



*Earth Quaker Action Team
Building a just & sustainable economy
through nonviolent direct action.*

April 16, 2020

Default Service Program Response Memo

PECO's proposed DSP represents small changes that do not suffice to address climate emergency and economic injustice. **In each section, PECO uses the template of prior DSPs with no changes to address the emissions and climate realities which PECO has ignored for so long.**

Our immediate emphasis should be on the lack of measures to make the changes that will be necessary by mid-decade. PECO's business-as-usual will lead to devastating flooding-as-usual, heat-waves-as-usual, air pollution deaths-as-usual, and economic losses-as-usual. **Instead, PECO must embark on community-driven energy planning.** There are already communities representing nearly 45% of the region's population who have stated 100% renewable energy goals and decried the damages brought by dirty electricity.

The exciting part is that PECO has made a few small changes, especially proposing to seek its mandated minimum solar from within its service territory! This was the ultimatum Power Local Green Jobs gave in 2016, and now we are seeing it met, 4 years later. This speaks to the power of grassroots imagination.

While some prior DSPs lasted only two years, one of the worst parts of this filing is that PECO is proposing how it will procure service all the up to 2025. It is absolutely criminal that PECO thinks it can wait another 5 years before making significant changes in line with local energy resilience.

Reaching 20% local solar by 2025 with jobs and justice will take many changes throughout PECO's business, including in its Default Service Program. However, there are several immediate steps PECO should be pursuing for local solar.

1) Long-term PPA contracts in place of "load-following" contracts.

PECO's proposal supplies all of the power from short 1 or 2 year contracts with suppliers that must provide a certain percentage of PECO's load, even as that load shifts. This highly disadvantages renewable suppliers who can't make that guarantee. However, the PUC in Washington DC recently required PECO's sister company, Pepco, to get 5% of its load from a long-term renewable PPA (Power Purchasing Agreement). They explain a mechanism for load to be met as needed without significant costs (while preventing the high social costs of carbon). PECO could do the same.

2) Pricing in carbon in its RFPs.



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PECO announces the contracts it's seeking through Requests for Proposals. In these RFPs, the company should ask each supplier to provide the social cost of the carbon that they will emit. PECO should select suppliers that will do the least damage, or at least make clear what its dirty energy is costing the public.

3) Purchasing more than the minimum required Solar AECs.

PECO should simply voluntarily purchase more Solar AECs with its corporate profits. The company could commit to an annually increasing volume of credits.

4) Lobbying, programs, efficiency, and more.

A solar transition that centers justice will take holistic changes and many new programs. Some of these may be outside the DSP process, but we should use this opportunity to advocate for the changes we need from PECO, including:

- Programs to lower electricity rates and maximize the value of solar through energy efficiency, demand response, and siting solar where it can defer costly infrastructure upgrades.
- Advocating strongly for community solar in PA. Once enacted, enrolling low-income and energy-insecure households in community-owned solar projects.
- Redistributing at least \$5billion of profits from dirty energy into a climate mitigation fund that provides resources to individuals, neighborhood groups like CDCs, and loans to local solar developers like solar worker cooperatives, solar projects, and solar start-ups.
- Partnering with the dozens of municipalities in its territory who have committed to 100% renewable energy to help source their power from local solar, and support community-driven transitions to clean energy.
- Investing in an equitable solar job training consortium consisting of workforce development, labor unions, neighborhood groups, local solar companies and grassroots organizations to provide training for solar jobs, especially creating opportunities for people of color, those transitioning from oil and gas jobs, and women, trans, and gender nonbinary folks.
- Supporting a pipeline to well-paying, stable jobs following training through connections with municipalities, institutions, and new local solar developments.
- Adopting community benefit guidelines written by the solar jobs consortium for all its contracts, RFPs and developments.