

PUBLIC UTILITY COMMISSION BUDGET HEARING WRAP

Monday, March 3, 2025



General Overview:

Pennsylvania Public Utility Commission (PUC) Chairman Stephen DeFrank, Vice Chair Kimberly Barrow, Commissioner Kathryn Zeffuss, and Commissioner John Coleman testified before the House Appropriations Committee this morning. Republicans focused their questions on the energy side of the PUC, asking the Commissioners to answer questions about energy taxes and grid reliability.

Key Takeaways:

- Committee members primarily focused on energy costs, specifically the impact of RGGI (Regional Greenhouse Gas Initiative)/PACER (PA Climate Emissions Reduction Act)/PRESS (PA Reliable Energy Sustainability Standard) on our energy market.
 - These proposals by Governor Shapiro will result in increased costs for consumers by forcing the closure of more power plants and by driving up the cost of energy production.
- PUC Chairman DeFrank stated fees will result in higher rates for consumers, not savings. The RGGI/PACER/PRESS regime relies on fees placed on energy generators who do not qualify as so-called "green" energy.
- Committee members expressed concerns regarding the reliability of the PJM grid. PJM may face electricity shortages by 2026 with power plants closing and "renewable" energy unable to produce enough wattage to backfill the demand.
- PUC Chairman DeFrank said he believes the \$1.16 billion in federal funds for broadband will not be enough to connect all of Pennsylvania to reliable broadband.
 - In June 2023, Governor Shapiro promised this funding would "bring reliable internet at high speeds and for affordable prices to every corner and every community in the Commonwealth."
 - During prior hearings, committee members detailed their concerns that the Shapiro Administration has caused delays and increased costs in the deployment of these funds.
- PFAS in drinking water has been recognized as a major problem in parts of Pennsylvania. PUC commissioners told committee members that the cost to mitigate PFAS is being borne by rate payers and is considered when approving rate increases.

Notable Q&A:



Rep. Jamie Barton discusses the impact of RGGI/PACER/PRESS on energy costs in Pennsylvania.

Rep. Ann Flood questions the PUC on PJM grid reliability, and the effect of closing power plants.



Rep. Eric Davanzo is informed by Chairman DeFrank the \$1.16 billion in federal broadband area will likely not be enough to connect all of Pennsylvania as was promised by Governor Shapiro.

