

PA PUBLIC UTILITY COMMISSION BUDGET HEARING WRAP

Thursday, March 5, 2026



General Overview:

Pennsylvania Public Utility Commission (PUC) Chairman Stephen DeFrank, Vice Chair Kimberly Barrow, and Commissioner Kathryn Zerfuss testified before the House Appropriations Committee today. House Republicans focused their questions on keeping energy prices affordable and on the need for increased energy generation, and pushed the PUC to support such policies.

Key Takeaways:

- While the PUC is not funded through General Fund tax dollars, it is responsible for regulating industries that are very important to Pennsylvania's overall economic climate.
- The PUC repeatedly stated that energy generation should be diverse and not too reliant on one single source of power.
- Affordability starts with low energy costs. Energy costs are lowest when energy generation is abundant and produced through coal, natural gas, and nuclear power plants; it's simply supply and demand.
 - Members asked the PUC why electricity costs have risen. Chairman DeFrank noted that generation costs have driven consumer rates, substantially impacted by the loss of base load generation.
 - Chairman DeFrank noted Pennsylvania is effectively sustaining the PJM grid, given that surrounding states have adopted policies that restrict generation from coal and natural gas.
 - The Commission also agreed that PJM is often unfairly blamed for energy prices and that increased generation is needed to bring them down.
 - The loss of additional coal-fired power plants or other base load generation in Pennsylvania would cause energy prices to rise.
- House Republicans showed through their questions that the Governor's PA Reliable Energy Sustainability Standard (PRESS) and PA Climate Emissions Reduction Act (PACER) plans are essentially a carbon tax. Carbon taxes have been proven to increase energy costs.
- Data centers present Pennsylvania with a tremendous opportunity for economic growth. Members asked the PUC how the Large Load Model Tariff might impact Data Center development.
 - The PUC said the Tariff would require data centers to make contributions to Utility Hardship Funds if they are not connected to a dedicated generation source.

Notable Q&A:



Rep. Josh Kail explains that the Governor's PRESS and PACER plans are essentially carbon taxes that will raise the consumer cost of electricity.

Rep. Kristin Marcell discusses how PJM is often blamed for electricity costs, but state policies are dictating energy generation, the main driver of energy costs.



Chairman Jim Struzzi confirms with PUC Chairman DeFrank that keeping our existing coal plants open is vital to keeping energy costs down.