

ENERGY AFFORDABILITY STUDY SURVEY OF PROGRAMS – IN-DEPTH ANALYSIS

Summary Report

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Acronyms

ACE	Atlantic City Electric
AEP	American Electric Power
AHA	Affordable Housing Alliance
ARA	Arrearage Retirement Assistance
BCS	Bureau of Consumer Services
BPU	Board of Public Utilities
CAEA	Clean and Affordable Energy Act
CAP	Customer Assistance Program
CARES	Customer Assistance Referral and Evaluation Program
CARES	Coronavirus Aid, Relief, and Economic Security
CBO	Community Based Organization
CDBG	Community Development Block Grant
CEDA	Community and Economic Development Association
CG	Columbia Gas
CHAMP	ComEd Helps Activated/Veteran Military Personnel
CRP	Customer Responsibility Program
CS	Community Service Division
CSR	Customer Service Representative
DC	District of Columbia
DCA	Department of Community Affairs
DCPSC	District of Columbia Public Service Commission
DEF	Dollar Energy Fund
DHCR	Division of Housing and Community Resources
DHFS	Department of Healthcare and Family Services

DHS	Department of Human Services
DOEE	Department of Energy & Environment
DP&L	Dayton Power and Light
EATF	Energy Assistance Trust Fund
EDC	Electric Distribution Company
EDEC	Electric Discount and Energy Competition Act
ERMA	Emergency Rent and Mortgage Assistance
EUSP	Electric Universal Savings Program
FPG	Federal Poverty Guideline
GWUL	Greater Washington Urban League
HEAL	Hospital-Based Energy Assistance and Long-Term Health
HEAP	Home Energy Assistance Program
HEARTWAP	Heating System Repair and Replacement Program
HUD	Housing and Urban Development
HWAP	Home Weatherization Assistance Program
IHWAP	Illinois Home Weatherization Assistance Program
LIHEAP	Low Income Home Energy Assistance Program
LIPP	Low-Income Energy Efficiency Program
LIURP	Low-Income Usage Reduction Program
LMI	Low- to Moderate-Income
MAA	Medical Assistance to the Aged
MAO	Medical Assistance Only
MEA	Maryland Energy Administration
MEAP	Maryland Energy Assistance Program
MDPSC	Maryland Public Service Commission

NGDC	Natural Gas Distribution Company
ODSA	Ohio Development Services Agency
OHEP	Office of Home Energy Programs
OPAE	Ohio Partners for Affordable Energy
OPC	Office of the People’s Counsel
OT	OnTrack
PAAD	Pharmaceutical Assistance to the Aged and Disabled
PAGE	Payment Assistance for Gas and Electric
PCAP	Pennsylvania Customer Assistance Program
PEPCO	The Potomac Electric Power Company
PGW	Philadelphia Gas Works
PIPP	Percent of Income Payment Plan
PPA	Power purchase Agreement
PUC	Public Utility Commission
PUCO	Public Utilities Commission of Ohio
RA	Reconnection Assistance
RAD	Residential Aid Discount
RAFT	Residential Assistance for Families in Transition
REDF	Renewable Development Energy Fund
RES	Residential Essential Service
RGGI	Regional Greenhouse Gas Initiative
RSHF	Residential Special Hardship Fund
SEIF	Strategic Energy investment Fund
SEU	Sustainable Energy Utility
SLEAF	Supplemental Low-Income Energy Assistance Fund

SNAP	Supplemental Nutritional Assistance program
UDP	Utility Discount Program
UESF	Utility Emergency Service Fund
USF	Universal Service Fund
USP	Universal Service Programs
USPP	Universal Service Protection Program
WAFF	Washington Area Fuel Fund
WAP	Weatherization Assistance Program
WGL	Washington Gas and Light
WRAP	Winter Relief Assistance Program

EXECUTIVE SUMMARY

The Office of the People's Counsel (OPC) is an independent agency of the District of Columbia (DC) government. By law, it is the advocate for consumers of natural gas, electric, and telephone services in the District.¹ The OPC is concerned that households across all income levels in DC struggle with energy affordability issues. The OPC is committed to fulfilling its mandate to ensure that DC residents have access to high quality utility services that are safe, reliable, universally affordable, and environmentally sustainable, and therefore seeks solutions that enable equitable access to energy.² The purpose of the Energy Affordability Study is to inform and advise the OPC on matters affecting energy affordability, particularly for DC's low- to moderate-income (LMI) households. The purpose of this report is to furnish detailed information about the design, funding, participation, and underlying need for energy assistance programs offered to low- and moderate-income households in the District of Columbia and six comparison states to assist the OPC consider policies and programs to increase energy affordability.

Analytic Framework

This study collected and analyzed three types of information for the District of Columbia and the six comparison states related to their LMI energy assistance programs – funding, program design, and program performance.

- Program Funding – The study collected information on the sources and amount of funding for a recent program year.
- Program Design – The study examined how the different components of each program are designed and whether there is coordination among the program components.
- Program Performance – The study developed quantitative and qualitative information about each program in terms of meeting the needs of the LMI population.

This report furnishes detailed information about the LMI programs implemented in the District of Columbia and in each of the comparison states. The final section of the report compares the District programs to those in the comparison states and makes recommendations for ways the District might consider modifying their programs to better serve the LMI population.

Methodology

APPRISE has extensive experience studying low- and moderate-income energy assistance programs. Using that experience, we selected a purposive sample of states for comparison with

¹ This text was copied directly from the Office of People's Counsel website on 9-23-2019.

² This is text from the Request for Proposal #OPCI-RFP-2019-4 issued by the OPC on January 10, 2019.

the District's LMI programs. There were several factors that contributed to the selection of the comparison states, including:

- **Funding Levels** – We selected states that had funding per low-income households in the same range as the District. The District is in the top quartile of states in terms of total funding per low-income household. We picked comparison states that also were in that range.
- **Program Design** – We selected some states with designs that are similar to those used in the District and some that have designs that are quite different. We used states that are similar to help identify incremental changes and those that are quite different to help consider whether more significant changes might be appropriate.
- **Geography** – We focused our selecting on states in the East and in the Midwest. Energy markets are quite different in the South and in the West.

The comparison states are Illinois, Maryland, Massachusetts, New Jersey, Ohio, and Pennsylvania. The project team used a number of different resources to collect information about each of the comparison states, including the LIHEAP Clearinghouse, previous research conducted by APPRISE, Internet research to obtain published reports, and administrative interviews to identify additional unpublished information.

District of Columbia Low- and Moderate-Income Energy Assistance Programs

The District of Columbia has a comprehensive set of low- and moderate-income energy assistance programs. The programs, funding sources, and the amount of funding for a recent program year is listed in Table 1. These programs make about \$27.4 million in assistance benefits available to low- and moderate-income households. While most of the programs are only available for low-income households, the Solar for All program is available to both low- and moderate-income households. In addition, there are two fuel fund programs operating in the District – The Greater Washington Urban League Program and the Washington Area Fuel Fund – that can serve both low- and moderate-income households.

Table 1 – Energy Assistance Funding – Washington, DC

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2019	Federal	\$7.7 million	Assistance funds
LIHEAP Supplement	FY 2019	City + Ratepayer	\$9.1 million	Assistance funds
Residential Aid Discount (RAD)	PY 2019	Electric Ratepayer	\$5.8 million	Discounts
Residential Essential Service (RES)	PY 2019	Gas Ratepayer	\$0.5 million	Discounts
Solar for All Program	PY 2019	Electric Ratepayer	\$4.3 million	Low and Moderate

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
TOTAL Funding	Combined	Federal + City + Ratepayer	\$27.4 million	Low and Moderate
TOTAL Funding for Low-Income	Combined	Federal + City + Ratepayer	\$23.1 million	Low Income Only

Sources: LIHEAP Clearinghouse; Pepco's Residential Aid Discount Tariff – Revised (updated August 28, 2019) (Docket FC1120-50); WGL's Annual Residential Essential Service Surcharge current factor (Docket FC1127-114)

This study uses three measures to assess the relative impact of the funding levels for energy assistance programs.

- **Funding per Low-Income Household:** This measure is calculated by dividing the total low-income funding by the total number of low-income households. For the District, there was \$23.1 million in funding and 78,309 low-income households, an average of \$295 per low-income household.
- **Program Participation Rate:** This measure is calculated by dividing the unduplicated count of program participants by the total number of low-income households. For the District of Columbia, we estimate that 20,231 households participated in the program, about 26 percent of all -income households.
- **Benefits per Program Participant:** This measure is calculated as the total funding divided by the unduplicated count of program participants. For the District of Columbia, the average benefit was about \$1,184 per program participant.

The study also examines how programs are designed and whether they use best practices. The District's portfolio of low-income programs is designed to operate in the following way:

- **Program Administration** – The Department of Energy and the Environment (DOEE) administers the LIHEAP program. The utilities companies (PEPCO and WGL) administer the utility discount programs (UDP) under the supervision of Public Service Commission.
- **Outreach and Intake** – For DOEE, two Energy Centers to enroll households in the LIHEAP and UDP programs. DOEE also has an online application procedure available. Low-income households complete one application to receive services from both programs.
- **Program Referrals** – When a household is determined to be eligible for energy assistance, they also are referred to the Solar for All program, the Weatherization Assistance Program (WAP), and the DC SEU energy efficiency programs.
- **Income and Program Eligibility** – Households with income at or below 60 percent of State Median Income (SMI) are eligible for benefits. They are eligible for full benefits if they pay

for their main heating fuel directly to their energy vendor. Households whose main heat is included in their rent but who have an electric bill are eligible for a reduced benefit.

- **Benefit Determination** – The LIHEAP program assigns a benefit to eligible households using a benefit matrix procedure that gives higher benefits to households with lower incomes and more household members. It also furnishes higher benefits to households that heat with natural gas or live in single-family homes. The UDP programs offer rate discounts to eligible households; RAD furnishes year-round rate discounts to PEPCO customers and RES furnishes discounts during the heating season to WGL customers.

The following best practices are observed for the District of Columbia programs.

- **Coordination** – Low-income households are best served when administration of and intake for the publicly funded and ratepayer programs are coordinated. In the District of Columbia, low-income households can complete one application form to enroll in both the LIHEAP and UDP programs. While the programs are not administered by the same organization, there is coordination between the LIHEAP and UDP programs.
- **Program Eligibility** – The District of Columbia LIHEAP program has adopted the highest income threshold allowed by the federal LIHEAP statute and thereby gives all low-income households access to energy assistance programs. The UDP program income thresholds are the same as those for LIHEAP which eliminates any confusion about program eligibility. In addition, while some utility programs require customers to be behind on their energy bills before they are offered energy assistance, the UDP programs are available to all low-income households.
- **Intake Procedures** – The LIHEAP and UDP programs have adopted best practices with respect to program intake. The programs have both in-person and online application procedures. The intake agencies have translation services available in six languages.

There are some other best practices that have not been adopted by the District programs.

- **Vulnerable Households** – There are no specific provisions to ensure that vulnerable households (i.e., elderly, disabled, and young child) are prioritized for program benefits.
- **Energy Expenditure Targeting** – The programs attempt to deliver the highest benefits to households with the highest energy burdens by using a LIHEAP benefit matrix that gives higher benefits to lower income households and using a UDP rate discount that gives higher benefits to households with higher energy bills. However, the programs do not specify a specific energy affordability target and they do not make use of annual energy bills to determine benefit levels.

- **Arrearages** – The LIHEAP program has a Crisis Benefit component that helps households to eliminate arrearages. However, the UDP programs do not have an arrearage management component that helps customers to receive arrearage forgiveness in return for making regular on-time payments.
- **Multifamily Buildings and Renters** – The LIHEAP program does have a benefit available for households that pay an electric bill even if they have their heat included in their rent. However, there is no heating assistance for households with their heat included in rent and there is no assistance for households with all energy bills included in rent.

The District of Columbia low-income energy assistance programs deliver significant benefits to a large number of low-income households. They have adopted many of the practices that maximize both program effectiveness and efficiency.

Comparing District of Columbia Programs with Other States

This study collected information for six other states and allows us to demonstrate how the District of Columbia low-income energy assistance programs compare to those states in terms of investment of funding for low-income assistance, design of programs, and adoption of best practices. This analysis finds that the District of Columbia programs compare favorably to those in other states, but that there are some examples of best practices that the District of Columbia could adopt to potentially improve program performance.

Table 2 shows the total amount of funding for a recent program year and the average amount of funding available per low-income household. Pennsylvania has the highest amount of funding per low-income household; they could distribute \$330 to each low-income household if all households participated in the energy assistance programs. The District had about \$295 available per low-income household, more than most of the comparison states. Among the comparison states, Illinois has the lowest amount of funding allocated per household.

Table 2 – Funding per Income Eligible Household – District of Columbia and Comparison States

State	Funding Year	Funding Amount (in millions)	Low-Income Households	Funding per Low- Income household
District of Columbia	2019	\$23.1	78,309	\$295
Illinois	2018	\$204.0	1,467,814	\$139
Massachusetts	Varies	\$255.6	849,796	\$301
Maryland	2018	\$130.8	646,002	\$202
New Jersey	2018	\$250.5	1,038,856	\$241
Ohio	Varies	\$356.6	1,417,116	\$252
Pennsylvania	2018	\$513.7	1,559,045	\$330

Table 3 shows the estimated percentage of low-income households that was served by each state for a recent program year. The District has the highest estimated program participation rate, but Massachusetts, New Jersey, Ohio, and Pennsylvania each serve a similar share of their low-income population. Moreover, it is difficult to estimate the number of households served by the programs because it often is unclear whether all of the households served by the ratepayer programs also are served by LIHEAP.

Table 3 – Program Participation Rate – District of Columbia and Comparison States

State	Funding Year	Number of Program Participants	Total Number of Low-Income	Participation Rate
District of Columbia	2019	20,231	78,309	26%
Illinois	2018	182,170 ³	1,467,814	12%
Massachusetts	Varies	157,959	849,796	19%
Maryland	2018	97,499	646,002	15%
New Jersey	2018	254,250 ⁴	1,038,856	25%
Ohio	Varies	340,979	1,417,116	24%
Pennsylvania	2018	344,626	1,559,045	22%

Table 4 shows the total amount of funding for a recent program year and the average amount of funding available per program participant. All programs deliver an average of more than \$1,000 per program participant. Massachusetts has the highest average funding amount per program participant; the average participant receives more than \$1,600 in program benefits. The average participant in the District receives \$1,184. One can see that the average amount per program participant is a function of both the total amount of funding and the participation rate. For example, the District spends slightly more per low-income household as New Jersey (\$295 compared to \$271). Since the New Jersey participation rate of 25% is about the same as the District participation rate of 26%, New Jersey delivers a slightly lower average benefit. Massachusetts spends a little more than the District per low-income household (\$301 compared to \$295) but has only a 19% participation rate. The result is that the average benefit for participants in Massachusetts is somewhat higher than for participants in the District (\$1,618 compared to \$1,184).

³ This is a minimum based on the number of LIHEAP participants reported in the data warehouse. However, this may not count PIPP participants. The reported number of PIPP participants was 55,860 in 2015. If the PIPP participants are separate from the LIHEAP participants, the total number served might be closer to 240,000 households and the participation rate might be as much as 16%.

⁴ This is a minimum. It is the number of LIHEAP participants. All low-income households eligible for other energy assistance are LIHEAP eligible, but some may elect to participate in other programs but not in LIHEAP.

Table 4 – Funding per Program Participant – District of Columbia and Comparison States

State	Funding Year	Funding Amount (in millions)	Program Participants	Funding per Participant
District of Columbia	2019	\$23.1	20,231	\$1,184
Illinois	2018	\$204.0	182,170	\$1,120
Massachusetts	Varies	\$255.6	157,979	\$1,618
Maryland	2018	\$130.8	97,499	\$1,342
New Jersey	2018	\$228.9	254,250	\$900
Ohio	Varies	\$356.6	340,979	\$1,046
Pennsylvania	2018	\$513.7	344,626	\$1,491

Table 5 furnishes information on how the District programs compare to the other states in terms of program administration and outreach. It is challenging for low-income households to understand all of the opportunities for receiving assistance and to understand and furnish all of the documentation required to verify that they are eligible for the program. Several design elements contribute making those procedure as efficient as possible.

- **Coordination of Program Administration** – Our analysis found that for most states, including the District, program administration was coordinated. In Ohio, the electric programs are coordinated with LIHEAP, but not the natural gas programs. In Pennsylvania, coordination is limited.
- **Joint LIHEAP/Utility Program Application** – Most states, including the District, have one application to qualify households for both programs. While the ratepayer programs in Ohio and Pennsylvania often will accept evidence of qualification for LIHEAP as certification of eligibility for their programs, completing a LIHEAP application does not automatically enroll the household in the ratepayer program.
- **Targeting Special Populations** – All of the states reviewed, except for the District, have special outreach and/or benefit procedures for targeting vulnerable populations, including households with elderly or disabled individuals, or young children.
- **Outreach and Intake Procedures** – All of the states, including the District, report practices that increase the accessibility of the program by offering several different ways that households can enroll in the programs and by ensuring that households who speak English as a second language can receive assistance in applying for the programs.

The District of Columbia programs have most of the best practices. The one exception is that they do not have procedures that explicitly target vulnerable households. Examples of such

procedures might include: supplemental outreach to vulnerable households that participated in the program in a prior year, in-home visits or other direct application assistance for individuals who are not able to leave their home or who have difficulty with online applications, and outreach to young child households through school and daycare organizations.

Table 5 – Program Design – Administration and Outreach

State	Coordinated Program Administration	Joint LIHEAP/Utility Application	Targeting Vulnerable Populations	Outreach and Intake Practices
District of Columbia	Yes	Yes	No	Accessible
Illinois	Yes	Yes	Yes	Accessible
Massachusetts	Yes	Yes	Yes	Accessible
Maryland	Yes	Yes	Yes	Accessible
New Jersey	Yes	Yes	Yes	Accessible
Ohio	Electric / Not Gas	Electric / Not Gas	Yes	Accessible
Pennsylvania	No	No	Yes	Accessible

Table 6 furnishes information on how the District programs compare to other states in terms of benefit determination procedures. It is important for programs to develop procedures that directly examine energy burden and attempt to deliver benefits to each household that will make their energy bill affordable. There are several benefit determination procedures that are most effective in achieving that goal.

- **Energy Burden Target** – Our analysis found that the District of Columbia LIHEAP program has set a very aggressive energy burden target of 3% of income. That is lower than the target for any of the comparison states.
- **Targeting Procedure** – The best procedure to ensure that households reach the targeted energy burden is to use utility bill analysis procedures that set benefits based on the client’s target percent of income. The District does not have such procedures in place. However, the District’s LIHEAP program is working toward adopting that procedure in a future program year. New Jersey, Ohio, and Pennsylvania already have those procedures in place. Illinois is unique in that it has a procedure that allows the household to choose whether they receive a one-time benefit or are allowed to participate in the percent of income payment plan.
- **Arrearage Forgiveness Procedures** – All of the states except for the District have Arrearage Forgiveness Programs in place. PEPCO is currently piloting such a program. However,

since the LIHEAP program in the district has a crisis component that is able to pay most arrearages, it is not clear that such a program is needed for program participants.

- **Multifamily / Heat in Rent** – Relatively few states furnish assistance benefits to low-income households with their heat included in the rent, even if they pay an electric bill. The District has a special LIHEAP program benefit for households that pay an electric bill, but do not pay for their heat. Illinois, Massachusetts, and Pennsylvania have program benefits for households with heat in rent.
- **Moderate Income** – Most programs are limited to low-income households. However, New Jersey has used escheats funds to serve moderate-income households (i.e., income up to 80% of AMI) and Massachusetts recently started using CARES Act funds to serve these households.

The District has targeted the lowest energy burden percentage among all the comparison states. However, the LIHEAP program and/or the ratepayer programs could improve their performance by changing procedures to ensure that individual households achieve that targeted energy burden. The District also might consider ways to better serve households that have all of their energy costs included in their rent.

Table 6 – Program Design – Determination of Benefits

State	Energy Burden Target	Targeting Procedures	Arrearage Forgiveness	Multifamily / Heat in Rent	Moderate Income
District of Columbia	3%	Benefit Matrix / Rate Discount	Pilot	Electric Bill	No
Illinois	6%	Client Option – Benefit Matrix or Utility Bill Analysis	Yes	Yes	No
Massachusetts	N/A	Benefit Matrix / Rate Discount	Yes	Yes	Yes
Maryland	N/A	Benefit Matrix	Yes	No	No
New Jersey	6%	Utility Bill Analysis	Yes	No	Yes
Ohio	10%	Utility Bill Analysis	Yes	No	No
Pennsylvania	6%+	Utility Bill Analysis	Yes	Yes	No

Findings and Recommendations

This study demonstrates that the portfolio of low-income energy assistance programs funded by the District of Columbia deliver substantial benefits to low-income households and compare favorably to the program portfolios in other, comparable jurisdictions. The major findings include:

- **Funding and Participation Statistics** – The District makes an investment in low-income energy assistance programs that is similar to the comparison states; only Pennsylvania and Massachusetts invest more in total funding per low-income household. The District has the highest program participation rate of the states examined in this study. It serves about 26 percent of the low-income population. The District delivers more than \$1,000 per household that participates in the energy assistance programs. While that is not the highest investment per participant, it represents a substantial commitment to energy affordability.
- **Program Outreach and Administration** – The District has adopted all of the recommended best practices for program outreach and administration. The LIHEAP and ratepayer programs coordinate. The programs are designed in a way that helps to reduce barriers to program participation. However, the District could do a better job in outreach to households with vulnerable members (i.e., elderly, disabled, and young children).
- **Benefit Determination Procedures** – The District has set a very generous energy burden target (3% of income). However, the programs could do a better job in assessing the needs of each individual household based on their income and energy bills. In addition, the District could do a better job in serving households with energy bills included in rent and with serving moderate-income households.

The following recommendations identify how the District can maintain its current level of program performance and could potentially improve its portfolio of energy assistance programs.

- **Maintain Investment Levels** – The District has made a substantial investment of federal funds, taxpayer funds, and ratepayer funds to ensure that energy is affordable for low-income households. By maintaining that spending level, the District will be able to continue to help low-income households have affordable energy bills.
- **Improve Energy Burden Targeting** – The District LIHEAP program currently uses a Benefit Matrix to target benefits. However, the LIHEAP program has the data it needs to calculate each client's energy burden and could use that information to better target benefits so that all of the households that it serves have an affordable energy bill.
- **Energy Burden Target** – The District LIHEAP program is designing its benefits to target a 3% energy burden for program participants. That is less than the comparison states and less than the energy affordability standard of 6% that has been proposed by low-income advocates. Once they have improved benefit targeting procedures so that all households can reach the target net energy burden, they should consider whether to raise the target to 4% energy burden and then use the available funds to serve other groups of households

such as households with all of their utilities included in their rent as is done in Illinois and Pennsylvania.

- Increasing Participation Rates - The District has the highest participation rate among the states examined in this study. However, only 26 percent of eligible households participated in the program in FY 2019. The District should continue to examine ways to increase program participation rates and serve additional households.
- Moderate-Income Households – The Fuel Fund programs in the District serve moderate-income households. However, those programs are relatively small compared to the LIHEAP and UDP programs. The District should consider the funding model used by New Jersey for serving moderate-income households.

The bottom line is that the District energy assistance programs compare favorably to those in the other states examined in this study. However, there always are ways to improve programs and ensure that low- and moderate-income households have affordable energy bills.

1.0 INTRODUCTION

The Office of the People's Counsel (OPC) is an independent agency of the District of Columbia (DC) government. By law, it is the advocate for consumers of natural gas, electric, and telephone services in the District. District of Columbia law designates the Office as a party to all utility-related proceedings before the Public Service Commission. The Office also represents the interests of District ratepayers before federal regulatory agencies.⁵

The OPC is concerned that households across all income levels in DC struggle with energy affordability issues. The OPC is committed to fulfilling its mandate to ensure that DC residents have access to high quality utility services that are safe, reliable, universally affordable, and environmentally sustainable, and therefore seeks solutions that enable equitable access to energy.⁶ The purpose of the Energy Affordability Study is to inform and advise the OPC on matters affecting energy affordability, particularly for DC's low- to moderate-income (LMI) households.

The Energy Affordability Study consists of three complementary research tasks.

- Survey of State Energy Assistance Programs – This report compares the LMI energy assistance programs in the District of Columbia to the programs implemented in other states to identify alternative approaches for the OPC to consider.
- Population Characterization Report – The population characterization report furnishes detailed information about income, demographics, energy burden, and shelter burden for DC's LMI households.
- Program Participant Report – The program participant report examines whether the current low-income programs are successful in making energy affordable for participating low-income households.

Together these reports will help the OPC to develop a better understanding of energy affordability for LMI households and to consider ways to better fulfill their mandate.

1.1 Analytic Framework

This report furnishes three types of information for the LMI programs implemented by the District of Columbia and the comparison states.

⁵ This text was copied directly from the Office of People's Counsel website on 9-23-2019.

⁶ This is text from the Request for Proposal #OPCI-RFP-2019-4 issued by the OPC on January 10, 2019.

- Energy Assistance Funding – The total amount of funding for each type of energy assistance along with statistics that show the amount of funding available per low-income household.
- Program Design – Examination of how the different components of each state’s energy assistance program portfolio are designed and whether there is coordination among the programs.
- Program Performance – Assessment of how the funding and design of the energy assistance programs perform in the context of meeting the needs of LMI households in an effective and efficient manner.

Program funding is one important aspect of a state’s energy assistance program portfolio. In the report, we document current funding for four different types of assistance programs.

- Low Income Home Energy Assistance Program (LIHEAP) – The federal LIHEAP program furnishes grants to all states and the District of Columbia to deliver energy assistance to low-income households.
- Ratepayer Funded Programs – In many states, electric and natural gas ratepayers are required to furnish energy assistance to low-income households. In some states, unregulated energy vendors (e.g., electric cooperatives, municipal utilities, and delivered fuel vendors) also are required to contribute to low-income energy assistance.
- Fuel Funds – Throughout the country, there are charitable organizations called “Fuel Funds” that furnish assistance to LMI households. In some states, energy vendors are required to contribute to funds. In other jurisdictions, contributions are voluntary.
- Other Resources – Many states have other funding sources for energy assistance. When applicable, those resources are included in this analysis.

In this report, we furnish information on the total amount of funding as well as statistics that show the average funding per low-income household.

One of the main interests of the OPC is to understand the different ways that these energy assistance programs are designed. The following information has been collected for the District of Columbia and for each comparison state.

- Regulatory Framework – We document the legal and/or regulatory framework for each program to help understand its policy objectives.
- Sources and Amount of Funding – The report furnishes detailed information on who pays for each program and how much is made available for assistance benefits.

- Program Administration – The report identifies the organization that administers each program. Programs can be administered by the state, by individual utilities, or by nonprofit organizations.
- Program Outreach and Intake – It often is true that program administrators contract with community-based organizations for program outreach and intake. That can have a significant impact on how the program is perceived by potential clients.
- Income and Program Eligibility – It is important to understand both the income guidelines for a program and any other program eligibility requirements to accurately assess the impact that the program can have on energy affordability.
- Benefit Assignment Procedures – There are three main ways that programs assign energy assistance benefits, including percent of income calculations, rate discounts, and benefit matrix procedures. The report describes the benefit determination procedure, as well as the type and amount of benefits provided, for each program in the state's portfolio.
- Arrearages – Some programs have an arrearage management program. When one is included it is documented as part of the program design.

The report also includes a subjective assessment of the advantages and disadvantages of the programs implemented by each state and of the overall portfolio of programs. Where quantitative data on program performance are available, we include that information. However, since relatively few programs have been evaluated, we focus our comments on whether the programs are designed in a way that can be expected to achieve certain objectives. Those objectives include:

- Affordability Targets – Is the program and/or the portfolio designed in such a way that a significant share of households can be expected to have net energy burdens (i.e., energy bills minus benefits divided by income) that are less than the “severe” energy burden target of 10% of income or the “affordable” energy burden target of 6% of income?
- Arrearages – Is the program and/or the portfolio designed so that it helps households with arrearages to eliminate those arrears through consistent and affordable payments?
- Coordination – Is the program and/or the portfolio designed in such a way that the different types of energy assistance are coordinated in terms of program outreach, intake, and management?
- Linkage to Energy Efficiency – Does the program and/or the portfolio include referral procedures that prioritize the households with highest energy usage in order to furnish a longer-term solution for those households?

- Moderate-Income Programs – Only a few states have explicitly identified ways to assist moderate-income households. The report examines the design of the programs that explicitly target moderate-income households.

There is no one way to design an LMI energy assistance program and/or portfolio. Policymakers in each jurisdiction need to identify their policy objectives and then can consider which program design components appear to be most consistent with those objectives. This report is designed to assist the DC OPC with that process.

1.2 Methodology

The purpose of this study is to furnish OPC with information on how the District of Columbia compares to other states, both in terms of the amount funds dedicated to energy assistance and the procedures for helping to make energy bills affordable to low-income households. In order to fulfill those objectives, we used our experience with previous research studies to select a set of states that we know make a substantial investment of ratepayer funds and that have different models for using ratepayer funds to assist low-income households.

The District of Columbia uses the LIHEAP program to qualify household for the ratepayer-funded discount programs. The DOEE makes payments to the utilities on behalf of the eligible households. The utilities also grant a rate discount to qualified households based on the parameters established by the Public Service Commission. The following is the list of comparison states and the model(s) that they use for assisting households.

- Illinois – LIHEAP funds and ratepayer funds are combined at the state level and are made available to all income-eligible households.
- Maryland – LIHEAP and ratepayer funds are combined at the state level and are made available to all income-eligible households.
- Massachusetts – The programs are similar to those in the District in that the LIHEAP application qualifies low-income households for both LIHEAP benefits and utility rate discounts. The state makes LIHEAP payments to the utilities and other energy vendors. The utilities furnish a rate discount for qualified low-income households based on their individual rate filing agreements.
- New Jersey – Households submit a joint application for the LIHEAP and USF programs. The state makes a LIHEAP payment to the utilities. The utilities then give the customer a fixed credit ratepayer-benefit by their utility company that targets an energy burden of 6 percent of income.

- Ohio – Eligible households receive a LIHEAP benefit and an electric Percent of Income Payment Program (PIPP) benefit from the state program office. Households that use natural gas are granted a separate PIPP benefit from their natural gas utility.
- Pennsylvania – Eligible households receive their LIHEAP benefit from the state. They need to apply separately to their electric and/or natural gas company to receive ratepayer-funded assistance. Most of the ratepayer-funded programs furnish a percent of income type of program benefit.

It is important to note that none of these states has the most generous ratepayer-funded program. The 2016 California Low-Income Needs Assessment study reported that the CPUC authorized spending of about \$1.3 billion by the California Investor-Owned Utilities (IOUs) to serve about 3.5 million low-income households, with the objective of delivering rate discounts to every low-income IOU customer. We judged that it would be more useful to review state programs where the investment was more similar to the investment being made by the District.

There are other states that have programs that invest as much in low-income households as do the selected states. Examples include Oregon, Nevada, Wisconsin, and Washington State. However, we selected states that are geographically closer to the District.

At the same time, it is important to know that the amount of funding invested by the District of Columbia and the six comparison states are in the upper quartile of all states. Information developed by the National Center for Appropriate Technologies (NCAT) and posted on the LIHEAP Clearinghouse website shows that at least ten states invest less than \$2 million per year in ratepayer funds for energy assistance to low-income households. That is compared to the more than \$5 million invested by DC.

The following procedures were used to develop the information contained in this report.

- LIHEAP Clearinghouse - The starting point for documenting the program funding and design of the publicly funded and ratepayer-funded programs in other states was to make use of the information on the LIHEAP Clearinghouse Website. NCAT develops and posts information about low-income energy assistance and energy efficiency programs on the LIHEAP Clearinghouse website. The project team used that website as a starting point for researching programs. The specific website pages are referenced throughout the document.
- APPRISE Research – APPRISE has conducted research on some of the programs selected for inclusion in the analysis, including the programs in Maryland, New Jersey, Ohio, and Pennsylvania. Where applicable, we made use of the information from those studies as part of our analysis.

- Internet Research – Many of the states included in this study have published reports on the design and operation of their low-income energy assistance programs. APPRISE staff conducted searches of the websites of the state LIHEAP offices and the state Public Service Commissions to identify both annual program reports and any research and evaluation studies conducted on those programs.
- Administrative Interviews – Once the project team had consulted all of the published resources related to the program, they identified program administrators and made contact with them to fill in any missing information. They first asked the contacts to direct them to any publish and unpublished reports that we missed. They then asked the contacts if they could fill in any missing information.

Through these efforts, the project team was able to obtain most of the targeted information for most of the selected programs. However, in some cases, we were unable to obtain the requested information. When that happened, we note that the missing information could not be retrieved.

1.3 Organization of the Report

This report consists of ten sections, including:

- Introduction
- District of Columbia Energy Assistance Programs
- New Jersey Energy Assistance Programs
- Pennsylvania Energy Assistance Programs
- Illinois Energy Assistance Programs
- Massachusetts Energy Assistance Programs
- Maryland Energy Assistance Programs
- Ohio Energy Assistance Programs
- Findings and Recommendations

Each of the other state programs offer some useful ideas to the DC OPC. However, it is important to note that the current portfolio of programs in the District of Columbia compare favorably to the program portfolios in other states. Based on this analysis, it may be appropriate to consider incremental changes to the existing set of programs rather than a complete re-design of the entire portfolio.

2.0 DISTRICT OF COLUMBIA ENERGY ASSISTANCE PROGRAMS

This section of the report furnishes information on the energy assistance programs available to LMI households in the District. The first part examines design and funding for each program and the second part furnishes an assessment of program performance relative to best practices.

2.1 Program Funding and Design

The District has a comprehensive set of low- and moderate-income energy assistance programs including the LIHEAP program, the LIHEAP supplement, the utility discounts, charitable fuel funds, and the Solar for All Program. Table 2-1 furnishes information on the program names, the total estimated funding from a recent program year, the source of funding, and other relevant information about the program. In total *at least* \$23.1 million is available for low-income energy assistance. The LIHEAP program, the LIHEAP supplement, and the utility discount programs (UDP) each contribute a significant amount to the total energy assistance benefits for low-income households. The total funding available from the Solar for All Program is estimated based on the number of participants in 2019 and the targeted average benefit per participant.

Table 2-1 – Energy Assistance Funding – Washington, DC

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2019	Federal	\$7.7 million	Funds used for energy assistance.
LIHEAP Supplement	FY 2019	City + Ratepayer	\$9.1 million	Designed to support year-round enrollment
Residential Aid Discount (RAD)	PY 2019	Electric Ratepayer	\$5.8 million	Total amount of discounts
Residential Essential Service (RES)	PY 2019	Natural Gas Ratepayer	\$0.5 million	Total amount of discounts
Solar for All Program	PY 2019	Electric Ratepayer	\$4.3 million	Available to Low- and Moderate-Income
TOTAL	Combined	Federal + City + Ratepayer	\$27.4 million	Total for LMI Households
TOTAL Restricted to Low-Income	Combined	Federal + City + Ratepayer	\$23.1 million	Amount Available Only to Low-Income
The LIHEAP Performance Management Website Data Warehouse indicates that there were 78,309 households in the District of Columbia with income at or below 60% of state median income in 2019. Our research shows that total funding for low-income energy assistance programs in 2019 was at least \$23.1 million. The funding is at least \$295 per low-income household. This statistic can be compared to those presented for the comparison states in the remainder of the report.				

Sources: LIHEAP Clearinghouse; Pepco's Residential Aid Discount Tariff – Revised (updated August 28, 2019) (Docket FC1120-50); WGL's Annual Residential Essential Service Surcharge current factor (Docket FC1127-114)

Table 2-2 furnishes similar information for the fuel fund programs that are operating in the District. It is challenging to get detailed information about the fuel fund programs because they often do not prepare annual reports. The District fuel fund programs furnish assistance to households who have either exhausted the public sources of funding or who are not income-eligible for those programs.

Table 2-2 – Fuel Fund Funding– Washington D.C.

Program Name	Funding Year	Funding Source	Funding Amount	Notes
The Greater Washington Urban League	N/A	Charity	N/A	Funding amount not publicly available
Washington Area Fuel Fund	2016	Charity	\$0.2 million	Available to households who have exhausted other sources of assistance

GWUL.org. Retrieved from: <https://www.gwul.org/utility-assistance>; Communication with Kelly Caplan, WAFF Manager. 2019.

2.1.1 LIHEAP Program and Supplement

Each state and the District of Columbia submit a state plan for LIHEAP each year and then receive a LIHEAP grant from the federal government for a funding amount that is determined by an authorization formula.

The LIHEAP program has the following characteristics:

- **Regulatory Framework** – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- **Sources and Amount of Funding** – In FY 2019, the District received \$12.3 million in total funding from the federal government. Of that, \$7.7 million was used for energy assistance benefits, including heating, cooling, and crisis assistance. In addition, the District supplemented that funding with \$9.1 million, so that benefits provided totaled \$16.8 million. \$4.5 million of that supplemental funding is provided by the Energy Assistance Trust Fund, which is funded by an assessment on gas bills and electric bills. The assessment is levied on all bills except those of residential customers receiving RAD or RES.⁷
- **Program Administration** – DOEE administers the LIHEAP program.
- **Program Outreach and Intake** – DOEE operates two Energy Centers to enroll households in the LIHEAP program. DOEE also has an online application procedure available for all types of assistance.

⁷ District of Columbia Code. 2010. Section 8–1774.11.

- Income and Program Eligibility – Households with incomes at or below 60 percent of State Median Income for DC are eligible for program benefits. Households who pay for their main heating fuel directly to an energy vendor are eligible for full energy assistance benefits. Households whose main heat is included in rent are eligible for an electric benefit if they pay for their electric bill directly to their electric company.
- Program Benefits – DC’s LIHEAP program uses a benefit matrix that assigns benefits to households based on their main heating fuel, their income, and their household size.

The city furnishes supplemental funding for the LIHEAP program that is designed to allow the program to take applications year-round. The LIHEAP supplemental funding is combined with the federal LIHEAP funding; program administration, program intake, eligibility thresholds, and benefit determination procedures are the same for the supplement as for LIHEAP.

The LIHEAP Performance Management Website reports that the DC LIHEAP program serves about 10 percent of income-eligible households.⁸ However, with the supplemental funding from the DC government, the program serves about 26 percent of the income-eligible population.

2.1.2 Ratepayer-Funded Programs

The District of Columbia has two ratepayer-funded programs; the Residential Aid Discount (RAD) for electric customers and the Residential Essential Services (RES) is for natural gas customers. Both programs were initiated in the 1980s but were modified in recent years.

The RAD program has the following characteristics:

- Regulatory Framework – The RAD and RES programs were established by the Clean and Affordable Energy Act (CAEA) of 2008⁹, modified by the Residential Aid Discount Subsidy Stabilization Act of 2010¹⁰.
- Sources and Amount of Funding – The surcharge for RAD is collected by the utility (PEPCO) and then deposited into the Energy Assistance Trust Fund (EATF), established by the CAEA. The total annual funding and surcharge levels are decided by the District’s Public Service Commission (DCPSC). Following the 2011 order 1586, PEPCO is required to submit an annual revision of the surcharge. This is meant to account for over- or under collection.

⁸LIHEAP Clearing House. District of Columbia FY 2018 Grantee Profile. Retrieved: https://liheappm.acf.hhs.gov/sites/default/files/private/congress/profiles/2018/FY2018_DC_grantee_prof_final.pdf

⁹ District of Columbia. 2008. Clean and Affordable Energy Act. DC Law 17-250.

¹⁰ District of Columbia. 2010. Residential Aid Discount Subsidy Stabilization Amendment Act. DC Law 18-195.

In 2019, the surcharge was set at \$0.000642 per kWh.¹¹ The surcharge is assessed on all PEPCO customers, except RAD participants. The funding in PY 2019 was \$5.8 million.

- Program Administration – DOEE works with intake agencies to identify eligible customers. However, PEPCO's billing department then issues the discount bill to participant customers.
- Program Outreach and Intake – Program intake is conducted in conjunction with LIHEAP.
- Income and Program Eligibility – Households with incomes at or below 60 percent of DC SMI Income who have an account with PEPCO for residential electric services are eligible for program benefits. Income eligibility standards are the same for LIHEAP, RAD, and RES. Customers who receive their electric supply from a competitive supplier are eligible to receive RAD because the discount applies only to the distribution portion of the bill.
- Program Benefits – RAD customers receive a rate discount of up to \$475 per year. Non-electric heating households receive a maximum \$300 discount per year. The RAD program is available year-round. Customer receive the benefit for 18 months. Households can apply to re-certify annually. RAD customers are also exempt from certain surcharges.¹²

The RES program has the following characteristics:

- Regulatory Framework – The RAD and RES programs were established by the Clean and Affordability Energy Act (CAEA) of 2008, modified by the Residential Aid Discount Subsidy Stabilization Act of 2010.¹³
- Sources and Amount of Funding – In 2014, the Residential Essential Service Subsidy Stabilization Emergency Amendment Act of 2014 removed the EATF as a source of funding for the RES.¹⁴ Instead, there is a RES surcharge computed annually based on the DCPSC's methodology published in October 2016.¹⁵ In 2018, the surcharge was \$0.0018 per therm.¹⁶ The total funding in PY 2019 was \$492,000.

¹¹ Pepco's Residential Aid Discount Tariff – Revised (updated August 28, 2019) (Docket FC1120-50)

¹² APPRISE. September 2018. District of Columbia LIHEAP Energy Burden Analysis. Retrieved: https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/DC%202018%20LIHEAP%20Analysis%20-%20Energy%20Burden%20Report.pdf

¹³ District of Columbia. 2008. Clean and Affordable Energy Act. DC Law 17-250.

¹⁴ District of Columbia. 2014. Fiscal Year 2015 Budget Support Act of 2014 – section K: Residential Essential Service Subsidy Stabilization Emergency Amendment Act. DC Law 20-155.

¹⁵ Sims, R.W. September 21, 2016. Residential Essential service (RES) Surcharge. Page 125. Retrieved: <https://www.washingtongas.com/-/media/1ed763c9c0f04c6e9f9ca33cb4b3c92d.pdf#page=125>

¹⁶ WGL's Annual Residential Essential Service Surcharge current factor (Docket FC1127-114)

- Program Administration – DOEE works with intake agencies to identify eligible customers. However, WGL’s billing department issues the discount bill to participant customers.
- Program Outreach and Intake – Program intake is conducted in conjunction with LIHEAP.
- Income and Program Eligibility – Households with incomes at or below 60 percent of DC State Median Income who have an account with WGL residential natural gas services are eligible for program benefits. Income eligibility is the same as for LIHEAP and RAD.
- Program Benefits – RES customers receive a discount of up to 25% per heating season on their gas bill. Enrolled customers are also exempt from certain surcharges.¹⁷ The RES program is available during the winter (November – April) and enrolled customers receive the credit for one heating season. Customers must reapply annually.

2.1.3 Fuel Fund Programs

The District of Columbia has two charitable fuel fund programs: the Washington Area Fuel Fund (WAFF) and the Greater Washington Urban League Fuel Fund (GWUL).

The WAFF program has the following characteristics.¹⁸

- Regulatory Framework – Establishing a fuel fund is voluntary in the District of Columbia.
- Sources and Amount of Funding – The majority of funding comes from charitable donations.¹⁹ Washington Gas pays for the administrative and promotional fees while The Salvation Army assist clients and manages the disbursement of funds. All donations are used for energy assistance grants.²⁰ In 2018, WAFF delivered \$224,546 in benefits.²¹
- Program Administration – WAFF is administered by The Salvation Army.²²
- Program Outreach and Intake – WAFF intake is at the local Salvation Army office.²³
- Income and Program Eligibility – To be eligible for WAFF, households must have exhausted all other sources of government assistance and be below 80% of area median

¹⁷ Washington Gas. n.d. Residential Essential Services Program. Retrieved: <https://www.washingtongas.com/media-center/residential-essential-services-program>

¹⁸ Communication with Kelly Caplan, WAFF Manager. 2019.

¹⁹ WAFF. n.d. About Washington Area Fuel Fund (WAFF). Retrieved: <https://washingtonareafuelfund.org/>

²⁰ Retrieved: <https://washingtonareafuelfund.org/founders-message/>

²¹ Caplan, 2019.

²² WAFF. n.d. About Washington Area Fuel Fund (WAFF). Retrieved: <https://washingtonareafuelfund.org/#fbsection2>

²³ Retrieved: <https://washingtonareafuelfund.org/contact/>

income.²⁴ Eligibility is determined by household size and income. The maximum eligible income for a one person DC household is \$54,350, increased by \$7,750 for each additional member of the household.²⁵

- Program Benefits – The Washington Area Fuel Fund (WAFF) assists electric or gas customers who face a disconnection notice with a once-a-year grant of up to \$1,000.²⁶ Benefits are determined by both income and family size.²⁷

We were not able to collect detailed information about the GWUL fuel fund program. The Greater Washington Urban League (GWUL) website indicates that GWUL provides up to \$500 once a year to PEPCO customers as emergency assistance.

2.1.4 Solar for All Program

The Renewable Portfolio Standard Expansion Amendment Act of 2016 established the Solar for All Program (Solar for All). The long-term goal of the program is to serve 100,000 LMI households with the benefits of Solar for All by 2032. The Solar for All program has the following characteristics:

- Regulatory Framework – Solar for All was established as part of the Renewable Portfolio Standard Expansion Amendment Act of 2016.
- Sources and Amount of Funding – Solar for All is funded by the Renewable Energy Development Fund (REDF) which is funded through compliance fees paid by electricity suppliers. Funding from the REDF is used to expand the District’s solar capacity; increase the amount of solar generated within the District; and provide the benefits of locally-generated solar energy to low-income households, small businesses, nonprofits, and seniors. The program delivered benefits to 8,600 low-income households in 2019. If the program delivered the expected average \$500 benefit to those households, the annual total benefits to low-income households were about \$4.3 million.²⁸
- Program Administration – DOEE is responsible for the SFA program administration.

²⁴ WAFF. n.d. How do I qualify for WAFF? FAQ. Retrieved: <https://washingtonareafuelfund.org/faq/>

²⁵ <https://washingtonareafuelfund.org/eligibility/>

²⁶ PEPCO. n.d. Bill Payment Assistance. Retrieved:

<https://www.pepco.com/MyAccount/Customersupport/Pages/DC/BillPaymentAssistance.aspx>

²⁷ DC Gov. Utilities Assistance. Retrieved: <https://dc.gov/page/utilities-shutdown>

²⁸ District of Columbia. February 12, 2020. Renewable Portfolio Standard Expansion Amendment Act of 2016 & Solar for All Annual Report.

- Program Outreach and Intake – DOEE conducts outreach to LIHEAP program participants to participate in the Solar for All program. DOEE’s responsibilities for the program also include working with organizations to facilitate the development of solar projects.
- Income and Program Eligibility – Households with incomes at or below 80 percent of DC AMI for their household size are eligible for program benefits.²⁹
- Program Benefits – The goal of the program is to provide the benefits of solar energy to 100,000 low-income households and to reduce their electricity bills by 50% from a 2016 estimate of the average residential energy bill³⁰, where average bill is estimated to be \$1,000³¹. The program seeks to deliver \$500 in annual program benefits to participating customers.

2.1.5 Summary of Low-Income Energy Assistance Funding and Participation

The District of Columbia has a comprehensive set of low- and moderate-income energy assistance programs. In total, the LIHEAP federal and supplemental program furnishes about 73 percent of assistance benefits that are dedicated to low-income households. It serves about 26 percent of households in DC who are income-eligible for the program. In DC, Ratepayer programs make up about 27% of funding for energy assistance benefits that are dedicated to low-income households. The table 2-3 below reports the level of funding, households served, and average benefits for each program. Table 2-4 provides information about the District’s fuel funds.

Table 2-3 – Energy Assistance Funding and Participation – Washington, DC

Program Name	Funding Source	Funding for Assistance Benefits	Households Served	% of Income-Eligible Served	Average Benefit
LIHEAP and Supplement (FY 2018)	Federal + Ratepayers	\$16.8 million	20,231	26%	\$828.36
RAD (2019)	Electric Ratepayers	\$5.8 million	20,565	25%	\$272
RES (2019)	Natural Gas Ratepayers	\$0.5 million	6,877	8%	\$72
Solar for All (2019)	Electric Ratepayers	\$4.3 million	8,600	8%	\$500
TOTAL	Federal + City + Ratepayer	\$27.4 million	N/A	N/A	N/A

²⁹ <https://doee.dc.gov/solarforall>

³⁰ District of Columbia. 2018. Solar for All Program. DC Law 8–1774.16. Retrieved: <https://code.dccouncil.us/dc/council/code/sections/8-1774.16.html>

³¹ <https://www.dcseu.com/news-blog/press/dcseu-selects-contractors-to-bring-over-7-megawatts-of-solar-to-2-through-solar-for-all-program>

Program Name	Funding Source	Funding for Assistance Benefits	Households Served	% of Income-Eligible Served	Average Benefit
Total for Low-Income Households Only	Federal + City + Ratepayer	\$23.1 million	20,231	25%	\$1,184
Table 2-1 shows that total LIHEAP funding was \$12.3 million. However, of that amount, \$7.7 million was used for direct assistance benefits to clients. In total, at least \$24.8 million was used for energy assistance benefits for low-income households. The best estimate of the total number of households served is the number of households served by the LIHEAP program – 20,231 households. The average benefit per participant is computed by dividing the total funding available for benefits by the total number of federally LIHEAP eligible households served by any of the programs.					

Sources: LIHEAP Clearinghouse; Pepco's Residential Aid Discount Tariff – Revised (updated August 28, 2019) (Docket FC1120-50); WGL's Annual Residential Essential Service Surcharge current factor (Docket FC1127-114);

Table 2-4 – Fuel Fund Funding and Participation– Washington, DC

Program Name	Funding Source	Amount of Funding	Households Served	% Low-Income Eligible Served	Average Benefit
The Greater Washington Urban League	Charity	N/A	N/A	N/A	N/A
Washington Area Fuel Fund	Charity	\$0.2 million	1,289	1.6%	\$110

Sources: Greater Washington Urban League. n.d. Utility Assistance. *GWUL.org*. Retrieved from: <https://www.gwul.org/utility-assistance>; WAFF. n.d. About Washington Area Fuel Fund. *WAFFHelp.org*. Retrieved from: <https://washingtonareafuelfund.org/#fbsection2>

2.2 Assessment of Programs and Portfolio

This section of the report furnishes an assessment of the District's individual programs and the combined impact of the portfolio of programs.

2.2.1 Affordability Targets

The District of Columbia has three major energy assistance programs – LIHEAP, RAD, and RES. Each of the programs is designed to make energy more affordable for low-income households. However, none of the programs is explicitly designed to ensure that individual households have an affordable net energy burden.

- **LIHEAP** – The LIHEAP program has a benefit matrix that assigns a benefit based on income, household size, and main heating fuel. Those benefits can be substantial. However, they do not explicitly examine each household's energy burden. A 2018 DOE study showed that the LIHEAP benefit results in an affordable energy bill for some households (i.e., energy burden of less than 6% of income) and in an unaffordable energy bill for other households (i.e., energy burden of greater than 10% of income).
- **RAD** – The RAD program furnishes eligible households with a discounted electric bill. The program benefit is a rate discount. As such, households who have higher energy bills (i.e., use more electricity) receive a larger RAD benefit. In that way the program targets the

highest burden households. However, the program does not explicitly target a specific affordability level for electric service.

- RES – The RES program furnishes eligible households with a discounted natural gas bill. The program benefit is a rate discount. As such, households who have higher energy bills (i.e., use more natural gas) receive a larger RAD benefit. In that way the program targets the highest burden households. However, the program does not explicitly target a specific affordability level for electric service.

The 2018 DOEE study found that the funding for LIHEAP, RAD, and RES is sufficient to ensure that all households who were participating in the energy assistance programs in 2016 could have an “affordable” energy burden (i.e., an energy burden of no more than 6% of income). However, to achieve that objective, the benefit determination procedures for the programs would need to be changed to set benefits based on each household’s pre-program energy burden.

The Solar for All program does not appear to focus on targeting benefits to the households with the lowest incomes or highest energy burden. It works with organizations on the development of solar capacity and on ensuring that those solar projects deliver benefits to low-income households that meet the specified target.

2.2.2 Arrearage Management Programs

The District of Columbia energy programs do not have explicit arrearage management programs. The programs do have procedures that assist arrearage customers to retire those arrears.

- LIHEAP Crisis – The LIHEAP program offers Crisis Benefits that assist participating households with overdue accounts.
- Electric and Natural Gas Payment Programs – PEPCO and Washington Gas have procedures for working with arrearage clients to give them time to pay off their arrearages. [Note: PEPCO has been working on the development of an Arrearage Management Program. However, it is not yet in full operation.]

However, none of the programs have an arrearage program in which payment-troubled customers can “earn” arrearage forgiveness credits by making consistent payments on their overdue accounts.

2.2.3 Coordination of Programs

The DOEE is responsible for LIHEAP, the DCPSC runs the ratepayer programs, and private nonprofits administer the fuel funds. The ratepayer assistance programs are coordinated with

LIHEAP assistance through a joint application. There is no direct coordination with the fuel funds.³²

2.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

There are several ways in which households who receive energy assistance can be referred to energy efficiency and/or renewable energy programs.

- LIHEAP/WAP – The LIHEAP program and the Weatherization Assistance Program (WAP) both are administered by DOEE. The information on households that receive LIHEAP is available to WAP; WAP can use that information to conduct outreach and verify program eligibility.
- LIHEAP/Solar for ALL – The LIHEAP program and the Solar for All program both are administered by DOEE. The information on households that apply for LIHEAP is available to the Solar for All program. In addition, moderate-income households that apply for LIHEAP but are not eligible (i.e., income greater than 60% of state median income but less than 80% of state median income) can be referred to the Solar for All program.

The ratepayer-funded energy efficiency programs are administered by the District of Columbia Sustainable Energy Utility (DC SEU). Since the DC SEU is separate from PEPCO and Washington Gas, there is no direct linkage from the ratepayer energy assistance programs (RAD and RES) to the DC SEU low-income energy efficiency programs. However, to the extent that DOEE and the DC SEU collaborate on identification of low-income households, those linkages can be established.

2.2.5 Moderate-Income Energy Assistance Programs

Moderate-income households are defined as those with income greater than 60 percent of state median income and less than or equal to 80 percent of area median income. The income threshold for the LIHEAP, RES, and RAD programs is 60 percent of state median income. Moderate-income households are not eligible for these programs.

Among the portfolio of District energy assistance programs, moderate-income households are eligible for the fuel fund programs and the Solar for All program. The fuel fund programs have more flexibility to define need based on a fuller set of financial status indicators for the household. Two other energy assistance programs that serve moderate-income households

³² APPRISE communication with Karen L. Wilson Manager, Emergency Utility Assistance, Department of Finance and Administration, Greater Washington Urban League, Inc. 11/2019

include the CAP program (water payment assistance) and the HUD Housing Voucher program that furnishes a monthly grant to households to assist them with their utility bills.

2.2.6 Summary Assessment of DC's LMI Portfolio of Programs

Three best practices stand out for DC's state energy assistance programs.

- Coordination with LIHEAP – The ratepayer assistance programs application is coordinated with the LIHEAP application and reviewed by the same agency (DOEE). This enables for better benefit coordination. Additionally, the existence of the joint application informs households of the existence of the ratepayer programs.
- Availability to all Income-Eligible Households – Participating in RAD and RES does not require applying to or receiving LIHEAP assistance. This enables income-eligible households who may not receive LIHEAP for other reasons to receive the discount. Additionally, the program covers households without arrearages which is not the case for all ratepayer programs.
- Application Availability in Other Languages – The joint application for RAD, RES, and LIHEAP is currently available in six other languages. This improves accessibility to the program's benefits.

There seem to be several barriers and gaps in the DC assistance programs.

- Vulnerable Households – There are no specific provisions in the current statutory framework that specify prioritizing vulnerable households for ratepayer assistance. For LIHEAP, vulnerable households are defined as households with young children (under 5), elderly, and disabled members and are prioritized.³³
- Targeting – DOEE does not use a client's actual bill and energy burden to assign LIHEAP benefits and target households with high energy burden and there is no statutory requirement to prioritize high energy burden households. Rather, DOEE utilizes a benefit matrix for LIHEAP, and the ratepayer discounts are based only on a client's usage and bills.
- Arrearages – There is no program that allows households to reduce or retire their arrearages. This can be a problem for low-income households who may have high debt levels. The ratepayer assistance programs don't help them reduce these debts which

³³United States. 2008. Energy Policy Act of 2005. 42 U.S.C. 8621-8630. Retrieved: <https://www.acf.hhs.gov/ocs/resource/liheap-statute-and-regulations>

consists a gap in coverage. However, PEPCO is developing an Arrearage Management Plan, that was expected to be operational in 2019.³⁴

- Multi-family Buildings and Renters – The RAD and RES both require applicants to have a utility bill in their name. This disqualifies some households whose utilities are included in their rent or who live in multi-family buildings with common meters and whose utility charges are assessed through building fees. There is currently no provision that would enable such low-income households to receive RAD or RES assistance. Low-income households with heat included in their rent can receive LIHEAP if they have an electric utility bill in their name.

Overall, the District programs furnish substantial benefits to low-income households. However, there are ways to make the programs more responsive to the energy affordability needs of participating households.

³⁴ PSC. 2019. Pepco's update to the Implementation of Arrearage Management Program. FC1119 – 1887. Retrieved: <https://edocket.dcpsc.org/public/search>

3.0 NEW JERSEY ENERGY ASSISTANCE PROGRAMS

This section of the report furnishes information on the energy assistance programs available to LMI households in New Jersey. The first part examines design and funding for each program and the final second part furnishes an assessment of program performance relative to best practices.

3.1 Program Funding and Design

New Jersey has a comprehensive set of low-income energy assistance programs including the LIHEAP program, several ratepayer-funded energy assistance programs, and fuel fund programs. Table 3-1 furnishes information on the program names, the total funding from a recent program year, the sources of funding, and other relevant information about the program. In total about \$250.5 million was available for low-income energy assistance, with an additional \$3.2 million available to moderate-income households. The LIHEAP program represents around 40% and ratepayer-funded programs represent about 60% of the total low-income program funding. The ratepayer programs include the Lifeline Assistance Program that is available to elderly and disabled households and the Universal Service Fund (USF) that is available to all low-income households. New Jersey also operates a state-funded program for moderate-income households: the “Payment Assistance for Gas and Electric” (PAGE). The New Jersey Shares fuel fund also targets moderate-income households. Table 3-2 Provides similar information about Fuel Funds operating in the state of New Jersey.

Table 3-1 – Energy Assistance Funding – New Jersey

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2018	Federal	\$101.8 Million	Energy Assistance
Universal Service Fund	FY 2019	Ratepayer	\$105.4 Million	Energy Assistance
Lifeline	FY 2018	Ratepayer	\$43.3 million	Seniors and Disabled w/o admin costs
PAGE	FY 2018	State	\$3.2 Million	Moderate Income
TOTAL	Combined	Combined	\$253.7 Million	Includes PAGE
Total for Low-Income Households Only	2018	Combined	\$250.5 Million	Excludes PAGE
The LIHEAP Performance Management Website Data Warehouse indicates that there were 1,038,856 households in New Jersey with income at or below 60% of state median income in 2018. Our research shows that total funding for low-income energy assistance programs in 2018 was at least \$250 million. The funding is at least \$241 per low-income household. This is slightly lower than the \$295 per low-income households in the District of Columbia. The LIHEAP funding amount is the amount directly available for bill assistance. The budget for USF is the total FY 2019 budget of the program (\$111.8 Million) with the administrative budget (\$6.4 Million) excepted.				

Sources: LIHEAP Clearinghouse. New Jersey Board of Public Utilities. 2018. Docket Number ER18060661. Communication with Kathy Kerr, Utility Department Director, AHA. 2019. Affordable Housing Alliance 2018 Annual Report 2018.

Table 3-2 – Fuel Fund Funding– New Jersey

Program Name	Funding Year	Funding Source	Funding Amount	Notes
NJ SHARES	FY 2018	Ratepayer + Charitable	\$.8 million	Moderate Income
Gift of Warmth	FY 2019	Ratepayer + Charitable	\$249,526	New Jersey Resources
ACE Helping Hands	2018	Ratepayer + Charitable	\$1 million	Atlantic City Electric

Sources: New Jersey Resources Annual Corporate Sustainability Report FY 2019. Affordable Housing Alliance 2018 Annual Report 2018. APPRISE 2019 NJ SHARES Evaluation Presentation. New Jersey Energy Assistance Programs.

3.1.1 LIHEAP Program

Each state submits a state plan for LIHEAP each year and then receives a LIHEAP grant from the federal government for a funding amount that is determined by an allocation formula. New Jersey's LIHEAP program has the following characteristics:

- **Regulatory Framework** – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- **Sources and Amount of Funding** – In FY 2018, New Jersey received \$133 million in total funding from the federal government, of which \$101.8 million went to bill assistance.³⁵
- **Program Administration** – The New Jersey Department of Community Affairs, Division of Housing and Community Resources (DHCR) administers the LIHEAP program.
- **Program Outreach and Intake** – DHCR subcontracts to Community Action Agencies (CAAs) and other Community-Based Organizations to enroll households in the LIHEAP program. DHCR has an online application procedure available for LIHEAP and USF.³⁶ Households also can apply for LIHEAP as part of their SNAP program application.
- **Income and Program Eligibility** – Households must have an income below 200% of the FPG to qualify for heating assistance. Cooling assistance is available if it is “medically necessary.” Crisis assistance is available to income-eligible households in danger of being without heat and with insufficient income to purchase fuel.³⁷

³⁵LIHEAP Clearing House. FY 2018 NJ Grantee Profile. Retrieved: https://liheappm.acf.hhs.gov/sites/default/files/private/congress/profiles/2018/FY2018_NJ_grantee_prof_final.pdf

³⁶ New Jersey Department of Community Affairs Division of Housing and Community Resources. 2019. Low Income Home Energy Assistance Program Universal Service Fund. Retrieved: https://www.nj.gov/dca/divisions/dhcr/offices/docs/usfhea_fact_sheet.pdf

³⁷New Jersey Department of Community Affairs Division of Housing and Community Resources. n. d. Home Energy Assistance Program Handbook. Retrieved: <https://www.nj.gov/dca/divisions/dhcr/offices/docs/LIHEAP/LIHEAP%20handbook%20v2.pdf>, p. 12 – 13

- Program Benefits – The amount of the LIHEAP heating benefit is determined by income, household size, fuel type, and heating region. The medically necessary cooling assistance benefit amount is \$200.³⁸

The LIHEAP program serves about 25 percent of the households that would be income-eligible for the program if New Jersey used the federal maximum income threshold (i.e., 60 percent of State Median Income).

3.1.2 Ratepayer-Funded Programs

New Jersey's has two ratepayer-funded programs: The Universal Service Fund (USF) and Lifeline. The two ratepayer-funded programs have the following characteristics.

- Regulatory Framework - The current statutory framework for USF and Lifeline was defined by the 1999 "Electric Discount and Energy Competition Act" (EDEC). The Act mandated the NJ Board of Public Utilities (BPU) to create a Universal Service Fund to fund low-income energy assistance programs.
- Sources and Amount of Funding – The USF and Lifeline are funded through service riders on gas and electric bills. In 2003, the BPU ordered that the USF be operated on a state-wide basis and funded through uniform charges on electric and gas bills. All regulated electric and gas utilities assess these surcharges.³⁹ The total annual funding for the USF and Lifeline is decided by the BPU. The USF and Lifeline surcharges are revised annually to collect the appropriate amount of funds. From June 2018 to October 2019 the USF surcharge was \$0.001338/kWh and \$0.0049/therm and the Lifeline surcharge was \$0.000753/kWh and \$0.0054/therm. The USF funding in FY 2018 was \$111.8 million, of which \$6.4 million went to administrative costs. The Lifeline budget was \$74.6 million.⁴⁰
- Program Administration - The BPU has final authority over all aspects of program administration for both the USF and Lifeline. This includes determination of eligibility criteria, audits of utility companies' administrative expenses, fund appropriation, the surcharges, and benefit levels.⁴¹ The USF is administered by the Department of Community Affairs, while Lifeline is administered by the Department of Human Services, Division of Aging.

³⁸New Jersey Department of Community Affairs Division of Housing and Community Resources. 2019. Low Income Home Energy Assistance Program Universal Service Fund. Retrieved:

https://www.nj.gov/dca/divisions/dhcr/offices/docs/usfhea_fact_sheet.pdf

³⁹ New Jersey Board of Public Utilities. 2003. Docket No. EX10020091

⁴⁰ New Jersey Board of Public Utilities. 2018. Docket Number ER18060661

⁴¹ State of New Jersey Legislature. 1999. The Electric Discount and Energy Competition Act. *N.J.S.A. 48:3-49 et seq.* Retrieved: https://www.njleg.state.nj.us/9899/Bills/a0500/16_i1.htm

- Program Outreach and Intake - Program intake for each program is as follows.
 - USF - The USF intake is done by the NJ Department of Community Affairs, Division of Housing and Community Resources (DHCR). DHCR is also the LIHEAP administrator and is responsible for processing the applications for USF.⁴² The participating utilities then apply the benefits to participating customers' bills and receive a payment from the NJ Department of Treasury.⁴³
 - Lifeline - The Lifeline program application is processed and reviewed by the Division of Aging Services at the NJ Department of Human Services.⁴⁴
- Income and Program Eligibility - Eligibility criteria for each program is as follows.
 - USF - The USF benefit is available to households below 185% of the FPG.⁴⁵ Households are not required to apply to LIHEAP or have arrearages in order to participate in USF.
 - Lifeline - Lifeline is available to elderly and disabled households. To be eligible for Lifeline, beneficiaries must be a recipient or meet the eligibility requirements of Pharmaceutical Assistance to the Aged and Disabled (PAAD) or be a recipient of either Medical Assistance to the Aged (MAA), Medical Assistance Only (MAO) or New Jersey Care.⁴⁶ Households are not required to apply to LIHEAP or have arrearages in order to participate in Lifeline. To be PAAD eligible, a new Jersey resident must be above 65 or receiving social security disability and have an income below \$27,951 if single and \$34,268 if married.⁴⁷
- Program Benefits – Benefits for each ratepayer program are as follows.
 - USF - USF benefits are a fixed-credit percentage of income payment plan. Participants are required to pay no more than 3% of their income towards their utility bill or 6% for all-electric heat customers. The calculation takes the household's annual gas bill and subtracts any LIHEAP and/or Lifeline benefits. It

⁴² State of New Jersey Department of Community Affairs. n.d. Universal Service Fund (USF). Retrieved: <https://www.state.nj.us/dca/divisions/dhcr/faq/usf.html>

⁴³ New Jersey Board of Public Utilities. 2019. Docket No. E019030308

⁴⁴ State of New Jersey Department of Human Services Division of Aging Services. n.d. Lifeline. Retrieved: <https://www.state.nj.us/humanservices/doas/home/liflinedetail.html>

⁴⁵ Samantha Levine, "NJBPU Expands Access to Low-Income Energy Assistance. 2019. Retrieved: <https://www.nj.gov/bpu/newsroom/2019/approved/20190807.html>

⁴⁶ State of New Jersey Department of Human Services Division of Aging Services. n.d. Lifeline. Retrieved: <https://www.state.nj.us/humanservices/doas/home/liflinedetail.html>

⁴⁷ Retrieved: <https://www.state.nj.us/humanservices/doas/home/liflinedetail.html>

then makes sure that the household doesn't expend more than three percent of its income for gas service. The benefits are capped at \$1,800 annually.⁴⁸

- Lifeline - Provides a \$225 annual benefit in the form of credit on electric and gas bills (Lifeline Credit Program) or as a check for tenants who have the cost of utilities included in their rent (Tenants Lifeline Assistance Program).⁴⁹
- Arrearage Forgiveness - There is an arrearage retirement program “Fresh Start.” It is available to USF customers who have a balance of \$60 or more. The program enables them to retire their arrearages during their first year of participation in the USF. Households are required to make all monthly payments in full and on-time for 12 months in order to have their balance erased.

3.1.3 State-Funded Program

New Jersey operates a state-funded assistance program with the following characteristics.

- Regulatory Framework – The current statutory framework for PAGE was established in New Jersey Statutes Section 48:2-29.39, Chapter 2, Title 48 “Designation of Statewide, nonprofit energy assistance organization.” The Statute requires BPU to designate an established statewide nonprofit energy assistance organization to receive supplemental funding from unclaimed property held by the utilities.⁵⁰
- Sources and Amount of Funding – The PAGE program is funded through unclaimed property held by utilities. Total funding amounted to \$3.2 million in 2018.
- Program Administration – In 2018, the BPU chose the “Affordable Housing Alliance” (AHA) to administer the program. AHA is responsible for the processing of applications and distribution of benefits. The BPU maintains oversight and final decision authority over the program. AHA is required to submit quarterly reports on program expenses and coverage and an annual comprehensive report on the program’s performance.⁵¹
- Program Outreach and Intake – Program intake is done through AHA’s and its partners’ intake offices. AHA has partnered with affiliate agencies to provide a number of intake sites across NJ.

⁴⁸ U.S. Department of Health and Human Services. State PBF/USF History, Legislation, Implementation: New Jersey. Retrieved: <https://liheapch.acf.hhs.gov/dereg/states/njersey.htm>

⁴⁹ State of New Jersey Department of Human Services Division of Aging Services. n.d. Lifeline. Retrieved: <https://www.state.nj.us/humanservices/doas/home/lifelinedetail.html>

⁵⁰ NJ Rev Stat § 48:2-29.39 (2018)

⁵¹ New Jersey Board of Public Utilities. 2019. Docket No. EG18020148

- Income and Program Eligibility – Eligibility for PAGE is determined based on income and financial circumstances. The maximum annual income for a one-person household is \$61,588. Households may not receive or apply for any LIHEAP or USF benefits when applying for PAGE. Additionally, households must have overdue balances or a disconnection notice and must have made a minimum payment towards their bills.⁵²
- Program Benefits – Qualifying households can get up to \$1,500 a year in benefits.⁵³

3.1.4 Fuel Fund Programs

The New Jersey SHARES fund has the following characteristics.

- Regulatory Framework – Establishing a Fuel Fund is voluntary in New Jersey.
- Sources and Amount of Funding – The funding includes contributions from IOUs for program administration, charitable contributions from voluntary contributions of utility customers, and utility matching contributions. In total, NJ Shares delivered \$799,435 in grants in 2018.
- Program Administration - The NJ SHARES fund is administered by an independent non-profit entity “NJ SHARES.”
- Program Outreach and Intake - NJ SHARES collaborates with numerous organizations to operate intake locations throughout New Jersey. Applicants can also apply directly to NJ SHARES online or by phone.⁵⁴
- Income and Program Eligibility – Only households over the income limit for LIHEAP and USF and who are experiencing a financial crisis are eligible for assistance by NJ SHARES. Their income levels must not exceed 400% of the FPG and they must have made a good-faith payment of \$100 or more within 90 days of applying for NJ SHARES.⁵⁵
- Program Benefits - Households can then receive a grant of up to \$700 to fulfill their temporary financial needs.⁵⁶

In addition to supporting New Jersey SHARES, New Jersey Resources (and its principle subsidiary New Jersey Natural Gas) sponsors the Gift of Warmth Fuel Fund. This program only assists New Jersey Natural Gas customers in Monmouth and Middlesex counties. Applicants must have

⁵² Affordable Housing Alliance. n.d. PAGE. Retrieved: <https://njpoweron.org/page/>

⁵³ Affordable Housing Alliance. n.d. PAGE. Retrieved: <https://njpoweron.org/page/>

⁵⁴ https://njsharesgreen.org/agencies/?searchable-table-search=energy&table_id=1

⁵⁵ Retrieved: <https://www.nj211.org/utility-assistance-programs>

⁵⁶ [Ibid.](#)

exhausted all other forms of energy assistance.⁵⁷ The intake is managed by the AHA Utilities' Department.⁵⁸ It provides a one-time grant up to \$500 to help income-eligible households, as well as those experiencing temporary or unanticipated financial hardship, reconnect or continue their natural gas service.⁵⁹ The main source of funding is New Jersey Natural Gas.⁶⁰

Atlantic City Electric sponsors ACE Helping Hands, which supports ACE residential customers. Intake is managed by the AHA Utilities' Department, along with the Gift of Warmth. It provides up to \$200 annually to customers with incomes below 400% of the poverty line⁶¹ and has a budget of \$1 million.⁶² It is administered by the Affordable Housing Alliance, Catholic Charities Diocese of Camden, New Jersey SHARES, and People for People Foundation of Gloucester County.

3.1.5 Summary of Low-Income Energy Assistance Funding and Participation

The table 3-3 below reports the levels of funding, households served, and average benefits for each program when information was available. It shows that PAGE has the highest average benefit in New Jersey. Table 3-4 shows the same information for New Jersey Fuel Funds.

Table 3-3 – Energy Assistance Funding and Participation – New Jersey

Program Name	Funding Source	Funding for Assistance Benefits	Households Served	% of Income-Eligible households served	Average Benefit
LIHEAP	Federal	\$101.8 million	254,250	24.5%	\$400
Universal Service Fund	Ratepayer	\$105.4 million	162,000	15.6%	\$651
Lifeline	Ratepayer	\$43.3 million*	192,500*	18.5%	\$225
PAGE	State	\$3.2 million	4,000	N/A ⁶³	\$800
TOTAL	Combined	\$253.7 million	354,500	N/A	\$716
Total for Low Income (w/Lifeline only)	Combined	\$250.5 million	350,500	34%	\$715
Total for Low Income (excluding Lifeline only)	Combined	\$228.9 million	254,250	24.9%	\$900

⁵⁷ New Jersey Natural Gas. n.d. Payment Assistance Programs. Retrieved: <https://www.njng.com/my-account-services/payment-options/PaymentAssistance.aspx>

⁵⁸ AHA. 2018. Annual Report. p. 8 <https://housingall.org/wp-content/uploads/2018/12/2018%20Annual%20Report.pdf? t=1562011640>

⁵⁹ New Jersey Natural Gas. n.d. Payment Assistance Programs. Retrieved: <https://www.njng.com/my-account-services/payment-options/PaymentAssistance.aspx>

⁶⁰ Affordable Housing Alliance. n.d. NJNG Gift of Warmth. Retrieved: <https://njpoweron.org/other-programs/other-programs-gift-of-warmth/>

⁶¹ Retrieved: <https://njpoweron.org/other-programs/ace-helping-hands/>

⁶² Frank Tedesco, "Atlantic City Electric Taking Steps to Support Customers During Coronavirus Pandemic". 2020. Retrieved: <https://njac.org/atlantic-city-electric-taking-steps-to-support-customers-during-coronavirus-pandemic/>

⁶³ PAGE does not only serve LIHEAP-eligible households.

Program Name	Funding Source	Funding for Assistance Benefits	Households Served	% of Income-Eligible households served	Average Benefit
In total, at least \$254 million was used for energy assistance benefits, of which about \$229 million was granted to low-income households who received LIHEAP, as well as USF and/or Lifeline. The best estimate of the total number of households served is the number of LIHEAP beneficiaries – 254,250 households. All households eligible for LIHEAP benefits are automatically screened for USF, and all households eligible for USF benefits are eligible for LIHEAP. The average benefit per participant is computed by dividing the total funding available for benefits by the total number of households served by any of the programs. Many households are eligible for PAGE but not federally eligible for LIHEAP, so PAGE recipients are not included in the total of low-income households served. Though most applicants for Lifeline are automatically screened for LIHEAP and USF, many do not elect to participate. By assuming around half of Lifeline recipients participate in LIHEAP, we arrive at our estimated number of low-income households served by energy assistance in New Jersey. By adding the number of PAGE participants, we estimate the total number of households receiving energy assistance. *Estimated.					

Sources: LIHEAP Clearinghouse. New Jersey Board of Public Utilities. 2018. Docket Number ER18060661. Communication with Maureen Clerc, Energy Assistance Programs, Office of the Secretary, NJ BPU. 2020. Communication with Kathy Kerr, Utility Department Director, AHA. 2019. Affordable Housing Alliance 2018 Annual Report 2018.

Table 3-4 – Fuel Fund Funding and Participation– New Jersey

Program Name	Funding Year	Funding Source	Funding Amount	Households Served	% Income-Eligible Households Served	Average Benefit
NJ SHARES	FY 2018	Ratepayer + Charitable	\$0.8 million	1,282	N/A	\$624
Gift of Warmth	FY 2019	Ratepayer + Charitable	\$249,526	Over 500	N/A	Less than \$500
ACE Helping Hands	2020	Ratepayer + Charitable	\$1 million	5,000	N/A	Less than \$200
Number of ACE Helping Hands recipients is calculated by the amount of funding (\$1 million) divided by the maximum grant (\$200)						

Sources: Frank Tedesco, “Atlantic City Electric Taking Steps to Support Customers During Coronavirus Pandemic”. 2020. Housing Alliance. n.d. NJNG Gift of Warmth. Retrieved: <https://njpoweron.org/other-programs/other-programs-gift-of-warmth/>. Sources: New Jersey Resources Annual Corporate Sustainability Report FY 2019. Affordable Housing Alliance 2018 Annual Report 2018. APPRISE 2019 NJ SHARES Evaluation Presentation. New Jersey Energy Assistance Programs.

3.2 Assessment of Programs and Portfolio

This section of the report furnishes and assessment of New Jersey’s individual programs and the combined impact of the programs.

3.2.1 Affordability Targets

The New Jersey programs work together to target an affordable energy burden for households that heat with electricity or natural gas.

- LIHEAP Benefit – The LIHEAP program uses a benefit matrix to assign assistance benefits based on household size, income, and main heating fuel.
- USF Benefit – For households that heat with electricity or natural gas, the LIHEAP/USF database collects information from the utility companies on the household’s total energy

bill. The benefit determination system subtracts the assigned LIHEAP benefit from the total energy bill and then provides the benefit that would be needed to limit the household's electricity and natural gas expenditures each to no more than 3% of income, or limit the household's electricity bill to 6% of household income if the household heats with electricity.

It is important to note that the maximum USF credit is \$1,800. In some cases, the \$1,800 credit is not sufficient to reduce the household's net energy burden to 6% of income.

It also is important to note that households who heat with a delivered fuel (e.g., fuel oil or propane) only receive an electric USF benefit. The household receives a USF benefit that is sufficient to reduce their electric bill to 3% of their income. However, their net delivered fuel bill (bill minus LIHEAP grant) can be greater than 3% of income.

3.2.2 Arrearage Management Programs

The New Jersey USF program includes an arrearage management program: Fresh Start. Households that enroll in the USF program with an arrearage of at least \$60 will have their arrears frozen and will have those arrearages forgiven if they make timely payments for the first 12 months after program enrollment. Enrollment in the Fresh Start program is only possible during a customer's first year of participation in USF.

3.2.3 Coordination of Programs

There is a joint application for USF and LIHEAP. Benefits are coordinated so that the net energy burden (i.e., energy bills minus benefits) for electric and natural gas households are limited to 6% of income. In addition, households that apply for SNAP can complete a LIHEAP/USF application at the same time.

The Lifeline Program application is separate from the USF/LIHEAP application. Some elderly households choose to apply for the Lifeline Program, but do not choose to apply for the USF/LIHEAP program. The Lifeline Program is coordinated with the Pharmaceutical Assistance and the Medical Assistance Programs that target elderly households.

The PAGE and New Jersey SHARES program target moderate-income households. Households who apply for the USF/LIHEAP program who are over-income often are referred to PAGE and/or NJ SHARES. However, there is no formal linkage between the low-income programs and the moderate-income programs.

3.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

There are several ways in which households who receive energy assistance programs can be referred to energy efficiency programs.

- LIHEAP/WAP – The LIHEAP program and the Weatherization Assistance Program (WAP) both are administered by the Department of Community Affairs. The information on households that receive LIHEAP is available to WAP; WAP can use that information to conduct outreach and verify program eligibility.
- USF/Comfort Partners – The electric and gas utilities have information on which households receive USF benefits. Those households also are eligible for the ratepayer-funded Comfort Partners energy efficiency program.

There are other ratepayer-funded energy efficiency programs administered by the New Jersey Clean Energy programs and some of the individual investor-owned utilities. Both low- and moderate-income households are referred to those programs.

3.2.5 Moderate-Income Energy Assistance Programs

In New Jersey, moderate-income households are defined as those with income greater than 200% and less than 400% of the federal poverty guideline. The income threshold for the LIHEAP program is 200% of the federal poverty guideline and for the USF program is 175% of poverty. Moderate-income households are not eligible for these programs.

Among the portfolio of New Jersey energy assistance programs, moderate-income households are eligible for both PAGE and NJ SHARES. The New Jersey Resources Gift of Warmth Program has flexibility to define need based on a fuller set of financial status indicators for the household.

3.2.6 Summary Assessment of NJ's LMI Portfolio of Programs

Three best practices stand out for NJ's state energy assistance programs.

- Coordination with LIHEAP – The ratepayer assistance programs application is coordinated with the LIHEAP application and reviewed by the same agency, the Department of Community Affairs (DCA). In addition, the programs use the same database for tracking clients. This facilitates for better benefit coordination.
- Availability to All Income-Eligible households – Participating in USF does not require receipt of LIHEAP assistance. This enables income-eligible households to apply for the USF program when the LIHEAP program is not active. The USF program covers households without arrearages which is not the case for all ratepayer programs.

- Application Available in Spanish – The joint application for USF/LIHEAP program is available in English and in Spanish. This improves accessibility to the program’s benefits.
- Vulnerable Households – New jersey explicitly targets vulnerable households through the Lifeline program. While Lifeline does not serve families with young children, only low-income seniors and those receiving Social Security Disability Benefits are eligible for the \$74.6 million fund. Also, the LIHEAP program explicitly targets cooling benefits to households for whom cooling is “medically necessary.”
- Coordination with Other Programs - Households who receive Supplemental Security Income, automatically receive the Lifeline benefit. Additionally, persons who are beneficiaries of Medical Assistance to the Aged (MAA), Medical Assistance Only (MAO), or New Jersey Care, are sent Lifeline applications automatically every August.⁶⁴ This reduces the burden of participation.

The main gap in the NJ assistance programs relates to households with their heat in rent.

- Multi-family Buildings and Renters – The LIHEAP and USF programs require applicants to have a utility bill in their name. This disqualifies some households whose utilities are included in their rent or who live in multi-family buildings with common meters and whose utility charges are assessed through building fees.
- Customers of Municipal Utilities – Municipal Utilities are not covered by the USF program. Households who receive their electricity/gas from municipal utilities may not be able to receive any assistance.

Overall, the New Jersey programs furnish substantial benefits to low-income households and have adopted most of the energy assistance program best practices.

⁶⁴ State of New Jersey Department of Human Services Division of Aging Services. n.d. Lifeline. Retrieved: <https://www.state.nj.us/humanservices/doas/home/lifelinedetail.html>

4.0 PENNSYLVANIA

This section of the report furnishes information on the energy assistance programs available to LMI households in Pennsylvania. The first part examines design and funding for each program and the second part furnishes an assessment of program performance relative to best practices.

4.1 Program Funding and Design

Pennsylvania's programs include LIHEAP and ratepayer assistance programs. Pennsylvania utilities maintain separate ratepayer assistance programs under the "Universal Service Programs" (USP) framework. Each utility must maintain a customer assistance program (CAP), a Low-Income Usage Reduction Program (LIURP), a Customer Assistance Referral and Evaluation Program (CARES), and a Hardship Fund. Table 4-1 furnishes information on program names, the total estimated funding from 2018, the source of funding, and other relevant information about the program. Each utility company maintains a separate USP program, but in Table 4-1 the funds delivered are aggregated across all companies providing the same service. In total *at least* \$513.7 million is available for low-income energy assistance. The federal LIHEAP grant provides about 1/3 of funding while USP programs deliver about 2/3.

Table 4-1 – Energy Assistance Funding – Pennsylvania

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2018	Federal	\$190 million	Heating and Crisis Assistance
Electric CAPs	FY 2018	Ratepayer	\$219.6 million	Discounts and Arrearage Forgiveness
Electric CARES	FY 2018	Ratepayer + Charitable	\$374,748	CARES Funds
Total Electric USP	FY 2018	Ratepayer	\$220.0 million	Benefit Totals
Natural Gas CAPs	FY 2018	Ratepayer	\$103.4 million	Discounts and Arrearage Forgiveness
Natural Gas CARES	FY 2018	Ratepayer	\$318,071	CARES Funds
Total Natural Gas USP	FY 2018	Ratepayer	\$103.7 million	Benefit Totals
TOTAL	FY 2018	Combined	\$513.7 million	All Ratepayer Programs
Total Restricted to Low-Income	FY 2018	Combined	\$513.7 million	CAP, CARES, and LIHEAP are restricted to low-income.
The LIHEAP Performance Management Website Data Warehouse indicates that there were 1,559,045 households in Pennsylvania with income at or below 60% of state median income in 2018. Our research shows that total funding for low-income energy assistance programs in 2018 was at least \$513.7 million. The funding is at least \$330 per low-income household, somewhat more than the \$295 per low-income household in the District.				

Source: LIHEAP Clearinghouse. Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

Retrieved: http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2018.pdf

Table 4-2 furnishes information on the Fuel Fund Programs in Pennsylvania. The total of \$5.6 million is substantially larger than the amounts in other jurisdictions.

Table 4-2 – Fuel Fund Funding– Pennsylvania

Program Name	Funding Year	Funding Source	Funding Amount
Electric Hardship Funds	FY 2018	Ratepayer + Charitable	\$2,584,728
Natural Gas Hardship Funds	FY 2018	Ratepayer + Charitable	\$3,073,883

Source: Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

4.1.1 LIHEAP

Pennsylvania's LIHEAP program has the following characteristics.

- Regulatory Framework – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- Sources and Amount of Funding – In FY 2018, Pennsylvania received \$232 million in total funding, of which \$190 million was used for energy assistance.⁶⁵
- Program Administration – The Pennsylvania Department of Human Services (DHS) administers the LIHEAP program.⁶⁶
- Program Outreach and Intake – DHS operates local county assistance offices to enroll households in the LIHEAP program. DHS also has an online application procedure available for LIHEAP.⁶⁷
- Income and Program Eligibility – Eligibility is determined by income and family size and is set at 150% of the federal poverty line. To receive regular heating assistance, a household of four must have income below \$38,625. To qualify for crisis assistance households must meet the income criteria and face an energy emergency such as a disconnection notice or lack of heating fuel.⁶⁸

⁶⁵LIHEAP Clearing House. FY2018 PA Grantee Profile. Retrieved: https://liheappm.acf.hhs.gov/sites/default/files/private/congress/profiles/2018/FY2018_PA_grantee_prof_final.pdf

⁶⁶ Pennsylvania Department of Human Services. n.d. LIHEAP. Retrieved: <http://www.dhs.pa.gov/citizens/heatingassistanceliheap/>

⁶⁷ Pennsylvania Department of Human Services. n.d. County Assistance Office Contact Information. Retrieved: <http://www.dhs.pa.gov/citizens/findfacilsandlocs/countyassistanceofficecontactinformation/index.htm>

⁶⁸ Pennsylvania Department of Human Services. n.d. LIHEAP May Be Able To Help You. Retrieved: http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/p_035672.pdf

- Program Benefits – Two kind of grants assist with bill payment. Cash Grants provided to households are usually paid directly to their utility company or fuel provider and are credited on their bill. The grants range from \$200 to \$1000. Crisis Grants can be received multiple times if necessary and are capped at \$600 per year for each household.⁶⁹

4.1.2 Ratepayer Assistance

Pennsylvania's ratepayer assistance comes from Universal Service Programs, which are individually administered by each regulated utility company. Each utility can design and implement its assistance program independently, within the parameters set forward by the USP. As a result, there is a large variation in the types of assistance and coverage across the state. For the purposes of this study, we outline the general statutory and regulatory framework and then furnish specific information on the USP of four utilities: PPL Electric Utilities Corporation, First Energy, Philadelphia Gas Works, and Columbia Gas.

4.1.2.1 Statutory framework

Pennsylvania's statutory framework for USPs was established by the Electric Competition Act and the Gas Competition Act, passed in 1996 and 1999, respectively.⁷⁰ The Acts mandate that electric and gas utilities have universal service programs and submit reports relative to services provided and cost. They also give the Pennsylvania Public Utility Commission (PUC), authority over rulemaking and oversight of each utility's assistance programs.⁷¹ PUC then designated the Bureau of Consumer Services (BCS) as the responsible bureau for the program

The USPs have four components that each utility must establish.⁷²

- Customer Assistance Program (CAP) – These are bill-payment assistance programs. The benefit structure and eligibility criteria vary by utility. Utilities provide Percent of Income Payment Plans, arrearage forgiveness, percent of bill payment, flat discounts, fixed credits, or a combination of the above. The Commission's CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267 (adopted in 1992 and last amended in 2010) applies to electric

⁶⁹ Pennsylvania Department of Human Services. n.d. LIHEAP. Retrieved:

<http://www.dhs.pa.gov/citizens/heatingassistanceliheap/>

⁷⁰ Pennsylvania Legislature. 1996. Chapter 28 – Restructuring of Electric Utility Industry. § 2804. Standards for restructuring of electric industry. Sec 8-9. Retrieved:

<https://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/66/00.028..HTM>

⁷¹ Ibid

⁷² Pennsylvania Public Utility Commission. n.d. Energy Assistance Programs. Retrieved:

http://www.puc.state.pa.us/consumer_info/electricity/energy_assistance_programs.aspx

distribution companies (EDCs) and natural gas distribution companies (NGDCs) with gross annual operating revenue in excess of \$40 million.⁷³ The policy mandates the following.⁷⁴

- CAP programs should be targeted at residential customers below 150% of FPG and low-income customers who “have failed to maintain one or more payment arrangements.”
 - Utilities should base their participation limit on a needs assessment considering the number of low-income households in their territory, participation rates for assistance programs, and the resources available to meet the needs of the targeted population.
 - The Policy Statement defines various parameters for the CAP benefits. Most importantly, it mandates that bill payments for CAP customers do not exceed 17% of their annual income. The guideline also defines a minimum percent-of-income for households based on their poverty group. PUC recently voted to change this maximum allowable payment threshold to 6% of income, effective 2021.⁷⁵
 - Utilities can propose alternative program designs if such deviations from policy “reduce uncollectible balances and provide low-income customers with needed assistance.” All alternative plans must be evaluated and approved by the BCS.
- Low-Income Usage Reduction Program (LIURP) – LIURP helps low-income customers lower the amount of energy they use through energy efficiency measures. LIURPs are not included in this study.
 - Customer Assistance Referral and Evaluation Program (CARES) – Each utility must provide customers with assistance and referral services. These services are meant to provide support and direction to help customers pay their utility bills. CARES are not covered by express policy statements and don’t have extensive regulations.⁷⁶
 - Hardship Funds – Utilities operate these funds to provide cash assistance to customers who struggle with their bills and cannot qualify for other types of assistance or for whom

⁷³ Pennsylvania Public Utility Commission. 2017. Review of Universal Service and Energy Conservation Programs. Docket No. M-2017-2596907. *Law Bureau Report*. Retrieved from:

http://www.puc.pa.gov/consumer_info/electricity/energy_assistance_programs.aspx

⁷⁴ PA Code 52, Chapter 69, par. 69.261 – 69.267. 2010. Retrieved from:

<https://www.pacode.com/secure/data/052/chapter69/chap69toc.html>

⁷⁵ WHYY. September 20, 2019. PUC Votes to Make Utility Bills More Affordable For Low-Income Pennsylvanians.

⁷⁶ Ibid

other assistance is not sufficient. Hardship funds are not covered by express policy statements and don't have extensive regulations.⁷⁷

The USP programs are funded through surcharges collected by each utility. These surcharges are subject to approval by the BCS and can only be assessed on residential customers. EDCs serving more than 60,000 residential accounts and NGDCs serving more than 100,000 residential accounts are required to submit an updated universal service and energy conservation plan (USECP) every three years to the Commission for approval. Universal service reporting requirements are less formalized for the smaller utilities. The Pennsylvania DHS has mandated that utilities apply LIHEAP grants directly to a customer's CAP bill or asked-to-pay" amount in 2009.⁷⁸

4.1.2.2 PPL Electric Utilities Corporation

Based in Allentown, PA, PPL Electric serves 29 counties, primarily in East and Central Pennsylvania. PPL's CAP is called "OnTrack" (OT).⁷⁹

- Sources and Amount of Funding – The costs are recovered through a Universal Service Rider (USR) charge on all residential customers. In 2018, OnTrack total program expenditures were \$80,034,598, of which OnTrack spent 70.6%, \$56.5 million, on rate discount credits, 24.5%, \$19.6 million, on arrearage forgiveness, and 4.9%, \$3.9 million, on administrative costs.⁸⁰
- Program Administration – PPL has an OT team of six employees to administer and manage all aspects of the program. Staff also provides individualized case management to OT customers. PPL Customer Service Representatives (CSR) refer eligible households to OT.
- Program Outreach and Intake – PPL contracts with community-based organizations (CBOs) to review and process applications. Customer applications are automatically routed to the agency responsible for the program in the customer's area. The agency then reviews the documentation and assess the customer's needs. CBOs also manage the recertification process. Thirty CBOs maintain an online application.
- Income and Program Eligibility – Customers must permanently reside in PPL's service territory, be at or below 150% FPG, and not be listed on multiple PPL accounts. PPL

⁷⁷ Ibid

⁷⁸ Ibid, p. 9

⁷⁹ PPL Electric Utilities Corporation. 2017. Universal Service & Energy Conservation Plan (USECP) 2017-2019 Plan For CAP, LIURP, Operation HELP, CARES. Retrieved from:

⁸⁰ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

prioritizes households in arrears but having an overdue balance is not required to participate in OT.

- Program Benefits – The program offers a fixed payment amount based on the customer's ability to pay. Customers are also protected against shutoff.

4.1.2.3 First Energy

First Energy consists of four distribution companies which collectively serve customers across the state. They operate a CAP called the Pennsylvania Customer Assistance Program (PCAP) with the following characteristics.⁸¹

- Sources and Amount of Funding – PCAP is funded through the Universal Cost Rider surcharge on its residential customers. The total amount of funding for 2018 was \$65 million, of which PCAP spent about 79.5%, or \$51.7 million, on rate discount credits, 11.5%, or \$7.5 million, on arrearage forgiveness, and 9%, or \$5.9 million, on administrative costs.⁸²
- Program Administration – PCAP is managed by First Energy Human Services staff members.
- Program Outreach and Intake – Intake for the PCAP is conducted by the Dollar Energy Fund (DEF) and the CBOs it contracts with. Intake is done by phone, online, and in-person.
- Income and Program Eligibility – Customers must be below 150% of the FPG and have an energy burden of more than 3% for non-electric heat and 9% for electric heat or have an overdue balance. Eligible customers must agree to apply for LIHEAP and participate in the WARM program (First Energy's weatherization program).
- Program Benefits – PCAP offers a reduced bill to customers, based on a percentage of income payment plan ("PIPP"). The monthly PCAP bill subsidy credit is determined based on total gross household income, primary heat source and energy burden (based on the total of the previous twelve months' bills). Customers pay the difference between the bill subsidy credit and a monthly "Equal Payment Plan" which is determined by dividing the household's annual charges of the most recent twelve months by twelve.

⁸¹ FirstEnergy Human Services. June 24, 2019. Amended Joint Universal Service & Energy Conservation Plan. Retrieved: <http://www.puc.state.pa.us/pcdocs/1625391.pdf>

⁸² Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

4.1.2.4 Columbia Gas

Columbia Gas (CG) serves multiple counties in Western Pennsylvania. It operates a CAP (“CAP”) with the following characteristics.⁸³

- Sources and Amount of Funding – Costs for the CAP are recovered through the USP Rider. The Rider is applicable to all residential customers except for CAP customers. It is re-calculated quarterly to recover costs for all USPs. In 2018, \$22.4 million was spent in total, of which 76.8%, or \$17.2 million, went to rate discount credits, 20.3%, or \$4.5 million, to arrears assistance, and 2.9%, or \$650,000, to administrative costs.
- Program Administration – The Dollar Energy Fund is the central administrator of CAP.
- Program Outreach and Intake – DEF subcontracts with 46 CBOs to process the applications. DEF maintains an online system (OSCAR) to manage the case management of CAP customers.
- Income and Program Eligibility – Households must be at or below 150% of the FPG and be “payment-troubled”.⁸⁴ Households must apply to LIHEAP annually to be CAP eligible.
- Program Benefits – CG’s CAP has five payment plan options.
 - PIPP option of either 7% or 9% of income, depending on household poverty group.
 - Average of Payments plan where customers pay the average of the last 12 months prior to joining CAP.
 - Percent of Bill option which gives a 50% discount, adjusted annually.
 - Minimum Payment option of \$25.
 - Senior CAP, for customers over 60 years old with no arrears, which provides a 75% discount.

4.1.2.5 Philadelphia Gas Works

Philadelphia Gas Works (PGW) is a municipally owned gas distribution company that serves the city of Philadelphia. It operates a CAP called “Customer Responsibility Program” (CRP) with the following characteristics.

- Sources and Amount of Funding – Funding for the CRP is raised through a Universal Service and Energy Conservation Surcharge that is paid by all firm customers. The budget

⁸³ Columbia Gas of Pennsylvania. September 1, 2017. Columbia Gas of Pennsylvania, Inc.’s 2017 Impact Evaluation of its Universal Service and Energy Conservation Programs. Retrieved: http://www.puc.state.pa.us/general/pdf/USP_Evaluation-Columbia.pdf

⁸⁴ Philadelphia Gas Works. 2017. Second Amended Universal Service and Energy Conservation Plan 2017-2020.

for 2018 was \$59,549,654, serving on average 49,034 customers a month. 79.2% of funds, or \$47.1 million, went to rate discounts, 16.5%, or \$9.8 million, to arrearage forgiveness, and 4.4%, or \$2.6 million, went to cover administrative costs.⁸⁵

- Program Administration – The Program is administered by PGW staff.
- Program Outreach and Intake – Intake for the CRP is done by mail or in-person at any of PGW’s customer service centers. PGW operates six centers throughout Philadelphia. PGW also sends a letter to eligible customers and is currently developing an online application.
- Income and Program Eligibility – CRP is available to households at or below 150% of the FPG.⁸⁶ Customers must apply for LIHEAP and do not have to be in arrears. Customers must accept participation in PGW’s weatherization program to remain in the CRP.
- Program Benefits – CRP participants receive a flat-rate discount on their bill based on households’ income and size.

4.1.3 Fuel Fund Programs

This section describes the Fuel Fund programs in the USPs of the four utilities studied in-depth. These are Operation HELP at PPL, the Dollar Energy Fund at FirstEnergy and Columbia Gas, and the Utility Emergency Services Fund at PGW.

PPL maintains a hardship fund “Operation HELP”.⁸⁷

- Sources and Amount of Funding – Operation HELP is funded by donations from PPL, its employees and customers. In 2018, funding totaled \$1.13 million, for 2,530 recipients.⁸⁸ Customer, employee and retiree donations are not used for administrative expenses, weatherization, food, winter clothing or promotional activities.⁸⁹
- Program Administration – PPL Regulatory Program Specialists manage and administer the fund, solicit donations, and disperse the funding to its partners.

⁸⁵ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

⁸⁶ Philadelphia Gas Works. August 31, 2017. Second Amended Universal Energy Conservation Plan. Retrieved: <http://www.puc.state.pa.us/pcdocs/1535412.pdf>

⁸⁷ Ibid p. 68 – 77

⁸⁸ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

⁸⁹ Ibid, p. 71

- Program outreach and Intake – PPL partners with 15 CBOs who conduct intake and disperse the grants to participating households.
- Income and Program Eligibility – Households must be below 200% of the FPG and face hardships that lead to an inability to pay their energy bills in full.
- Program Benefits – Grant levels may vary but each household can only receive assistance once a year unless they are facing extenuating circumstances as deemed by the reviewing CBO.

First Energy and Columbia Gas partner with the Dollar Energy Fund to fulfill their requirement of operating a hardship fund.

- Sources and Amount of Funding – Donations by customers, employees, and stockholders are the main source of funding for the fund. In 2018, \$705,580 was contributed by FirstEnergy and its customers and employees and 95% of total voluntary and mandated contributions were dispersed to beneficiaries in the FirstEnergy Program.⁹⁰ \$525,000 was contributed by Columbia Gas and its customers and employees and \$487,716 was distributed in the Columbia Gas program.⁹¹
- Program Administration – The fund is administered by the Dollar Energy Fund non-profit entity.
- Program Outreach and Intake – The fund’s staff processes the applications by phone, online, and in-person. It also contracts with 164 CBOs where customers can be directed to complete their application as needed. CBOs refer eligible households to the DEF.
- Income and Program Eligibility – Households must be at or below 250% of FPG but exceptions can be made in certain circumstances. Households must have paid a minimum of \$150 on their account in the past 90 days, and must first apply to LIHEAP and PCAP, if eligible. From October – February, households must have the service terminated or pending termination to be eligible.
- Program Benefits – Households receive one maximum grant of \$500 during a program year. Needs are assessed based on household income and other circumstances of financial hardship.

⁹⁰ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

⁹¹ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

PGW provides hardship funds by matching grants paid to the “Utility Emergency Service Fund” (UESF), an independent non-profit fuel fund.

- Sources and Amount of Funding – PGW contributes its own funds and customer donations for the matching program. PGW makes available up to \$795,500 every year. In 2018, it provided \$529,203 to match UESF funds. All matching funds are used to provide assistance grants.
- Program Administration – The hardship fund is administered by the UESF. PGW also conducts outreach to solicit customer donations. PGW covers the operating costs of the support provided.
- Program Intake – UESF operates a network of about 18 intake sites which conduct customer intake and application processing.
- Income and Program Eligibility – Customers must be terminated or in danger of being terminated and have a gross household income at or below 175% of the FPL.⁹² Customers must first apply for LIHEAP assistance.
- Program Benefits – Total grants (including PGW’s match) cannot exceed \$1500 and must eliminate the total amount due or any written off debt required for restoration. Level of grants is determined based on the amount due.

4.1.4 Customer Referral Programs

All four utilities operate Customer Referral Programs (CARES) to connect customers to energy assistance resources.

- PPL – PPL’s CARES Program is a referral service for customers with temporary hardships, such as illness, injury, loss of job or high medical bills. CARES refers customers who have special circumstances to available resources.⁹³
- FirstEnergy – First Energy’s CARES Program provides assistance on a short-term basis to payment-troubled residential customers. Based upon the circumstances of each customer, the Company’s CARES representatives make referrals to social service agencies and provide information on

⁹² Philadelphia Gas Works. August 31, 2017. Second Amended Universal Energy Conservation Plan. Retrieved: <http://www.puc.state.pa.us/pcdocs/1535412.pdf>

⁹³ PPL Electric Utilities Corporation. November 6, 2017. Universal Service & Energy Conservation Plan (USECP). Retrieved: <http://www.puc.state.pa.us/pcdocs/1543006.pdf>

appropriate Company and/or external programs. Many CARES referrals are subsequently enrolled into PCAP.⁹⁴

- Columbia Gas – CG’s CARES Program information and referrals on all programs and resources available to customers in need through a specially trained call group at the customer contact center. Since its inception, over 45,000 customers have received the assistance of staff social workers through resource referrals, consumer education, LIHEAP Outreach, and affordable payment plans tailored to the customer’s ability to pay. CARES is designed to be a short-term program for first time payment-troubled customers who require energy assistance and other necessary resources and referrals.”⁹⁵
- PGW – PGW operates a CARES to help customers resolve issues related to and beyond bill payment and energy affordability. It provides follow-up through a case management services as needed. PGW CARES makes referrals to programs and organizations that can address customers’ specific needs.⁹⁶

4.1.5 Summary of Low-Income Energy Assistance Funding and Participation

Table 4-3 below furnishes the funding, participation levels, participation rates, and average benefits for LIHEAP and USP Programs. Table 4-4 summarizes funding and participation information for Fuel Funds. In 4-3 and 4-4, Funding and participation is aggregated across industry, as in 4-1 and 4-2.

Table 4-3 – Energy Assistance Funding and Participation – Pennsylvania

Program Name	Funding Source	Amount of Funding ⁹⁷	Households Served	% of LIHEAP-Eligible households served	Average Benefit
LIHEAP	Federal	\$190 million	344,626	22%	\$551
Electric CAP	Ratepayer	\$219.6 million	269,677	17%	\$814
Electric CARES	Ratepayer	\$374,748	N/A	N/A	N/A
Total Electric USP	Ratepayer + Charitable	\$220.0 million	269,677	17%	\$816
Natural Gas CAP	Ratepayer	\$103.4 million	144,821	9%	\$714
Natural Gas CARES	Ratepayer	\$318,071	N/A	N/A	N/A
Total Natural Gas USP	Ratepayer + Charitable	\$103.7 million	N/A	9%	\$716
Total CAP	Ratepayer + Charitable	\$323 million	N/A	N/A	N/A
TOTAL	Combined	\$513.7 million	344,626	22%	\$1,491

⁹⁴ FirstEnergy Human Services. June 24, 2019. Amended Joint Universal Service & Energy Conservation Plan. Retrieved: <http://www.puc.state.pa.us/pcdocs/1625391.pdf>

⁹⁵ Columbia Gas of Pennsylvania. September 1, 2017. Columbia Gas of Pennsylvania, Inc.’s 2017 Impact Evaluation of its Universal Service and Energy Conservation Programs. Retrieved: <http://www.puc.state.pa.us/pcdocs/1376694.pdf>

⁹⁶ Philadelphia Gas Works. August 31, 2017. Second Amended Universal Energy Conservation Plan. Retrieved: <http://www.puc.state.pa.us/pcdocs/1535412.pdf>

⁹⁷ Including CAP bill credits and Arrearage forgiveness. Excluding administrative costs.

Program Name	Funding Source	Amount of Funding ⁹⁷	Households Served	% of LIHEAP-Eligible households served	Average Benefit
<p>All information is from FY 2018. The LIHEAP funding amount is the amount directly available for bill assistance. Since all CAP eligible households are LIHEAP eligible, utilities maintain customer referral programs to direct customers toward all available energy assistance funding, and at several utilities application to LIHEAP is obligatory to be eligible for CAP, total LIHEAP participation is the best estimate for the number of federally LIHEAP eligible households receiving energy assistance.</p> <p>The total number served by Gas or Electric USPs is estimated to be the number of CAP recipients. The total number served by any CAP is unknown, as it is unknown how much overlap there is between gas and electric CAP beneficiaries. CAP households served are the average number of CAP participants month by month.</p>					

Source: LIHEAP Clearinghouse. Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

Table 4-4 – Fuel Fund Funding and Participation – Pennsylvania

Program Name	Funding Source	Amount of Funding ⁹⁸	Households Served	% of LIHEAP-Eligible households served	Average Benefit
Electric Hardship Funds	Ratepayer + Charitable	\$2,584,728	6,950	.45%	\$372
Natural Gas Hardship Funds	Ratepayer + Charitable	\$3,073,883	6,505	.42%	\$473

Source: Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

4.2 Assessment of Programs and Portfolio

This section of the report furnishes an assessment of Pennsylvania's individual programs and the combined impact of the portfolio of programs.

4.2.1 Affordability Targets

Pennsylvania has several methods by which benefits target energy affordability, including an explicit percent of income payment cap for low-income customers.

- Customer Assistance Program – CAP programs explicitly use affordability targets to assess benefits. By law, CAP customers' bills cannot exceed 6% of their incomes, as of 2017. However, there remain gaps in ensuring affordability for those who are not CAP eligible. Above all, households with incomes above 150% of the federal poverty line are not eligible for CAP, and there are no limits or targets pertaining to their energy bills relative to their incomes. At least 500,000 Pennsylvanians are federally eligible for LIHEAP but not eligible for CAP or state eligible for LIHEAP in Pennsylvania.
- LIHEAP – Pennsylvania LIHEAP provides greater benefits to households with lower incomes and pays higher benefits to households which heat using higher price fuel sources.

⁹⁸ Including CAP bill credits and Arrearage forgiveness. Excluding administrative costs.

4.2.2 Arrearage Management Programs

All regulated utilities in Pennsylvania operate an arrearage assistance program as part of the CAP in their Universal Service Program, as mandated by the Electric Competition Act and the Gas Competition Act. This allows households to manage their debts and encourages timely payment of future bills.

- Sources and Amount of Funding –The Arrearage assistance program, as part of the USP, is funded through the Universal Cost Riders surcharge, but there is no uniform program. Combined, the utility CAPs spent a total of \$114.8 million on arrearage forgiveness in 2018. Across the state, 16.8% of CAP expenditures went toward arrearage forgiveness.⁹⁹
- Income and Program Eligibility – Across all four CAPs studied, eligibility was dependent on having an overdue balance at the beginning of the enrollment period, and being enrolled in CAP.
- Program Benefits - Benefits differ across arrearage management programs. At PCAP, CG CAP, and CRP, customers in the arrearage management program receive a credit worth 1/36 of their pre-program debt for every month they pay their bill in full. At CRP, customers must make a co-payment of at least \$5/month. At OnTrack, arrearages are forgiven in equal installments over an 18-month period. PPL provides three different payment plans: A percent of bill payment option, a minimum payment option, and an Agency Selected Payment (ASP) which allows the caseworkers to consider extenuating circumstances and enter a custom payment amount.

4.2.3 Coordination of Programs

Each utility operates its own assistance programs. As a result, there is little coordination between different USPs. However, since USPs are centrally organized, utilities coordinate benefits between their CAP, LIURP, and Hardship Funds, and CARES counseling directs customers to LIHEAP and USP programs. Across all four USPs studied, there was heavy coordination between different aspects of the USP program. Application for one USP program leads customers to be directed toward other programs, and all four CAPs required customers to apply for LIHEAP before applying to CAP, if eligible. Additionally, utilities are required to apply any LIHEAP payments towards a CAP customer's payment balance.¹⁰⁰

⁹⁹ Pennsylvania Public Utilities Commission. Report on 2018 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies. 2018.

¹⁰⁰ Pennsylvania Public Utility Commission. 2017. Review of Universal Service and Energy Conservation Programs. Docket No. M-2017-2596907. *Law Bureau Report*.

4.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

Pennsylvania has several methods by which energy assistance and energy efficiency services are coordinated.

- Universal service programs – Utilities are mandated to operate both energy assistance programs and Low-Income Usage Reduction Programs as parts of their USPs. CAP programs closely coordinate with LIURPs at all four utilities studied. FirstEnergy and Columbia Gas customers must participate in their respective LIURP programs and free weatherization services from the Department of Community Affairs State Weatherization Agencies to participate in PCAP, if eligible, and PGW customers must agree to participate in PGW's free weatherization services as part of their CAP application. The OnTrack application directs PPL customers to the Winter Relief Assistance Program (WRAP), PPL's LIURP, and OnTrack customers increase their benefits by participating in WRAP. OnTrack customers ineligible for WRAP are provided with weatherization counseling.
- LIHEAP/WAP – Pennsylvania has an interface project to manage coordination between the Department of Human Services (DHS), which oversees LIHEAP, and the Department of Community Economic Development (DCED), which oversees Pennsylvania's WAP. LIHEAP participating households are eligible for weatherization through the DHS/DCED interface project.¹⁰¹

Pennsylvania also has a Coordination Committee charged with coordinating WAP with LIURP and the Act 129 Low-Income Programs for reducing energy consumption and demand.¹⁰²

4.2.5 Moderate-Income Energy Assistance Programs

Assistance for moderate-income households is limited and there is no program targeted specifically at these households. CAP programs are restricted to low-income households by PUC order. Low-income is defined as households with gross income below 150% of the poverty line, but this is below 60% of Pennsylvania median income, leaving many federally LIHEAP eligible households ineligible for benefits. Some hardship funds assist moderate income households but funding for such grants is limited.

4.2.6 Summary Assessment of PA's LMI Portfolio of Programs

Several best practices stand out in Pennsylvania's assistance programs.

¹⁰¹ Department of Human Services. 2020. Low Income Home Energy Assistance Program Fiscal Year 2020 Final State Plan.

¹⁰² Retrieved: <https://database.aceee.org/state/guidelines-low-income-programs>

- Utility Innovation – Utilities can innovate in their program design, within certain parameters set by the statutory framework. This enables utilities to design their payment plans in a way that best fulfills the needs of the customers. The strict reporting requirements ensure that utilities provide sufficient assistance and support. Since utilities are mandated to support CAP and arrearage management programs, they are incentivized to have successful LIURP programs, to keep CAP and arrearage forgiveness expenditure low by limiting low-income fuel use.
- Referral Programs – The CARES program provides customers with support through ongoing case management and referral to resources based on their need. In recognition of the broader challenges facing low-income households who may be struggling with their utility bills, a holistic approach is well-suited for addressing financial and other hardships that a customer may be facing.
- Arrearage Retirement – All unregulated utilities in the State of Pennsylvania operate an arrearage retirement program. This allows households to manage their debts and encourages timely payment of future bills.
- Application Available in Spanish – The application for the LIHEAP program is available in English and in Spanish. This improves accessibility to the program's benefits. Of the four USPs investigated, Columbia Gas and PPL have CAP applications available in Spanish.
- Renters – LIHEAP and many CAPs are available to non-homeowners and households without a utility bill on their name. This improves program coverage for low-income households.
- High Level of Benefits – Pennsylvania offers a relatively high level of benefits, especially through the CAP programs, and a smaller percentage of total energy assistance funding comes from LIHEAP in Pennsylvania than in other states.

Some barriers and gaps remain in Pennsylvania's energy assistance.

- Vulnerable Households -There are no specific provisions in the current statutory framework that specify prioritizing vulnerable households for ratepayer assistance. Utility supported hardship funds can provide some support to vulnerable households that do not qualify for LIHEAP or CAP.
- Moderate-Income Households – Currently, CAP and LIHEAP assistance is only available to low-income households. Some of the hardship funds examined in this report assist moderate income households if needed.

- High Energy Burden – The current maximum energy burden allowable by PUC policy is 17%. This is much higher than other states that use Percent-of-Income Payment Plans. However, this is due to change to 6% for CAP enrollees under 50% of the poverty line and 10% for CAP enrollees between 50% and 150% of the poverty line. Maximum energy burden will remain high for those above the income cut-off for CAP.¹⁰³
- Cost Recovery Mechanism – There is no uniform cost recovery mechanism for CAPs and PUC does not have extensive regulation on the level of surcharges. Customers of different utilities face varying CAP surcharges which can be high. For example, in Philadelphia, non-CAP customers pay \$81.26 a year to support PGW’s CAP, because of PGW’s relatively high number of low-income customers and CAP enrollees.¹⁰⁴
- Customers of Smaller Utilities – Smaller utilities are not mandated to maintain USPs. Households who receive their electricity/gas from smaller utilities may be able to receive only limited support.
- Renters and Multifamily Buildings – Customers must have a utility bill in their own name to participate in a USP.

Overall, the Pennsylvania programs offer the District some ideas for ways to innovate the low-income energy assistance programs.

¹⁰³ WHY. September 20, 2019. PUC Votes to Make Utility Bills More Affordable for Low-Income Pennsylvanians.

¹⁰⁴ Ibid.

5.0 ILLINOIS

This section of the report furnishes information on the energy assistance programs available to LMI households in Pennsylvania. The first part examines design and funding for each program and the second part furnishes an assessment of program performance relative to best practices.

5.1 Program Funding and Design

Illinois has a comprehensive set of low-income energy assistance programs including the LIHEAP program, ratepayer-funded discounts, and charitable fuel funds. Table 5-1 furnishes information on the program names, the total funding from a recent program year, the source of funding, and other relevant information about the program. In total about \$236.5 million is available for low-income energy assistance. The largest single contribution to the total is the federal LIHEAP grant. The ratepayer-funded programs represent about 41 percent of the total funds available.

Table 5-1 – Energy Assistance Funding – Illinois

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	2018	Federal	\$139 million	Heating and crisis assistance funds delivered
SLEAF	2018	Ratepayer	\$32.5 million	Funds Directed Toward Bill Assistance.
PIPP	2018	Ratepayer	\$32.5 million	Funded by SLEAF (45%)
TOTAL	2018	Combined	\$204 million	
Total Reserved for Low Income	2018	Combined	\$204 million	All PIPP beneficiaries are LIHEAP eligible
The LIHEAP Performance Management Website Data Warehouse indicates that there were 1,467,814 households in Illinois with incomes at or below 60% of the state median income in 2018. Our research shows that the total funding for low-income energy assistance programs was \$236.5 million. The funding is at least \$139 per low-income household. This is significantly less than the \$295 per low-income households in the District of Columbia. The LIHEAP funding amount is the amount directly available for bill assistance.				

Sources: LIHEAP Clearinghouse.

Table 5-2 furnishes information on the program names, the total funding from a recent program year, the source of funding, and other relevant information about Illinois fuel fund programs.

Table 5-2 – Fuel Fund Funding – Illinois

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
Warm Neighbors Cool Friends-Ameren	2017	Charitable + Mandated	\$750,000	Excludes special funding for seniors, veterans, and nonprofits
Share the Warmth- Peoples Gas/North Shore Gas	2018	Charitable + Mandated	N/A	
ComEd Residential Hardship	2018	Mandated	\$10 million	Settlement Mandated
Ameren-Fresh Start	2020	Mandated	\$8 million	COVID Response

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
Nicor Gas Sharing Program	2018	Charitable	N/A	

Retrieved: <https://poweringlives.comed.com/10-million-in-financial-assistance-funds-available-to-help-peoples-electric-bills/>.

Retrieved: <https://wsiltv.com/2020/06/19/ameren-illinois-announces-new-relief-for-customers-impacted-by-covid-19/>.

Retrieved: <https://ameren.mediaroom.com/news-releases?item=1529&mobile=No>

5.1.1 LIHEAP program

Illinois' LIHEAP program has the following characteristics.

- Regulatory Framework – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- Uses of Funds – In FY 2018, Illinois received \$184 million in federal funding. Of that, \$139 million was used for energy assistance benefits. Illinois also uses ratepayer funds to increase total LIHEAP funding.
- Program Administration – The LIHEAP grant is administered by the Illinois Department of Commerce and Economic Opportunity Community Services Division (CSD).
- Program Intake – Illinois CSD contracts with Community Action Agencies to conduct program intake. There is no online application.¹⁰⁵
- Eligibility – To receive regular heating assistance, a household must have an income at or below 200% of the FPG. Renters whose heat and electric bills are included in rent must pay more than 30% of their income toward rent.¹⁰⁶
- Program Benefits – LIHEAP recipients of heating assistance get a one-time payment directly to their utility company or fuel vendor. Crisis assistance is available including reconnection assistance and furnace repair.¹⁰⁷

5.1.2 Ratepayer-Funded Programs

Illinois' ratepayer assistance program, the "Percentage of Income Payment Plan Program" (PIPP), has the following characteristics:

- Regulatory Framework – Illinois PIPP Plan was introduced by Senate Bill 1918 in 2009, which mandates utility companies participate in the state's bill payment assistance

¹⁰⁵ Illinois Department of Commerce & Economic Opportunity. n.d. How To Apply. Retrieved:

<https://www2.illinois.gov/dceo/CommunityServices/UtilityBillAssistance/Pages/HowtoApply.aspx>

¹⁰⁶ <https://www2.illinois.gov/dceo/CommunityServices/UtilityBillAssistance/pages/howtoapply.aspx>

¹⁰⁷ Illinois Department of Commerce & Economic Opportunity. n.d. Frequently Asked Questions. Retrieved:

<https://www2.illinois.gov/dceo/CommunityServices/UtilityBillAssistance/Pages/FAQs.aspx>

programs for customers. These include a percent of income payment plan and an arrearage forgiveness program.¹⁰⁸

- Sources and Amount of Funding – The PIPP is funded by the Supplemental Low-Income Energy Assistance Fund (SLEAF) which also funds weatherization and bill-payment assistance through LIHEAP.¹⁰⁹ SLEAF is funded through a surcharge on electric and gas customers. About 80%, \$65 million, is split evenly between supplementing LIHEAP and funding PIPP, and 10%, and \$7.6 million is transferred to the state weatherization program.¹¹⁰
- Program Administration – The SLEAF is administered by the Illinois Department of Commerce and Economic Opportunity Community Services Division (CSD), the LIHEAP and weatherization grantee, through the state LIHEAP network and in coordination with LIHEAP.¹¹¹
- Program Outreach and Intake – Intake for PIPP and LIHEAP is conducted by Community Action Agencies.¹¹²
- Income and Program Eligibility – Households with income no more than 150% of the poverty level who are customers of Ameren Illinois, ComEd, Nicor Gas and Peoples Gas/North Shore Gas.¹¹³ Depending upon funding availability, the Department may limit eligibility to households with income at 125% of the poverty level.¹¹⁴
- Benefits – Households who participate in PIPP are enrolled in a 6 percent leveled payment plan. This is a fixed-payment plan where the benefit levels are determined by the household's income.¹¹⁵ For example, a 4-person household with income on 100% of the poverty line can expect to pay \$1,545 annually (\$128 monthly) when enrolled in PIPP. Participants can receive a maximum annual benefit of \$1,800.¹¹⁶
- Arrearage Retirement – PIPP also offers arrearage forgiveness to participating households. Customers who owe an outstanding balance receive a monthly credit applied

¹⁰⁸ Retrieved: <https://liheapch.acf.hhs.gov/news/july09/pipp.htm>

¹⁰⁹ <https://aspe.hhs.gov/basic-report/approaches-low-income-energy-assistance-funding-selected-states>

¹¹⁰ State of Oregon. 2018. Low Income Utility Program Working Group Report.

¹¹¹ <https://www.scstatehouse.gov/CommitteeInfo/EnergyAdvisoryCouncil/CommentsByMembers/EnergyEfficiencyforOtherStatesSueBerkowitz.pdf>

¹¹² <https://www.illinoislegalaid.org/legal-information/setting-utilities-percentage-income-payment-plan>

¹¹³ <https://www2.illinois.gov/dceo/CommunityServices/UtilityBillAssistance/Pages/default.aspx>

¹¹⁴ <https://liheap.ilenergyassistance.com/prod/liheap/documents/2017EnergyAssistanceProceduresManual.pdf>

¹¹⁵ <https://www.illinois.gov/publicincludes/statehome/gov/documents/07%2010%2009%20SB%201918%20FINAL%20PIPP%20fact%20sheet.pdf>

¹¹⁶ <https://aspe.hhs.gov/basic-report/approaches-low-income-energy-assistance-funding-selected-states>

to their balance for every on-time payment they make.¹¹⁷ The maximum benefit for arrearage forgiveness is \$1,000 per year.¹¹⁸

5.1.3 Fuel Fund Programs

Many of the major utilities in Illinois operate charitable fuel funds. This report will focus on five of those funds operated by the largest utilities. Since Illinois mandates high levels of support for its fuel funds from many of its utilities, they bear many similarities to ratepayer funded programs in other states. In this report, we discuss Ameren's Warm Neighbors Cool Friends and Fresh Start programs, Northshore Gas and People's Gas Share the Warmth, ComEd CARE, and Nicor Gas Sharing.

- Regulatory Framework – ComEd and Ameren were mandated to operate a fuel fund by the Energy Infrastructure Modernization Act of 2011, and this mandate was renewed by the Future Energy Jobs Act of 2016.

ComEd operates a Low-Income Customer Assistance Program (CARE) with three distinct components serving low-income households that vary in terms of eligibility and benefits. The CARE programs have the following characteristics:

- Sources and Amount of Funding – ComEd provides \$10 million per year for all CARE programs.¹¹⁹
- Program Administration – The CARE program is administered by ComEd.
- Program Intake – Intake for ComEd CARE residential hardship program is through Community action agencies, while applications to ComEd Helps Activated/Disabled Military Personnel (C.H.A.M.P.) is via a form letter to ComEd itself.
- Eligibility – Eligibility varies across CARE programs:
 - Residential Special Hardship Fund (SHF) – ComEd customers with income below 250% of the federal poverty level who demonstrate a financial hardship such as job loss or illness are eligible for assistance from the RSHF.¹²⁰

¹¹⁷ <https://www.cefseoc.org/liheap>

¹¹⁸ <https://aspe.hhs.gov/basic-report/approaches-low-income-energy-assistance-funding-selected-states>

¹¹⁹ Retrieved: <https://poweringlives.comed.com/10-million-in-financial-assistance-funds-available-to-help-peoples-electric-bills/>

¹²⁰ <https://www.comed.com/MyAccount/CustomerSupport/Pages/ResidentialHardship.aspx>

- CHAMP – Active military and veterans facing financial hardship are eligible for assistance.¹²¹
- Hospital-Based Energy Assistance and Long-Term Health (HEAL) – This program assists low-income customers requiring acute/critical medical care, extended hospitalizations or long-term outpatient care.¹²²
- Program Benefits – Benefits vary across CARE programs in the following ways:
 - Residential Special Hardship Fund – Eligible residential customers can receive a grant of up to \$500 each. They are also educated about no cost and low-cost ways they can decrease their future electric bills.¹²³
 - CHAMP – Beneficiaries receive up to \$1,000 and various other benefits such as late payment charges waivers and deposit refunds.¹²⁴
 - HEAL – Beneficiaries receive bill-payment assistance grants of up to \$500.¹²⁵

The Share the Warmth fund is operated by Northshore Gas and Peoples Gas.

- Sources and Amount of Funding – Funds are donated from customers and employees – Donations are matched by both Peoples¹²⁶ and North Shore¹²⁷.
- Program Administration – The Peoples Gas Share the Warmth program is administered by the Community and Economic Development Association (CEDA), while the North Shore Gas Share the Warmth program is administered by the Community Action Partnership of Lake County.¹²⁸
- Program Intake – Intake for People’s Gas customers and North Shore Gas customers is performed by the CEDA and the Community Action Partnership of Lake County, respectively.¹²⁹ Applicants can apply in-person and there is no online application.¹³⁰

¹²¹ https://nextgrid.illinois.gov/workinggroup4/Meeting2_Presentation-ComEd.pdf p. 13

¹²² Idem

¹²³ Idem

¹²⁴ Idem

¹²⁵ Idem

¹²⁶ <https://accel.peoplesgasdelivery.com/home/staywarm.aspx>

¹²⁷ https://www.needhelp-payingbills.com/html/northshore_gas_assistance_prog.html

¹²⁸ Retrieved: <https://www.citizensutilityboard.org/gas/>

¹²⁹ Ibid

¹³⁰ https://accel.peoplesgasdelivery.com/home/share_warmth.aspx?s_icid=BAN_WEB-PGL_HPRotating-ShareWarmth

- Eligibility – Peoples Gas customers who are having trouble paying their bills and have incomes below 200% of the poverty line may be eligible for a grant.¹³¹
- Program Benefits – Eligible customers can receive grants of up to \$200 annually on their bills.¹³²

The Warm Neighbors Cool Friends program is operated by Ameren Illinois and has the following characteristics:

- Sources and Amount of Funding – Ameren provides the funding for administrative costs, while donations from customers and employees provide the remainder.¹³³ In total, Ameren allocated \$750,000 to utility assistance through the program in 2017, and a further \$1 million to assist nonprofits, seniors, and veterans.¹³⁴
- Program Administration – Warm neighbors Cool Friends is directly run by Ameren.
- Program Intake – Intake is conducted by a statewide network of social service agencies, church groups and community organizations to determine applicant eligibility at the local level.¹³⁵
- Eligibility – In most cases, benefits are restricted to families between 200% and 350% of the federal poverty guideline.¹³⁶
- Program Benefits – Eligible households can receive up to \$700 a year to help pay for energy costs (\$350 during the heating season and \$350 during the cooling season).¹³⁷ Warm Neighbors Cool Friends also assists with costs of weatherization.

The Fresh Start program is operated by Ameren Illinois and has the following characteristics:

- Sources and Amount of Funding – Ameren provides the funding for the Fresh Start program, a total of \$8 million, as negotiated with the Illinois Commerce Commission, the state Attorney General, and other utilities.¹³⁸ It is unlikely that funding will be sustained past the COVID-19 pandemic.
- Program Administration – The Fresh Start program is directly run by Ameren.

¹³¹ Received: https://accel.peoplesgasdelivery.com/home/share_warmth.aspx

¹³² <https://arenafor45.com/apply-for-a-share-the-warmth-grant-from-peoples-gas/>

¹³³ https://www.utilitybillassistance.com/html/ameren_illinois_warm_neighbors.html

¹³⁴ Retrieved: <https://ameren.mediaroom.com/news-releases?item=1529&mobile=No>

¹³⁵ <https://www.ameren.com/illinois/company/community/warm-neighbors-cool-friends/apply>

¹³⁶ Retrieved: <https://www.ameren.com/illinois/company/community/warm-neighbors-cool-friends/apply>

¹³⁷ <https://www.wcia.com/the-morning-show/warm-neighbors-cool-friends-program/>

¹³⁸ WSILTV. 2020. "Ameren Illinois Announces New Relief for Customers Impacted by COVID-19"

- Program Intake – Intake through Ameren itself, and is conducted by phone.
- Eligibility – Customers up to 200% of the poverty line are eligible for up to \$700 in benefits, while customers between 200% and 350% of the poverty line are eligible for up to \$350 in benefits. Since benefits go to eliminate past due balances, customers must have past due balances to be eligible.
- Program Benefits – Households below 200% of the poverty line may receive up to \$400 forgiveness on their electric bill and \$300 on their natural gas bill, while customers between 200% and 350% of the poverty line may receive up to \$200 forgiveness on their electricity bill and \$150 forgiven on their natural gas bill.¹³⁹

The Nicor Gas Share is operated by Nicor Gas and has the following characteristics:

- Sources and Amount of Funding – Nicor Gas customers and employees provide the funding for the Nicor Gas sharing program.
- Program Administration – The Nicor Gas Sharing Program is administered by the Salvation Army.¹⁴⁰
- Program Intake – Intake is in person at the Salvation Army.¹⁴¹
- Eligibility – Customers between 150% and 300% of the federal poverty guideline are eligible for benefits. Veterans of any incomes up to 300% of the poverty line are eligible for grants of up to \$200. Customers must have made a payment of \$25 within the last 60 days to be eligible.¹⁴²
- Program Benefits – Households receive benefits up to \$350 or \$400, depending on their arrearage.¹⁴³

5.1.4 Summary of Low-Income Energy Assistance Funding and Participation

Table 5-3 below furnishes the funding, participation levels, participation rates, and average benefits for LIHEAP and SLEAF Programs. Table 5-4 summarizes funding and participation information for Fuel Funds.

¹³⁹ Ameren Illinois. 2020. "Ameren Illinois Providing \$8 million in bill payment assistance for qualified customers"

¹⁴⁰ Retrieved: <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs/sharing-program.html>

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

Table 5-3 – Energy Assistance Funding and Participation – Illinois

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
LIHEAP	Federal	\$139 million	182,170	12%	\$763
SLEAF	Ratepayer	\$32.5 million	N/A	N/A	N/A
PIPP	Ratepayer	\$32.5 million	N/A	N/A	N/A
TOTAL	Combined	\$204 million	182,170	12%	\$1,120

The total number of households supported by SLEAF is the same as the number of LIHEAP households. However, we do not have statistics on the number of households that participate in PIPP vs. the number that received the SLEAF funded LIHEAP supplement.

Source: LIHEAP Clearinghouse. State of Oregon. 2018. Low Income Utility Program Working Group Report.

Table 5-4 – Fuel Fund Funding and Participation – Illinois

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
Ameren-Warm Neighbors Cool Friends	Mandated + Charitable	\$750,000	N/A	0%	Less than \$700
Share the Warmth	Mandated + Charitable	N/A	N/A	N/A	Less than \$200
ComEd CARE	Mandated + Charitable	\$10 million	16,500	N/A	\$606
Ameren Fresh Start	Mandated	\$8 million	Over 5,000	N/A	Not yet Determined
Nicor Gas Sharing	Charitable	N/A	N/A	N/A	Less than \$400

Source : Retrieved: <https://poweringlives.comed.com/10-million-in-financial-assistance-funds-available-to-help-peoples-electric-bills/>. Retrieved: <https://wsilvtv.com/2020/06/19/ameren-illinois-announces-new-relief-for-customers-impacted-by-covid-19/>. Retrieved: <https://ameren.mediaroom.com/news-releases?item=1529&mobile=No>

5.2 Assessment of Programs and Portfolio

This section of the report furnishes an assessment of Illinois' individual programs and the combined impact of the portfolio of programs.

5.2.1 Affordability Targeting

The Illinois programs work together to target an affordable energy burden for households that heat with electricity or natural gas. Illinois has a program to directly target affordability.

- PIPP – LIHEAP enrolled utility customers at Ameren Illinois, ComEd, Nicor Gas and Peoples Gas/North Shore Gas are eligible to participate in PIPP as an alternative to the standard LIHEAP grant. PIPP enrollment restricts a household's utility bill to 6% of their annual income. PIPP has a maximum benefit of \$1800 annually, paying up to \$50 on a

participant's electric bill monthly and up to \$100 monthly on a participant's natural gas bill.

- LIHEAP – The standard Illinois LIHEAP benefit also indirectly targets affordability, because households receive larger benefits if they have low incomes, high home energy costs, live in higher energy-expense regions, or use more expensive types of fuel, targeting benefits to households with the highest burdens. However, households on the standard LIHEAP grant do not have their benefits tied to affordability targets.

While Illinois does provide affordability targeting, a maximum benefit of \$1800 is not enough in all cases to restrict a household's energy expenditures to 6% of income, especially in cases of very low incomes. Furthermore, income-eligible households may be unable to participate in the PIPP program if funds are exhausted, and households which do not receive their natural gas or electricity from the above listed utilities are ineligible for PIPP and restricted to the standard LIHEAP benefit, which has a maximum payout of \$1270 annually.

5.2.2 Arrearage Management Programs

Illinois runs an arrearage management program as part of PIPP. When customers enter the PIPP program, their outstanding balance is set aside as pre-program arrearage, and decreases by a flat rate for every month that the household makes their PIPP payment in full, at a maximum rate of \$1,000 annually. The arrearage assistance program is available only to households who receive their utilities from providers that participate in the PIPP program: Ameren Illinois, ComEd, Nicor Gas and Peoples Gas/North Shore Gas.

Illinois also Indirectly targets arrearages through LIHEAP crisis assistance. LIHEAP provides Reconnection Assistance (RA) payments of up to \$1000 annually to households facing disconnection. This indirectly targets households with high arrearages, as such households are likely to be threatened with disconnection by their utilities.

5.2.3 Coordination of Programs

The applications for LIHEAP and PIPP are both processed by the same network of Community Action Agencies. Applying for PIPP is an option in applying for LIHEAP, and applicants for LIHEAP must choose between applying for the standard LIHEAP benefit and applying for PIPP. Since both programs are parts of Illinois' LIHEAP state plan, they are both administered by Illinois' Office of Community Assistance in the Illinois Department of Commerce, though PIPP is administered in coordination with utility companies. By having PIPP as an alternative option to LIHEAP instead of a separate program, households' realized energy burdens are targeted to affordability, as opposed to their pre-LIHEAP energy burdens, which allows better coordination of benefits according to need.

Outreach and intake is coordinated for LIHEAP, PIPP, and fuel fund programs, as intake for all programs is through local Community Action Agencies, which guide applicants to all benefits for which they are eligible.

Illinois fuel funds determine their benefit and eligibility guidelines in response to the state LIHEAP program. When Illinois LIHEAP maximum income eligibility rose from 150% of the federal poverty guideline to 200% of the federal poverty guideline last year, Ameren's Warm Neighbors, Cool Friends raised its minimum eligible income in tandem from 150% of FPL to 200%.

5.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

There are several ways in which households who receive energy assistance can be referred to energy efficiency and/or renewable energy programs.

- LIHEAP/IHWAP – Illinois' main energy efficiency program is the Illinois Weatherization Assistance Program (IHWAP). Both LIHEAP and IHWAP are administered by the Office of Community Assistance in the Illinois Department of Commerce. Therefore, information about LIHEAP recipients and IHWAP recipients is shared. However, LIHEAP and IHWAP eligibility are not the same. IHWAP eligibility is determined by annual income, while LIHEAP eligibility is determined by monthly income, so not all households receiving energy assistance in Illinois are eligible for weatherization assistance.
- Community Action Agencies – Intake and outreach for both LIHEAP and IHWAP proceeds through community action agencies. Households applying for energy assistance are guided toward weatherization services by Community Action Agencies.

Houses up to 200% of the federal poverty guideline are eligible for IHWAP support funded by federal funds, which includes most LIHEAP beneficiaries, while state funded IHWAP benefits are only available to households below 150% of poverty.

5.2.5 Moderate-Income Energy Assistance Programs

Neither of Illinois' two state supported programs (standard LIHEAP and PIPP) provide benefits to moderate income households. However, several of Illinois' fuel funds are directly targeted toward moderate income recipients. In general, only households between 200% and 350% of the poverty line are eligible for Ameren's Warm Neighbors Cool Friends program, while only households between 150% and 300% of the poverty line are eligible for Nicor gas share. Also, ComEd CARE grants are available to households up to 250% of the poverty line, making some moderate households eligible.

5.2.6 Summary Assessment of Illinois' LMI Portfolio of Programs

Five best practices stand out for Illinois's state energy assistance programs.

- **Affordability Targeting** – Illinois' PIPP program directly targets energy affordability, ensuring that low-income households are not overly burdened by energy expenditures.
- **Coordination with LIHEAP** – Illinois provides PIPP as an alternative benefit plan for LIHEAP, supported by supplemental state funds to the LIHEAP program, as opposed to providing PIPP as a separate program. This supports better benefit coordination. PIPP benefits are targeted to realized energy expenditure, rather than pre-LIHEAP energy costs.
- **Application available in other languages** – Information on LIHEAP/PIPP is available in Spanish from the Office of Community Assistance website, and most community action agencies have information available in Spanish.
- **Community Action Agencies** – Managing intake for all weatherization and energy assistance programs through Community Action Agencies ensures that households are directed toward all benefits for which they are eligible.
- **Availability to renters** – Renters whose heat and electricity are included in their rent are eligible to apply for LIHEAP if their rent is greater than 30% of their income for the previous month.
- **Vulnerable Households** – Vulnerable Households – In general, applications from households with seniors and disabled members have two months priority in applying and benefit provision, while households with children under six have one month of priority in applying and benefit provision. This will be changed for the 2020 application season. In response to COVID, all households are eligible to apply at the same time.

However, there remain several barriers and gaps in Illinois' assistance programs.

- **Moderate Income Households** – Illinois has no programs targeted to moderate-income households. Even many fuel funds in Illinois are restricted to households below 150%, or sometimes 250% of the poverty line, and since Illinois fuel funds are administered by utilities, if a household does not qualify for the fuel fund their utility companies oversee, they do not have other resources available.
- **Relatively Low Level of Benefits** – Participants of the PIPP plan have a maximum benefit of \$1800, while standard LIHEAP beneficiaries have a maximum benefit of only \$1270. Furthermore, only \$139 per low-income household is available in the state. Since these

mutually exclusive programs are the only state supported energy assistance Illinois provides, the state has a relatively low level of benefits.

Illinois has a unique program from the perspective of allowing the client to choose between the direct voucher LIHEAP payment and the PIPP benefit.

6.0 MASSACHUSETTS

This section of the report furnishes information on the energy assistance programs available to LMI households in the state of Massachusetts. The first part examines design and funding for each individual program and the second part furnishes an assessment of program performance relative to best practices.

6.1 Program Funding and Design

Massachusetts has a comprehensive set of low- and moderate-income energy assistance programs including the LIHEAP program, the state funded homelessness prevention programs Rental Assistance to Families in Transition (RAFT), and Emergency Rent and Mortgage Assistance (ERMA), ratepayer-funded discounts, and charitable fuel funds. Table 6-1 furnishes information on the program names, the total estimated funding from a recent program year, the source of funding, and other relevant information about the program. In total *at least* \$255.6 million is available for low-income energy assistance. The federal LIHEAP grant and State funded utility discounts each contribute about half to the total low-income energy assistance benefits.

Table 6-1 – Energy Assistance Funding – Massachusetts

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2018	Federal	\$117.5 million	Energy Assistance
RAFT	FY 2016	State	\$737,388	RAFT spending on utility payments
ERMA	FY 2020	State	N/A	Multi-purpose Grants
Low Income Discount	FY 2016	Ratepayer	\$118 million	Total discounted across utility companies
Arrearage Management Programs	FY 2016	Ratepayer	\$19.4 million	Total forgiven across utility companies
TOTAL	Combined	Combined	\$255.6 million	
Total for Low-Income Households Only	2018	Combined	\$255.6 million	All funds are for Low-Income Households
The LIHEAP Performance Management Website Data Warehouse indicates that there were 849,796 households in Massachusetts with income at or below 60% of state median income in 2018. Our research shows that total funding for low-income energy assistance programs in 2018 was approximately \$255.64 million. The funding is at least \$301 per low-income household. This is slightly higher than the \$295 per low-income households in the District of Columbia. The LIHEAP funding amount is the amount directly available for bill assistance. The budget for RAFT is the RAFT funding spent on utility assistance payment. Total ERMA funds spent on utility assistance is unknown as the first year of grants have not yet been approved.				

Sources: LIHEAP Clearinghouse. 2018. LIHEAP MASSACHUSETTS FY 2018 State Profile. LIHEAP Clearinghouse. 2018. Massachusetts State PBF/USF History, Legislation, Implementation. Regional Housing Network. 2016. RAFT in Massachusetts 2015-2016.

Table 6-1 furnishes information on the program names, the total estimated funding from a recent program year, the source of funding, and other relevant information for the Massachusetts fuel fund programs.

Table 6-2 – Fuel Fund and Other Private Funding– Massachusetts

Program Name	Funding Year	Funding Source	Funding Amount	Notes
MA Good Neighbors Fund	FY 2019	Charitable	\$410,000	Total Program Funding
Millbury Savings Bank	FY 2019	Charitable	\$25,000	Total Program Funding
Unibank Fuel Assistance	FY 2019	Charitable	\$25,000	Total Program Funding
Joe-4-Sun	FY 2019	Charitable	\$525,000	Total Discounts Provided
MA Good Neighbor Fund funding amount is calculated as the product of the disbursement for the 2018-2019 heating season (\$300) with the number of households supported (1,375).				

Sources: Retrieved: <http://www.magoodneighbor.org/fundfacts.html>. The Reading Post. 2019. Good Neighbor Energy Fund's 2019, "Give the Gift of Warm" Campaign Underway. The Millbury Sutton Chronicle. 2019. "Millbury Savings Bank Commits \$25K to Fuel Fund. The Grafton News. 2019. "Unibank donates \$25,000 to home heat program.

6.1.1 LIHEAP Program

Massachusetts' LIHEAP program has the following characteristics.

- **Regulatory Framework** – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- **Uses of Funds** – In FY 2018, Massachusetts received \$150 million in total funding, and \$117,495,530, or 78%, was spent on energy bill assistance.
- **Program Administration** – LIHEAP is administered by the Massachusetts Department of Housing and Community Development.
- **Program Outreach and Intake** – Intake is through a network of local fuel assistance agencies. First-time applicants must apply in-person. After their first year, households are mailed applications to re-apply every subsequent year.
- **Income and Program Eligibility** – To receive regular heating assistance, a household must have income below 60% of estimated state median income, which is a cutoff of \$66,115¹⁴⁴ for a family of 4. Massachusetts households that have incomes above 150% of the federal poverty guideline are not eligible for LIHEAP.

¹⁴⁴ Retrieved: <https://www.mass.gov/service-details/learn-about-low-income-home-energy-assistance-program-liheap>

- Program Benefits – Benefits vary by household size, income, energy burden, fuel type, and dwelling type.¹⁴⁵ The maximum benefit is \$1,560. Benefits are smaller for subsidized housing residents, and for households which have their heat and utility fees included in rent.¹⁴⁶

6.1.2 State Funded Programs

Massachusetts has two state funded programs to provide temporary assistance to families in housing crises: Rental Assistance to Families in Transition (RAFT), and Emergency Rent and Mortgage Assistance (ERMA). RAFT is targeted for extremely low-income households, while ERMA is targeted for low- to moderate-income households that do not qualify for RAFT. ERMA was recently created in response to COVID-19 to assist households rendered unable to pay rent, mortgages, and utility bills by the crisis.

The RAFT program is administered by the Department of Housing and Community Development (DHCD) and serves to prevent homelessness in Massachusetts. As part of this, RAFT pays for utility bills of households at risk of homelessness and utility startup costs, such as security deposits, for families that require assistance in moving.

- Regulatory Framework – RAFT was introduced as a pilot program in 2005 and renewed in 2013.
- Sources and Amount of Funding – In 2016, Massachusetts spent \$10.4 million in RAFT benefits for 4,065 families. An additional \$5 million in RAFT funding has been introduced in 2020 in response to COVID-19. Only a relatively small fraction of total RAFT spending goes to utility bill assistance. In 2016, \$737,388 went toward utility payments.¹⁴⁷
- Program Administration – RAFT is administered by the Housing Consumer Education Center (HCEC).
- Program Outreach and Intake – Intake is managed by regional HCEC Resource Centers, along with Central Massachusetts Housing Alliance, and Lynn Housing and Neighborhood Development. Families can call or enter in-person to apply for RAFT.
- Income and Program Eligibility – Households must be homeless or at risk of becoming homeless and must have incomes at or below 50% of the area median income. Exceptions can be made on a case by case basis by community agencies.

¹⁴⁵ Massachusetts Government. 2019. DETAILED MODEL PLAN (LIHEAP) 2020. Retrieved: <https://www.mass.gov/files/documents/2019/08/23/FY2020%20LIHEAP%20State%20Plan.pdf>

¹⁴⁶ Massachusetts Government. 2020. LIHEAP income eligibility and benefit levels.

¹⁴⁷ Regional Housing Network of Massachusetts. 2016. RAFT in Massachusetts 2015-2016.

- Benefits – Families can receive up to \$4,000 in a year, paid toward rent, utility bills, moving costs, rent and utility arrears, furniture, and rental security deposits. Benefits can only last up to one year.¹⁴⁸

ERMA was created in June of 2020 to assist households left unable to pay their rent, mortgage, and utility bills as a result of COVID-19 and assists a wider range of households than would be eligible for RAFT funding.

- Regulatory Framework – ERMA was authorized by Massachusetts bill HD.5166 in 2020.¹⁴⁹
- Sources and Amount of Funding – ERMA is funded by Coronavirus Aid, Relief, and Economic Security (CARES) act funds and other federal aid and has a budget of \$20 million.¹⁵⁰ \$10 million is from the Community Development Block Grant Coronavirus (CDBG-CV) fund, part of the CARES act. It is expected that only a relatively small fraction of ERMA spending will go to utility bill assistance, but for now that fraction is not determined.
- Program Administration – ERMA is administered by the DHCD, as is RAFT.
- Program Outreach and Intake – Intake is managed by the same agencies that provide intake for RAFT: regional Resource Centers, Central Massachusetts Housing Alliance, and Lynn Housing and Neighborhood Development, which families can call or enter in-person to apply for ERMA.
- Income and Program Eligibility – Households with incomes up to 80% of area median income are eligible for ERMA benefits. Households must have arrears in utility or rent.
- Benefits – Benefits can be up to \$4,000 annually, and go toward rental, mortgage, and utility arrearages, as well as furniture and security deposits.¹⁵¹

6.1.3 Ratepayer-Funded Programs

Regulated utilities in Massachusetts have their own low-income discount programs on the price of gas and electricity.

- Regulatory Framework – Low-income utility rate discounts are mandated by Massachusetts General Law c. 164, section 1F(4).

¹⁴⁸ Retrieved: <https://www.mass.gov/info-details/covid-19-dhcd-website>

¹⁴⁹ Massachusetts law. 2020. HD.5166.

¹⁵⁰ NBCBoston. 2020. “Mass. Launches Fund to Assist Renters Impacted by Coronavirus Crisis”.

¹⁵¹ Retrieved: <https://www.mass.gov/info-details/covid-19-dhcd-website>

- **Sources and Amount of Funding** – The discount is paid for by utility ratepayers and provides a discount to low-income customers as mandated by Massachusetts law. In total, \$118 million was discounted from bills in 2016, while \$19.4 million in arrears were forgiven that year.
- **Program Administration** – Each utility’s discount program is administered by the utility company’s staff.
- **Eligibility** – Households that are eligible for LIHEAP or participate in needs-based public benefit spending are eligible for low-income discounts. These needs-based public benefits include Food Stamps, SNAP, and LIHEAP. Eligibility for discounts is restricted to those with incomes below 60% of the state median for their household size.¹⁵²
- **Program Intake and Outreach** – The intake protocol differs by utility. It is described in table 6-3 below. Also, all households receiving LIHEAP are automatically enrolled in ratepayer discounts.¹⁵³
- **Benefits** – The size of discount available is different for each utility company and is listed in table 6-3 below. Each utility also provides an arrearage forgiveness program, as mandated by Massachusetts Law.

Table 6-3 shows that the rate discounts vary from about 15 percent for Blackstone to 36 percent for Eversource Electric. The rate discounts for each utility are set as part of their rate negotiations procedures with the Department of Public Utilities. The table also shows that the utilities vary in the way that they ask customers to apply for benefits. Some allow customers to apply online and others require that the customer download an application from the company website and mail it to the company.

Table 6-3 – Rate Discounts by Utility – Massachusetts

Utility Company	Low Income Discount	Intake
National Grid Gas	32%	Households apply online
National Grid Electric	25%	Households apply online
Eversource Electric	36%	Households apply by mail
Eversource Gas	25%	Households apply by mail
Berkshire Gas	25%	Households apply by phone
Blackstone Gas	14% (Non-heating) 15.8% (Heating)	Households apply online

¹⁵² Massachusetts general law. 2020. M.G.L. c. 164, section 1F(4).

¹⁵³ Mass Save. 2020. Massachusetts Energy Assistance Programs for Low Income Residents.

Utility Company	Low Income Discount	Intake
Columbia Gas	25%	Households apply online
Liberty Gas	25%	Households apply by phone
Unitil Gas	25%	Households apply by mail
Unitil Electric	25%	Households apply by mail
Blackstone Gas customers are heating customers if they heat using natural gas, and non-heating if they do not heat using natural gas.		

Sources: Massachusetts. DPU 17-170. 2017. Massachusetts. DPU 18-150. 2019. Massachusetts. DPU 14-150. 2015. Massachusetts. DPU 18-40.2019. Massachusetts. DPU 13-58. 2013. Massachusetts. DPU 15-50. 2015. Massachusetts. DPU 15-81. 2016. Massachusetts. DPU 15-75. 2016. Retrieved: <https://www.nationalgridus.com/6-Home/Bill-Help/Payment-Assistance-Programs>. Retrieved: <https://www.eversource.com/content/e6-c/residential/my-account/billing-payments/help-pay-my-bill/discount-rate>. Retrieved: <https://www.blackstonegas.com/natural-gas/>. Retrieved: <https://www.columbiagasma.com/bills-and-payments/financial-support/income-eligible-assistance-programs#:~:text=This%20program%20is%20for%20customers,may%20be%20able%20to%20help>. Retrieved: https://unitil.com/sites/default/files/pdfs/6-DiscountRateBrochure_2012-13.pdf

6.1.4 Fuel Fund and Other Private Programs

Several fuel funds operate in the state of Massachusetts, including the MA Good Neighbor fund, the Unibank Fuel Assistance Fund, the Millbury Savings Bank Community Energy Assistance Program, and Joe-4-Sun. Massachusetts fuel funds have the following characteristics:

- **Regulatory Framework** – Establishing a fuel fund is voluntary in the state of Massachusetts.

Unibank operates the Fuel Assistance Fund for households in the Blackstone valley and the wider Worcester area which have exhausted all other sources of fuel oil benefits or are ineligible for other support.

- **Sources and Amount of Funding** – The Fuel Assistance Fund is fully funded by Unibank, which donates around \$15,000 annually, but in 2019 Unibank donated \$25,000 to the program.¹⁵⁴
- **Program Administration** – The fund is administered by the Worcester Community Action Council.
- **Program Outreach and Intake** – Applications are taken by the Worcester Community Action Center by phone, mail, or in person.
- **Eligibility** – The program accepts applications from households with incomes too high to qualify for state and federal programs such as LIHEAP, households that cannot afford the

¹⁵⁴ “Unibank donates \$25,000 to home heat program.

minimum delivery amount to qualify for other benefits, and households that have exhausted other forms of support.

- Benefits – Beneficiaries receive payments directly on their oil, electricity or gas bills but non-deliverable fuels are considered case-by-case.¹⁵⁵

The Millbury Savings Bank operates the Community Energy Assistance Program for households in the towns of Millbury and Sutton.

- Sources and Amount of Funding – Millbury Savings Bank has contributed \$25,000 to its Community Energy Assistance Program, a fund the bank established in 2005 to help low-income residents pay their home energy costs. The fund delivers benefits totaling around \$20-25 thousand every winter to around 60 households.¹⁵⁶
- Program Administration – The fund is administered by both the Millbury and Sutton Senior Centers.¹⁵⁷
- Program Outreach and Intake – Applications are taken by contacting the program coordinators at the Millbury and Sutton senior centers by phone, mail, or in person.
- Eligibility – Individuals must meet federal low-income guidelines and have heating bills separate from their rental bills to qualify for the Community Energy Assistance Program.
- Benefits – Beneficiaries receive grants of up to \$350 toward their oil, natural gas, or electric bill.

The Good Neighbor Fuel Fund operates in Massachusetts and other states. It is administered by the Salvation army.

- Sources and Amount of Funding – The money to fund the program is donated from utility companies and customer donations.¹⁵⁸ In the 2018-2019 heating season, the MA Good Neighbor Energy Fund assisted 1,375 households.¹⁵⁹ Approximately \$400,000 in benefits were provided.¹⁶⁰
- Program Administration – The Salvation Army administers the program through a network of field offices across the state and their corporate office.

¹⁵⁵ Millbury-Sutton Chronicle. 2008. "Unibank Fuel Assistance Available in Blackstone Valley".

¹⁵⁶ BankHometown. 2020. "bankHometown Commits \$25,000 to Fuel Fund"

¹⁵⁷ Ibid.

¹⁵⁸ Retrieved: https://www.needhelppayingbills.com/html/good_neighbor_energy_fund_in_m.html

¹⁵⁹ Retrieved: <http://www.magoodneighbor.org/fundfacts.html>

¹⁶⁰ The Reading Post. 2019. "Good Neighbor Energy Fund's 2019 "Give the Gift of Warmth" Campaign Underway

- Program Outreach and Intake – Intake is conducted by the Salvation Army’s field offices.
- Income and Program Eligibility – The Good Neighbor Energy Fund is available to any income-qualified resident who, because of temporary financial difficulty, cannot meet a month's energy expense and is not eligible for state or federal energy assistance. Income must fall between 60 and 80 percent of the state's median income levels.¹⁶¹
- Program Benefits – Households can receive up to \$250 per heating season. The exact dollar amount can also change based on various conditions, one of which is the overall amount of funding available.¹⁶²

Citizens Energy operates the JOE-4-SUN program, which provides discount solar to low-income households in the territories of National Grid and Eversource.¹⁶³

- Sources and Amount of Funding – Citizens Energy provides the funding that supplies \$150 in bill credits to \$3,500 families, amounting to around \$525,000 in benefits.
- Program Administration – The fund is administered by Citizens Energy.
- Program Outreach and Intake – Applications are taken at the Citizens Energy.
- Eligibility – To be eligible, households must be in Eversource or National Grid territory and currently receive ratepayer discounts.
- Benefits – Beneficiaries are sold subscriptions to community solar arrays at discount, saving around \$150 off the market rate.

6.1.5 Summary of Low-Income Energy Assistance Funding and Participation

Tables 6-4 and 6-5 below furnish information on the funding and participation levels for energy assistance programs and fuel funds in Massachusetts, respectively. It shows that LIHEAP and Ratepayer Discounts provide approximately equivalent amount of support to households and provide most of the energy assistance available in the state.

Table 6-4 – Energy Assistance Funding and Participation – Massachusetts

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
LIHEAP (MEAP)	Federal	\$117.5 million	157,959	19%	\$744
RAFT	Ratepayer + State	\$737,388	4,065	.5%	\$181
ERMA	State	N/A	N/A	N/A	N/A

¹⁶¹ Ibid

¹⁶² Retrieved: <http://www.magoodneighbor.org/fundfacts.html>

¹⁶³ Electric Energy Online. 2019. Joe Kennedy Launches Joe-4-Sun Low Income Solar Program.

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
Low Income Rate Discount	Ratepayer	\$118 million	N/A	N/A	N/A
Arrearage Management Program	Ratepayer	\$19.4 million	N/A	N/A	N/A
TOTAL	Federal + Ratepayer + State	\$255.6 million	157,959	19%	\$1,618
Total for Low-Income Households	Federal + Ratepayer + State	\$255.6 million	157,959	19%	\$1,618
The best estimate for the number of low-income households assisted is those served by LIHEAP, as all participants in the ratepayer discounts and arrearage forgiveness programs are LIHEAP eligible and are encouraged by their utility providers to apply for LIHEAP. All RAFT participants are LIHEAP eligible.					

Sources: LIHEAP Clearinghouse. 2018. LIHEAP MASSACHUSETTS FY 2018 State Profile. LIHEAP Clearinghouse. 2018. Massachusetts State PBF/USF History, Legislation, Implementation. Regional Housing Network. 2016. RAFT in Massachusetts 2015-2016.

Table 6.5 – Fuel Fund and other Private Funding and Participation – Massachusetts

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
MA Good Neighbor Energy Fund	Charitable	\$410,000	1,375	0%	\$250
Millbury Savings Bank	Charitable	\$25,000	60	N/A	\$350
Unibank Fuel Fund	Charitable	\$25,000	60	N/A	N/A
Joe-4-SUN	Charitable	\$525,000	3,500	N/A	\$150
The total funding for JOE-4-SUN is calculated by multiplying the average benefit by the number of households served.					

Sources: Retrieved: <http://www.magoodneighbor.org/fundfacts.html>. The Reading Post. 2019. Good Neighbor Energy Fund's 2019, "Give the Gift of Warm" Campaign Underway. The Millbury Sutton Chronicle. 2019. "Millbury Savings Bank Commits \$25K to Fuel Fund. The Grafton News. 2019. "Unibank donates \$25,000 to home heat program. Electric Energy Online. 2019. Joe Kennedy Launches Joe-4-Sun Low Income Solar Program.

6.2 Assessment of Programs and Portfolio

This section of the report furnishes an assessment of the State's individual programs and the combined impact of the portfolio of programs.

6.2.1 Affordability Targets

Massachusetts has two major energy assistance programs and two minor energy assistance programs. While each program is designed to make energy more affordable to low-income households, none explicitly uses affordability targets to determine benefits.

- LIHEAP – The Massachusetts LIHEAP benefit matrix provides higher benefits to households with lower incomes and an extra benefit of up to \$200 for households with energy expenditures above a high energy cost threshold. However, they do not explicitly examine each household's energy burden to determine benefits.

- Ratepayer Discounts – Massachusetts provides most state funded support through low-income discounts on energy bills. Therefore, benefits are proportional to the size of the energy bill, indirectly targeting benefits toward higher energy burden households.
- Residential Assistance for Families in transition – RAFT is only available to households with income at or below 50% of area median income, which is below the maximum income for LIHEAP, further targeting benefits toward higher burden households. However, RAFT support is temporary.

It is unknown whether and in what ways ERMA will target benefits toward higher energy burden households.

6.2.2 Arrearage Management Programs

Massachusetts has a direct arrearage management program by which customers earn arrearage forgiveness credits, along with several programs that indirectly assist with arrearage management.

- Arrearage Forgiveness Programs – Ratepayers are mandated by Massachusetts law to operate arrearage forgiveness programs, and while exact benefits differ, in general, households eligible for the low-income rate discount and with overdue bills of at least \$300 which are 60 days in arrears are eligible.¹⁶⁴ Benefits differ by utility. The maximum amount forgiven in the first year is \$1,500, which is available to National Grid customers. \$1,200 is available toward gas billing and a separate \$1,200 toward electric billing is available to Unitil Gas and Electric customers. \$1,500 to gas and \$1,500 to electric is available in the first year to Liberty Gas and Electric customers.¹⁶⁵ Berkshire gas forgives a maximum of \$3,000 to customers.¹⁶⁶ Columbia forgives up to \$3,600 in arrearages in the first year.¹⁶⁷ Eversource has no maximum on arrearages forgiven in the first year.¹⁶⁸ Debt forgiveness is provided monthly in flat rates.

¹⁶⁴ National Consumer Law Center. 2013. Helping Low-Income Utility Customers Manage Overdue Bills through Arrearage Management Programs (AMP)

¹⁶⁵ Retrieved: <https://massachusetts.libertyutilities.com/north-attleboro/residential/my-account/my-bill/programs/arrearage-management-program.html>

¹⁶⁶ Berkshire Gas. 2018. Berkshire Gas RAMP Program.

¹⁶⁷ National Consumer Law Center. 2013. Helping Low-Income Utility Customers Manage Overdue Bills through Arrearage Management Programs (AMP)

¹⁶⁸ Retrieved: <https://www.eversource.com/content/wma/residential/my-account/billing-payments/help-pay-my-bill/nu-start>

- LIHEAP – The Massachusetts LIHEAP program prioritizes and expedites service to households in a heating emergency such as oncoming shutoff, through the FastTrack program. This oncoming shutoff may be due to overdue accounts or utility disconnect.

6.2.3 Coordination of Programs

There are several methods by which Massachusetts energy assistance funds are coordinated.

- Community Action Agencies – Most MA energy assistance programs, including RAFT, ERMA, Unibank and Millbury Savings fuel funds, and LIHEAP conduct intake and outreach through regional community action agencies, and these agencies provide information and support to households for applying for ratepayer discounts.
- LIHEAP/Ratepayer Discounts – LIHEAP Massachusetts law mandates that LIHEAP and ratepayer discounts coordinate in that all households receiving LIHEAP, along with SNAP, WIC, and public housing, are automatically referred to their utilities as low-income and are registered for low-income discounts on their utility bills,¹⁶⁹ and are eligible for arrearage forgiveness.

6.2.4 Linkage to Renewable Energy and Energy Efficiency Programs

There are several ways in which households who receive energy assistance programs can be referred to energy efficiency and/or renewable energy programs.

- LIHEAP/WAP – Both LIHEAP and Massachusetts' weatherization assistance program are administered by the Department of Housing and Community Development. The two programs have a joint application along with Massachusetts' Heating System repair and replacement program (HEARTWAP).
- Mass Save – Mass Save is a Massachusetts energy efficiency program administered by utilities. Massachusetts households eligible for ratepayer discounts are eligible for the Income Eligible Program that provides a comprehensive benefit package of weatherization and energy efficiency services. The Mass Save program is implemented by Community Action Agencies, in coordination with LIHEAP, WAP, and HEARTWAP. Multifamily units are eligible for Mass Save if more than 50% of dwelling units are income eligible for LIHEAP.¹⁷⁰

¹⁶⁹ Mass Save. 2020. Massachusetts energy assistance programs for income-eligible residents.

¹⁷⁰ Mass Save. 2020. Multi-Family Program Frequently Asked Questions.

6.2.5 Moderate Income Energy Assistance Programs

Massachusetts has few programs available to moderate-income residents. The main energy assistance funding available for those above 60% of state median income are support from fuel funds and from the new program ERMA. However, it is unclear whether ERMA will be continued beyond the temporary period of the COVID-19 pandemic.

Fuel funds have more flexibility to define need than government supported programs, but Massachusetts has relatively little support for Fuel Funds. Maryland fuel funds provide around \$8 million in benefits annually, Pennsylvania fuel funds around \$5.6 million, and New Jersey fuel funds around \$2 million, but Massachusetts only has around \$450,000 available in fuel funds benefits each year. However, the Massachusetts Good Neighbor Energy fund, which provides approximately 90% of annual Massachusetts fuel fund benefits, is restricted to incomes between 60% and 80% of state median income, targeting it toward moderate-income households.

6.2.6 Summary Assessment of MA's LMI Portfolio of Programs.

Some best practices stand out from Massachusetts' energy assistance programs.

- Benefit coordination and Automatic Enrollment– Program intake for RAFT, ERMA, and LIHEAP are coordinated at Community Action Agencies. Additionally, the automatic enrollment of LIHEAP recipients in utility discounts eases the burden of applications for households because they do not have to undergo separate application processes.
- Targeted support – Many Massachusetts programs, especially LIHEAP and ratepayer discounts, provide more support to those with high energy costs, indirectly targeting support to high burden households.
- Utility Innovation – Since utilities must provide an arrearage management program and administer MASS SAVE, they have financial incentives to provide low-income usage reduction in efficient ways.

Some barriers to participation and gaps in coverage remain for Maryland's assistance programs.

- Moderate Income Households – Most assistance programs in Massachusetts are restricted to low-income households. The investment in fuel funds is low compared to other states. Fuel funds often have the flexibility to serve moderate-income households.
- Vulnerable Households – Massachusetts has no programs that explicitly prioritize support for the elderly or disabled, and Massachusetts' LIHEAP benefit matrix does not consider whether a household has a vulnerable member.

- Availability in other languages – Applications for LIHEAP, RAFT, and ERMA are processed by Community Action Agencies. The websites for some Community Action Agencies are available in languages other than English, but those for other Community Action Agencies are not.
- Multi-family Buildings and Renters – Ratepayer discounts require applicants to have a utility bill in their name. This disqualifies some households whose utilities are included in their rent or who live in multi-family buildings with common meters and whose utility charges are assessed through building fees.

Massachusetts invests a substantial amount of LIHEAP and ratepayer funds in low-income energy assistance. The Community Action Agencies connect their clients with the full range of programs.

7.0 MARYLAND

This section of the report furnishes information on the energy assistance programs available to LMI households in Maryland. The first part examines design and funding for each individual program and the second part furnishes an assessment of performance relative to best practices.

7.1 Program Funding and Design

Maryland has a comprehensive set of low-income energy assistance programs including the LIHEAP program, ratepayer-funded discounts, and charitable fuel funds, but limited funding available to moderate-income households. Table 7-1 furnishes information on the program names, the total funding from a recent program year, the source of funding, and other relevant information about the program. In total about \$130.8 million is available for low-income energy assistance. The largest single contribution to the total is the federal LIHEAP grant. However, ratepayer and state funded programs represent about 40 percent of the total funds available.

Table 7-1 – Energy Assistance Funding – Maryland

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP (MEAP)	FY 2018	Federal	\$71.6 million	Funds used for energy assistance
EUSP (Ratepayer)	FY 2018	Ratepayer	\$32.2 million	Total funding provided by Ratepayers
EUSP (SEIF Funding)	FY 2018	State	\$27 million	Total funding provided by SEIF
SEIF Community Solar LMI PPA	FY 2018	State	\$3.1 million	Available to Low- and Moderate-Income
TOTAL	FY 2018	Combined	\$133.9 million	LIHEAP added to EUSP and Solar
Total Reserved for Low Income	FY 2018	Federal + Ratepayer	\$130.8 million	Excludes community solar.
The LIHEAP Performance Management Website Data Warehouse indicates that there were 646,002 households in Maryland with income at or below 60% of state median income in 2018. Our research shows that total funding for low-income energy assistance programs in 2018 was at least \$130.6 million. The funding is at least \$202 per low-income household, significantly lower than the \$295 per low-income household in the District of Columbia.				

LIHEAP Clearinghouse. 2018. Maryland FY2018 LIHEAP State Profile. Sources: EUSP. 2019. Annual Administrative Report. SEIF. 2018. Annual Report. Maryland Strategic Energy Investment Fund. 2018. Annual Report.

Table 7-2 furnishes information for Maryland fuel fund programs on the program names, the total funding from a recent program year, the source of funding, and other relevant information about the program.

Table 7-2 – Fuel Fund Funding – Maryland

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
Fuel Fund of Maryland	FY 2016	Ratepayer + Charitable	\$7 Million	Total amount of assistance grants
Other Fuel Funds	FY 2016	Ratepayer + Charitable	\$1 million	Total amount of assistance grants

Fuel Fund of Maryland. 2016. Annual Report. LIHEAP Clearinghouse. 2015. Fuel Funds and LIHEAP.

7.1.1 LIHEAP Program

Maryland's LIHEAP program is the "Maryland Energy Assistance Program" (MEAP) and it has the following characteristics.

- **Regulatory Framework** – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- **Sources and Amount of Funding** – In FY 2018, Maryland received \$81 million in total funding. Of that, \$71.6 million was used for energy assistance benefits.
- **Program Administration** – MEAP is administered by the Maryland Department of Human Services (DHS) Office of Home Energy Programs (OHEP).
- **Program Outreach Intake** – DHS operates local home energy program offices that conduct intake for MEAP. Customers may also apply online, via mail, and by phone. Seniors or those with special medical needs can apply via home visit.¹⁷¹
- **Income and Program Eligibility** – Households are eligible if their income is below 175% of the federal poverty line for their household size. To receive regular heating assistance, a household of four must have income below \$45,852.¹⁷² Households must be Maryland heating customers but need not have a heating bill in their name. OHEP provides residents who pay for their heat with bill assistance through reduced rent. Customers who live in subsidized housing in which heating is part of rent are not MEAP eligible.¹⁷³

¹⁷¹ Maryland Department of Human Services Office of Home Energy Programs. n.d. Applying for Energy Assistance. Retrieved: <http://dhr.maryland.gov/office-of-home-energy-programs/how-do-you-apply/>

¹⁷² Ibid

¹⁷³ Retrieved: https://dhs.maryland.gov/documents/OHEP/OHEP2019_BrochureEnglishR.pdf

- Program Benefits – Grants are determined based on household income, type of fuel used, and area of residence. The grant is a one-time payment per heating season.¹⁷⁴ Maryland also negotiates a 3% discount on propane, coal, wood, fuel, oil and kerosene for all MEAP customers, and MEAP customers are eligible for \$72 tax rebates in Prince George’s County.¹⁷⁵ As part of applying for MEAP, households may enroll in the Universal Service Protection Program (USPP), under which customers are charged even monthly payments based on their gas and electric predicted usage.

7.1.2 Ratepayer-Funded Programs

Maryland’s ratepayer assistance program is the “Electric Universal Service Program” (EUSP).¹⁷⁶

- Regulatory Framework – The EUSP was established by the Maryland General Assembly Electric Customer Choice Act of 1999. The Act required the Maryland Public Service Commission (MDPSC) to establish an energy assistance program available to low-income electric customers statewide.
- Sources and Amount Funding – In 2018, the EUSP served 94,655 households, with total benefit expenditures amounting to \$61.7 million. The program has three funding sources.
 - Ratepayers – A flat monthly surcharge is assessed on all electric customers. About 75% of funds come from charges on commercial and industrial customers, while the remaining 25% come from a 40-cent flat monthly fee on residential customers.¹⁷⁷
 - The Regional Greenhouse Gas Initiative (RGGI)/Strategic Energy Investment Fund (SEIF) – Since 2009, Maryland has allocated part of the proceeds raised through the RGGI auctions to EUSP, via SEIF. RGGI is a regional cap-and-trade scheme for northeast and mid-Atlantic states. In Maryland, funds from RGGI are distributed through SEIF. In 2018, 35% of SEIF allocation, or \$27 million, went to the EUSP.
 - State Funds – In the past, the Maryland General Assembly has allocated state funds to the EUSP. This has not been the case recently due to the allocation of RGGI funds.

¹⁷⁴ Maryland Department of Human Services Office of Home Energy Programs. n.d. How are Grants Determined? Retrieved: <http://dhs.maryland.gov/office-of-home-energy-programs/how-are-grants-determined/>

¹⁷⁵ LIHEAP Clearing House. 2019. FY19 Maryland Assistance Benefit Matrix Overview.

¹⁷⁶ Public Service Commission of Maryland. 2018. Electric Universal Service Program 2018 Annual Report. Retrieved: <https://www.psc.state.md.us/wp-content/uploads/2018-EUSP-Annual-Report.pdf>

¹⁷⁷ LIHEAP Clearinghouse. 2017. STATE PBF/USF HISTORY, LEGISLATION, IMPLEMENTATION, Maryland. <https://liheapch.acf.hhs.gov/dereg/states/maryland.htm>

- MEAP - EUSP's bill assistance program is partly funded by MEAP. In Table 7-1 and Table 7-3, MEAP contributions to EUSP are not counted under EUSP spending, as they are instead counted under LIHEAP expenditure.
- Program Administration – The EUSP is administered by the Maryland DHS, which is also the LIHEAP/MEAP administrator. The DHS is required to submit an annual report to the MDPSC on the program's performance. The MDPSC maintains program oversight and compiles an annual report to the Maryland General Assembly on the EUSP's performance.
- Program Outreach and Intake – EUSP and MEAP have a joint application.¹⁷⁸ The DHS operates local home energy program offices that conduct intake. Customers may also apply online, via mail, and by phone. Seniors or those with special medical needs can apply via home visit.
- Income and Program Eligibility – Households must be at or below 175% of the FPG to receive EUSP benefits. Households must have an arrearage of \$300 or more to apply for arrearage forgiveness.
- Program Benefits – Program benefits are determined by household income and usage over the past 12 months.¹⁷⁹ DHS uses a formula based on household income, size, usage, and the price of electricity to determine each recipient's benefit. The EUSP also provides an arrearage forgiveness program.

7.1.3 Fuel Fund Programs

Several Fuel Fund programs operate in Maryland, many of which are funded and supported by utility companies. These include the Fuel Fund of Maryland, Columbia Gas Heat Share, WAFF, the Dollar Energy Fund, the Southern Maryland Tri County Fuel Fund, and the Delmarva Good Neighbor Energy Fund. The Fuel Fund of Maryland, formerly the Victorine Q. Adams Fuel fund and the Baltimore Fuel Fund, is by far the largest, and one of the oldest and largest fuel funds in the country. It provides about 7/8 of fuel fund benefits in the state of Maryland.¹⁸⁰ This report focuses on three of these fuel funds: The Fuel Fund of Maryland, the Delmarva Good Neighbor Energy Fund, and Dollar Energy Fund.

The Fuel Fund of Maryland is an independent non-profit that operates a statewide assistance program with the following characteristics.

¹⁷⁸ Maryland Department of Human Services. 2020. Energy Assistance Application.

¹⁷⁹ Maryland Department of Human Services Office of Home Energy Programs. n.d. How are Grants Determined? Retrieved: <http://dhs.maryland.gov/office-of-home-energy-programs/how-are-grants-determined/>

¹⁸⁰ LIHEAP Clearinghouse. Retrieved: <https://liheapch.acf.hhs.gov/pubs/865.htm>

- Regulatory Framework – Establishing a Fuel Fund is voluntary under Maryland law.
- Sources and Amount of Funding – The fuel fund receives its funding from individual and corporate donations. Most funds come from “Utility Credits” (ratepayer), which are voluntary additions to Baltimore Gas and Electric Company (BGE) bills, and charitable donations from foundations. The Fund spent \$7,121,146 on program services in 2016¹⁸¹.
- Program Administration – The assistance program is administered by the Fuel Fund of Maryland Inc.
- Program Outreach and Intake – Program intake is done in-person at the fuel fund’s local offices and online.
- Income and Program Eligibility – Households must have incomes at or below 200% of the FPG, have applied to or receive assistance from the DHS (MEAP and EUSP), and face either service shut off, or a turn-off notice, or a lack of heating fuel. Customers may only receive assistance from the fund once a year. Assistance is restricted to customers within the BGE service territory.
- Program Benefits – The portion of the bill that a customer is unable to pay is divided among the Fuel Fund, BGE, and the customer. The level of benefit is determined by the Fuel Fund based on household income and size. Customers may also receive assistance with their past due bills. Customers also participate in an energy education program, “Watt Watchers.”

The Maryland Good Neighbor Fuel Fund operates in Maryland and other states. It is administered by the Salvation army.

- Sources and Amount of Funding – donations from the community and matching grants from Delmarva power.¹⁸² Total funding is relatively low, only around \$1 million in total since 1999.¹⁸³ Funding goes both to grants for eviction prevention and utility shut-off prevention.
- Program Administration – The Salvation Army administers the program through a network of field offices across the state and their corporate office.¹⁸⁴
- Program Outreach and Intake – Intake is conducted by the Salvation Army’s field offices.¹⁸⁵

¹⁸¹ Fuel Fund of Maryland. 2016. Annual Report

¹⁸² Retrieved: https://www.utilitybillassistance.com/html/delmarva_power_good_neighbor_energy_fund.html

¹⁸³ Retrieved: <https://thesource.pepcoholdings.com/delmarva-power/powering-economies/partnership-local-non-profits-helps-those-need-winter>

¹⁸⁴ Ibid

¹⁸⁵ Ibid

- Income and Program Eligibility – The Maryland Good Neighbor Energy Fund is available to any Maryland resident who, because of temporary financial difficulty, cannot meet a month's energy expense, is facing disconnection, and has exhausted all state and federal assistance.¹⁸⁶
- Program Benefits – Households can receive a onetime grant to prevent shutoff. The exact dollar amount can also change based on various conditions, one of which is the overall resources available.¹⁸⁷ Grants can be up to \$250 for eviction prevention but \$200 for utility shutoff prevention.¹⁸⁸

Dollar Energy Fund operates in Maryland with the support of Columbia Gas. There is no publicly available information on the number of households assisted in Maryland.

- Sources and Amount of Funding – Donations by customers, employees, and stockholders are the main source of funding for the fund.
- Program Administration – The fund is administered by the Dollar Energy Fund non-profit entity.
- Program Outreach and Intake – The fund's staff processes applications by phone, online, and in-person. It also contracts with 164 CBOs where customers can be directed to complete their application as needed. The CBOs also refer eligible households to the DEF.
- Income and Program Eligibility – Households must be at or below 250% of FPG but exceptions can be made based on circumstances. Customers must also have paid a minimum of \$150 on their account in the past 90 days, and must first apply to LIHEAP and PCAP, if eligible. From October – February, households must face terminated service or pending termination to be eligible.
- Program Benefits – Households receive one grant with a maximum of \$500 during a program year. Needs are assessed based on household income and other circumstances of financial hardship.

7.1.4 Community Solar for the LMI PPA Program

Maryland Public Service commission adopted regulations in 2016 for a community solar pilot program administered by the Maryland Energy Administration (MEA), based on legislation

¹⁸⁶ Ibid

¹⁸⁷ Ibid

¹⁸⁸ Retrieved: <https://search.211md.org/211provider-7-search-results?id=68731741>

passed in 2015.¹⁸⁹ The goal of the project was to develop over the course of seven years community solar arrays producing 1.5% of the state's peak electricity demand, 194 megawatts. Community members purchase subscriptions to community solar arrays and are then paid in credits on their electricity bill. Maryland's community solar program includes the Community Solar LMI Power Purchase Agreement (PPA) Incentive Grant Program, and a loan loss reserve for LMI targeted projects, which provide incentives for private organizations to extend community solar subscriptions to low- to moderate-income (LMI) residents. The Community Solar program has the following characteristics:

- Regulatory Framework – A working group to develop solar programs was established by Maryland House Bill 1087 in 2015, and regulations for the Community Solar Pilot Program are determined by Public Utility section MD-306.2. By that law, 30% of the 194 MW in capacity in community solar programs must go to projects in which at least 30% of the kilowatt-hour output goes to LMI subscribers (those with incomes less than 80% of MD area income). At least 10% of the kilowatt-hour output in those 30% of projects must go to low-income subscribers (those with incomes below 175% of the federal poverty line).¹⁹⁰
- Sources and Amount of Funding – Community Solar's LMI incentives are paid for by SEIF/RGGI monies but administered by MEA. In total, SEIF spent \$3.082 million in 2018.¹⁹¹ The funds are spent in two ways. The first is the LMI PPA Incentive Grant Program, which delivers grants to projects which enroll low- and moderate-income customers. These grants include two incentives. The first is a subscription incentive, which is proportional to the difference between the net present value of an LMI subscriber's proposed subscription plan and an MEA estimate of the net present value of the subscription. The second incentive is a validation incentive, by which the MEA reimburses grantees up to \$10,500 per grant (\$30 per LMI subscriber) for validating the incomes of subscribers. In FY 2020, LMI PPA plans to deliver \$2.5 million in grants. The second initiative is a loss reserve fund which pays grantees for missed or late payments by LMI subscribers.¹⁹²

¹⁸⁹ Solar United Neighbors. 2017. Community Solar in Maryland. Retrieved: <https://www.solarunitedneighbors.org/wp-content/uploads/2017/11/Community-Solar-in-Maryland-Year-1-2-3.pdf>

¹⁹⁰ Maryland Energy Administration. 2019. Community Solar for the Low Income Community. Retrieved: <https://energy.maryland.gov/residential/SiteAssets/Pages/CommunitySolarLMI-PPA/Community%20Solar%20for%20the%20LMI%20Community.pdf>

¹⁹¹ Maryland Strategic Energy investment Fund. 2018. Annual Report. Retrieved: <https://energy.maryland.gov/Reports/FY18%20SEIF%20Annual%20Report.pdf>

¹⁹² Maryland Energy Administration. 2020. Community Solar LMI-PPA Grant Program

- Program Administration – MEA is responsible for Community Solar. The Loan-Loss fund is administered by the Climate Access Fund, a non-profit organization.
- Program Outreach and Intake – While MEA provides grants to organizations to subscribe LMI residents, outreach and intake for individual projects is primarily provided by grantee organizations themselves. The MEA funds educators to help LMI residents understand the pros and cons of solar subscriptions, called Power Purchase Agreements (PPA)s.
- Income and Program Eligibility – Households with incomes at or below 80% percent of MD state median income for their household size are counted as Low to Moderate income subscribers, and projects must have 30% of their subscriptions be low income to be eligible for grants, with at least 10% of subscriptions dedicated to low-income residents.
- Program Benefits – The goal of the Community Solar pilot program is to develop 194 MW of community solar capacity in Maryland, with at least 9% going to LMI subscribers. Unlike the DC Solar for All program, there is no explicit goal for how much to reduce LMI subscriber energy bills.

7.1.5 Summary of Low-Income Energy Assistance Funding and Participation

Table 7-3 below furnishes information on the funding and participation levels for energy assistance programs and fuel funds in Maryland. It shows that MEAP provides the highest average benefit while EUSP serves the largest number of households. 7-4 provides the same information regarding fuel funds.

Table 7.3 – Energy Assistance Funding and Participation – Maryland

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
LIHEAP (MEAP)	Federal	\$71.6 million	97,499	15%	\$734
EUSP (Ratepayer and SEIF Funding)	Ratepayer + State	\$59.2 million	94,655	15%	\$625
SEIF Community Solar	State	\$3.1 million	N/A	N/A	N/A
TOTAL	Federal + Ratepayer + State	\$133.9 million	N/A	N/A	N/A
Total for Low-Income Households Only	Federal + Ratepayer + State	\$130.8 million	94,655	15%	\$1,382
The best estimate for the number of low-income households assisted is those served by LIHEAP, as all those served by EUSP are state LIHEAP eligible and EUSP and MEAP have a joint application.					

LIHEAP Clearinghouse. 2018. Maryland FY2018 LIHEAP State Profile. Sources: EUSP. 2019. Annual Administrative Report. SEIF. 2018. Annual Report. Maryland Strategic Energy Investment Fund. 2018. Annual Report.

Table 7.4 – Fuel Fund Funding and Participation– Maryland

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
Fuel Fund of Maryland	Charity	\$7.12 million	10,830	N/A	\$646
Other Fuel Funds (Combined)	Charity + Ratepayer	Around \$1 million	N/A	N/A	N/A
Fuel Fund of Maryland services expenditure and other fuel funds expenditure estimates are from 2016. Households that are not federally LIHEAP eligible may be eligible for fuel funds.					

Fuel Fund of Maryland. 2016. Annual Report. LIHEAP Clearinghouse. 2015. Fuel Funds and LIHEAP.

7.2 Assessment of Programs and Portfolio

This section of the report furnishes an assessment of the State’s individual programs and the combined impact of the portfolio of programs.

7.2.1 Affordability Targets

Maryland has two major energy assistance programs – LIHEAP (MEAP) and EUSP. Each of the programs is designed to make energy more affordable for low-income households. Both programs attempt to account for household net energy burden, but do not explicitly use percent of income payment plans.

- LIHEAP – LIHEAP provides a one-time grant. The benefit level calculations do not take into account actual household energy usage. However, the program targets energy burden by adjusting benefits based on household income, type of fuel, and area of residence. These proxies for calculated energy burden are not as accurate as actual energy usage.
- EUSP – Maryland’s ratepayer assistance determines benefits based on income and household energy usage and costs. Benefits are higher for lower income households, households with greater energy use, and households whose electricity providers charge higher rates than the average. This allows for better targeting that reduces net energy burden. However, EUSP does not explicitly target energy affordability.

7.2.2 Arrearage Management Programs

There is an Arrearage Retirement Program for households enrolled in EUSP with the following characteristics.

- Regulatory Framework – The Electric Customer Choice Act mandates the establishment of an Arrearage Retirement Assistance (ARA) program. Participation is limited to once every seven years for each customer.
- Sources and Amount of Funding – The ARA program is funded by SEIF/RGGI funds. The Electric Customer Choice Act limits the amount of ratepayer funds that may be spent on

arrearages to \$1.5 million, but RGGI/SEIF funds are not included in this total. In 2018, the Maryland General Assembly directed the DHS to allocate \$750,000 of any unexpected EUSP funds to the ARA program. In 2018, \$14,600,000 went toward Arrearage Retirement. In that year, 16,862 households received arrearages assistance.

- **Income and Program Eligibility** – Households must be income-eligible for EUSP and have an overdue balance of at least \$300.
- **Program Benefits** – Arrearage retirement benefits are capped at \$2,000 over a seven-year period. The average benefit in 2018 was \$861.¹⁹³ A waiver policy exists for vulnerable households (households with members who are elderly, disabled, and children under 2) who may receive an arrearage benefit more than once, not to exceed the \$2,000 cap. The grant is determined by the amount of the outstanding arrears. Grants are sent directly to the Electric company serving the customer.

7.2.3 Coordination of Programs

Program benefits are coordinated between the EUSP and MEAP by the DHS, which administers both. MEAP funds are used to cover heating costs for those in the EUSP.¹⁹⁴ The application for MEAP, USPP, ARA, and EUSP is joint but households may choose to apply to only one program.¹⁹⁵ The Fuel Fund of Maryland coordinates with LIHEAP and the Office of Home Energy Programs (OHEP), the office of the Department of Human Services which administers EUSP and MEAP.

7.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

Maryland has direct coordination between energy efficiency and energy assistance programs. Maryland has two energy efficiency programs targeting specifically low-income households.

- **EmPower Maryland Low-Income Energy Efficiency Program (LIPP)** – LIPP provides weatherization services to low-income utility customers.
- **Weatherization Assistance Program (WAP)** – WAP provides weatherization services and furnace repair and replacement to income eligible Maryland households.

Both programs are administered by the Maryland Department of Housing and Community Development (DHCD) through a network of 19 intake agencies. Customers of the five regulated utilities with income under 200% of the FPG are eligible. OHEP and the DHCD have a partnership

¹⁹³ EUSP Annual Report, p. 4

¹⁹⁴ EUSP Annual Report. p. 5

¹⁹⁵ Maryland Department of Human Services Office of Home Energy Programs. n.d. Energy Assistance Application. Retrieved: <https://dhs.maryland.gov/documents/DHR%20Forms/FIA%20Forms/English//OHEP/OHEP2021-Application-English.pdf>

in which the DHCD has access to the OHEP customer database of households eligible for energy assistance services, and clients applying for energy assistance with OHEP can select that they wish to be referred to the DHCD for energy efficiency services.¹⁹⁶

Maryland also has a community solar pilot program and provides subsidies to community solar arrays which enroll low-income households but does not coordinate community solar with energy assistance programs. Income-eligibility verification is provided to community solar providers by third parties.

7.2.5 Moderate-Income Energy Assistance Programs

All state supported energy assistance programs in Maryland are restricted to households below 60% of the state median income. Moderate-income households may be able to receive assistance from fuel funds, but funding is usually limited. Those programs have more flexibility to define need based on a fuller set of financial status indicators for the household. However, the Fuel Fund of Maryland, by far the largest fuel fund in the state, restricts benefits to households under 200% of the federal poverty line except in cases of extreme hardship. 200% of the federal poverty line is below 60% of Maryland median income for all household sizes.

7.2.6 Summary Assessment of MD's LMI Portfolio of Programs

Two best practices stand out from Maryland's energy assistance programs.

- Benefit coordination – EUSP and LIHEAP benefits are coordinated and both programs are administered by the DHS. The joint application eases the burden of application for households because they need not complete separate applications.
- Vulnerable Households – Households with a disabled member, a dependent child under the age of two, or a member over the age of 65 are eligible to apply for increased EUSP funding, depending on arrearage assistance they have received.
- Application Available in Spanish – The OHEP application for EUSP, MEAP and ARA is available in English and in Spanish. This improves accessibility to the program's benefits.

Some barriers to participation and gaps in coverage remain for Maryland's assistance programs.

- Moderate Income Households – Most assistance programs in Maryland are restricted to low-income households. Moderate-income households may be able to receive assistance from fuel funds, but funding is often limited.

¹⁹⁶ Maryland Department of Housing and Community Development. 2019. Energy Efficiency Program Operations Manual.

- Limited Arrearage Forgiveness – The Arrearage Retirement Assistance program is limited in its scope as it only assists households once every seven years and up to \$2000.
- Utility Innovation – Utilities implement a common program whose details are determined by the DHS. Other states have benefitted from enabling utilities to innovate to meet their low-income goals.
- Low level of benefits – Maryland provides low average benefits per households and serves a small share of the eligible population through its programs.
- Multifamily Buildings and Renters – The EUSP requires applicants to have a utility bill in their name. This disqualifies some households whose utilities are included in their rent or who live in multi-family buildings with common meters and whose utility charges are assessed through building fees.

8.0 OHIO

This section of the report furnishes information on the energy assistance programs available to LMI households in Ohio. The first part examines design and funding for each individual program and the second part furnishes an assessment of program performance relative to best practices.

8.1 Program Funding and Design

Ohio has a comprehensive set of low-income energy assistance programs including the LIHEAP program, ratepayer-funded discounts, and charitable fuel funds, but limited funding available to moderate-income households. Table 8-1 furnishes information on the program names, the total funding from a recent program year, the source of funding, and other relevant information about the program. In total about \$356.6 million is available for low-income energy assistance. The federal LIHEAP grant furnishes about 30 percent of the total assistance funds, the electric ratepayer program furnishes about 62 percent of the total assistance funds, and the gas ratepayer program furnishes about 8 percent of the assistance funds.

Table 8-1 – Energy Assistance Funding – Ohio

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
LIHEAP	FY 2018	Federal	\$104.1 million	Funds used for energy assistance
PIPP Plus - Electric	FY 2019	Ratepayer	\$220.8 million	Total PIPP Electric Funds Raised
PIPP Plus - Gas	FY 2020	Ratepayer	\$31.7 million	Total Funds Raised
TOTAL	Combined	Combined	\$356.6 million	
Total Reserved for Low Income	Combined	Combined	\$356.6 million	All PIPP Eligible are low-income
The LIHEAP Performance Management Website Data Warehouse indicates that there were 1,417,116 households in Ohio federally income-eligible for LIHEAP in 2018. Our research shows that total funding for low-income energy assistance programs in 2018 was at least \$356.6 million. The funding is at least \$252 per low-income household, lower than the \$295 per low-income household in the District of Columbia. The best estimate for the total number of households served is the number of households served by LIHEAP: 340,979. This is because all PIPP customers must apply for all energy assistance programs for which they are eligible, and all PIPP customers are LIHEAP income eligible. PIPP Plus-Gas funding amount is projected total funds raised in 2020, based on projected volume of natural gas consumed at each natural gas company and planned riders at those companies, aggregated.				

LIHEAP Clearinghouse. 2018. OHIO LIHEAP FY2018 State Profile. Electric Universal Service Fund Rider. (Case Number 20-1103-EL-USF). Columbia Gas of Ohio, INC. 2020. (Case number 20-0421-GA-PIP). Vectren Energy Delivery of Ohio, INC. 2020. (Case Number 20-0420-GA-PIP). Dominion East Ohio Gas Company. 2020. (Case number 20-0418-GA-PIP). Suburban Natural Gas Company. 2020. (Case number 20-0416-GA-PIP). Pike Natural Gas Company. 2020. 20-0411-GA-PIP. Ohio Gas Company. 2020. (Case number 20-0411-GA-PIP). Glenwood Natural Gas Company. 2020. (Case number 20-0410-GA-PIP). Northeast Ohio Natural Gas Corporation. 2020. (Case number 20-0409-GA-PIP).

Table 8-2 furnishes information on the program names, the total funding from a recent program year, the source of funding, and other relevant information about the Ohio fuel fund programs.

Table 8-2 – Fuel Fund Funding – Ohio

Program Name	Funding Year	Funding Source(s)	Funding Amount	Notes
Columbia Fuel Fund	N/A	Charity + Ratepayer	N/A	Funding not publicly available
OPAЕ Fuel Fund	N/A	Charity + Ratepayer	Over \$137,500	Total amount of assistance grants
Ohio Edison Project REACH	N/A	Charity + Ratepayer	N/A	Funding not publicly available
Dominion East Ohio EnergyShare Program	2017	Charity + Ratepayer	\$380,000	Total Funds Delivered
Duke Energy Ohio HeatShare Fuel Fund	FY 2018	Charity + Ratepayer	\$310,000	Total funds raised
Dayton Power and Light Gift of Power Program	Avg. since 2016	Charity + Ratepayer	\$180,750	Average across years since 2016
AEP Neighbor to Neighbor	FY 2019	Charity + Ratepayer	\$787,845	Total grants provided
FirstEnergy Ohio Fuel Fund Grant Program	N/A	Ratepayer	N/A	Funding not publicly available

OPAЕ website. Dominion Energy. 2017. 2016 – 2017 Sustainability and Corporate Responsibility Report. Duke Energy. 2018. “Duke Energy and its customers provide \$310,000 to The Salvation Army for 2018 HeatShare program”. Dayton Power and Light website. Retrieved: <https://www.dpandl.com/About-DPL/Community/Investments/Gift-of-Power/>. Neighbor to Neighbor. 2020. Neighbor to Neighbor Summer 2020 Fact Sheet.

8.1.1 LIHEAP Program

Ohio’s LIHEAP program is the “Home Energy Assistance Program” (HEAP) and it has the following characteristics.

- Regulatory Framework – LIHEAP is a block grant that gives states broad latitude in how to spend their funding, within certain statutory and regulatory requirements.
- Sources and Amount of Funding – In FY 2018, Ohio received \$160.5 million in total funding. Of that, \$104.1 million was used for energy assistance benefits.¹⁹⁷
- Program Administration – HEAP is administered by the Ohio Development Services Agency (DSA).

¹⁹⁷ LIHEAP Clearinghouse. 2018. Ohio LIHEAP FY2018 State Profile.

- Program Outreach and Intake – Customers apply by contacting their local energy assistance providers, which are usually Community Action Agencies, by phone. The application can be completed in English or Spanish.
- Income and Program Eligibility – Households with incomes up to 175% of the federal poverty line are eligible for HEAP. Since this is nearly 60% of Ohio’s median income, nearly all households which are federally income eligible for LIHEAP are eligible for LIHEAP in the state of Ohio. In 2018, the difference was only 405 households statewide. Households in subsidized housing with heating included in rent are not eligible for HEAP.
- Program Benefits – HEAP provides a onetime annual credit to the heating bill of households which qualify. The size of the payment depends on household size, income, region of the state, and cost of fuel used, and on average was \$205 in 2018. Households with a disabled member and households with a member 60 or older receive a greater benefit, while PIPP Plus beneficiaries receive a smaller benefit.¹⁹⁸ HEAP also makes available winter crisis assistance which provides fuel assistance for HEAP eligible households about to be disconnected or run out of fuel, and summer crisis assistance, which provides electricity bill assistance and air conditioning repair for households with a member over 60 or with a documented health need.

8.1.2 Ratepayer-Funded Programs

Ohio’s ratepayer funded program is the Percent of Income Payment Program Plus (PIPP Plus). PIPP Plus has the following characteristics.

- Regulatory Framework – PIPP was originally signed into existence in 1983 and was restructured by Ohio’s Senate Bill 3 (1999), but at that time did not offer arrearage forgiveness. The Public Utilities Commission of Ohio (PUCO) revised rules in 2009 to institute an arrearage forgiveness program, as well as making other changes.¹⁹⁹
- Sources and Amount of Funding – PIPP Plus is funded by the Universal Service Fund (USF).²⁰⁰ PIPP Plus provides eligible households with subsidies to their heating and electricity bills and arrearage forgiveness. PIPP Plus Electric and PIPP Plus Gas are funded separately. Total PIPP Plus Electric Spending for FY 2019 was \$220.8 million. Total projected Natural Gas PIPP spending for FY 2020 is projected to be 31.7 million.

¹⁹⁸ Ohio Development Services Agency. 2017. State of Ohio 2017-2018 Home Energy Assistance Program (HEAP) State Plan.

¹⁹⁹ LIHEAP Clearinghouse. 2016. Ohio State PBF/USF History, Legislation, Implementation.

²⁰⁰ Retrieved: <https://development.ohio.gov/files/is/2018-2019%20FINAL%20HEAP%20State%20Plan.pdf>

- Program Administration – Electric PIPP Plus is administered by the Ohio Development Services Agency’s office of community assistance, which also administers LIHEAP. Natural Gas PIPP Plus is overseen by utilities themselves, overseen by the Public Utilities Commission of Ohio (PUCO).²⁰¹
- Program Outreach and Intake – Intake is done by local energy assistance agencies. Customers can also apply via mail.²⁰²
- Income and Program Eligibility – To be eligible for the program, a customer must receive residential, electric or gas service from a company regulated by PUCO with an account in their name, have a total Household Income at or below 150% of the Federal Poverty Guidelines, and must apply for all Ohio Development Services Agency (ODSA) energy assistance programs for which he or she is eligible.²⁰³ Also, a household must make at least a \$10 monthly payment. Small gas companies are not mandated to offer PIPP Plus, and some small gas companies are not enrolling new customers in their existing percent of income payment plans.²⁰⁴ Any PIPP Plus customer must apply to participate in any other energy assistance and energy efficiency programs which do not require payment.²⁰⁵
- Program Benefits – Payments are based on a percentage of household income and are consistent year-round. If the home is heated with gas the monthly payment is 6% of the household’s income for the natural gas bill, and 6% of your household income for the electric bill. If the home heats with electric, the monthly payment is 10% of the household income. There is a minimum monthly payment of \$10.00.²⁰⁶
- Arrearage Forgiveness – Each time a customer makes the required PIPP Plus monthly installment on-time and in-full, the customer avoids new utility debt and reduces old utility debt. Customers receive a credit equal to 1/24 of their total arrearage.²⁰⁷

8.1.3 Fuel Fund Programs

Major Electric and Gas provides in Ohio provide fuel funds. In this report we will discuss the OPAE Fuel Fund, Ohio Edison Project REACH, Dominion East Ohio’s EnergyShare Program, Duke Energy

²⁰¹ Retrieved: https://development.ohio.gov/files/is/PIPPplus_Brochure20140325.pdf

²⁰² Retrieved: https://development.ohio.gov/is/is_pipp.htm

²⁰³ Retrieved: <https://ocean.ohio.gov/OCEAN/Help/HEAP%20Guidelines.pdf>

²⁰⁴ Retrieved: <https://puco.ohio.gov/wps/portal/gov/puco/utilities/gas/resources/pipp-plus>

²⁰⁵ Ohio Administrative Code. 122:5-3 (D,E)

²⁰⁶ Retrieved: https://development.ohio.gov/is/is_pipp.htm

²⁰⁷ Ibid

Ohio's HeatShare Fuel Fund, Dayton Power and Light's Gift of Power Program, and AEP Neighbor to Neighbor. All Ohio Fuel Funds have the following characteristics.

- Regulatory Framework – Regulated utilities in Ohio support fuel funds, as negotiated between the Office of the Ohio Consumers Counsel and utility companies in cases at PUCO in various cases.²⁰⁸

The American Electric Power (AEP) Neighbor to Neighbor fuel fund has the following characteristics.

- Sources and Amount of Funding – The AEP Ohio Neighbor to Neighbor Program is funded by donations that are matched dollar-for-dollar by AEP Ohio.²⁰⁹ The fund delivered \$787,845 in grants in the 2018-2019 program year.²¹⁰
- Program Administration – AEP Neighbor to Neighbor Program is administered by the Dollar Energy Fund.²¹¹
- Program Outreach and Intake – The Neighbor to Neighbor Program partners with a network of Community Based Organizations throughout the state which provide application intake services for clients.²¹²
- Income and Program Eligibility – Eligible households must have made a “sincere effort” of payment on their AEP Ohio bill (minimum of \$75 in the last 90 days) and have a minimum balance of at least \$50. Total gross household income must be at or below 250% of the Federal Poverty Income Guidelines.²¹³
- Program Benefits – The maximum grant amount an applicant may receive is \$350. Applicants can only receive one grant per program year (10/1/2019 – 9/30/2020) during either the heating or cooling program periods. If a customer's utility service is off or in threat of termination when they apply and the maximum grant amount will not restore service or stop termination, the application will be denied.²¹⁴

The Dayton Power and Light (DP&L) Gift of Power Program has the following characteristics.

²⁰⁸ Office of the Ohio Consumers' Counsel. 2014. Consumers Fact Sheet.

²⁰⁹ Retrieved: <https://www.dollarenergy.org/aep-ohio-neighbor-to-neighbor-program-is-accepting-applications-for-summer-cooling-assistance-2019/>

²¹⁰ AEP Ohio. 2020. Neighbor to Neighbor Fact Sheet.

²¹¹ Retrieved: <https://www.dollarenergy.org/aep-ohio-neighbor-to-neighbor-program-is-accepting-applications-for-summer-cooling-assistance-2019/>

²¹² Retrieved: <https://www.dollarenergy.org/need-help/ohio/neighbor-neighbor-program/>

²¹³ Retrieved: <https://www.aepohio.com/info/community/paymentAssistancePrograms/NeighborToNeighbor.aspx>

²¹⁴ Retrieved: <https://www.dollarenergy.org/need-help/ohio/neighbor-to-neighbor-program/>

- Sources and Amount of Funding – The Gift of Power Program is funded by charitable donations and contributions by DP&L.²¹⁵ In total, Dayton Power and Light has provided \$510,000 since 2016, while charitable donations have provided \$213,000.
- Program Administration – The fund is administered by The Salvation Army.
- Program Outreach and Intake – Intake is conducted by the Salvation Army in-person.²¹⁶
- Income and Program Eligibility – DP&L customers who have received a disconnection notice or had service disconnected are eligible.²¹⁷
- Program Benefits – Beneficiaries receive a onetime grant during the winter to prevent shut off.

The Columbia Gas of Ohio HeatShare Program has the following characteristics.

- Sources and Amount of Funding – The HeatShare program is funded by charitable donations and company contributions.²¹⁸
- Program Administration – The program is administered by Community Action Agencies.
- Program Outreach and Intake – Intake is by phone or at Community Action Agencies.
- Income and Program Eligibility – Customers of Columbia Gas of Ohio are eligible for the HeatShare program if they have an annual gross household income at or below 200 percent of the FPG. Households must have exhausted all other available assistance programs. Households experiencing unexpected financial hardships may also be eligible for the program, determined on a case-by-case basis.²¹⁹
- Program Benefits – The HeatShare program provides Columbia customers with a one-time assistance grant of up to \$250.²²⁰

The Ohio Fuel Fund has the following characteristics.

- Sources and Amount of Funding – The Program is funded by the Illuminating Company.

²¹⁵ Retrieved: <https://www.dpandl.com/My-Account/Payment-and-Billing/Payment-Assistance/#gift>

²¹⁶ Ibid.

²¹⁷ Ibid.

²¹⁸ Retrieved: <https://www.columbiagasohio.com/bills-and-payments/financial-support/income-eligible-assistance-programs>

²¹⁹ Retrieved: http://www.ci.northwood.oh.us/residents/utility_departments_for_northwood.php

²²⁰ Ibid.

- Program Administration – The program is administered by local Community Action Agencies.
- Program Outreach and Intake – Intake is by phone or in person at Community Action Agencies.
- Income and Program Eligibility – To qualify for the program, customers must be Illuminating Company customers, have a gross income below 200% of the poverty line, have an overdue balance, have made a payment in the last 90 days, and have applied for HEAP if eligible.
- Program Benefits – The program provides grants of up to \$300, or \$500 in cases of unique hardship.

The Dominion East Ohio EnergyShare has the following characteristics.

- Sources and Amount of Funding – The Program is funded by charitable donations and Dominion Energy.²²¹ During the 2016-2017 season, EnergyShare provided \$380,000 in energy assistance.
- Program Administration – The program is administered by the Salvation Army.
- Program Outreach and Intake – Intake is by phone at the Salvation Army or Dominion Energy.
- Income and Program Eligibility – To qualify for the program, customers must live within the Dominion service territory, demonstrate a personal or family crisis and have exhausted other available resources. An individual must be below 150% of the poverty line, and must either be above 59 years old or face either a termination notice or currently terminated service.²²²
- Program Benefits – Benefits are up to \$600 in a onetime per heating season payment.²²³

The OPAE Fuel Fund has the following characteristics.

- Sources and Amount of Funding – The OPAE Fuel Fund has received \$137,500 from Dominion East Ohio.²²⁴

²²¹ Retrieved: <https://www.dominionenergy.com/company/community/energy-assistance/energysshare>

²²² Retrieved: <https://news.dominionenergy.com/2019-11-12-Dominion-Energy-Ohio-Payment-Plans-Energy-Assistance-Programs-Can-Help-Customers-Stay-Warm-This-Winter>

²²³ The Virginian-Pilot. 2011. Dominion to match up to \$2M for aid program.

²²⁴ Retrieved: <http://www.opae.org/programs/>.

- Program Administration –The program is administered by OP&E.
- Program Outreach and Intake – Intake is conducted by phone at Columbia, Duke, or the Salvation Army, or at the Salvation Army in-person.
- Income and Program Eligibility– Customers must have a past due electric bill, be below 200% of the federal poverty line, and apply for HEAP if applicable.
- Program Benefits – Eligible households receive a one-time grant of up to \$250.²²⁵

Ohio Edison Project Reach has the following characteristics.

- Sources and Amount of Funding – Ohio Edison Project REACH is funded by Toledo Edison, a subsidiary of FirstEnergy.
- Program Administration –The program is administered by the Salvation Army.
- Program Outreach and Intake – Intake is conducted by phone or in person at the Salvation Army.
- Income and Program Eligibility– Customers must have a termination notice with a balance of at least \$100 or be above 61 years old. They must also be below 200% of the federal poverty line and apply for HEAP if applicable.
- Program Benefits – Eligible households receive a onetime payment to avoid shutoff.

The Duke Energy Ohio HeatShare has the following characteristics.

- Sources and Amount of Funding – Duke Energy contributes \$100,000 and matches up to \$100,000 in customer contributions.²²⁶ In 2018, The Salvation Army received \$310,000 from Duke Energy Ohio and customers for the 2018 HeatShare program.²²⁷ HeatShare is also supported by funds from Columbia Gas.
- Program Administration –The program is administered by the Salvation Army.
- Program Outreach and Intake – Intake is conducted by phone at Columbia, Duke, or the Salvation Army, or at the Salvation Army in-person.

²²⁵ FirstEnergy. 2018. Ohio Edison, The Illuminating Company & Toledo Edison OH Assistance and Service Programs.

²²⁶ Retrieved: <https://www.duke-energy.com/community/customer-assistance-programs/heatshare>

²²⁷ Retrieved: <https://news.duke-energy.com/releases/duke-energy-ohio-and-its-customers-donate-311-000-to-the-salvation-army-for-2019-heatshare-program>

- Income and Program Eligibility– Households must be subject to disconnection in order to qualify.²²⁸
- Program Benefits – Eligible households receive a one-time grant of up to \$400.²²⁹

8.1.4 Summary of Low-Income Energy Assistance Funding and Participation

Table 8-3 below furnishes the funding, participation levels, participation rates, and average benefits for LIHEAP and Ratepayer Programs. Table 8-4 summarizes funding and participation information for Fuel Funds.

Table 8-3 – Funding and Participation by Program – Ohio

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible households served	Average Benefit
LIHEAP	Federal	\$104.1 million	340,979	24%	\$305
PIPP Plus Electric	Ratepayer	\$220.8 million	259,277	18%	\$851
PIPP Plus Natural Gas	Ratepayer	\$31.7 million	N/A	N/A	N/A
PIPP Plus Total	Ratepayer	\$252.5 million	N/A	N/A	N/A
TOTAL	Federal + Ratepayer	\$356.6 million	340,979	24%	\$1,046
Total Reserved for Low Income	Federal + Ratepayer	\$356.6 million	340,979	24%	\$1,046

LIHEAP Clearinghouse. 2018. OHIO LIHEAP FY2018 State Profile. Electric Universal Service Fund Rider. (Case Number 20-1103-EL-USF). Columbia Gas of Ohio, INC. 2020. (Case number 20-0421-GA-PIP). Vectren Energy Delivery of Ohio, INC. 2020. (Case Number 20-0420-GA-PIP). Dominion East Ohio Gas Company. 2020. (Case number 20-0418-GA-PIP). Suburban Natural Gas Company. 2020. (Case number 20-0416-GA-PIP). Pike Natural Gas Company. 2020. 20-0411-GA-PIP. Ohio Gas Company. 2020. (Case number 20-0411-GA-PIP). Glenwood Natural Gas Company. 2020. (Case number 20-0410-GA-PIP). Northeast Ohio Natural Gas Corporation. 2020. (Case number 20-0409-GA-PIP).

Table 8-4 – Fuel Fund Funding and Participation – Ohio

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible Households Served	Average Benefit
Columbia Fuel Fund	Charity + Ratepayer	N/A	N/A	N/A	Less than \$250
OPAE Fuel Fund	Charity + Ratepayer	Over \$137,500	N/A	N/A	Less than \$250
Ohio Edison Project REACH	Charity + Ratepayer	N/A	N/A	N/A	N/A
Dominion East Ohio EnergyShare Program	Charity + Ratepayer	\$380,000	1,200	1,200	\$317
Duke Energy Ohio HeatShare Fuel Fund	Charity + Ratepayer	\$310,000	504	N/A	Less than \$400
Dayton Power and Light Gift of Power Program	Charity + Ratepayer	\$180,750	N/A	N/A	Less than \$350

²²⁸ LIHEAP Clearinghouse. 2020. Duke Energy.

²²⁹ Retrieved: <https://www.duke-energy.com/community/customer-assistance-programs/heatshare>

Program Name	Funding Source	Amount of Funding	Households Served	% of LIHEAP-Eligible Households Served	Average Benefit
AEP Neighbor to Neighbor	Charity + Ratepayer	\$787,845	4,081	N/A	\$193.05
Dayton Power and Light Gift of Power funding is an average across the past four winter seasons.					

OPAE website. Dominion Energy. 2017. 2016 – 2017 Sustainability and Corporate Responsibility Report. Duke Energy. 2018. “Duke Energy and its customers provide \$310,000 to The Salvation Army for 2018 HeatShare program”. Dayton Power and Light website. Retrieved: <https://www.dpandl.com/About-DPL/Community/Investments/Gift-of-Power/>. Neighbor to Neighbor. 2020. Neighbor to Neighbor Summer 2020 Fact Sheet.

8.2 Assessment of programs and Portfolio

This section of the report furnishes an assessment of the State’s individual programs and the combined impact of the portfolio of programs.

8.2.1 Affordability Targets

Ohio has two major energy assistance programs – LIHEAP and PIPP Plus. While each program is designed to make energy more affordable for low-income households, only PIPP is designed to ensure that households have an affordable net energy burden.

- LIHEAP – The LIHEAP program has a benefit matrix that assigns a benefit based on income, household size, and main heating fuel. Those benefits can be substantial. However, they do not explicitly examine each household’s energy burden.
- PIPP Plus – The PIPP Plus program furnishes eligible households with discounts on their heating and electricity bills sufficient to keep their Gas and Electricity bills each below 6% of income if separate or keep their electricity bill below 10% of income if combined. As a result, no households which heat using electricity will have a severely unaffordable energy bill, but it is possible for households which heat using natural gas to spend up to 12% of their income on energy. The PIPP Plus program is also restricted to households making under 150% of the federal poverty guidelines, which leaves many LIHEAP income-eligible Ohio households ineligible for PIPP Plus (401,907 in 2018).²³⁰ Also, smaller gas providers are not required to offer PIPP Plus.

8.2.2 Arrearage management Programs

Ohio has an explicit arrearage management program as part of PIPP Plus.

- PIPP Plus – The Percent of Income Payment Plan provides an arrearage forgiveness plan, as PIPP Plus participants who pay on time have their outstanding balance reduced by 1/24 every month that they pay a bill over \$10.00 while on the program.

²³⁰ LIHEAP Data Warehouse.

Ohio also indirectly provides arrearage management with LIHEAP through the summer and winter crisis programs, which provide funds to those with overdue accounts.

- HEAP Winter Crisis – HEAP offers crisis benefits to households threatened with disconnection during winter months.
- HEAP Summer Crisis – HEAP offers crisis benefits to households threatened with electricity disconnection or in need of air conditioning repairs or purchases during summer months if there resides in the household someone over 60 or has a certified medical condition.

8.2.3 Coordination of Programs

PIPP Plus and HEAP are coordinated in that they are both run by Ohio's Developmental Services Agency. Applications for PIPP Plus and HEAP are taken by community action agencies; they coordinate outreach and intake for the two programs. PIPP Plus recipients receive a reduced HEAP benefit.

8.2.4 Linkage to Energy Efficiency and Renewable Energy Programs

Ohio's energy assistance and efficiency programs are coordinated both in outreach and administration, through several means, so households which receive energy assistance can expect to be referred to energy efficiency programs.

- HEAP/HWAP – Both HEAP and the Home Weather Assistance Program (HWAP), which is Ohio's WAP program, are administered by the Ohio Developmental Services Agency, and all households which receive HEAP are automatically income eligible for HWAP weatherization services.
- Community Action Agencies – Intake for HEAP, HWAP, and PIPP Plus is at Community Action Agencies, so households receiving energy assistance are referred to weatherization services.
- Energy Efficiency Mandates – Ohio Electric utilities are mandated by state law to maintain energy efficiency programs which offer free services to all customers who qualify for HEAP and PIPP, with administration and intake provided by Community Action Agencies. However, these mandates will expire December 31, 2020.
- PIPP/Plus – PIPP Plus customers must apply for any zero-cost energy efficiency programs for which they are eligible.

8.2.5 Moderate Income Energy Assistance Programs

All of Ohio's state supported energy assistance programs have maximum incomes of either 175% of the federal poverty guideline or 150% of the federal poverty guidelines. Since both cutoffs are below 60% of Ohio median income, the state has no programs for assisting moderate-income households, defined as households with incomes between 60% and 80% of state median income. However, many of Ohio's Fuel Funds have more flexible eligibility rules. While many fuel funds are unavailable to moderate-income households, AEP Neighbor to Neighbor benefits are available up to 250% of the federal poverty line, which is above 60% of Ohio median income for all household sizes.

8.2.6 Summary Assessment of OH's LMI Portfolio of Programs

Several best practices stand out for Ohio's state energy assistance programs.

- Energy affordability – Ohio explicitly targets energy affordability, making sure that energy is not a burden to its lowest income energy consumers.
- Vulnerable Households – Households with a member over 60 or with a confirmed disability receive greater HEAP benefits, and households with a member over 60 or a documented health need and incomes below 175% of the federal poverty line are eligible for the summer crisis program, targeting benefits toward some vulnerable households.
- Coordination with LIHEAP – HEAP, HWAP, PIPP Plus, and electricity utility efficiency program applications are coordinated through Community Action Agencies, ensuring that those reaching out for energy assistance are directed toward all programs for which they are eligible.
- Application Availability in Other Language – The LIHEAP application is available in both English and Spanish.
- Arrearages – the PIPP Plus plan automatically enrolls participants in an arrearage forgiveness program with no maximum forgiven.

There remain several barriers and gaps in Ohio's assistance programs.

- Vulnerable Households – Ohio does not have any statutes directing benefits toward households with children under five.
- Moderate Income Households – Ohio has no programs to assist moderate-income households, and even many of the state's fuel funds are restricted to low-income recipients.

- Customers of Smaller Utilities – Smaller utilities are not mandated to maintain PIPP Plus programs. Households who receive their electricity/gas from smaller utilities may not be able to receive any assistance.
- Multi-family Buildings and Renters – PIPP Plus requires applicants to have a utility bill in their own name. This disqualifies some households whose utilities are included in their rent or who live in multi-family buildings with common meters and whose utility charges are assessed through building fees.

Ohio was one of the first states to have a Percent of Income Plan for low-income households. While they still have comprehensive programs, they are not as well-funded as those in some other states.

9.0 SUMMARY OF FINDINGS AND RECOMMENDATIONS

This section of the report shows how the District of Columbia energy assistance programs compare to those of other states and furnishes findings and recommendations with respect to best practices. This study collected information for six other states and allows us to demonstrate how the District of Columbia low-income energy assistance programs compare to those states in terms of investment of funding for low-income assistance, design of programs, and adoption of best practices. This analysis finds that the District of Columbia programs compare favorably to those in other states, but there are some examples of best practices that the District of Columbia could adopt to potentially improve program performance.

9.1 Comparing DC Programs with Other States in Terms of Funding

As illustrated in each section of the report, the District of Columbia and the comparison states all have multiple sources of funding for energy assistance. Table 9.1 shows the total amount of funding for a recent program year and the average amount of funding available per low-income household for the DC programs and for those in other states. While all of the states make a substantial amount of funding available through their LIHEAP programs and their ratepayer funded programs, Pennsylvania has the highest amount of funding per low-income household; they could distribute \$330 to each low-income household in the state. The District had about \$295 available per low-income household, more than most of the comparison states. Among the comparison states, Illinois has the lowest funding per low-income household.

Table 9.1 – Funding per Income Eligible Household – District of Columbia and Comparison States

State	Funding Year	Funding Amount (in millions)	Low-Income Households	Funding per Low- Income household
District of Columbia	2019	\$23.1	78,309	\$295
Illinois	2018	\$204.0	1,467,814	\$139
Massachusetts	Varies	\$255.6	849,796	\$301
Maryland	2018	\$130.8	646,002	\$202
New Jersey	2018	\$250.5	1,038,856	\$241
Ohio	Varies	\$356.6	1,417,116	\$252
Pennsylvania	2018	\$513.7	1,559,045	\$330

The LIHEAP program is a block grant that gives states flexibility in the design of their programs. In addition, each state designs and implements their own ratepayer programs. As a result, states have very different outcomes in terms of the share of low-income households that they serve in their programs. Table 9.2 shows the estimated percentage of low-income households that were served by each state for a recent program year. The District has the highest estimated program participation rate, but New Jersey, Ohio, and Pennsylvania each serve a

similar share of their low-income population. It is often difficult to estimate the number of households served by the programs because it is frequently unclear whether all of the households served by the ratepayer programs also are served by LIHEAP.

Table 9.2 – Program Participation Rate – District of Columbia and Comparison States

State	Funding Year	Number of Program Participants	Total Number of Low-Income	Participation Rate
District of Columbia	2019	20,231	78,309	26%
Illinois	2018	182,170 ²³¹	1,467,814	12%
Massachusetts	Varies	157,959	849,796	19%
Maryland	2018	97,499	646,002	15%
New Jersey	2018	254,250 ²³²	1,038,856	25%
Ohio	Varies	340,979	1,417,116	24%
Pennsylvania	2018	344,626	1,559,045	22%

The total amount of funding and the program participation rate together determine the average benefit per program participant. Other things being equal, a state with higher funding will have higher benefits because they have more funds to distribute and a state with a lower participation rate will have higher benefits because they will have fewer clients to serve. Table 9.3 shows the total amount of funding for a recent program year and the average amount of funding available per program participant. Most of the programs deliver an average of more than \$1,000 per program participant. Massachusetts has the highest average funding amount per program participant; the average participant receives more than \$1,600 in program benefits. The average participant in the District receives \$1,184. One can see that the average amount per program participant is a function of both the total amount of funding and the participation rate. For example, the District spends slightly more per low-income household as New Jersey (\$295 compared to \$271). Since the New Jersey participation rate of 25% is about the same as the District participation rate of 26%, New Jersey delivers a slightly lower average benefit. Massachusetts spends a little more than the District per low-income household (\$301 compared to \$295) but has only a 19% participation rate. The result is that the average benefit for participants in Massachusetts is somewhat higher than for participants in the District (\$1,618 compared to \$1,184).

²³¹ This is a minimum based on the number of LIHEAP participants reported in the data warehouse. However, this may not count PIPP participants. The reported number of PIPP participants was 55,860 in 2015. If the PIPP participants are separate from the LIHEAP participants, the total number served might be closer to 240,000 households and the participation rate might be as much as 16%.

²³² This is a minimum. It is the number of LIHEAP participants. All low-income households eligible for other energy assistance are LIHEAP eligible, but some may elect to participate in other programs but not in LIHEAP.

Table 9.3 – Funding per Program Participant – District of Columbia and Comparison States

State	Funding Year	Funding Amount (in millions)	Program Participants	Funding per Participant
District of Columbia	2019	\$23.1	20,231	\$1,184
Illinois	2018	\$204.0	182,170	\$1,120
Massachusetts	Varies	\$255.6	157,979	\$1,618
Maryland	2018	\$130.8	97,499	\$1,342
New Jersey	2018	\$228.9	254,250	\$900
Ohio	Varies	\$356.6	340,979	\$1,046
Pennsylvania	2018	\$513.7	344,626	\$1,491

9.2 Comparing DC Programs with Other States in Terms of Program Design

Our prior research with low-income energy assistance programs has demonstrated that it is important for there to be coordination between a state's LIHEAP program and the ratepayer funded programs in order to reduce the barriers to program participation. In addition, it is important for programs to have benefit determination procedures that take into account each household's energy burden so that the program(s) can help to make energy bills affordable. This section of the report compares the DC program design to those of other states with respect to program administration and outreach, as well as benefit determination.

Table 9.4 furnishes information on how the District programs compare to the other states in terms of program administration and outreach. It is challenging for low-income households to understand all of the opportunities for receiving assistance and to understand and furnish all of the documentation required to verify that they are eligible for the program. Several design elements contribute to making those procedure as efficient as possible.

- **Coordination of Program Administration** – Our analysis found that for most states, including the District, program administration was coordinated. In Ohio, the electric programs are coordinated with LIHEAP but not the natural gas programs. In Pennsylvania, coordination is limited.
- **Joint LIHEAP/Utility Program Application** – Most states, including the District, have one application to qualify households for both programs. While the ratepayer programs in Ohio and Pennsylvania often will accept evidence of qualification for LIHEAP as certification of eligibility for their programs, completing a LIHEAP application does not automatically enroll the household in the ratepayer program.

- **Targeting Special Populations** – All of the states reviewed, except for the District, have special outreach and/or benefit procedures for targeting vulnerable populations, including households with elderly or disabled individuals, or young children.
- **Outreach and Intake Procedures** – All of the states, including the District, report practices that increase the accessibility of the program by offering several different ways that households can enroll in the programs and by ensuring that households who speak English as a second language can receive assistance in applying for the programs.

The DC programs have most of the best practices. The one exception is that they do not have procedures that explicitly target vulnerable households. Examples of such procedures might include: supplemental outreach to vulnerable households that participated in the program in a prior year, in-home visits or other direct application assistance for individuals who are not able to leave their home or who have difficulty with online applications, and outreach to young child households through school and daycare organizations.

Table 9.4 – Program Design – Administration and Outreach

State	Coordinated Program Administration	Joint LIHEAP/Utility Application	Targeting Vulnerable Populations	Outreach and Intake Practices
District of Columbia	Yes	Yes	No	Accessible
Illinois	Yes	Yes	Yes	Accessible
Massachusetts	Yes	Yes	Yes	Accessible
Maryland	Yes	Yes	Yes	Accessible
New Jersey	Yes	Yes	Yes	Accessible
Ohio	Electric / Not Gas	Electric / Not Gas	Yes	Accessible
Pennsylvania	No	No	Yes	Accessible

Table 9.5 furnishes information on how the District programs compare to other states in terms of benefit determination procedures. It is important for programs to develop procedures that directly examine energy burden and attempt to deliver benefits to each household that will make their energy bill affordable. There are several benefit determination procedures that are most effective in achieving that goal.

- **Energy Burden Target** – Our analysis found that the District of Columbia LIHEAP program has set a very aggressive energy burden target of 3% of income. That is lower than the target for any of the comparison states.
- **Targeting Procedure** – The best procedure to ensure that households reach the targeted energy burden is to use utility bill analysis procedures that set benefits based on the

client's target percent of income. The District does not have such procedures in place. However, the District's LIHEAP program is working toward adopting that procedure in a future program year. New Jersey, Ohio, and Pennsylvania already have those procedures in place. Illinois is unique in that it has a procedure that allows the household to choose whether they receive a one-time benefit or are allowed to participate in the percent of income payment plan.

- **Arrearage Forgiveness Procedures** – All of the states except for the District have Arrearage Forgiveness Programs in place. PEPCO is currently piloting such a program. However, since the LIHEAP program in the district has a crisis component that is able to pay most arrearages, it is not clear that such a program is needed for program participants.
- **Multifamily / Heat in Rent** – Relatively few states furnish assistance benefits to low-income households with their heat included in the rent, even if they pay an electric bill. The District has a special LIHEAP program benefit for households that pay an electric bill but do not pay for their heat. Illinois, Massachusetts, and Pennsylvania have program benefits for households with heat in their rent.
- **Moderate Income** – Most programs are limited to low-income households. However, New Jersey has used escheats funds to serve moderate-income households (i.e., income up to 80% of AMI) and Massachusetts recently started using CARES Act funds to serve these households.

The District has targeted the lowest energy burden percentage among all the comparison states. However, the LIHEAP program and/or the ratepayer programs could improve their performance by changing procedures to ensure that individual households achieve that targeted energy burden. The District also might consider ways to better serve households that have all of their energy costs included in their rent.

Table 9.5 – Program Design – Determination of Benefits

State	Energy Burden Target	Targeting Procedures	Arrearage Forgiveness	Multifamily / Heat in Rent	Moderate Income
District of Columbia	3%	Benefit Matrix / Rate Discount	Pilot	Electric Bill	No
Illinois	6%	Client Option – Benefit Matrix or Utility Bill Analysis	Yes	Yes	No
Massachusetts	N/A	Benefit Matrix / Rate Discount	Yes	Yes	Yes
Maryland	N/A	Benefit Matrix	Yes	No	No
New Jersey	6%	Utility Bill Analysis	Yes	No	Yes
Ohio	10%	Utility Bill Analysis	Yes	No	No
Pennsylvania	6%+	Utility Bill Analysis	Yes	Yes	No

9.3 Summary of Findings

This study demonstrates that the portfolio of low-income energy assistance programs funded by the District of Columbia deliver substantial benefits to low-income households and compare favorably to the program portfolios in other jurisdictions. The major findings include:

- **Funding and Participation Statistics** – The District makes an investment in low-income energy assistance programs that is similar to the comparison states; only Pennsylvania and Massachusetts invest more in total funding per low-income household. The District has the highest program participation rate of the states examined in this study. It serves about 26 percent of the low-income population. The District delivers more than \$1,000 per household that participates in the energy assistance programs. While that is not the highest investment per participant, it represents a commitment to energy affordability.
- **Program Outreach and Administration** – The District has adopted all of the recommended best practices for program outreach and administration. The LIHEAP and ratepayer programs coordinate. The programs are designed in a way that helps to reduce barriers to program participation. However, the District could do a better job in outreach to households with vulnerable members (i.e., elderly, disabled, and young children).
- **Benefit Determination Procedures** – The District has set a very generous energy burden target (3% of income). However, the programs could do a better job in assessing the needs of each individual household based on their income and energy bills. In addition, the District could do a better job in serving households with energy bills included in rent and with serving moderate-income households.

Policymakers in the District of Columbia can examine the procedures implemented in other jurisdictions and consider whether their programs could be improved by implementing one or more of those procedures.

9.4 Recommendations

The following recommendations identify how the District can maintain its current level of program performance and could potentially improve its portfolio of energy assistance programs.

- **Maintain Investment Levels** – The District has made a substantial investment of federal funds, taxpayer funds, and ratepayer funds to ensure that energy is affordable for low-income households. By maintaining that spending level, the District will be able to continue to help low-income households have affordable energy bills.
- **Improve Energy Burden Targeting** – The District LIHEAP program currently uses a Benefit Matrix to target benefits. However, the LIHEAP program has the data it needs to calculate

each client's energy burden and could use that information to better target benefits so that all of the households that it serves have an affordable energy bill.

- **Energy Burden Target** – The District LIHEAP program is designing its benefits to target a 3% energy burden for program participants. That is less than the comparison states and less than the energy affordability standard of 6% that has been proposed by low-income advocates. Once they have improved benefit targeting procedures so that all households can reach the target net energy burden, they should consider whether to raise the target to 4% energy burden and then use the available funds to serve other groups of households such as those with all of their utilities included in their rent as is done in Illinois and Pennsylvania.
- **Increasing Participation Rates** – The District has the highest participation rate among the states examined in this study. However, only 26 percent of eligible households participated in the program in FY 2019. The District should continue to examine ways to increase program participation rates and serve additional households.
- **Moderate-Income Households** – The Fuel Fund programs in the District serve moderate-income households. However, those programs are relatively small compared to the LIHEAP and UDP programs. The District should consider the funding model used by New Jersey for serving moderate-income households.

The bottom line is that the District energy assistance programs compare favorably to those in the other states examined in this study. However, there always are ways to improve programs and ensure that low- and moderate-income households have affordable energy bills.