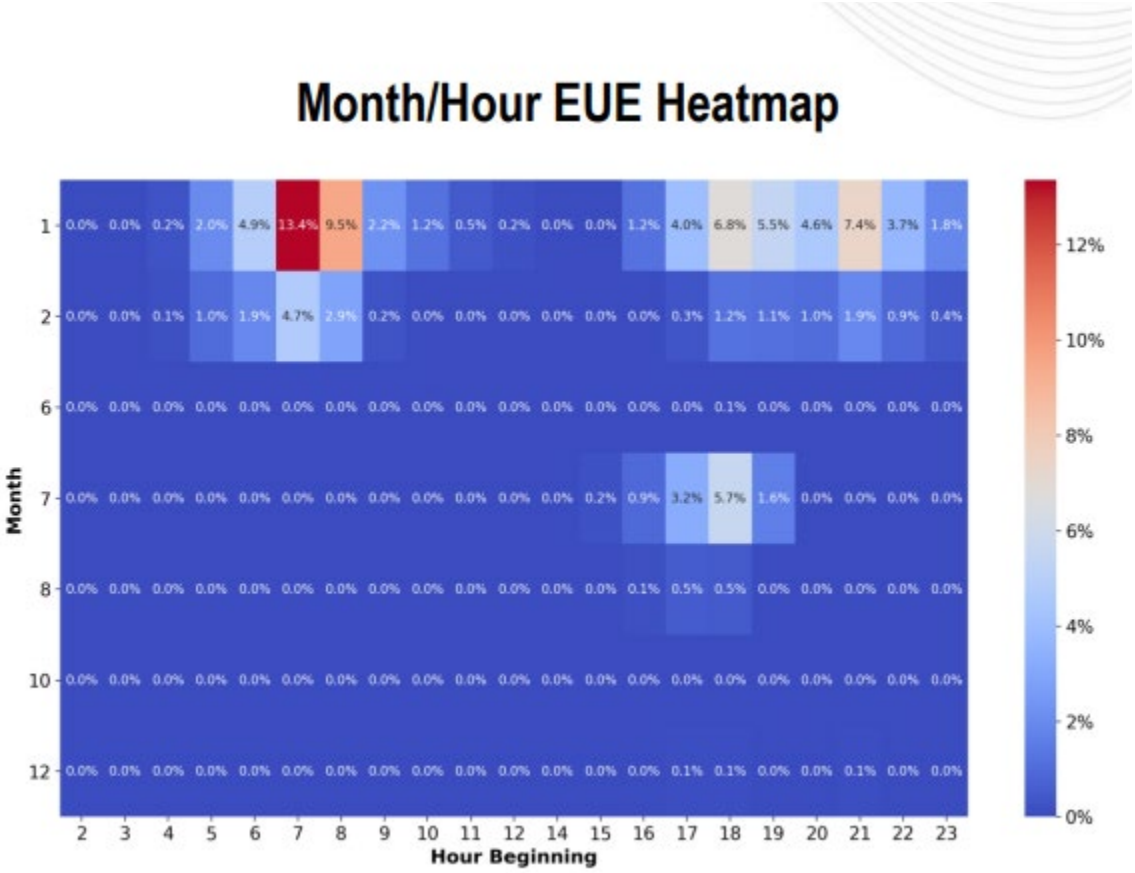
[2] Slide 23, https://www.pjm.com/-/media/DotCom/library/reports-notices/state-specific-reports/2024/pennsylvania.pdf.

In areas with substantial amounts of solar like California, Texas, and New England, midday demand (and consequently energy price) is reduced substantially. This effect is only just beginning in the PJM region.

Capacity Markets & Expected Unserved Energy

As described earlier in my testimony, in most hours during the year, the system is flush with supply. Figure 4 below produced by PJM shows the limited hours in which demand has the potential to outstrip supply. Note however, that because the risk metric used is very strict, even during these hours, lack of resource adequacy is still rare.

Figure 4 – Statistical Share of Expected Unserved Energy by Month and Hour[3]



[3] Slide 23, https://www.pjm.com/-/media/DotCom/committees-groups/committees/pc/2024/20240221-special/elcc-education.pdf.

As part of determining how much capacity PJM needs to buy, it must determine the level of risk it faces, when it faces that risk, and how much a particular generator ameliorates that risk.

- **Risk Metrics.** Resource adequacy is measured with probabilistic metrics: LOLH (loss-of-load hours) and EUE (expected unserved energy), alongside traditional LOLE (loss-of-load expectation) standards (e.g., 1-day-in-10-years).
- **Accreditation**: Part of the assessment of capacity is determining the capability that a generator can provide to the system during the periods of highest risk. Historically, the periods of highest risk were periods of peak demand. Today, periods of highest risk are the combined periods of high demand and high resource non-performance. Although winter tends to have lower demand, resource performance is worse, and so it is weighted similarly to summer as a risk period.

  Before Winter Storm Elliott in December 2022, PJM assessed the summer to be the major period of risk. Resource performance during the winter was worse than expected, as a result, generators were accredited as less valuable, and we need to buy more MWs of Installed Capacity to have the same level of reliability.

Figure 4 shows the Effective Load Carrying Capability (ELCC) by unit type—the amount of demand that 100 MW of a given resource can reliably serve. For example, 100 MW of Tracking Solar at 8% ELCC means PJM could support an additional 8 MW of flat-profile load. These figures reflect each resource's reliability contribution, but not how that contribution compares to construction costs.

Figure 4 – ELCC by Unit Type for Delivery Year 2027/2028[4]

	2027/2028 BRA ELCC Class Ratings
Onshore Wind	41%
Offshore Wind	67%
Fixed-Tilt Solar	7%
Tracking Solar	8%
Landfill Intermittent	48%
Hydro Intermittent	39%
4-hr Storage	58%
6-hr Storage	67%
8-hr Storage	70%
10-hr Storage	78%
Demand Resource	92%
Nuclear	95%
Coal	83%
Gas Combined Cycle	74%
Gas Combustion Turbine	61%
Gas Combustion Turbine Dual Fuel	77%
Diesel Utility	92%
Steam	72%
Waste to Energy Steam	83%
Oil-Fired Combustion Turbine	80%

- **Recent Market Outcomes:** In PJM's most recent auction (delivery year 2026/27), all zones cleared at the FERC-approved UCAP price cap of $329.17/MW-day. In the auction before that, the clearing price in Pennsylvania was $269.92/MW-day. These were substantial increases from prior auctions and were due to a combination of reduced accreditation from poor performance during Winter Storm Elliott, other adjustments to reliability risk modelling which increased apparent winter risk, and increased peak demand forecasts. The Reliability Requirement, which sets the quantity of resources PJM needs to buy its capacity market increased from 132.1 GW to 133.6 GW. At the same time, offered accredited capacity declined from 138.8 GW to 129.6 GW. Together, this removed over 10 GW of surplus from the system.

[4] https://www.pjm.com/-/media/DotCom/planning/res-adeq/elcc/2027-28-bra-elcc-class-ratings.pdf.

Transmission Costs

- **What We're Paying For:** Bulk grid projects to relieve congestion, interconnect new supply and load (e.g., data centers), upgrade aging lines, and harden for extreme weather.
- **Trends and Value.** The Department of Energy's National Transmission Needs Study found substantial regional and interregional needs this decade.[5]
- **Investments:** Like Capacity, due to declining peak demand, the region built very few miles of high-voltage lines recently. Most transmission planning has been local in nature, addressing an aging grid rather than preparing for sweeping generator interconnection needs.

Ancillary Services

- **Definition:** Services that keep the grid stable and operating within tight parameters: regulation (frequency), spinning/non-spinning reserves, voltage/reactive support, black start, etc.
- **Costs and Importance:** Ancillary services make up a very small component of retail bills. Although they are likely to remain a small part of costs, ancillary services are likely to be of increasing importance because inexpensive renewable energy does not innately provide ancillary services in the same way that traditional resources do. Batteries, as well as recent improvements in inverters, known as grid-forming inverters, can address this challenge.

Distribution Costs

Distribution costs include poles, wires, transformers, substations, metering, vegetation management, storm recovery, and other costs of maintaining local systems.

- **Trend.** Utilities nationally have materially increased distribution substation and related equipment spending (e.g., 2023 distribution substation equipment spend up 15% YoY and +184% vs 2003).[6]

[5] National Transmission Needs Study, available at https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf

[6] Energy Information Administration, https://www.eia.gov/todayinenergy/detail.php?id=63724

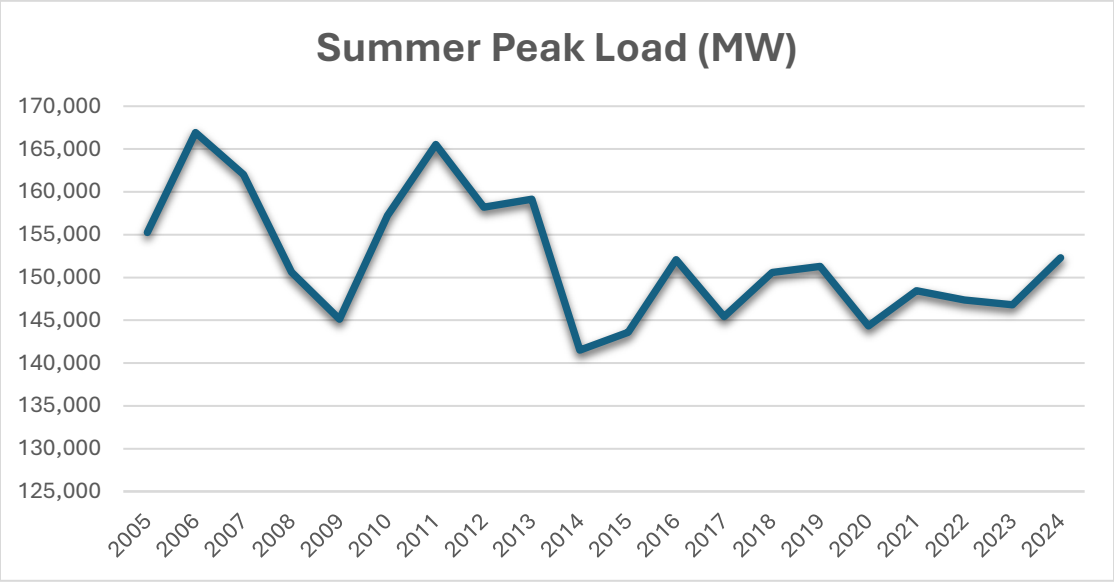
Long-Term vs Short-Term Trends

Long-Term:

- **Fixed-Cost Components are Trending Up.** Capacity, transmission, and distribution requirements have become a larger driver of bills as we replace aging infrastructure and prepare for higher electrification peaks.
- **Generation Trends and Natural Gas Costs:** In general, wholesale electricity cost trends have trended down over time. However, wholesale electricity costs are structurally tied to gas prices. Natural gas generation in PJM makes up half of all installed capacity and is often the marginal resource. Because of this, the cost for natural gas electric generation sets the market price for electricity. Aside from a spike in 2022, natural gas prices have been fairly flat for a decade and have trended downward since the beginning of the fracking revolution, when natural gas started to dominate the electricity market.

In the long term, competition and innovation in the generation sector have lowered prices, while delivery costs have increased at a consistent but slow rate. On the demand side, system peak demand has been decreasing for a generation. Figure 5 demonstrates the downward long-term trend of peak load.

Figure 5 - PJM RTO Historical Peaks



These effects combined have led to long-term nominal price increases, but overall prices have decreased since competition was introduced after accounting for

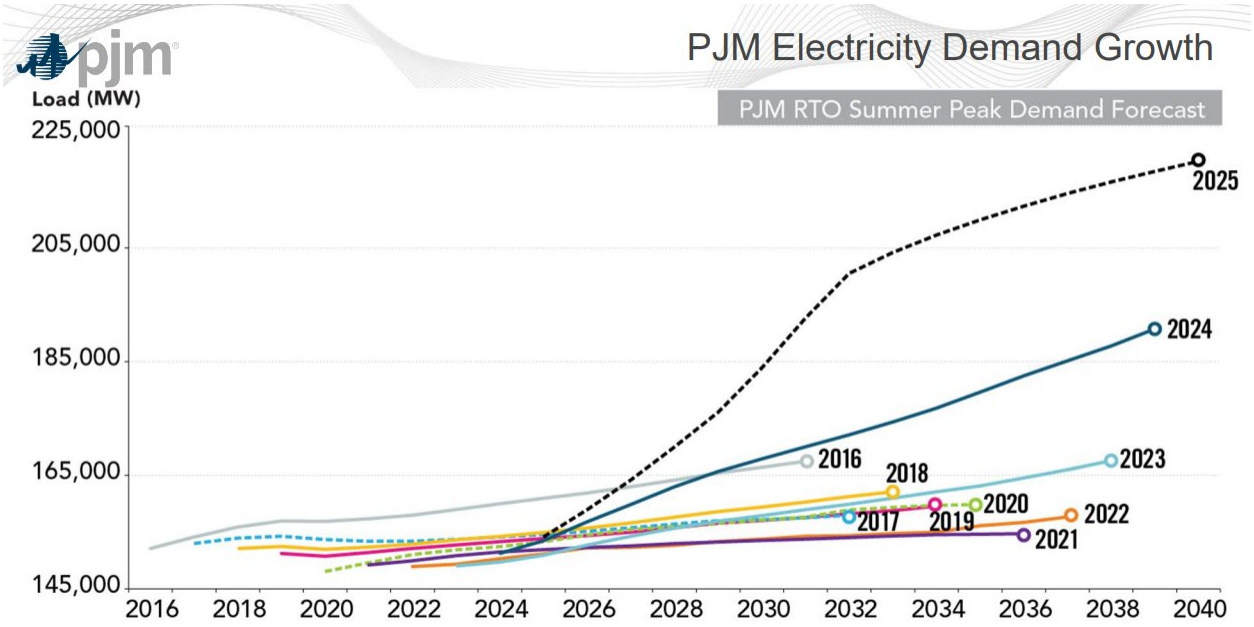
inflation. The overall price trend is shown in our recently published Electric Power Outlook Report.[7]

Short-Term (Previous 3–5 years and next few years)

Unlike the downward trend of peak demand and generation price reductions, the last few years and coming years indicate a reversal.

- **Demand Increases:** As stated above, prior to 2023, peak demand was decreasing in the PJM region. Contrast that with present forecasts due to data center construction and electrification as shown in Figure 6. In Pennsylvania the future spike of demand is particularly pronounced in PPL's service territory, with over 14 GW of new demand from data centers being noticed for construction by 2032.[8]

Figure 6 – PJM Demand Forecasts[9]

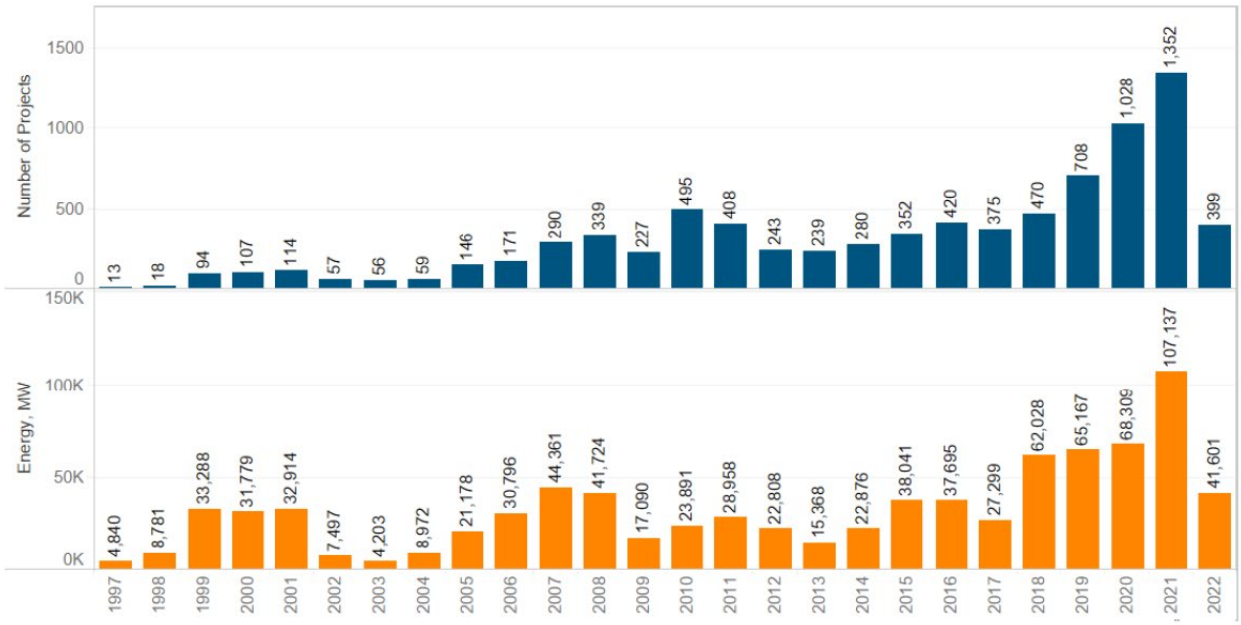


- **Supply-side Interconnection Crunch:** Historically, PJM's interconnection queue was designed for a relatively small number of very large power stations. In 2001, the average interconnection queue request was for 289 MWs. In 2021, just before PJM paused its queue to implement reforms, the average request was for 79 MWs. Illustrated in Figure 7, the PJM queue received far more requests for smaller generation projects to interconnect. It broke down.

[7] https://www.puc.pa.gov/media/3586/final-draft-2025-epo-2024-2029-8-2025.pdf.
[8] Taken from PJM Transmission Enhancement Advisory Committee (TEAC) meeting notifications.
[9] Slide 19, https://www.pjm.com/-/media/DotCom/library/reports-notices/state-specific-reports/2024/pennsylvania.pdf.

Since the interconnection queue reform, in June of this year, PJM stated it has signed interconnection agreements with 46 GW of generation. Yet much of that has not come online. Part of the reason for this is that the projects were stale after sitting in PJM's queue for years. Other reasons include siting and permitting challenges. In a survey recently conducted by PJM generators reported that permitting added 14.5 months of project delays, constituting 29% of project delays.[10]

Figure 7 – Total New Services Requests by Year[11]



- **Delivery Side:** Like capacity, the transmission system is built out to serve peaks. The transmission system needs to be large enough to serve combined demand at the same moment. In practice, this means early evening hours in the summer and winter, and 6-10 AM in the morning on cold winter days. Because the peaks are increasing again, large transmission infrastructure projects are being built. In the last two years of transmission planning, PJM has approved more than $10 Billion in new transmission construction.

What Can Customers do?

For customers there are options. Since today's hearing is being held in the PECO territory, I will highlight some of PECO's customer assistance programs for low-income customers and then address tools available for all customers. PECO offers 4 programs: the Customer Assistance Program, or CAP; the Low Income Usage

[10] Slides 8 and 9, https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2025/20250626/20250626-item-05---construction-metrics.pdf.
[11] Page 5, PJM Interconnection Reform Filing, FERC Docket No. ER22-2110 (Filed June 14, 2022).

Reduction Program, or LIURP; the Matching Energy Assistance Fund, or MEAF; and the Customer Assistance and Referral Evaluation Services Programs, or CARES.

For all customers, Act 129 programs, Time-of-Use Rates, and Shopping are viable options to reduce bills.

General Customer Programs

Act 129 is an energy efficiency and demand response statutory program that uses EDC funds to invest in energy efficiency, the goal being to reduce consumption and benefit all customers. Reaching out to EDCs regarding these programs can save an individual customer money by helping to upgrade to more energy efficient appliances, replace insulation, or a variety of other tools. The programs help all customers by reducing peak demand on the system and avoiding energy costs.

Shopping is also a viable option to reduce your bills. On www.papowerswitch.com, a Commission run website, you can compare offers from competitive suppliers who may provide services at a less expensive rate. Customers can also shop for longer-term contracts if they want stability in their bills. It is important if you are going to shop to know what you are signing up for and pay careful attention to contract renewal dates. Commission regulations require that competitive suppliers provide notice well in advance of renewal dates, but if you miss a renewal, it is possible to be placed on a month-to-month contract at much higher rates than the customer's original contract.

Time of Use rates, or TOU rates as they are generally known, provide an alternative rate without switching suppliers. They price power more in line with demand. During peak times, it is more expensive, but if you can avoid large appliance use during that time, then TOU rates can unlock deep savings during off-peak times relative to the EDC's default rate. PECO's TOU rate, for example, provides for on-peak rates from 2-6 PM on weekdays, off-peak rates during most other weekday hours as well as weekends and holidays. Super-off-peak rates are available from midnight to 6 AM and provide for very low rates. PECO offers a tool to compare whether you would save by switching to TOU.

Both shopping and TOU rates will generally only affect the supply portion of the bill, not the delivery portion.

Low Income Programs

CAP is an assistance program for low-income residential customers whose total household income levels are at or below 150% of the Federal Poverty Level, or FPL. CAP provides a fixed bill equal to what the CAP customer can afford to pay for utility service based upon the customer's FPL and the household's allowable energy

burden. When the CAP customer pays their bill each month, credits will be applied to reduce the customer's monthly undiscounted bill.

LIURP is a usage reduction program for low-income residential customers with household gross income at or below 200% of the FPL and with high usage as defined by PECO's program. LIURP assistance includes direct weatherization and conservation measures as well as in-home education that promotes usage reduction for the customer.

MEAF is PECO's hardship fund which includes contributors and grant recipients. Contributors pledge donations either through their monthly bill or through PECO's website. Grant recipients are residential customers whose income is at or below 200% of the FPL, that have not received a MEAF grant in the past 12 months, that are in imminent danger of service termination or their services have been terminated, and that can bring their balance to zero between the combination of the MEAF grant, customer payments, and/or other grants.

CARES is a referral and informational service designed to assist low-income customers who are at or below 200% of FPL with special needs or extenuating circumstances that hinder their ability to pay their bills. Eligible customers may receive temporary protection from termination of service as well as specific education and referral information for energy and non-energy related assistance.

Additionally, there is a nationwide customer assistance program provided in all service territories, the Low-Income Home Energy Assistance Program, or LIHEAP. LIHEAP is a federally funded program which aids customers based upon household size and income, type of fuel used, and geographical region. LIHEAP has three components: Cash, Crisis, and weatherization assistance. The Cash program provides a direct payment to a vendor, such as the EDC or NGDC. The Crisis program allocates funding for emergencies including purchasing home heating fuel, preventing service termination, or reinstating service that was terminated for non-payment. The weatherization program provides funding for winter emergencies including repairing leaking pipes and broken furnaces.

Funding for the LIHEAP program is appropriated by Congress under the Labor/Health and Human Services Appropriations Bill and is subject to change each year. In Pennsylvania, this program is administered by the Department of Human Services. Unfortunately, the current future of LIHEAP funding is uncertain. To put it in perspective, during the 2024-2025 heating season, LIHEAP provided over $152 million in aid to Pennsylvania's most vulnerable citizens – $85,326,745 to 292,854 utility customers through Cash Grants and $67,055,553 to 127,944 households through Crisis Grants. LIHEAP funds are, in many instances, the only source of funding available to help our senior citizens, children, and individuals with disabilities and severe illnesses maintain or restore their heating services.

About a week ago, led by my colleague Commissioner Zerfuss, the Commission intensified its efforts to rally support and help secure funding for LIHEAP.[12] The Commission sent a letter to the Pennsylvania Congressional Delegation, urging Congress to support the highest level of funding possible for LIHEAP in Fiscal Year 2026 and to protect the program from any reductions. Earlier, in April, the Commission had sent an initial letter to the delegation raising concerns that these funds might not be distributed to Pennsylvania.

What Can we Do as a State?

As a state, there are some critical policies I believe we should endeavor to take on to save customers money. First and foremost, it's time to move at the speed of business and reduce hurdles and unnecessary slowdowns on energy projects of all types, while still maintaining regulatory oversight for safety and health. Second, Distributed Energy Resources (DERs) offer major pathways to allow customers to take control, play a greater role in the energy system. Moreover, distributed resources can lower delivery costs by placing generation near load. Finally, we need to address the demand side like never before. Perhaps counterintuitively, large loads like data centers actually have the potential to lower delivery bills for customers in the long term. The key is to ensure they pay their fair share for the new infrastructure they cause, as well as improve the utilization factors on existing infrastructure.

[12] See our recent letter to the Pennsylvania Congressional Delegation, https://www.puc.pa.gov/press-release/2025/puc-commissioners-urge-congressional-support-on-liheap-9-2-25.

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Bucks County Home Repair Program: Energy Efficiency and Housing Stability

Submitted for the PA House Democratic Policy Hearing, September 10, 2025

Thank you, Representative Brian Munroe for hosting this important hearing, and all our elected Representatives for taking part.

Thanks also to PECO. Their work through LIHEAP and their free energy audits has been life-changing for families struggling with energy costs. Their commitment reminds us what is possible when private partners and public programs come together to ease the burden on homeowners.

Introduction

Habitat for Humanity of Bucks County, in partnership with the County of Bucks and Capital Access, administers the Bucks County Home Repair Program (BCHRP). This initiative is supported through Pennsylvania's Whole Home Repair Program with additional funding from the County of Bucks.

The program addresses the critical intersection of aging housing stock, rising energy costs, and climate resilience. Families across Pennsylvania face the dual burden of maintaining older homes while contending with utility costs that continue to climb.

A key part of understanding the challenge is knowing the age of our housing stock:

- Across **Pennsylvania** as a whole, the *median housing age* is about **57 years**—one of the oldest in the nation.
- In **Bucks County**, the *average single-family home* is approximately **53 years old**.
- In **Levittown**, the first families moved in June 1952-- that is **73 years ago**!

So many of these homes were built in a different era, before energy efficiency was mainstream, before electrical loads and insulation standards met today's needs. Many of these structures now struggle to retain heat, seal out moisture, or operate safely, which is why policy-backed repairs are crucial.

Impact of Energy-Efficient Repairs

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Repair Type	Savings/Impact	Source
Window Replacement	13% reduction; $125–$465 annually	DOE, ENERGY STAR 2023
Attic Insulation & Air Sealing	15–25% lower bills; $100/mo. savings	DOE, Building America Program
Electric HVAC Replacement	30–50% lower cooling; $1,000/yr. savings	EPA, Energy Star

Here are just a few examples of how targeted, **energy-efficient home repairs transform lives:**

- **Window Replacement**: The U.S. Department of Energy estimates that replacing single-pane windows with ENERGY STAR® models can **reduce household energy use by up to 13%.** For one homeowner in Levittown, this meant the difference between a $300 winter heating bill and a $200 one.
- **Insulation & Air Sealing**: Upgrading attic insulation to current recommended standards can **cut heat loss by 40%**, reducing bills by **15–25%**. In Bristol, one family felt drafty winter air replaced with warmth—and saw their **heating bill drop by nearly $100 monthly**.
- **HVAC System Replacement**: Swapping a 20-year-old central AC for a high-efficiency model can **slash cooling costs by 30–50%**. Transitioning from oil to a heat pump can **save a family nearly $1,000 per year**.

Other energy reducing repairs such as replacing windows or making roof repairs can make a significant impact on our low-income neighbors' energy bills. A leaky or poorly insulated roof doesn't just cause water damage—it bleeds energy. Whole Home Repair funds let us fix critical issues like these, so families benefit from insulation and heating upgrades.

These aren't small gains—they're **life-changing savings** for working families often choosing between groceries, medicine, or utilities each month. Families can't afford to keep paying more for electricity. while their homes leak energy through outdated windows, unsealed attics, and inefficient systems. And these investments energy-efficient repairs also extend the lifespan and safety of our aging housing stock.

Investing in energy-efficient home repairs is not a luxury. It is essential for working families—an investment with a dual payoff: **financial relief for homeowners** and **environmental gains for every Pennsylvanian.**

This is why the Whole Home Repair Program matters. We need bold, sustained investment to scale this work—to reach not hundreds, but thousands of families across our county and across the Commonwealth. Every dollar spent within these programs reduces household energy costs and strengthens housing stability.

This is our chance to build homes that are warmer, safer, and more affordable today, while ensuring a cleaner, healthier Pennsylvania tomorrow.

Conclusion

The Whole Home Repair Program demonstrates how targeted, evidence-based investments produce immediate and long-term benefits. Every dollar spent reduces household energy costs, strengthens community resilience, and supports statewide environmental commitments.

Post-script

In addition to BCHRP and our *Safe at Home Repair* program, we also are committed to reducing our ecological impact within our *Homeownership* program. We build or rehabilitate each home to Energy Star Standards, **maximizing homeowners' savings and improving property values**. (Energy Star labeled homes are a part of the national program designed to promote energy conservation in consumer products and in residential construction.) **A typical Energy Star home uses 30% less energy than a conventionally built new home**, reducing our footprint and saving homeowners money. Habitat Bucks homes also incorporate environmentally friendly finishes that are low-VOC, non-toxic, and hypoallergenic. Installation of time-controlled mechanical ventilation ensures an adequate supply of fresh air to maintain high Indoor Air Quality. Proper window specifications and placement increase natural lighting and passive solar heating. In addition to the environmental benefits, building to Energy Star standards helps make our homes affordable by minimizing utility costs for our new homeowners, yet their homes are comfortable.

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