Prepared Testimony of

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Introduction

Good morning, Chairman Miller, Senator Kane, and members of the Senate Democratic Policy Committee. My name is Kimberly Barrow, Vice Chair of the Public Utility Commission (Commission or PUC). I appreciate the opportunity to testify before the Committee today on the topic of lowering customer electric bills, including Senate Bill 312 (SB 312 or the Bill).

The Current Environment and Anticipated Demand

I would first like to set the stage a bit by explaining the position electricity customers are in today. We are experiencing drastic changes in the energy landscape with the influx of new demand, largely driven by data center development in Pennsylvania and the PJM footprint, generally. Rising electricity bills are a national issue with the average residential customer price jumping 10.2% to 18.8 cents/kWh in March from 17.1 cents/kWh a year earlier. The supply portion of the electric bill is being driven by many factors: slow interconnection of new generation, retirement of baseload generation, increasing high voltage transmission builds, and the last three PJM capacity auctions which cleared 22% higher year over year for 3 years. Those capacity prices rose due to data center demand in PJM which is forecast to reach 32 GW by 2030.

While the PUC does not regulate electricity supply prices, we are the economic regulator for the distribution portion of the electric bill, the cost to deliver that power supply to the residence or business. Data from our Pennsylvania EDCs indicates that the average residential total monthly electric bill rose from $106.03 in 2020 to $166.73 in 2025, an increase of 57%. We recognize that we are on the verge of a supply/demand shift of epic proportions – one that stands to continue increasing the already high electric supply costs for ordinary consumers. The PUC has taken important steps to address this issue that I will discuss in more detail below.

EDCs' Price to Compare (PTC)

Examining the EDCs' current PTC as of June 1, 2026, is revealing. The range of PTCs spans from a low of 11.759 cents/kWh (PECO) to a high of 14.14 cents/kWh (Duquesne Light). The percentage change from the December 1, 2025, PTCs is also eye opening, with a low of .05% change (Citizens) to a high of 19.8% (Pike County). In order to find PTCs averaging in the 10 cents/kWh range, one would have to go back four (4) years to June 1, 2022, when the low was 7.637 cents/kWh (PECO) and

the high was 12.903 cents/kWh (UGI Electric). Simply put, the electric supply portion of customers' bills is volatile, and growing, seemingly without end.

SB 312

SB 312 would require customers to be returned to the electric distribution company's (EDC) default service at the end of a fixed rate contract with an electric generation supplier (EGS) if the customer does not opt for a new contract with the EGS. In summary, SB 312 is intended to avoid customers being contractually obligated to an EGS cost that may exceed the EDC's PTC at the end of the initial EGS contract.

Shopping is a viable option to reduce customers' bills if a customer is attentive to contract details and tracks offers diligently. 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. The PUC has begun monthly tracking the number of new users for its PA Powerswitch site in addition to the number of total users. This aids somewhat in understanding customer interest in shopping. In addition, our new improved weekly price update emails to users are better organized for consumers and easier to read and use. However, I note that customer usage of PA Powerswitch has declined from 2023-2026 and switching statistics show a decrease from 24.1% of customers shopping in March of 2022 to 22.3% in March of 2026.

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. SB 312 addresses the specific issue of returning the customer to the EDC default service in the event that the customer does not affirmatively renew their EGS contract and would prevent customers from inadvertently being placed on higher month-to-month rates.

Additional Cost-Saving Customer Options

Low Income Programs

There are plentiful legacy customer assistance programs for low-income customers. In addition, there are more general customer programs that customers can use to lower their bills. Utilities typically offer several programs: the Customer

Assistance Program, or CAP; the Low Income Usage Reduction Program, or LIURP; an energy assistance matching fund; and a Customer Assistance and Referral Evaluation Services Programs, or CARES.

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 the applicable EDC's program. LIURP assistance includes direct weatherization and conservation measures as well as in-home education that promotes usage reduction for the customer.

Hardship funds include contributors and grant recipients. Contributors pledge donations either through their monthly bill or through the EDC's website. Grant recipients are residential customers whose income is at or below 200% of the FPL, that have not received a 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 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. 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.

General Customer Programs

For all customers, Act 129 programs, Time-of-Use Rates (if available from the applicable EDC), and Shopping are viable options to reduce bills.

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.

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. Not all EDCs offer TOU programs, but 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.

State Policy Drivers

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. The key is to ensure that large load pays their fair share for the new infrastructure they cause, as well as improve the utilization factors on existing infrastructure. In that regard, the Commission recently finalized its Large Load Customer EDC Model Tariff, which I discuss immediately below.

Large Load Customer EDC Model Tariff

More than a year ago, the Commission began a proceeding designed to address the anticipated load growth created by the influx of data center load. PJM's data center load forecast for 2026 resulted in a $7.3 billion, or 82%, increase in capacity market revenues for the 2026/2027 RPM Base Residual Auction. The result for the 2027/2028 auction was $6.5 billion, or a 65% increase, in capacity market revenues.[1]

Accordingly, the Commission held an En Banc hearing in April 2025, designed to educate and inform the Commission on the prudent design of a large load customer model tariff for EDCs. A Final Large Load Model Tariff Order was entered by the Commission on May 12, 2026.

The Final Order sets thresholds for the definition of large load, contains collateral and financial security provisions, establishes a framework with contract terms and early exit fees, deals with contributions in aid of construction by large load customers, provides for a self-construction option, and cost allocation parameters. The Final Order also provides for this large load user class to contribute to the PUC's universal service program to allay some of the increased energy costs being driven by their forecasted use of the grid. The lengthy and detailed Final Order is a blueprint for EDCs to best protect ratepayers from data center proliferation and energy consumption. The Commission has strongly encouraged EDCs to employ the concepts on the Large Load Model Tariff to best insulate residential customers from rising energy supply prices due to substantial increases to large load electric demand.

Conclusion

The PUC has recognized the challenges we face today and going forward with electric supply pricing. We are encouraged to see the Committee staying engaged on these critical issues. As stated above, we must use every tool available to meet the energy needs of the future. To that end, we ask that the Committee consider our input outlined above.

Thank you for time, and I am happy to answer any questions.

[1] Independent Market Monitor, 2025 State of the Market Report for PJM, Volume 1, pg. 1. Monitoring Analytics, LLC (March 12, 2026). *See also,* Volume 2 at 305-317.