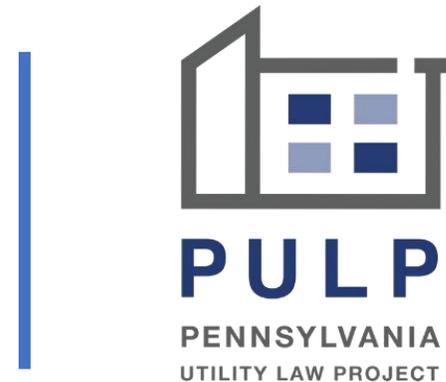


Impact of Large Loads on Customer Bills

February 19, 2026

**Department of Environmental Protection
Climate Change Advisory Committee**

Patrick M. Cicero, Of Counsel
pcicero@pautilitylawproject.org



Pennsylvania Utility Law Project

PULP is a statewide legal services project of Regional Housing Legal Services and is a member of the Pennsylvania Legal Aid Network.

PULP's mission is to secure just and equitable access to safe and affordable utility services for Pennsylvanians experiencing poverty.

We work to achieve our mission by empowering individuals and communities through:

- Legal Representation, Groups, and Individuals
- Education and Training
- Policy Advocacy
- Supportive Services
- Consultation



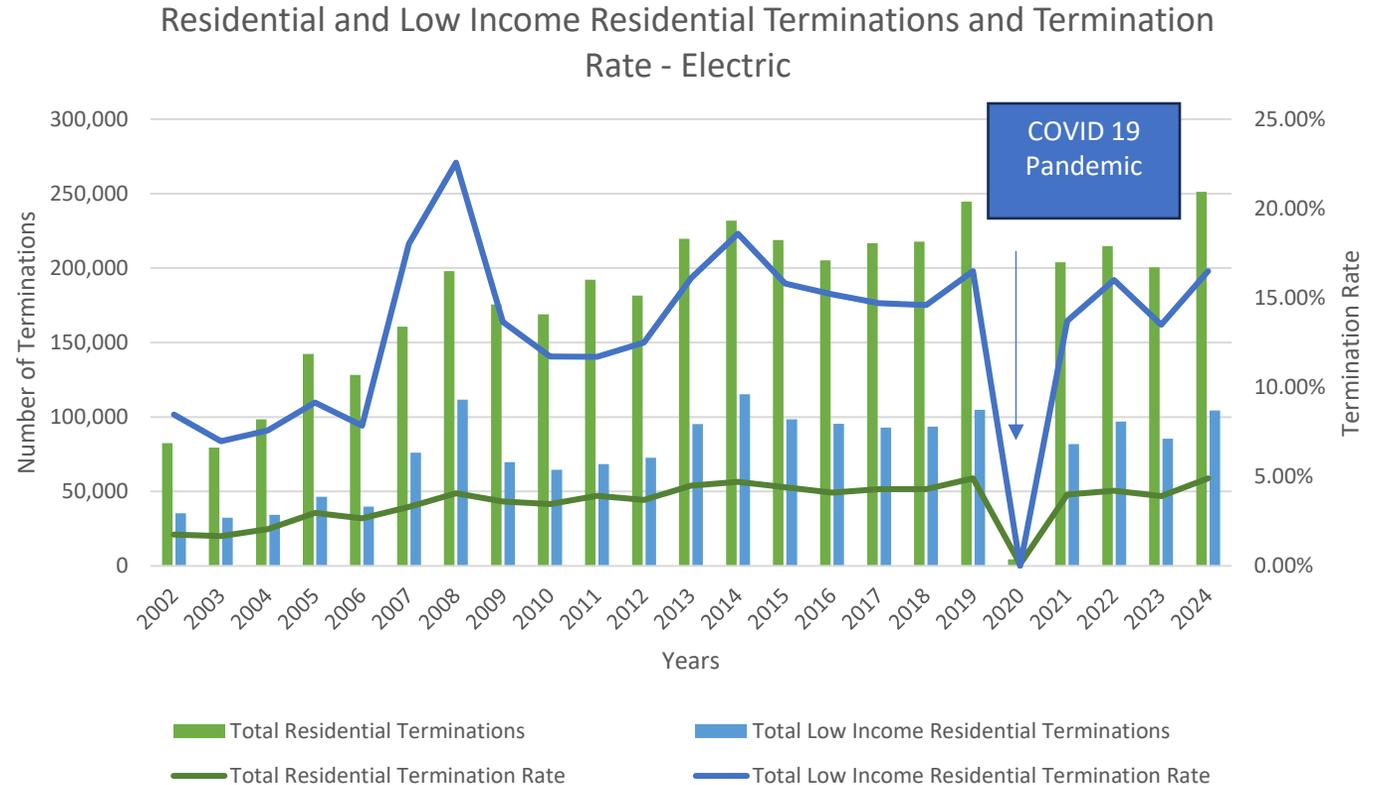
Utility Insecurity: Termination of Service

Over 414,669 households had their electric, gas, or water services terminated in 2025.

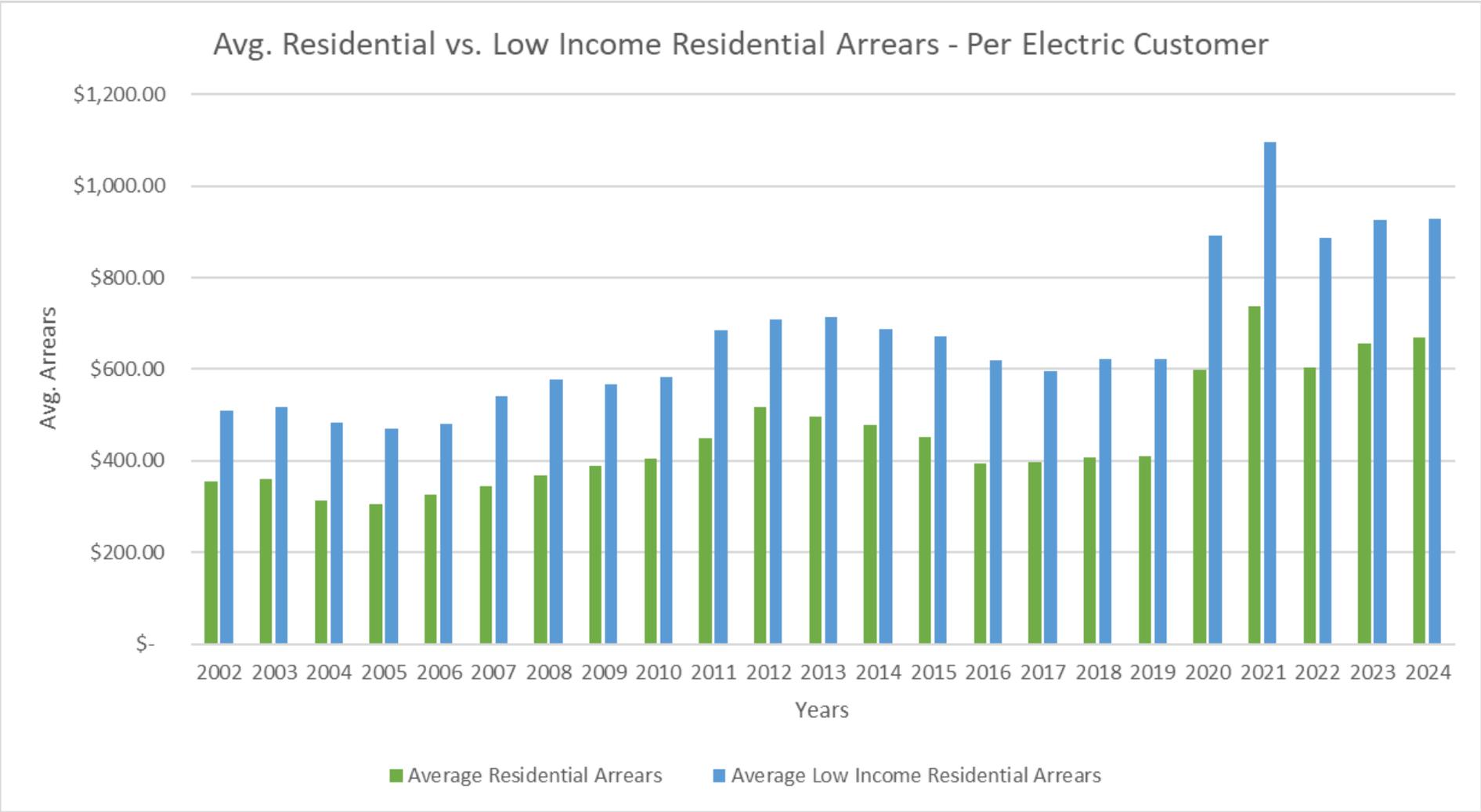
288,423 of these were terminations of electric service - up 14.1% from 2024

In December 2025, more than **21,500** Pennsylvania households entered winter without a safe heating source.

More than **14,100** households were still without safe heat as of February 1, 2026.



Utility Insecurity: High Arrearage Balances



Demographics of Economically Vulnerable Pennsylvanians

Number of Customers – Confirmed Low-Income Electric – 2022-2024

Utility	2022		2023		2024	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Duquesne	51,118	9.4%	53,128	9.7%	53,730	9.8%
Met Ed	58,174	11.3%	61,036	11.8%	62,531	12.0%
PECO-Electric	145,073	9.5%	152,722	10.0%	142,541	9.3%
Penelec	72,888	14.5%	75,842	15.1%	77,298	15.4%
Penn Power	16,327	11.0%	16,768	11.2%	16,976	11.3%
PPL	199,360	15.9%	205,451	16.3%	210,754	16.6%
West Penn	63,157	10.0%	67,170	10.6%	69,223	10.9%
Total/Industry Average	606,097	11.8%	632,116	12.3%	633,053	12.3%

Demographics of Economically Vulnerable Pennsylvanians

*Participants in Universal Service Programs
Average Household Income – Summary for All Electric – 2022-2024*

Program	2022	2023	2024
LIURP	\$18,555	\$20,815	\$21,580
CAP	\$14,124	\$14,872	\$16,031
CARES	\$20,748	\$22,413	\$23,057
Hardship Fund	\$26,152	\$22,656	\$29,177
Total/Industry Average	\$19,752	\$19,818	\$22,362

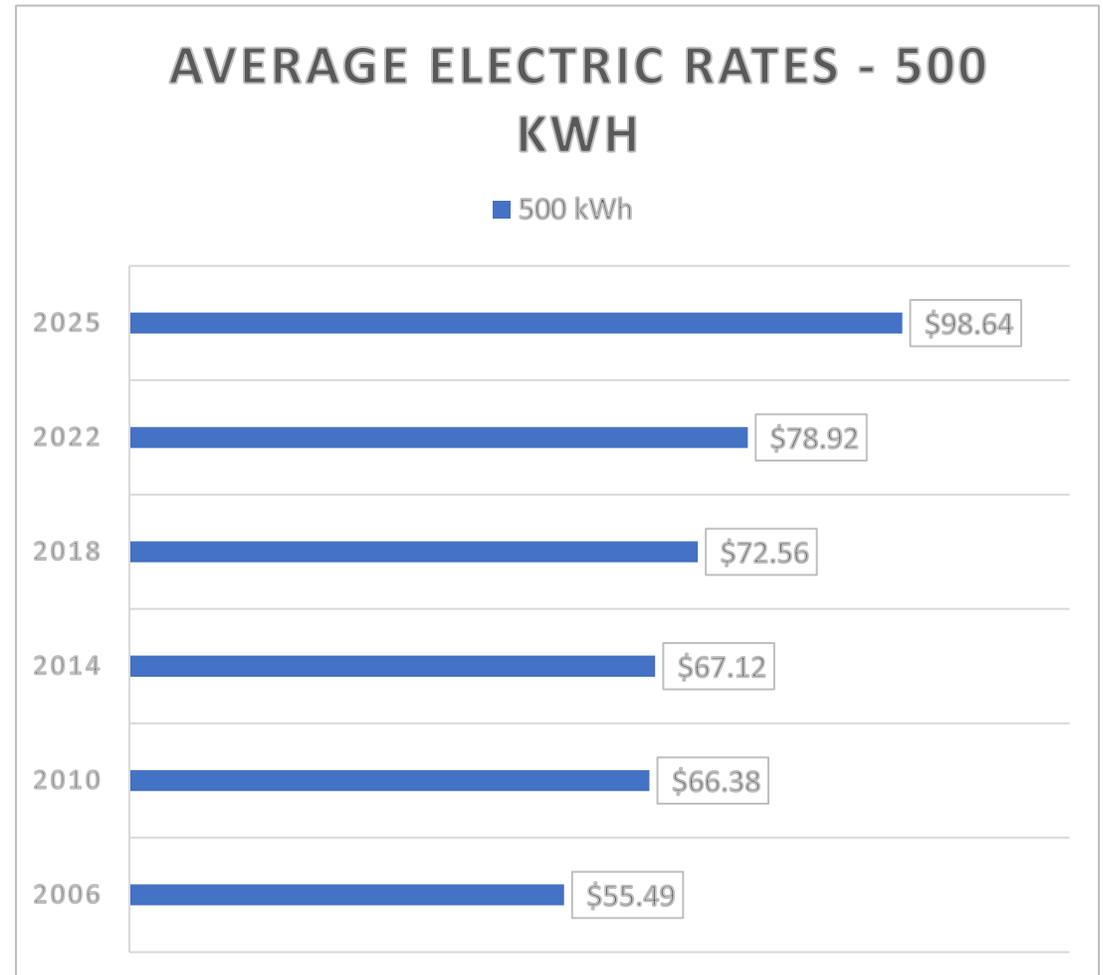
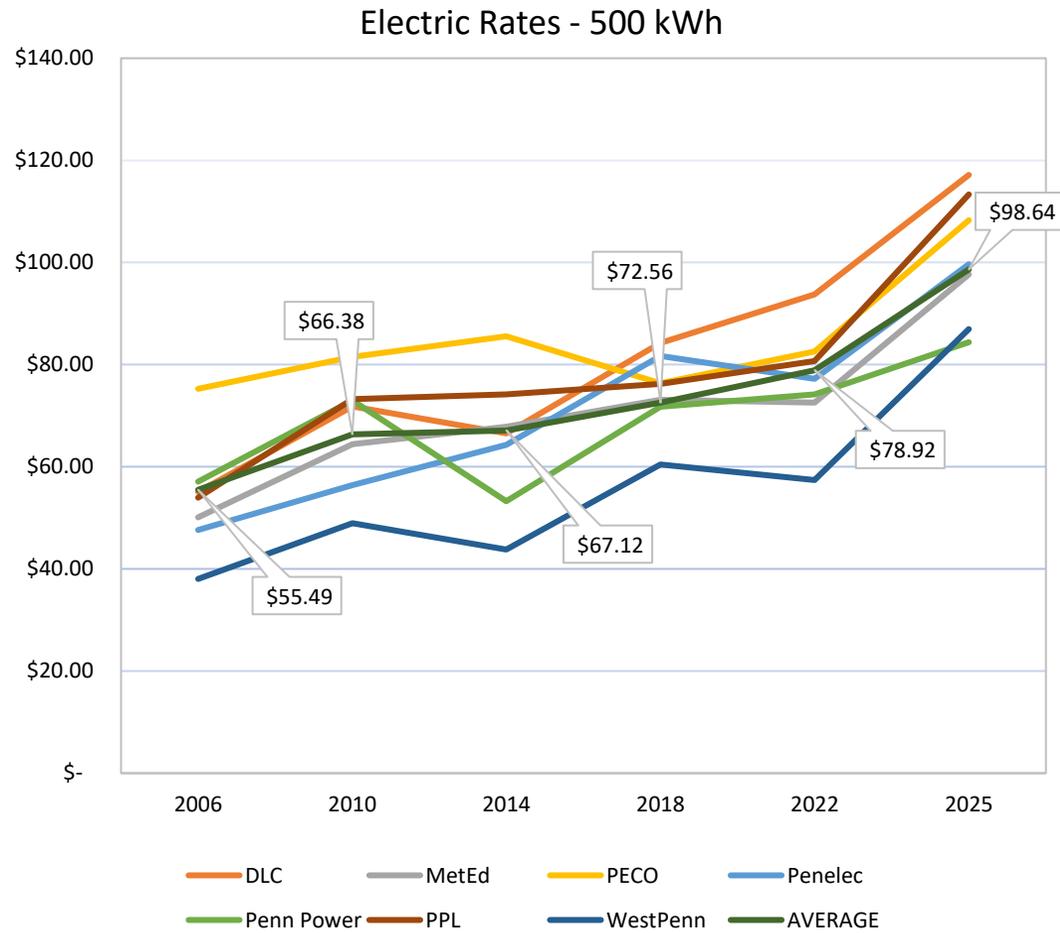
Participants in Utility Assistance Programs have very low incomes . . .

*Participants in Universal Service Programs
Source of Household Income – Summary for All LIURP Electric – 2022-2024*

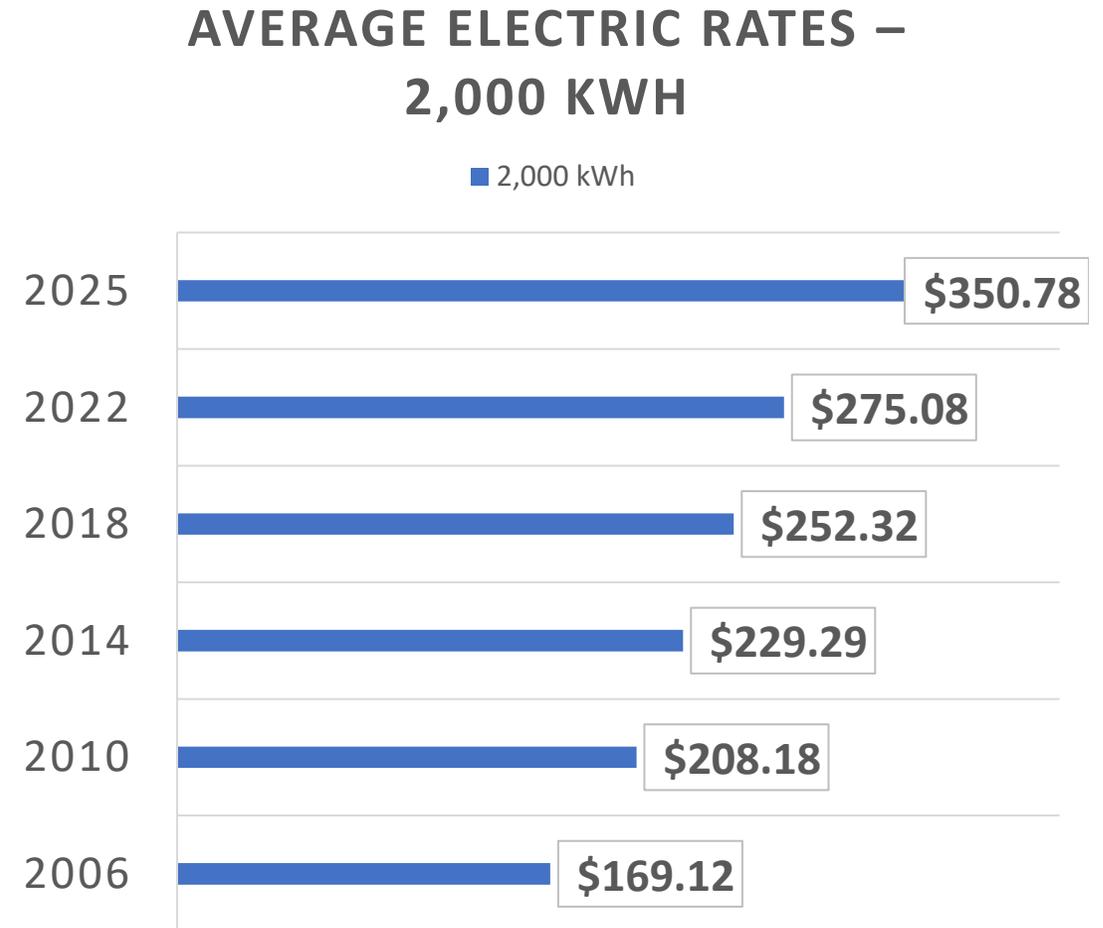
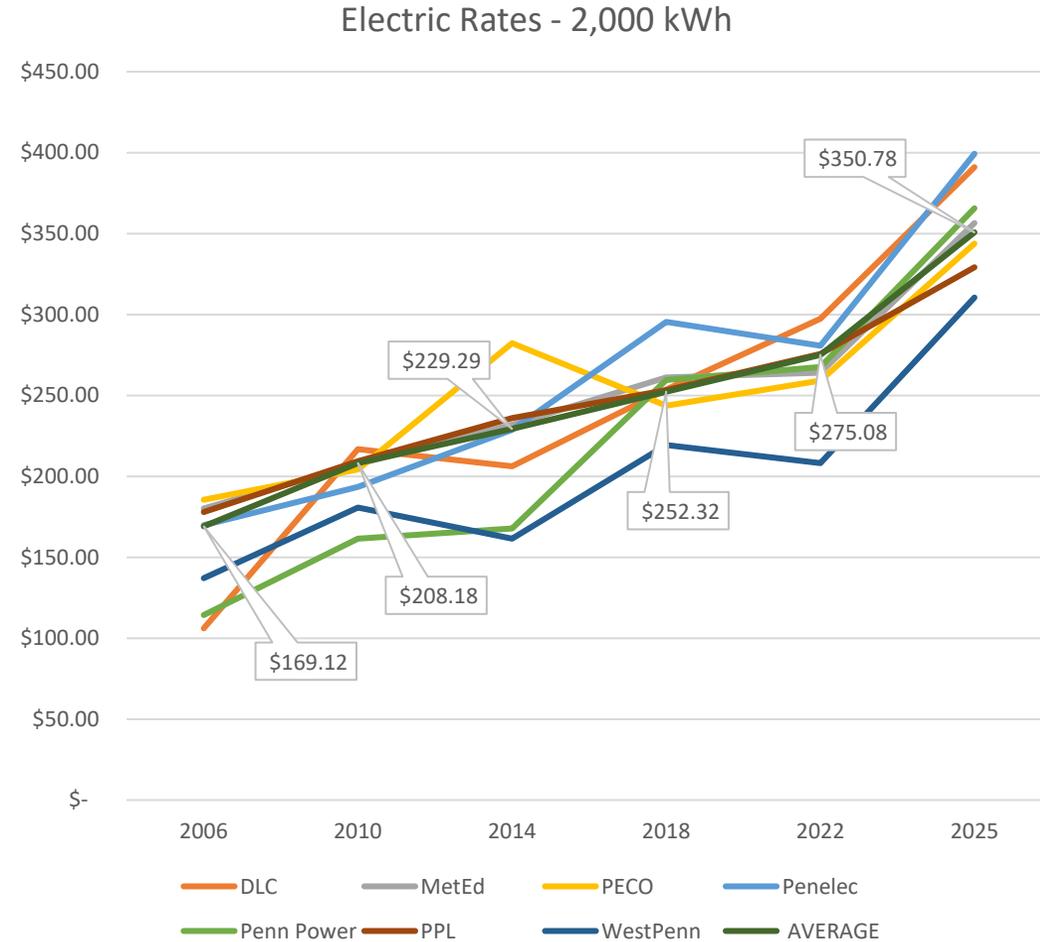
Source of Household Income	2022 LIURP	2023 LIURP	2024 LIURP
Employment	38.9%	44.4%	44.2%
Pension or Retirement	21.1%	23.5%	21.5%
Unemployment Compensation	7.7%	6.3%	7.8%
Disability	10.2%	9.5%	10.3%
Public Assistance	2.4%	2.1%	1.9%
Other	19.7%	14.2%	14.3%

... and most (76%) are employed, retired, or disabled.

Electric Rates, Baseload – 2006 to 2025



Electric Rates, Heat – 2006 to 2025



Components of Electricity Bill

DISTRIBUTION

PUC regulated monopoly service.

Obtained from your local Electric Distribution Company (EDC).

- Per kWh distribution rate.
- Flat monthly customer charge.
- Taxes
- Distribution System Improvement Charges
- Universal Service Charges
- Misc.

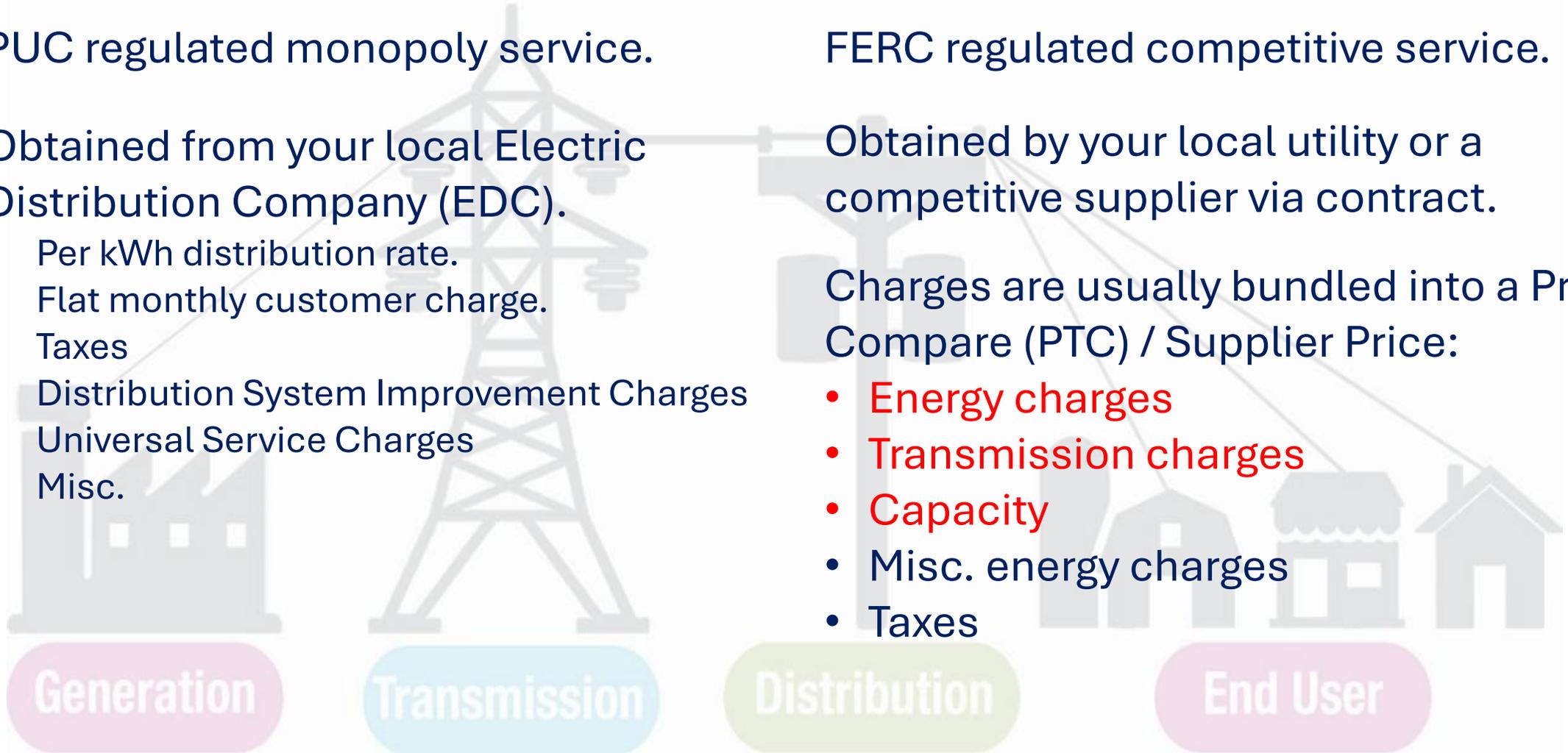
GENERATION/TRANSMISSION

FERC regulated competitive service.

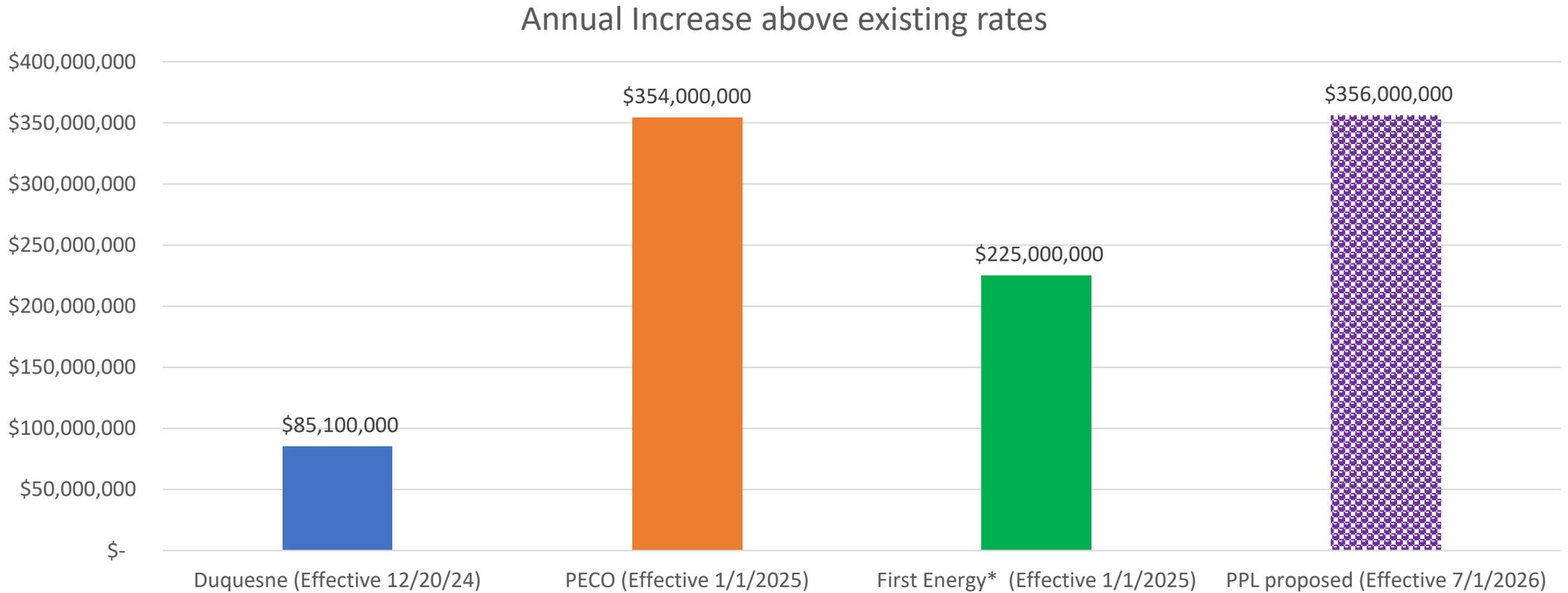
Obtained by your local utility or a competitive supplier via contract.

Charges are usually bundled into a Price To Compare (PTC) / Supplier Price:

- Energy charges
- Transmission charges
- Capacity
- Misc. energy charges
- Taxes

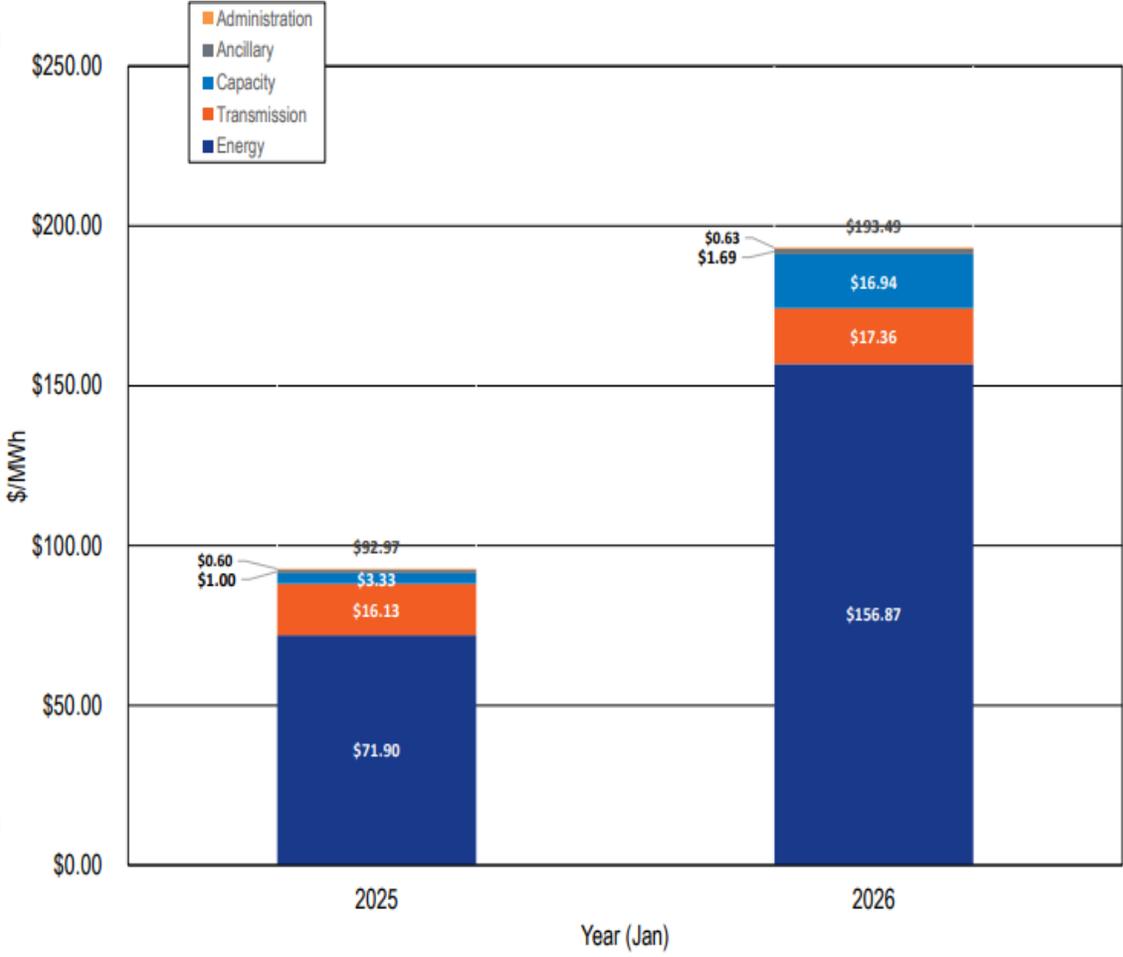
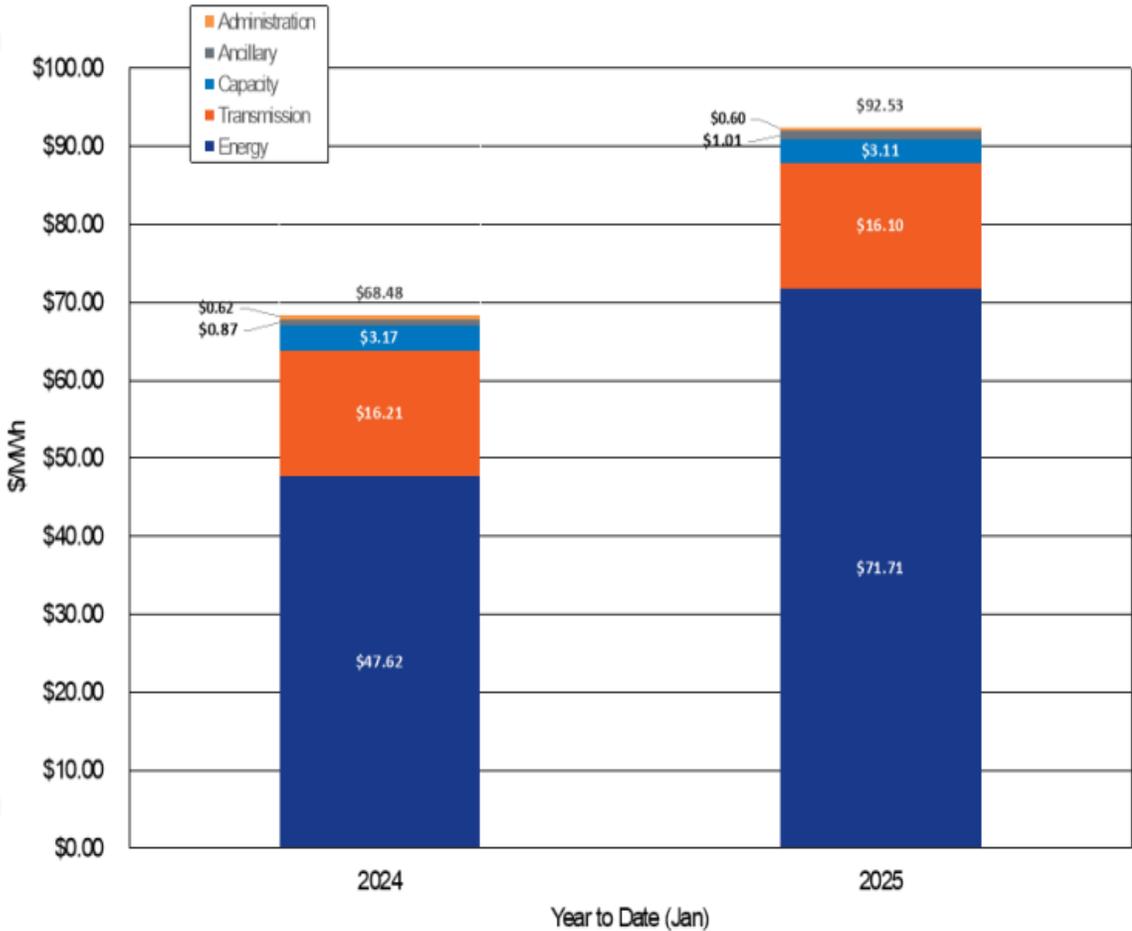


Recent Distribution Rate Increases



*FirstEnergy sets rates by separate rate district. This increase is cumulative of the following: (MetEd: \$39.6M, Penelec: \$57.7M, PennPower: \$24.8M, WestPenn Power: \$102.9M).

Total Wholesale Cost of Power



Sources: Comparison of IMM report to PJM Members Committee on [2.18.25](#) with [2.19.26](#) .

Independent Market Monitor Findings

- “For the first time ever, the 2026/2027 Base Residual Auction (BRA) was the first BRA to clear less capacity than PJM’s target reliability requirement.”
- “The basic conclusion of this analysis is that **data center load growth is the primary reason for recent and expected capacity market conditions**, including total forecast load growth, the tight supply and demand balance, the significant shortfall in cleared capacity, and high prices.
- “But for data center growth . . . the PJM Capacity Market would **not** have seen the same tight supply demand conditions, the same high prices”

Source: [Monitoring Analytics, Analysis of the 2027/2028 RPM Base Residual Auction, Part A \(January 5, 2026\)](#)
(emphasis added)

Independent Market Monitor Findings

- The Table below shows the total cost to **other customers** from the inclusion of actual and forecasted data center load in the capacity auctions for the last three years.
- The total increase was \$23.1 billion!

	Above Embedded	All Data Center Load
2025/2026 Delivery Year	\$7,742,960,157	\$9,332,103,858
2026/2027 Delivery Year	\$7,271,197,971	\$7,271,197,971
2027/2028 Delivery Year	\$6,244,523,827	\$6,497,653,512
Total	\$21,258,681,955	\$23,100,955,341

Source: [*Monitoring Analytics, Analysis of the 2027/2028 RPM Base Residual Auction, Part A \(January 5, 2026\)*](#)
(emphasis added)

Impact of increases on residential customers

- Increases in **distribution rates** are felt by all customers, regardless of whether they are served by default service or a competitive electric supplier.
- Increases in the **generation/transmission/capacity markets** vary depending whether the customer is served by default service or a retail supplier.
- Even in times when rates were relatively flat, residential customers served by retail suppliers pay considerably more for service than those served by default service.
 - Specifically, since 2015, **residential customers served by retail suppliers have paid on net more than \$2.2 billion than they otherwise would have paid had they remained on default service!**

Total Shopping Charges Over Default, PA

Utility	Dates Analyzed	Shopping Charges in Excess of the Default Service Price
PECO Electric	Jan. 2015 – Dec. 2023	\$1,223,246,444
PPL Electric	Jan. 2015 – April 2024	\$339,220,116
Duquesne Light	Jan. 2017 – May 2024	\$224,273,497
FirstEnergy PA	Aug. 2017 – Dec. 2021	\$431,152,821
Total		\$2,217,892,878

December 2025 Electric Default Price Increase

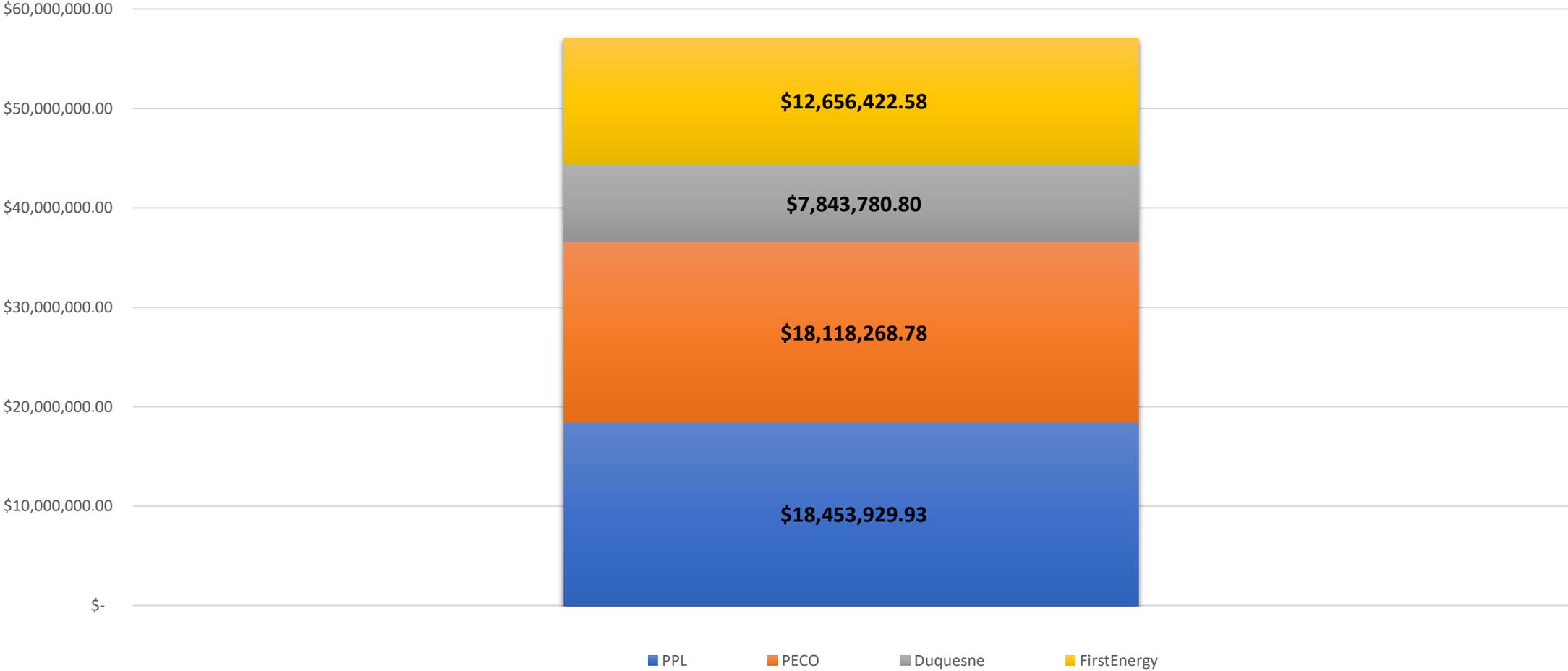
12/1/24 versus 12/1/25					
	As of Dec 2024	As of Dec 2025	Percentage Increase	Increase 500 kWh	Increase 2000 kWh
PECO	\$ 0.0924	\$ 0.1102	19.3%	\$ 8.93	\$ 35.70
PPL	\$ 0.1077	\$ 0.1295	20.3%	\$ 10.91	\$ 43.64
DLC	\$ 0.1085	\$ 0.1375	26.7%	\$ 14.50	\$ 58.00
MetEd	\$ 0.1101	\$ 0.1297	17.8%	\$ 9.77	\$ 39.10
Penelec	\$ 0.1047	\$ 0.1175	12.2%	\$ 6.37	\$ 25.46
Penn Power	\$ 0.1117	\$ 0.1261	12.9%	\$ 7.19	\$ 28.76
West Penn	\$ 0.0948	\$ 0.1095	15.5%	\$ 7.33	\$ 29.32
Smaller EDCs					
Citizens	\$ 0.0870	\$ 0.1151	32.3%	\$ 14.06	\$ 56.22
Pike^	\$ 0.1058	\$ 0.1121	6.0%	\$ 3.17	\$ 12.68
UGI Elec.	\$ 0.1064	\$ 0.1121	5.4%	\$ 2.88	\$ 11.52
Wellsboro	\$ 0.0914	\$ 0.1204	31.7%	\$ 14.48	\$ 57.92

^ Pike is not in PJM, it is connected to NYISO

Cost Impact of Electric Default Price Increase 2024-2025

Utility	Average kWh/Mo. Residential Customer	\$/Mo. Increase per Residential Customer	\$/Mo. Increase Total	\$/year increase Total
PECO	702	\$12.53	\$19,168,099	\$230,017,188
PPL	933	\$20.36	\$25,694,254	\$308,331,043
DLC	600	\$17.40	\$9,536,470	\$114,437,642
FE (MetEd)	913	\$17.85	\$9,248,823	\$110,985,872
FE (Penelec)	702	\$8.94	\$4,473,368	\$53,680,422
FE (PennPower)	808	\$11.62	\$1,739,196	\$20,870,352
FE (WestPenn)	702	\$13.38	\$8,470,820	\$101,649,835
TOTAL			\$78,331,030	\$939,972,355

\$57.1 Million Increase to Cost of CAP Program Shortfall Due to PTC Increase December 2024 - December 2025



PUC Model Large Load Tariff

- Tentative proposed model tariff / policy.
- Will serve as policy, not binding law.
- Establishes 50 MW threshold for individual loads or 100MW in aggregate.
- Universal Service Cost Issues
 - Proposed Hardship Fund Donations
 - Proposal does not begin to address the millions in increased costs to run universal service programs.

Specific Large Load Reforms

- **Adopt an explicit legal presumption that, absent actual and quantifiable evidence to the contrary, distribution system upgrades to support data center growth are for the sole benefit of the data center.**
- **Require data centers to pay for universal service costs they cause.**
- **Impose other critical consumer-focused protections that prioritize safe and affordable energy for Pennsylvania families.**
 - Standardize terms of service and prohibit special contracts and other incentives.
 - Strengthen public disclosure requirements so that communities and policy makers know what deals utilities and municipalities are striking with data center development.
 - Require minimum contract lengths and other key terms to prevent stranded costs.
 - Require all data centers to participate in mandatory demand response and impose express load-shedding requirements before emergency curtailment occurs and with sufficient safeguards to prevent scarcity pricing within wholesale energy markets.
 - Require data centers to build and bring their own new clean energy resources to limit further pressure on gas prices resulting from increased export capacity and data center demand.

Ongoing Conversations about Capacity Market Reforms at PJM

On January 16, 2026, the White House and the 13 Governors of the PJM states announced a [Statement of Principles](#) urging PJM to make significant reforms to interconnect large loads.

- Provide revenue certainty to new generation through reliability backstop procurement.
- Protect residential customers from capacity price increase by extending the current price collar through 2030.
- Improve Load Forecasting
- Accelerate Ongoing Interconnection Studies to improve speed to interconnection
- Initiate a process to reform capacity market and return PJM to market fundamentals.

Ongoing Conversations about Capacity Market Reforms at PJM

On [January 16, 2026](#), PJM announced its decision regarding its ongoing Critical Issue Fast Path process for the interconnection of large loads.

- Significant Load Forecasting Improvements
- Voluntary Bring Your Own New Generation Paired With Expedited Interconnection Track
- Connect and Manage for New Large Load Additions That Do Not BYONG and Curtailment Prior to Emergency Demand Response in Circumstances Necessitating Load Shed
- **Immediate Initiation of Reliability Backstop Procurement**
- Holistic Review of Investment Incentives in PJM's Markets in 2026
- **Feedback Request on Price Collar for 2028/2029 and 2029/2030 Capacity Auctions**

Price Collar for 2028/2029 and 2029/2030

- On February 12, 2026, **PJM announced** that it will seek an extension of the current price collar for the 2028/2029 and 2029/2030 capacity auctions.
 - PJM will be previewing this process with stakeholders on February 19-20, 2026.
 - Must file with FERC and seek permission.
 - If collar is approved, prices will likely clear at the cap of \$325 per megawatt-day. They can clear no lower than \$175.
 - Prices will remain at currently high levels.

Reliability Backstop Procurement

- Because PJM failed to meet its reliability reserve requirement in its latest auction, the PJM Board has initiated a Reliability Backstop Procurement process.
- Ongoing meetings for the next several weeks to develop a supplemental process to procure generation capacity for large data center loads.
- Significant debate among stakeholders about the scope, need, and parameters of this process.

Why all this matters: Utility insecurity is devastating

Health

- Exacerbates negative health outcomes
- Exposure to unhealthy/unsafe temperatures
- Inability to properly sanitize

Family

- Interrupts family unity (CYS/custody disputes)
- Hinders child learning and development
- Severs critical communication with work/school

Finance / Consumer Credit

- Long-term impact on consumer credit

Housing

- Catalyst for eviction, foreclosure, and homelessness
- Constructive eviction / “Self-Help”
- Results in condemnation
- Difficulty relocating to new housing
- Ineligibility for public and private housing

Contact Us!

Statewide: Training / Technical Assistance

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