
Energy Affordability in Washington, DC

Tracking and Enhancing Energy Affordability for
District Residents

**Prepared for the Office of the People's Counsel for the
District of Columbia**

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EXECUTIVE SUMMARY

Energy affordability is a critical problem for many residents of Washington, DC. A 2021 study showed that low-income households with income at or below 60 percent State Median Income (SMI) in the DC metro area faced a 4.5 times greater energy burden than for comparable non-low-income groups, spending 7.7 percent of their household income on energy bills. Energy burdens vary widely by census tract, ranging from less than 2 percent to more than 10 percent.

The implications of high energy burdens are dire: facing high energy bills, low-income customers may forgo energy use to pay for other household essentials. If they are unable to pay utility bills, they may fall into arrears and even face service shutoffs, which can have serious health and other impacts.

The District can take several steps to address growing concerns about energy affordability. Most notably, it can (a) look to develop an affordability framework that allows for robust assessment of affordability issues and solutions, drawing on examples from different states, and it can (b) enhance its existing portfolio of options to assist customers struggling with energy bills.

Synapse Energy Economics, Inc. (Synapse) found that multiple states are reporting on affordability for low-income and moderate-income customers, although it is unclear how and to what extent they consider affordability in their decision-making processes. California has the most robust framework, with useful metrics and regular reporting, as well as assessment of utility investment proposals. California's approach, a result of extensive stakeholder engagement in a three-phase process, offers more concrete metrics and reporting than those of many other states that may not have adopted any metrics, or rely on energy burden metrics. In this report, we describe several metrics from California's affordability framework and provide examples to illustrate how these metrics can be applied in the District.

Establishing an affordability framework to measure and assess the impact of energy assistance programs and utility discount rates would shed light on how well these programs address utility customers' current hardships. A comprehensive affordability framework would also make it easier to understand the implications for energy affordability of proposed investments and policy changes.

We recommend that the District adopt an affordability framework based on California's approach. To inform the design of the framework, the DC Public Service Commission should open a docket to investigate the affordability concerns of District utility consumers, and subsequently, should consider and adopt an affordability framework modeled on the California framework. This affordability docket should provide an opportunity for stakeholders to provide input on the following:

- The essential level of utility service
- The frequency and contents of periodic reporting, as well as who has responsibility for the reporting and how it should be available to the public
- What actions would trigger an affordability assessment (e.g., proposals for changes in rate structures, new investments, program eligibility), as well as the timing, process, and requirements for consideration of that assessment

Synapse found that the District has well-established energy assistance programs for low- and moderate-income customers. However, funding for some of those programs is under threat—and while DC’s programs apply best practices, there are opportunities for improvement. To provide additional perspective, Synapse analyzed affordability practices and programs in Maryland, Massachusetts, and Illinois. All three states are pursuing clean energy and/or decarbonization goals, and all have noteworthy energy assistance and other energy affordability programs. The District should consider adopting changes to affordability programs, including current utility rate structures, to better align with best practices, including adopting measures to expand eligibility or otherwise provide access to program benefits for DC’s sizable renter population. Table ES-1 summarizes the report’s recommendations.

Table ES-1. Practices in DC and select jurisdictions and recommendations for DC programs

Category	Current DC practice	Practice in other jurisdictions	Recommendations for DC
Funding source	All programs except LIHEAP and WAP are funded by ratepayers	Maryland: Programs other than LIHEAP and WAP are funded by both ratepayers and state funds	Consider alternative funding source(s) to offset risk of federal LIHEAP/WAP funding disruption and diversify funding stream
Program offerings	Shutoff protection is only available for vulnerable populations or during periods of extreme weather	Maryland: Shutoff protection is available to any customers in arrears throughout the heating season (with timely payments under budget billing plan)	Consider extending protections to all customers in arrears within the heating and cooling seasons; if implemented, track data and monitor success of this change in avoiding shutoffs
	Utility discounts exempt customers from certain bill components, but do not account for income	Illinois: Utility discount rates are tiered based on income (percentage-of-income payment plan, or PIPP) Massachusetts: Utility discounts are tiered depending on the participant’s income	Consider implementing a PIPP or tiered discount program
	Utility discount is not tailored to achieving specific affordability metrics	Illinois: PIPP ensures participants’ energy bills are capped at 6 percent of income Massachusetts: Tiered discount rates will be designed to achieve a particular energy burden level	If a PIPP or tiered discount program is implemented, tie discounts to affordability metrics
Program eligibility	Programs (LIHEAP, RAD, RES) require customers to have utility bills in their name	Maryland: For LIHEAP participants’ whose energy costs are included in rent, benefits are paid to the landlord, and rent is reduced accordingly Illinois: LIHEAP participants with utilities included in their rent receive a cash benefit if they verify they do not have an energy bill under their name	Ensure that renters with energy costs included in their rent are eligible for assistance, and/or develop offerings for such renters—for example, multifamily energy efficiency programs that require landlords to agree to share the cost savings with tenants (for master-metered units)

Category	Current DC practice	Practice in other jurisdictions	Recommendations for DC
Enrollment process	Joint application for LIHEAP and utility discount program	Maryland: Joint application for all energy assistance programs (LIHEAP, utility discount, arrearage management), with referral to energy efficiency program	Investigate ways to facilitate applying to all relevant programs, such as by coordinating health and safety upgrades and arrearage management
	Categorically eligible households must still apply for energy assistance (except for WGL's AMP, which automatically enrolls customers approved for other DOEE assistance programs)	Maryland: Automatic enrollment in all energy assistance programs for categorically eligible households Massachusetts: Automatic enrollment in arrearage management program for eligible electric and gas customers	Explore the feasibility of automatic enrollment for categorically eligible households, considering impacts on funding and enrollment process
	No special treatment for vulnerable households	Maryland: Streamlined application process for applicants who are aged 60 or older, disabled, or critically ill Illinois: Priority for vulnerable populations (older adults, individuals with a disability, families with young children, and households disconnected from energy services), priority applicants can apply a month earlier than other applicants	Consider whether vulnerable households should be given priority for services

Report Overview

After a brief summary of energy affordability issues in the DC metro area, the report outlines a potential energy affordability framework for the District (Section 2), based on a review of how other jurisdictions have measured or defined energy affordability or adopted energy affordability metrics, with an in-depth case study of California's approach and proposed metrics to measure energy affordability in DC. Section 3 provides an overview of energy assistance programs for low-income households in DC funded through utilities and by the federal government, as well as existing consumer protections. Section 4 describes the findings of the analysis of energy assistance and other energy affordability programs in Maryland, Illinois, and Massachusetts and identifies best practices that the District may want to consider.

GLOSSARY

affordability framework: a structured approach to organizing, analyzing, and interpreting information to understand affordability.

affordability ratio (AR): the ratio of essential utility service charges to non-disposable household income.

area median income (AMI): The median income in the area, by household size. The geographic area may include, but is not limited to, census tracts, cities, and counties.

arrears management program (AMP): program that helps customers eliminate outstanding debt through forgiveness plans tied to consistent payment behavior.

deferred payment agreement (DPA): an agreement whereby a utility customer pays a past-due balance in a series of installments over time.

energy affordability metrics: components of the affordability framework that define the information that utilities, regulators, and other stakeholders can use to monitor energy affordability to end-use customers.

energy assistance program: a government or ratepayer-funded initiative that helps make energy costs more manageable by providing direct payments for utility services or providing financial assistance toward seasonal or year-round energy bills.

energy burden: the percentage of income spent on energy bills

essential level of utility service: the minimum amount of utility service required to live comfortably and safely within a housing unit.

federal poverty level (FPL): The income threshold, based on household size, that determines a household's eligibility for various federal programs.

hours at minimum wage (HM): the number of hours, worked at minimum wage, required to pay for the essential level of utility service.

low-income discount rate (LIDR): a reduced electricity and/or gas rate for income-eligible households. LIDR programs can employ tiered discounts, percentage reductions, or fixed credits.

Low-Income Home Energy Assistance Program (LIHEAP): a program that provides funding to help low-income households pay for heating and cooling energy costs.

master-metered units: housing units that do not have their own electric and/or gas meters. Landlords will include the cost of utilities within their rent.

percentage-of-income-payment plan (PIPP): a plan that caps energy bills at a fixed percentage of household income, typically between 3-6 percent, and provides bill credits to ensure participating customers' bills do not exceed this percentage.

Public Use Microdata Area (PUMA): a U.S. Census Bureau geographic unit with a population of at least 100,000 people, used to provide detailed, anonymized survey data.



Residential Aid Discount (RAD): a program that provides a discount on the distribution portion of a low-income customer's monthly electric bill.

Residential Essential Service (RES): a program that provides a discount on the distribution portion of a low-income customer's monthly gas bill.

state median income (SMI): the median income in the state for a particular household size.

Weatherization Assistance Program (WAP): a program that provides low-income households with technical and financial assistance for energy efficiency to reduce energy bills.

1. INTRODUCTION

Energy affordability is a long-standing problem across the United States and a growing priority for many jurisdictions. High energy bills disproportionately burden low-income customers.¹ Access to affordable energy services is crucial to individual health and well-being, and many households cannot simply forgo energy use when budgets are tight.² Furthermore, low-income households are more likely to live in low-quality, energy-inefficient housing that increases their energy consumption and subsequently their energy costs.

High energy burdens (the portion of household income spent on energy costs) can also compound and perpetuate existing economic hardship.³ On average, energy burden for low-income customers is higher than for non-low-income households. Facing high energy bills, low-income customers may be forced to choose between paying for energy and paying for other household essentials. These same customers are at risk for falling behind on their utility bills, resulting in arrearages and even service shutoffs, which can have serious health and other impacts.⁴ The U.S. Energy Information Administration's (EIA) 2020 Residential Energy Consumption Survey (RECS) found that about 33 percent of U.S. households reported experiencing some form of energy insecurity,⁵ and about 24 percent reported forgoing other necessities such as food or medicine to pay for energy costs.⁶

¹ Drehobl, A., L. Ross, and R. Ayala. 2020. "How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burdens across the U.S." American Council for an Energy-Efficient Economy. <https://www.aceee.org/research-report/u2006>.

² Seidman, N.L., C. James, D. Torre, et al. 2020. "Energy Infrastructure: Sources of Inequities and Policy Solutions for Improving Community Health and Wellbeing." Synapse Energy Economics, Regulatory Assistance Project, and Community Action Partnership. <https://www.synapse-energy.com/energy-infrastructure-sources-inequities-and-policy-solutions-improving-community-health-and-0>.

³ Bohr, J. and A.C. McCreery. 2020. "Do Energy Burdens Contribute to Economic Poverty in the United States? A Panel Analysis." *Social Forces* 99 (1): 155–77. doi:10.1093/sf/soz131.

⁴ Flaherty, M., S. Carley, and D.M. Konisky. 2020. "Electric Utility Disconnection Policy and Vulnerable Populations." *The Electricity Journal* 33 (10): 106859. doi:10.1016/j.tej.2020.106859.

⁵ In the EIA survey, households are defined as having experienced energy insecurity if they reported one of the following: forgoing paying for food or medicine in order to pay an energy bill, keeping the home at an unsafe or unhealthy temperature, receiving a disconnection notice, and being unable to use heating or air conditioning equipment because the equipment was broken and the household could not afford to fix it, the electricity or natural gas supply was disrupted due to nonpayment, or the household could not afford a bulk fuel delivery.

⁶ See Table HC11.1, "Household energy insecurity, 2020" (final data release date: August 2025) in: U.S. Energy Information Administration. 2023. "2020 Residential Energy Consumption Survey (RECS)." <https://www.eia.gov/consumption/residential/data/2020/>.



Communities of color, renters, rural communities, and families in low-income multifamily housing and older buildings experience even greater energy burdens.^{7,8} Black and Hispanic households are disproportionately likely to experience energy insecurity and utility service shutoffs, and so are households with small children.⁹

1.1. Energy Affordability in the District of Columbia

Energy insecurity is less common in the District of Columbia than in the nation as a whole: the U.S. Census Bureau’s Household Pulse Survey in August–September 2024 found that 11.9 percent of DC respondents said they had been unable to pay an energy bill in full in the preceding year—compared with 23.4 percent of households nationwide.¹⁰

Yet many low-income households in the District still face severe energy burdens. The 2020 RECS found that 18 percent of DC households reported some form of energy insecurity.^{11,12} A study commissioned by the DC Department of Energy and Environment found that households with incomes at or below 60 percent of the state median income (SMI) for the DC metro area faced an energy burden 4.5 times greater than for comparable non-low-income groups.¹³ The median energy burden for low-income households was 7.7 percent of income, 4.5 times the median for non-low-income households (1.7 percent).

A look at *average* energy burden data for households at or below 80 percent of the area median income (AMI) shows a similar pattern. The average energy burden for these households is 5.7 percent in Washington, DC.¹⁴ An analysis by census tract also reveals large variations across neighborhoods. As

⁷ Lewis, J., D. Hernández, and A.T. Geronimus. 2020. “Energy Efficiency as Energy Justice: Addressing Racial Inequities through Investments in People and Places.” *Energy Efficiency* 13 (3): 419–32. doi:10.1007/s12053-019-09820-z.

⁸ Drehobl, Ross, and Ayala, 2020, “How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burdens across the U.S.”

⁹ Memmott, T., S. Carley, M. Graff, and D.M. Konisky. 2021. “Sociodemographic Disparities in Energy Insecurity among Low-Income Households before and during the COVID-19 Pandemic.” *Nature Energy* 6 (2): 186–93. doi:10.1038/s41560-020-00763-9.

¹⁰ U.S. Census Bureau. Household Pulse Survey. Available at: https://www.census.gov/data-tools/demo/hhp/#/?s_state=00011&measures=ENERGYBILL.

¹¹ U.S. Energy Information Administration (EIA). 2023. Highlights for household characteristics of U.S. homes by state, 2020. *Residential Energy Consumption Survey*. Available at: <https://www.eia.gov/consumption/residential/data/2020/state/pdf/State%20Household%20Characteristics.pdf>.

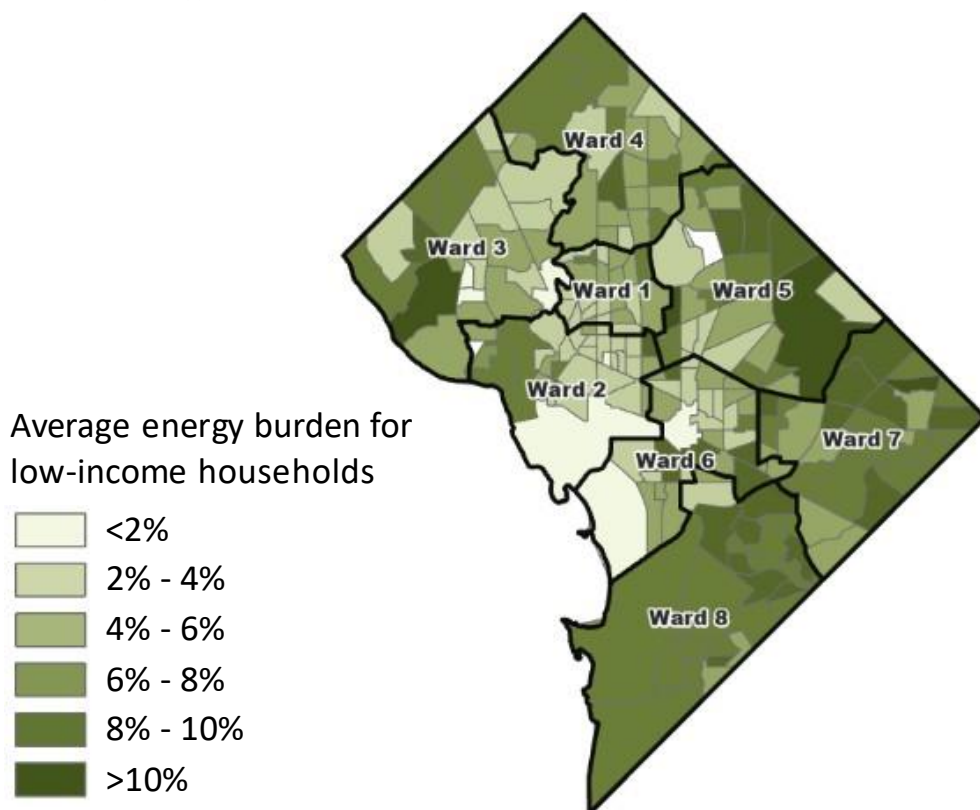
¹² Defined as forgoing food or medicine in order to pay a utility bill, keeping their home at an unsafe or unhealthy temperature, receiving a disconnection notice, or unable to use heating or air conditioning due to affordability barriers

¹³ Drehobl, A., D. Hernández, R. Ayala, and L. Ross. 2021. “An Examination of District Residents’ Experiences with Utility Burdens and Affordability Programs.” Report written for the Department of Energy and Environment of the District of Columbia. Washington, DC: American Council for an Energy-Efficient Economy. https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/Report_An%20Examination%20of%20District%20Residents%E2%80%99Experiences%20with%20Utility%20Burdens%20and%20Affordability%20Programs.pdf.

¹⁴ Authors’ analysis based on data from: DOE. 2024. “Low-Income Energy Affordability Data (LEAD).” Harvard Dataverse, V2. doi:10.7910/DVN/ZDV0KN. We use the higher threshold of 80 percent of AMI in our analysis because it is the threshold for eligibility for the District’s low-income energy assistance programs, as discussed in Section 3.

shown in Figure 1, average energy burden for low-income households varies geographically throughout the District. Wards 7 and 8 have the highest average energy burden for households at or below 80 percent of AMI—roughly 7 percent.

Figure 1. Average energy burden for low-income households by census tract in DC



Source: DOE. 2024. "Low-Income Energy Affordability Data (LEAD)." Harvard Dataverse, V2. doi:10.7910/DVN/ZDV0KN.

2. ENERGY AFFORDABILITY FRAMEWORK FOR THE DISTRICT

A framework is a structured approach to organizing, analyzing, and interpreting information to understand a specific problem or phenomenon—in this case, energy affordability. Underpinning the framework for energy affordability are metrics that regulators, utility companies, consumer advocates, and other stakeholders can use to monitor energy affordability and the effectiveness of any efforts to address it. This section presents a framework for assessing energy affordability in the District, largely following California's approach.

This report does not recommend that the District adopt a specific energy affordability definition or framework that combines disparate metrics into a single "index" or "score," for several reasons:

- The potential for double counting of impacts if multiple related metrics are combined into a single score
- Lack of transparency
- Potential to obscure underlying impacts

Indeed, none of the jurisdictions reviewed by Synapse use a comprehensive, multi-attribute “affordability index” that combines multiple metrics into a single number. Instead, many jurisdictions use one metric, or a set of distinct metrics or indicators, to assess energy affordability and vulnerability. As discussed in detail in section 2.2, California’s framework relies on two discrete but compatible metrics: Hours at Minimum wage (HM) and the Affordability Ratio (AR), each of which analyze a unique facet of energy affordability. This report recommends an affordability framework that applies the HM and AR metrics. We recommend these metrics to be considered by the Public Service Commission (PSC) of the District of Columbia in an affordability proceeding and then subsequently utilized to assess impacts to energy affordability in various regulatory proceedings and/or other dockets considering utility proposals.

California is a much larger and more complex jurisdiction than DC, with multiple climate zones, both urban and rural regions, and many different gas and electric utilities. In contrast, DC is geographically small, with a single climate zone, only one gas utility (Washington Gas Light, or WGL), and one electric utility (Pepco). Despite these differences, the framework and metrics adopted by the California Public Utilities Commission (PUC) are broadly applicable in different jurisdictions. Moreover, California’s extensive stakeholder process and ongoing reporting make its approach one of the most robust in the country, offering DC a tested template for systematically tracking and addressing energy affordability.

These metrics are particularly useful because they reflect not only utility rates and energy use, but also local income levels, minimum wage, and housing costs. At a high level, these metrics aim to assess the affordability of energy services by contextualizing household energy costs in terms of what the lowest-income households experience. These metrics have key advantages over other commonly used metrics, such as energy burden, arrearages, and disconnections. California’s HM and AR metrics incorporate the broader economic context (e.g., minimum wage levels and housing costs, respectively). The HM and AR metrics are flexible and can apply to many contexts: they can be tracked and compared, to understand shifts in affordability over time, or can be utilized to estimate the projected impacts of a future proposed utility revenue increase on low-income households.

2.1. Review of Energy Affordability Metrics and Frameworks in Other Jurisdictions

The Office of the People’s Counsel for the District of Columbia (OPC) serves as the statutory consumer advocate for District ratepayers,¹⁵ and has long advocated for energy affordability.¹⁶ OPC engaged Synapse to evaluate energy affordability in the District, survey best practices in other jurisdictions, and develop a mechanism for use before the District’s PSC to measure impacts to energy affordability moving forward.

To inform our recommendations for the OPC, we reviewed literature on metrics and definitions used by several leading states. Generally, we find that the approaches can be grouped in the following ways, described further below: energy burden; arrearages and disconnections reporting; and a more expansive and custom affordability framework (as adopted in California).

Energy burden

Many states define energy affordability in terms of households’ energy burden—that is, the share of household income spent on energy bills. For example, the Massachusetts’ Department of Public Utilities in 2022 directed the state’s investor-owned electric utilities to include an energy burden analysis of residential electric bills.¹⁷ In their reports,¹⁸ the utilities were required to estimate the energy burden by county, at the census block group level, for households at the median household income; the statewide median income, and 50, 100, and 200 percent of the federal poverty level.¹⁹

Currently, many jurisdictions rely on an energy burden threshold of 6 percent. The public utility commissions of New York,²⁰ Illinois,²¹ and New Jersey²² have defined unaffordable energy bills as those that exceed a 6 percent energy burden, in line with the *Home Energy Affordability Gap* analysis published in 2003 by Fisher, Sheehan & Colton and updated in 2013.²³ It is based on the assumption that

¹⁵ D.C. Code § 34-804. Available at: <https://code.dccouncil.gov/us/dc/council/code/sections/34-804>.

¹⁶ See DC Office of the People’s Council. 2020. “OPC Releases Findings of Energy Affordability Study,” <https://opc-dc.gov/opc-releases-findings-of-energy-affordability-study/>.

¹⁷ Massachusetts Department of Public Utilities. *Memorandum Re: Annual Returns to Include Utility Burden Index Analysis*. February 9, 2023. Available at: <https://www.mass.gov/doc/dpu-annual-returns-memo-to-edcs-february-9-2023/download>.

¹⁸ Reports for all utilities can be found at: <https://www.mass.gov/info-details/find-an-electric-company-annual-return>.

¹⁹ For example, see Eversource Household Economic Burden Index Analysis, 2022: <https://www.mass.gov/doc/2022-nstar-ebr/download>.

²⁰ New York Public Service Commission. Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings (May 20, 2016).

²¹ Illinois Commerce Commission. 2022. *Low-Income Discount Rate Study Report to the Illinois General Assembly*. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf>.

²² Brattle. 2024. *An Assessment of Energy Affordability in New Jersey and Alternative Policy and Rate Options*. Prepared for the New Jersey Board of Public Utilities. Available at: <https://www.nj.gov/bpu/newsroom/2025/approved/20250320a.html>.

²³ See Fisher, Sheehan, and Colton. 2003. “Home Energy Affordability Gap.” Available at: http://www.homeenergyaffordabilitygap.com/01_whatIsHEAG2.html#.

(a) housing costs must be under 30 percent of gross income to be affordable, and (b) no more than 20 percent of housing costs should be allocated to energy bills.²⁴ As explained in a 2005 *LIHEAP Energy Burden Evaluation Study* by the Applied Public Policy Research Institute for Study and Evaluation (APPRISE) the 6 percent figure is calculated by taking the product of the affordable threshold for percent income spent on shelter and the median percent of shelter costs that was spent on residential energy costs for low-income households.²⁵ In 2005, the median energy cost of low-income households in the United States was about 20 percent of shelter costs.²⁶

While energy burden is commonly used and referenced in many jurisdictions, it does not account for non-discretionary household costs besides energy—including the sharp rise in housing costs in recent years. Furthermore, there has been little work since this study to update these underlying assumptions, and they may now be out of date. Because of this, some states, such as California, have moved away from that simple energy burden metric and developed their own approaches.²⁷

Arrearages and disconnections

Another common way in which state utility commissions monitor energy affordability issues is by directing regulated utilities to collect disconnection and arrearage data. Tracking such data allows for better decision-making on bill payment options, affordability programs, and other potential consumer protections or assistance program options.²⁸ Several states began tracking and reporting these data for the first time during the COVID-19 pandemic, due to the economic challenges many utility customers were facing.²⁹

²⁴ ACEEE. Understanding Energy Affordability. Available at: <https://www.aceee.org/sites/default/files/energy-affordability.pdf>.

²⁵ APPRISE. 2005. “LIHEAP Energy Burden Evaluation Study.” Prepared for the Division of Energy Assistance, Office of Community Services Administration for Children and Families, U.S. Department of Health and Human Services. https://acf.gov/sites/default/files/documents/ocs/comm_liheap_energyburdenstudy_apprise.pdf.

²⁶ Ibid.

²⁷ CPUC. 2022. “Decision Implementing the Affordability Metrics.” Rulemaking 18-07-006, Decision 22-08-023. <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=496428621>.

²⁸ National Governors Association. 2021. “Memorandum on State Utility Disconnection Moratoriums and Utility Affordability.” <https://www.nga.org/publications/memorandum-on-state-utility-disconnection-moratoriums-and-utility-affordability/>.

²⁹ Curry, W. 2023. “State Energy Justice Roundtable Series: Customer Affordability and Arrearages.” Washington, DC: National Association of Regulatory Utility Commissioners. <https://pubs.naruc.org/pub/2B1596E2-1866-DAAC-99FB-37A81B4AFE7>.

Some of the states that require tracking of customer arrearage and disconnection data include, but are not limited to, the following: California,³⁰ Rhode Island,³¹ Maryland,³² Illinois,³³ Minnesota,³⁴ and Washington.³⁵ Almost all of these states require monthly reporting of this data. Other states required utilities to report this information during the COVID-19 pandemic and may continue to require such reporting.³⁶ While the specific data requirements vary by jurisdiction, they often include the following:

- Number of disconnection notices
- Number of disconnections
- Number of reconnections
- Number of customers with arrearages
- Dollar value of arrearages

Some states require more extensive reporting on arrearages and disconnections. For example, Rhode Island requires reporting on the following metrics and more:³⁷

- Number of delinquent accounts with oldest arrears aged 30–59, 60–89, and 90+ days after issuance of a bill, broken out by those with a payment assistance program and those without
- Dollar value of delinquent accounts with oldest arrears aged 30–59, 60–89 and 90+ days after issuance of a bill, broken out by those with a payment assistance program and those without
- Cases referred for collection

³⁰ CPUC. 2022. “Energy Utility Arrearages: Rulemaking 21-02-014 to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic.” <https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/energy-utility-arrearages>.

³¹ Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, Docket 4770. Low Income Monthly Reports, available at <https://ripuc.ri.gov/eventsactions/docket/4770-LIMRepts.html>.

³² See monthly reports for Maryland at <https://webapp.psc.state.md.us/newIntranet/test/Viewreport.cfm>.

³³ Illinois Commerce Commission. “Credit, Collections, and Arrearages Reports Monthly Dashboard.” Available at: <https://www.icc.illinois.gov/industry-reports/credit-collections-and-arrearages-reports/monthly-dashboard>.

³⁴ Filings can be found on the Minnesota Public Utilities Commission eDockets page by searching for YEAR-02 (e.g., 2022 reports are in docket “22-02”) at <https://www.edockets.state.mn.us/documents>.

³⁵ See Washington Utilities and Transportation Commission Docket U-200281, available at <https://www.utc.wa.gov/casedocket/2020/200281/docsets>.

³⁶ Ryan, G. 2021. “Despite Transparency Failures, Utility Information Reveals Major Home Shutoff Problem.” Center for Biological Diversity. <https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Power-Crisis-Report-June-2021.pdf>.

³⁷ Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, Docket 4770. Low Income Monthly Reports, available at <https://ripuc.ri.gov/eventsactions/docket/4770-LIMRepts.html>.

- Number of service disconnections for nonpayment, broken out by those accounts with special protections and those without
- Number of service restorations within seven days of termination, broken out by those accounts with special protections and those without
- Number and dollar value of accounts classified as written off
- Accounts receiving a low-income discount rate
- Demographic characteristics of residential accounts, including elderly, infant, handicapped, welfare, unemployed, and seriously ill

Some states, such as Illinois, Minnesota, and California, require regulated utilities to report disconnection and arrearage data by ZIP code. Minnesota utilities report the number of disconnection events by ZIP code biannually.³⁸ In addition to the framework described in the following section, California publishes disconnection and arrearage data by ZIP code on an online map alongside information about local community-based organizations who may be able to help customers with arrearages.³⁹ Granular geographic reporting within a utility's service territory allows regulators and stakeholders to see which communities are most burdened by disconnections.

In the District of Columbia, the Potomac Electric Power Company (Pepco) and Washington Gas Light Company (WGL) provide monthly arrearage and disconnection reports to the PSC.⁴⁰ Pepco and WGL report each metric separately for total residential customers (including low-income and non-low income) and low-income customers specifically. Low-income customers in this instance are defined as those customers enrolled in utility discount programs, which are Pepco's Residential Aid Discount (RAD) and WGL's Residential Essential Service (RES).⁴¹ This means the data reporting does not include all customers who may qualify as low-income, but only those low-income customers who have already enrolled in RAD or RES.

Tracking arrearages and disconnection metrics is helpful for understanding the scale of current affordability concerns in the District, and it is important to track, report, and monitor these metrics and statistics over time. However, not all customers who experience disconnections and arrearages are low-

³⁸ See template of required data on the Minnesota Public Utilities Commission website at <https://mn.gov/puc/activities/utility-reporting/energy/>.

³⁹ See the CPUC's Community Based Organization (CBO) Case Management program dashboard at <https://hdr.maps.arcgis.com/apps/dashboards/5bab8b0068914649866d670fcd69e465>.

⁴⁰ The monthly Arrearage and Disconnection reports (ARDIR) are available at <https://edocket.dcpssc.org/public/search/casenumbr/ardir>.

⁴¹ District of Columbia Public Service Commission. FC 1043 and FC 813. Order 15134. December 9, 2008: <https://edocket.dcpssc.org/apis/api/Filing/download?attachId=71893&guidFileName=d5e86a4c-a994-4283-a982-479d9f45ab33.pdf>.

income households.⁴² These metrics are also ill-suited to support a forward-looking assessment of future affordability, as changes in arrearages or disconnections are difficult to forecast based on an expected rate or bill impact, e.g. resulting from a utility investment. More adaptable and novel metrics may better support an affordability framework.

California's affordability framework

In 2018, recognizing that consumers need affordable utility services, the California Public Utilities Commission (CPUC) opened an Affordability Rulemaking.⁴³ The CPUC defined affordability in this context as “the degree to which a representative household is able to pay for an essential utility service, given its socioeconomic status.”⁴⁴ Within the Affordability Rulemaking, California defined its affordability framework to include “affordability metrics, presented and analyzed in an Affordability Report, an Affordability Ratio Calculator containing the formulas and inputs/ outputs of the Affordability Ratio for stakeholders to generate their own variations; and a set of maps showing the metrics geographically.”⁴⁵ The three affordability metrics, which were informed by peer-reviewed research, are:⁴⁶

- Hours at minimum wage: The number of hours, worked at minimum wage, required to pay for the essential level of utility service
- Affordability Ratio: The ratio of essential utility service charges to non-disposable household income (similar to energy burden)
- The CalEnviroScreen metric: A score for each census tract in California that identifies which communities are most negatively affected by increases in essential service charges, based on 21 population characteristics and the pollution burden of each census tract

When assessing the affordability of essential utility services in the Affordability Rulemaking, California considers each of the three metrics independently. In its decision adopting the metrics, the Commission noted that “the use of three independent, but related, metrics will create a more complete picture of affordability than any one metric on its own” (p. 11).⁴⁷ Rather than seeking to define energy affordability

⁴² Hernández, D. and J. Laird. 2022. “Surviving a Shut-Off: U.S. Households at Greatest Risk of Utility Disconnections and How They Cope.” *American Behavioral Scientist* 66 (7): 856–80. doi:10.1177/00027642211013401.

⁴³ The full set of documents for the Affordability Rulemaking can be found at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.

⁴⁴ CPUC. “Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service.” Rulemaking 18-07-006. D.20-07-032. July 22, 2020. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M344/K049/344049206.PDF>.

⁴⁵ CPUC. 2023. “Administrative Law Judges Ruling Noticing Related Proceedings of Comments Sought.” Rulemaking 18-07-006. December 14, 2023. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K449/521449073.PDF>

⁴⁶ Based on Teodoro, Manuel P. 2018. “Measuring Household Affordability for Water and Sewer Utilities.” <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/affordability-proceeding/phase-1/manuel-p-teodoro-affordability-methodology.pdf>

⁴⁷ CPUC. 2020. “Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service.”

“in absolute terms,” the Commission added, “the objective of this decision is to define metrics and methodologies to track relative affordability of essential utility services over time, and to set out a path of future implementation of those metrics and methodologies” (p. 81).

As a result, California’s affordability framework consists of these metrics, a set of maps presenting the results geographically, an Affordability Ratio calculator, utility quarterly revenue reports, and annual affordability reports.⁴⁸

As a part of the rulemaking, the Commission sought feedback on the use and implementation of the affordability framework in various proceedings, asking parties to consider the following questions:⁴⁹

- Does the affordability framework:
 - Make utility rates and bills meaningful or useful for the type of decision being made?
 - Make utility rates and bills representative for types of customers based on where they live and their costs of living?
 - Help describe the choices before the Commission as more or less affordable?
 - Advance the Commission’s environmental and social justice goals?
- How have non-utility parties utilized the affordability framework to inform their participation and/or develop their positions? If they have not used the framework, was it due to difficulty understanding the affordability tools/metrics, difficulty incorporating the tools/metrics into parties’ positions, or some other reason?

We recommend that the District’s PSC adopt a framework based on California’s, as it is the most robust affordability framework from our review and was developed with extensive stakeholder input. The next section discusses the two key metrics recommended for the DC framework: hours at minimum wage (HM) and the Affordability Ratio (AR). The PSC should open a docket to investigate the affordability concerns of District utility consumers and, subsequently, should consider and adopt an affordability framework modeled on the California framework. This affordability docket should provide an opportunity for stakeholders to provide input on the following:

- The essential level of utility service
- The frequency and contents of periodic reporting, as well as who has responsibility for the reporting and how it should be available to the public

⁴⁸ CPUC. “Administrative Law Judges Ruling Noticing Related Proceedings of Comments Sought.” Rulemaking 18-07-006. December 14, 2023. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K449/521449073.PDF>.

⁴⁹ CPUC. “Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service.” December 13, 2023. Rulemaking 18-07-006. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M218/K186/218186836.PDF>

- What actions would trigger an affordability assessment (e.g., proposals for changes in rate structures, new investments, program eligibility), as well as the timing, process, and requirements for consideration of that assessment

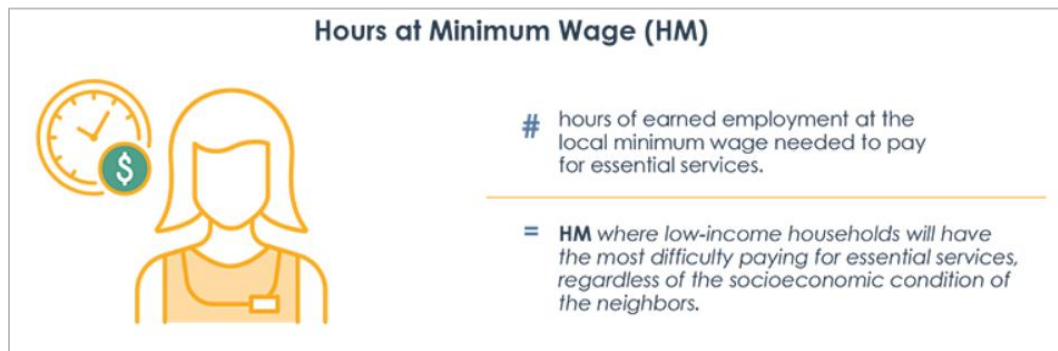
2.2. A Framework for Assessing Energy Affordability in DC

Below we describe in detail the two metrics we recommend for analysis in DC, based on California’s adopted affordability metrics.⁵⁰ The AR and HM are the most useful individual metrics for energy affordability that we have encountered in our research. Below we provide a definition and a description for each, discuss their advantages and limitations, provide our reasoning for inclusion in an affordability framework for DC, and detail the calculations of each metric, with initial interpretations for the District.

Hours at minimum wage

The HM metric is the number of hours that a customer of a specific utility must work at minimum wage to pay for the essential level of service from their utility. It is calculated simply by dividing the essential utility service charge (discussed below) by the minimum wage within each utility service territory, enabling the assessment of past and present energy affordability using a single value (Figure 2).

Figure 2. Description of hours at minimum wage metric



Source: California Public Utilities Commission. “Affordability Rulemaking.” <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.

Because the HM metric is calculated using minimum wage, it implicitly considers the lowest-income households. However, a limitation of this metric is that it only considers a customer’s income, not the other costs that the household may need to cover with that income that might make energy less

⁵⁰ The CalEnviroScreen metric relies on CalEPA’s CalEnviroScreen Tool, which was developed outside of California’s affordability proceedings. DC has not developed a similar cumulative impact mapping tool of its own. If, in the future, a similar tool is developed for the District, it could be used to identify areas of concern for applying the AR and HM metrics, rather than calculating these metrics for all areas.

affordable to individual households—including non-discretionary expenses such as food, prescription drugs, and housing costs. It also does not consider wealth.

The concept of “essential” utility service is at the core of California’s definition of affordability (“the degree to which a representative household is able to pay for an essential utility service, given its socioeconomic status”).⁵¹ It is defined as “the costs borne by a representative household for the quantity of utility services that enables health, safety, and full participation in society” and allows for comparisons of customer bills, rather than rates, to assess affordability.⁵²

California Public Utilities Code 739(a) defines essential (“baseline”) levels of electric consumption as 50–60 percent of average usage, and essential levels of all-electric (including heat) and gas consumption as 60 to 70 percent of average usage during the winter heating season, and instructed the CPUC to update these baseline levels as needed.⁵³ The Commission directed the regulated utilities to conduct an essential usage study to inform metric calculations.⁵⁴

The study, published in 2023, found that baseline usage varies across utility service territories, which differ in climate, and thus in residential consumption levels.⁵⁵ The District of Columbia has not defined essential levels of consumption for electric, all-electric, and gas service for residential customers.⁵⁶ Until the District defines essential levels of consumption, we recommend using the full average monthly usage for residential consumers in the District. Then, using the same methodology in the California framework, the monthly bill can then be determined for the average residential usage for both electric and gas utility services.

As further illustrated in Appendix A, and as described further below, Synapse has provided an example of how this metric would work in DC. To determine HM values for DC, we used data provided by the

⁵¹ California PUC decision 20-07-032.

⁵² CPUC. 2020. “Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service.” Decision 20-07-032.

⁵³ California defines essential levels of consumption, or “baseline quantity” in California Public Utilities Code 739(a): https://california.public.law/codes/public_utilities_code_section_739

⁵⁴ DNV. 2023. “Essential Use of Electricity Study.” Prepared for Southern California Edison, Pacific Gas and Electric Company, and San Diego Gas & Electric Company. <https://pda.energydataweb.com/api/view/2796/Essential%20Use%20of%20Electricity%20Study%20Final%20Report%20with%20Web%20Tool%20User%20Guide%2003-31-2023.pdf>.

⁵⁵ DNV. 2023. “Essential Use of Electricity Study.” Prepared for Southern California Edison, Pacific Gas and Electric Company, and San Diego Gas & Electric Company. <https://pda.energydataweb.com/api/view/2796/Essential%20Use%20of%20Electricity%20Study%20Final%20Report%20with%20Web%20Tool%20User%20Guide%2003-31-2023.pdf>.

⁵⁶ We recommend focusing on electric, all-electric, and gas utility bills when assessing energy affordability. All-electric utility bills are of customers who use electricity for heating, rather than gas or other fuels.

PSC⁵⁷ and U.S. EIA.⁵⁸ In June 2025, the minimum wage in the District was \$17.50 per hour.⁵⁹ For the electric utility HM calculation, at the June 2025 minimum wage and utility service rates, a customer would need to work seven hours at minimum wage to pay for the average monthly level of electric utility service. For the gas utility service HM calculation, using April 2025 rates and the average level of gas utility service during the winter heating season, a customer would need to work 10 hours at minimum wage. Appendix A provides details on the methodology and calculations.

Example: Applying the HM metric

The HM metric can contextualize an expected change in rates or bills from a proposed rate increase, investment, program, or policy change. To illustrate, we developed two examples of how the HM metric could be applied.

Our first example shows how the HM metric can reflect the impact of participating in the low-income discount rates program offered by Pepco. The Residential Aid Discount is an income-eligible, utility discount rate. It exempts low-income customers from several distribution surcharges as well as the full distribution customer charge and energy charges.⁶⁰

By accounting for differences in the monthly bills of RAD participants vs. ineligible customers, the HM metric automatically considers the affordability of electric service for the lowest-income customers. As shown in Table 1, a residential customer not participating in RAD must work 7.8 hours at the \$17.50 minimum wage to pay for average monthly summer electricity costs, and 7.1 hours for average winter electricity costs. However, due to the reduced bills, a RAD customer would only need 5.6 hours at minimum wage per month to pay for the average monthly summer electricity bill and 5.2 hours for the average winter electricity bill.

Table 1. Comparison of electric HM metric for non-participant and participant in RAD program

Scenario	Residential customer		Residential customer participating in RAD	
Season	Summer	Winter	Summer	Winter
Hours at minimum wage/month	7.8	7.1	5.6	5.2

⁵⁷ The DCPSC provides a monthly Electric Bill Calculator for the PEPCO Standard Offer Service at <https://dcpssc.org/Retail-Choice/How-to-Choose/How-to-Choose-an-Electric-Supplier/Electric-Bill-Calculators.aspx> and a monthly Washington Gas Light Natural Gas Bill Calculator at <https://dcpssc.org/Retail-Choice/How-to-Choose/Natural-Gas/Monthly-Washington-Gas-Light-Natural-Gas-Bill-Calc.aspx>. The DC PSC also provides historical monthly PEPCO residential electric usage and customer count at <https://dcpssc.org/Utility-Information/Electric/Historical-and-Analytical-Information-for-Electric.aspx>.

⁵⁸ The average DC residential gas consumption and customer count can be found at <https://www.eia.gov/dnav/ng/hist/n3010dc2m.htm> and https://www.eia.gov/dnav/ng/hist/na1501_sdc_8a.htm.

⁵⁹ District of Columbia Department of Employment Services. 2025 Notice of Living Wage Increase. <https://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/Final%202025%20Notice%20of%20Living%20Wage%20Increase%20to%20Employers%202.6.2025.pdf>

⁶⁰ Pepco. 2025. "Rate Schedules for Electric Service in the District of Columbia." Washington, DC: Potomac Electric Power Company. Available for May 2025 at https://www.pepco.com/cdn/assets/v3/assets/bltbb7c204688a1a6a8/blt1592c0ff5185f738/6838a59f7476148e7ae7d25a/D_C_PCA_SOS_Current_Tariff_Eff_6.1.2025.pdf?branch=prod_alias.

Our second example illustrates how the HM metric can contextualize changes in rates, whether on the distribution side or supply side. In this case, we look at the impact of the recent PJM capacity market price surge. In the Washington, DC, region, capacity prices for the PJM subregion increased by a factor of five between the 2024/2025 and 2025/2026 delivery years. This is due to a few key factors, including decreases in existing supply, entry barriers for new supply, and a sharp rise in projected demand.⁶¹

We calculated the HM metric using generation rates before and after the increase in capacity prices.⁶² Prior to the increase in generation rates, holding all else equal, a residential customer would have had to work 6.6 hours per month to pay for the average summer electricity bill and 6 hours per month for the average winter electricity bill (Table 2). The current rates, requiring 7.8 and 7.1 hours, represent a 19 and 17 percent increase in hours to pay for summer and winter electricity, respectively.

Table 2. Comparison of electric HM metric before and after PJM capacity price increase

Scenario	Residential customer, 2024/2025 delivery years		Residential customer, 2025/2026 delivery years	
	Summer	Winter	Summer	Winter
Hours at minimum wage/month	6.6	6.0	7.8	7.1

Affordability Ratio

The Affordability Ratio (AR) metric measures the affordability of an essential utility service while taking non-discretionary costs into account. As shown in Figure 3, the AR is calculated by dividing the monthly residential utility bill at the essential level of consumption by the difference between a household’s monthly income and its monthly housing costs. California determines the affordability ratio at the 20th and 50th income percentiles, AR20 and AR50. California defines non-discretionary costs as housing costs, which include the cost of rent or the cost of mortgage payments and real estate taxes.

⁶¹ For more information, see Shenstone-Harris, S., C. Mattioda, A. Fuzaylov, W. Dejeanlouis, B. Fagan. 2025. “Drivers of PJM’s Capacity Market Price Surge and its Impacts on Electricity Consumers in the District of Columbia.” Synapse Energy Economics for the Office of the People’s Counsel for the District of Columbia. <https://opc-dc.gov/wp-content/uploads/2025/05/PJM-Capacity-Market-Report-FINAL-OPC-Synapse.pdf>.

⁶² Generation rates for the 2024/2025 case are from: Pepco. 2025. “District of Columbia Residential Service. Schedule R1.” Updated May 14, 2025. https://www.pepco.com/cdn/assets/v3/assets/bltbb7c204688a1a6a8/bltbdd840dce622cf3c/6838a8bb518ed962fec89624/DC_Rates_Update_05.14.25_R_1.pdf?branch=prod_alias.



Figure 3. Description of Affordability Ratio metric



Source: California Public Utilities Commission. "Affordability Rulemaking." <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.

The Affordability Ratio differs from the HM metric in that it takes into account non-discretionary costs (such as housing costs). In effect, the affordability ratio is the percentage of a household's available budget that is spent on essential utility service. AR also considers customers who have low or moderate amounts of economic resources relative to their geographic area, not just the lowest-income customers.

Income levels and non-discretionary costs vary across the District, so determining the AR for different areas will provide more granular insights into affordability than the HM metric, which is based on jurisdiction-wide minimum wage rates. The AR can also be calculated specifically for disadvantaged communities or for the most vulnerable communities in the District. California requires the AR to be calculated for the state's Areas of Affordability Concern, which are "pockets of the state where lower-income Californians spend much more of their available budget than the vast majority of Californians on essential utility service."⁶³ By tracking AR over time and during utility investment and rate cases, California can determine how rate increases will affect the communities that already faced the greatest affordability concerns.

Annual income, monthly rental payments, monthly mortgage payments, monthly real estate tax payments, and many other data points are available from the U.S. Census Bureau's Public Use Microdata Sample (PUMS).⁶⁴ PUMS data are provided at the Public Use Microdata Area (PUMA) geographic level. The District has six PUMAs for which the AR metric may be calculated and forecast.⁶⁵

Using data from PUMS, we calculated that in 2023, the 20th percentile household income in the District was \$39,000, and the 50th percentile income was \$105,700. To determine the housing costs of a household at each income level, we took the average housing costs (i.e., rent or mortgage payment and

⁶³ CPUC. 2020. "Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service." R.18-07-006, D.20-07-032

⁶⁴ U.S. Census Bureau. 2023. "American Community Survey 1-Year Estimates: Public Use Microdata Sample." <https://www.census.gov/programs-surveys/acs/microdata/access.html>. [Accessed on April 11, 2025.]

⁶⁵ The six PUMAs in the District of Columbia are 101, 102, 103, 104, 105, and 105. See Appendix B for a map of Ward and PUMA boundaries.

property tax) at plus or minus one percentile of the respective income level. For example, for the 20th percentile, we averaged housing costs for households with incomes in the range of \$35,000–\$41,000. We found that the average housing costs for the 20th and 50th percentile income households were \$1,499 and \$2,242 per month, respectively. To determine the final AR20 and AR50 values for electric and gas service, we divided the average monthly bill for each service by the income reduced by housing costs.⁶⁶ Table 3 shows the AR20 and AR50 for the different energy utility services for the average residential energy consumption for District customers.

Table 3. Affordability Ratio metric for the residential customers in the District of Columbia, June 2025

	Electric customer, summer	Electric customer, winter	Gas customer, heating season
AR20 (20th percentile income customer)	7.8%	7.0%	10.5%
AR50 (50th percentile income customer)	2.1%	1.9%	2.8%

The AR metric is the percent of monthly household income (less housing costs) spent on utility bills (see description above).

Our example AR20 and AR50 calculation uses the utility service rates from June 2025 and the latest available data on income and housing costs in the District. We find that households in the lowest income quintile in the District spend 7–8 percent of their non-discretionary income on electricity, and 10.5 percent of their non-discretionary income on gas during the heating season. For a rough point of comparison, the AR20 for non-income qualified households within the Southern California Edison Company service area ranged from 7.5 to 13.1 percent in 2023, depending on the climate zone.⁶⁷

The AR metric can be used to view the directional impact of a utility investment on affordability (i.e., will it make the utility service more or less affordable?) and the magnitude of the impact (i.e., by how much, compared to without the investment, will utility service be impacted?). Because the AR is an emerging metric and because it will vary by region, over time, by utility, and by service type, there is not a standard value accepted as an affordability threshold. If the District adopts this metric, actual AR results should be tracked to serve as a baseline to provide readers with more context for future values.

2.3. Adopting and Implementing an Affordability Framework

This report provides a starting point for an affordability framework for the District, modeled on California’s approach. As noted above, robust stakeholder engagement and input are crucial; the questions asked by the CPUC in California may provide a useful starting point (see section 2.1). The

⁶⁶ For illustrative purposes, we use the average amount of energy across all customers in the District in this calculation. In reality, energy consumption varies with income, so the lowest-income customers are unlikely to consume the average amount.

⁶⁷ Southern California Edison Company. 2023. “Test Year 2025 General Rate Case Application of Southern California Edison Company (U 338-E).” <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M508/K571/508571137.PDF>.

many topics other states have wrestled with provide insight into what DC will need to consider as it implements an affordability framework. This includes broader implementation questions, such as in what contexts or dockets to report and consider these metrics; how and where to track them over time; and how the Commission should take them into account when making decisions. The District will also need to address several quantitative or methodological details and decisions (e.g., how to calculate each metric and what affordability thresholds to set).

The HM and AR metrics are a key part of this affordability framework, which seeks to shed light on the affordability implications of current and future utility rates and to provide context for a variety of decisions before the Commission. The District can apply the HM and AR metrics in multiple ways:

- **Rate cases:** Utilities present metrics in a standard reporting template in rate case dockets or wherever there is a filing for a revenue change, including presentation of metrics before and after the proposed impact.
- **Affordability dockets:** Utilities could report on metrics quarterly or annually in a dedicated docket, such as how Pepco and WGL report disconnections and arrearage data in the “ARDIR” dockets.
- **Standard reports and dashboards:** A standard reporting template or “scorecard” presentation could enhance transparency and standardize comparisons between utilities and across reporting years. While more technically complex to implement, online dashboards could aid in public transparency.

The remaining part of this section delves deeper into key quantitative details and decisions to be made related to the implementation of the HM and AR metrics.

Essential level of utility service

As noted above, California uses an “essential” level of energy service in its metrics rather than average energy consumption. The District should determine the essential levels of service separately for its electric (for both all-electric and gas heating) and gas customers. The examples presented above use average levels of utility service because DC has not defined essential levels of utility service as in California. Thus, these examples may be overestimating or underestimating lower-income households’ actual monthly utility bills. Furthermore, because of various constraints, we cannot determine the average monthly utility bills of 20th and 50th percentile income customers, although different income-level customers likely consume different amounts of electricity and gas within their income level. Because the essential level of utility service does not change with income, it would make the AR20 and AR50 calculations simpler and more comparable.

In California, the PUC directed Pacific Gas & Electric Company (PG&E), the state’s largest electric utility, “to develop a study plan for developing a model of what constitutes essential use for its residential customers” for residential customers in different climate zones and for both the summer and winter

season.⁶⁸ PG&E was also directed to consult with parties in the proceeding that expressed interest, while developing the study plan. As with many of our recommendations, we suggest that DC defines essential levels of utility service through an open process involving stakeholder input.

To refine the essential level of energy service, and subsequently the HM and AR metrics, DC may consider conducting a study to determine which elements, such as the age of the housing stock, directly have an impact on the essential level of energy service. As a result, the essential level of the different energy services would be calculated for households belonging to various buckets within each element (e.g., an essential level of gas service for households living in older housing stock).

Under this approach, DC would define the resulting HM metric for each utility service, each season (heating and cooling), and the various essential levels of energy service. The District would then define an AR for each income percentile and essential level of energy service. The housing cost calculations for each AR metric should account for income and the elements (that directly impact essential levels of energy service) that were previously identified. For example, in the AR20 metric, the District could calculate the housing costs based on 20th percentile income households living in older housing stock.

Housing characteristics analysis

In calculating the AR20 and AR50 metrics, Synapse averaged housing costs for the 20th and 50th percentile income households. This simplified approach does not consider the many factors that may affect someone's housing costs, such as the size of the household, the size of the housing unit, the year in which the housing unit was purchased, and the location of the housing unit. To best determine housing costs for a household at a representative income level, the District should conduct a regression analysis that determines the relationship between the selected factors and housing cost. California's Affordability Rulemaking describes one methodology for conducting this regression analysis.⁶⁹

All-electric vs. mixed-fuel customers

Using publicly available data, Synapse calculated the HM metric for electric customers in the summer and winter and for gas customers during the heating season. Because of data limitations, we could not differentiate all-electric customers (customers who use electricity for both heating and cooling) and customers who use electricity for cooling but gas or other fuels for heating. We recommend calculating the HM for each of these customer groups, as their electricity consumption in the winter will greatly differ. Utilities should be able to provide this data.

⁶⁸ CPUC. "Decision on Pacific Gas and Electric Company's Proposed Rate Designs and Related Issues." Application 16-06-013. D.180-08-013. August 9, 2018. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M205/K749/205749505.PDF>.

⁶⁹ Hancock, J., J. Ho, B. Sieren-Smith, E. Tome, A. Jain, W. Lai. 2020. Affordability Metrics Framework Staff Proposal Appendix A. Prepared for R.18-07-006. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M344/K054/344054346.pdf>.

Ward-level calculations

The District may wish to calculate these affordability metrics by ward. For the HM metric, this is straightforward if the essential level of utility service is identified by ward. However, the AR metric uses income and housing cost data provided by the U.S. Census Bureau via the PUMS dataset. At the finest granularity, PUMS provides data at the Public Use Microdata Area level. PUMA boundary lines do not match directly with ward areas and cannot be aggregated into wards. As a result, the AR metric cannot be calculated for each ward based on Census data alone.

3. LOW-INCOME ENERGY ASSISTANCE PROGRAMS IN DC

Energy assistance programs serve as crucial safety nets for low-income households and vulnerable populations who may struggle to pay high utility bills and maintain essential energy services. Residents of the District of Columbia have access to several forms of energy assistance. The most widely used are the federally funded Low-Income Home Energy Assistance Program (LIHEAP) and utility-funded programs such as the Residential Aid Discount (RAD) and Residential Essential Services (RES) mentioned in section 2.2.

LIHEAP, which in DC is administered by the Department of Energy and Environment (DOEE), provides funding to help low-income households pay for heating and cooling energy costs. DC households with incomes at or below 60 percent of the state median Income (SMI) are eligible for LIHEAP.⁷⁰ Other energy affordability programs in the District have a higher income threshold, enabling more people to benefit: 80 percent of area median income (AMI). For the remainder of this report, the term “low-income households” is used to refer those at or below 80 percent of AMI, to encompass all both LIHEAP-eligible households and those eligible for other energy assistance in the District.

As of 2023, U.S. Census data show, there were more than 151,000 low-income households in the District—about 45 percent of all DC households.⁷¹ Of these, about 74 percent, or more than 112,000 households, fell below 60 percent of SMI and therefore qualified for LIHEAP. Despite this large eligible population, a study for the DC Office of the People’s Counsel found that only about a quarter of eligible households participated in LIHEAP in 2019.⁷² This participation gap highlights a critical challenge: even well-funded programs may fail to achieve impact if barriers to enrollment or awareness persist.

⁷⁰ See <https://doee.dc.gov/liheap>.

⁷¹ U.S. Census Bureau. 2023. “American Community Survey 1-Year Estimates: Public Use Microdata Sample.” <https://www.census.gov/programs-surveys/acs/microdata/access.html>. [Accessed on April 11, 2025.]

⁷² APPRISE, Inc. 2020. “Energy Affordability Study Population Characterization Report.” Report prepared for the Office of the People’s Counsel of the District of Columbia. Princeton, NJ. <https://opc-dc.gov/wp-content/uploads/2024/11/DC-OPC-Energy-Affordability-Study-Population-Characterization-Report-FINAL-12-18-20.pdf>.

Low-income households in DC are predominantly renters. Roughly 78 percent of households below 80 percent of AMI rent their homes, U.S. Census data show, while 54 percent of higher-income households are homeowners. Moreover, 79 percent of lower-income households live in multifamily buildings. Housing tenure and unit type are key factors for program design because renters and multifamily households often face additional barriers to accessing energy efficiency or assistance programs. For example, renters may lack control over utility accounts or energy upgrades in their building, and multifamily housing can complicate the delivery of benefits when costs and savings must be shared between landlords and tenants. Recognizing these structural characteristics is essential for designing assistance programs that equitably reach and benefit DC's low-income residents.⁷³

3.1. Types of Energy Assistance Programs

The landscape of energy assistance includes a range of program types, each designed to address different aspects of energy affordability. Generally, these programs fall into the following categories:

- **Discounted utility rates** provide ongoing bill reductions through reduced per-unit charges on customers' monthly bills (usually by a flat amount or a percentage).
- **Energy assistance funding** involves grants to help customers pay their energy bills and can take the form of a flat dollar amount or a percentage of the customer's bill.
- **Percentage of Income Payment Plans (PIPPs)** cap energy bills at a fixed percentage of household income, typically between 3 and 6 percent, and provides bill credits to ensure participating customers' bills do not exceed this percentage.
- **Arrearage management programs** help customers eliminate outstanding debt through forgiveness plans tied to consistent payment behavior.
- **Energy efficiency programs** provide funding for weatherization, appliance upgrades, and home improvements that reduce overall energy consumption, thereby reducing bills in the long term.
- **Distributed energy resources programs** subsidize customers' rooftop solar installation or community solar subscription, enabling them to lower utility bills by generating their own electricity.

Some programs may combine multiple aspects of the categories above, and jurisdictions often offer different sets of programs.⁷⁴

⁷³ Morales, D. and S. Nadel. 2022. "Meeting the Challenge: A Review of Energy Efficiency Program Offerings for Low-Income Households." Washington, DC: American Council for an Energy-Efficient Economy. <https://www.aceee.org/research-report/u2205>.

⁷⁴ Nishi, A., D. Hernández, and M.B. Gerrard. 2023. "Energy Insecurity Mitigation: The Low Income Home Energy Assistance Program and Other Low-Income Relief Programs in the US." New York: Center on Global Energy Policy, Columbia University.

Aside from program design, the funding sources for energy assistance and other energy affordability programs can also vary. Programs can be funded through utility rates, federal and state taxpayer funds, other funding sources (e.g., revenues from a cap-and-invest program), or a combination of these. Together, these programs form a multifaceted suite of solutions for energy affordability, helping make energy bills more manageable and prevent service disconnections for low-income households.

The sections that follow describe the energy assistance programs available in the District, including ratepayer-funded and federally funded programs. We describe each program's structure and eligibility, provide funding sources and amounts, and present some indicators of program performance and impact.

3.2. Ratepayer-funded programs

Except where noted otherwise, the programs described in this section are open to District households whose income falls below 80 percent of the AMI. For fiscal year 2025 (October 1, 2024–September 30, 2025), this meant that a customer's household income must not exceed the following limits:⁷⁵

- \$86,650 for a one-person household
- \$99,000 for a two-person household
- \$111,400 for a three-person household
- \$123,750 for a four-person household
- \$133,650 for a five-person household
- \$143,550 for a six-person household
- \$153,450 for seven-person household
- \$163,350 for an eight-person household

<https://www.energypolicy.columbia.edu/publications/energy-insecurity-mitigation-the-low-income-home-energy-assistance-program-and-other-low-income-relief-programs-in-the-us/>.

⁷⁵ See the DOE website page "Receive Discounts on Your Utility Bills (UDP)." DOE website. <https://doee.dc.gov/udp>. Note that while for households with 1–4 people, the income threshold is 80 percent of the AMI, for 5–8 person households, the threshold is about \$3,000–\$10,000 lower than 80 percent of AMI.

Residential Aid Discount/Residential Essential Services

Program structure

Residential Aid Discount (RAD) and Residential Essential Services (RES) are electricity and gas bill discounts, respectively, on the distribution portion of a low-income customer's monthly bill. RAD is for Pepco's electric customers and RES is for WGL's gas customers.

RAD customers receive a bill credit that covers all of their distribution charges, including both the customer charge and energy charges. These customers are exempt from the RAD surcharge, Sustainable Energy Trust Fund surcharge, and the Energy Assistance Trust Fund surcharge. This means that RAD customers only pay generation and transmission charges.^{76,77}

Similarly, RES customers receive a bill credit that covers 100 percent of their distribution charges during the heating season (November through April) and 50 percent of their customer charge during the non-heating season.^{78,79} RES customers are also exempt from the RES surcharge, Sustainable Energy Trust Fund surcharge, and the Energy Assistance Trust Fund surcharge.⁸⁰ The discount is equal to approximately 25 percent of a typical RAD customer's bill and 50 percent of a typical RES customer's bill

⁷⁶ See the PSC's web page "Utility discount programs, bill credits, and other assistance": <https://dcpssc.org/Consumers-Corner/Programs/Utility-discount-programs,-bill-credits-and-other.aspx>. [Accessed April 11, 2025.]

⁷⁷ Pepco previously billed RAD customers for those surcharges and then credited them back to RAD customers, but the Company recently secured approval from the DC PSC to exclude any customer actively enrolled in the RAD program from being billed for surcharges upfront. See The Public Service Commission of the District of Columbia, in PEPRADR-2024-01 and PEPRADR-2023-01, Order No. 22305. September 25, 2024.⁷⁸ FC 1162. Order No. 20705. February 24, 2021. Page 13. Available at: <https://edocket.dcpssc.org/apis/api/Filing/download?attachId=112475&guidFileName=34453791-4d22-42cf-bf68-4a18004c6ba4.pdf>.⁷⁹ See the Washington Gas web page "Energy Assistance: District of Columbia Residents": <https://www.washingtongas.com/get-assistance/energy-assistance>.

⁷⁸ FC 1162. Order No. 20705. February 24, 2021. Page 13. Available at: <https://edocket.dcpssc.org/apis/api/Filing/download?attachId=112475&guidFileName=34453791-4d22-42cf-bf68-4a18004c6ba4.pdf>.⁷⁹ See the Washington Gas web page "Energy Assistance: District of Columbia Residents": <https://www.washingtongas.com/get-assistance/energy-assistance>.

⁷⁹ See the Washington Gas web page "Energy Assistance: District of Columbia Residents": <https://www.washingtongas.com/get-assistance/energy-assistance>.

⁸⁰ 2024 WGL Bill Insert. <https://www.washingtongas.com/-/media/ecc3a037db0e44e5b74bcd61aac71888.pdf>.⁸¹ District of Columbia Public Service Commission (DC PSC). "Utility discount programs, bill credits, and other assistance." PSC website. <https://dcpssc.org/Consumers-Corner/Programs/Utility-discount-programs,-bill-credits-and-other.aspx>. [Accessed April 11, 2025.]⁸² FC 1169. Order No. 21939. Page 126. Available at: <https://edocket.dcpssc.org/apis/api/Filing/download?attachId=197526&guidFileName=c901ca24-b864-4b05-b6d1-c1dfc528fc03.pdf>.⁸³ Potomac Electric Power Company (Pepco). Accessed April 11, 2025. "Residential Aid Discount Program." Pepco website. <https://www.pepco.com/my-account/customer-support/assistance-programs-dc/bill-payment-assistance/residential-aid-discount-program>.

during the heating season.^{81,82} Certified RAD customers can receive the discount for 18 months, and customers may re-apply for certification annually.⁸³ RES customers must also re-enroll in the program each year.

Eligibility

The Department of Energy and the Environment (DOEE) certifies District of Columbia utility customers as eligible for RAD and RES, with RES requiring the customer to use natural gas as their principal source for home heating.⁸⁴ As noted above, the programs are open to households whose income falls below 80 percent of the AMI. Households seeking the discount can apply for the program by submitting an online application through DOEE's website, scheduling an in-person appointment at one of DOEE's Energy Centers, or by mailing the application to DOEE.

Funding

Pepco files an annual RAD Surcharge and WGL files an annual RES Surcharge with the Public Service Commission (PSC). The Commission approves the RAD and RES costs, respectively, for the next year and accordingly establishes a dollar per kilowatt-hour charge to levy on all other customers—not only residential customers—to collect the RAD and RES costs. The annual filings also contain true-ups from the previous period to address any over- or under-collections from the RAD and RES surcharges for the forecast period. The current RAD surcharge, effective for service on and after October 14, 2024, is \$0.000860 per kilowatt-hour, while the current RES surcharge, to be billed from December 2024 to November 2025, is \$0.0111 per therm. Table 4 and Table 5 show the total credits provided to RAD and RES customers, respectively, in recent years.

⁸¹ District of Columbia Public Service Commission (DC PSC). "Utility discount programs, bill credits, and other assistance." PSC website. <https://dcpsc.org/Consumers-Corner/Programs/Utility-discount-programs,-bill-credits-and-other.aspx>. [Accessed April 11, 2025.]⁸² FC 1169. Order No. 21939. Page 126. Available at: <https://edocket.dcpsc.org/apis/api/Filing/download?attachId=197526&guidFileName=c901ca24-b864-4b05-b6d1-c1dfc528fc03.pdf>.⁸³ Potomac Electric Power Company (Pepco). Accessed April 11, 2025. "Residential Aid Discount Program." Pepco website. <https://www.pepco.com/my-account/customer-support/assistance-programs-dc/bill-payment-assistance/residential-aid-discount-program>.

⁸² FC 1169. Order No. 21939. Page 126. Available at: <https://edocket.dcpsc.org/apis/api/Filing/download?attachId=197526&guidFileName=c901ca24-b864-4b05-b6d1-c1dfc528fc03.pdf>.⁸³ Potomac Electric Power Company (Pepco). Accessed April 11, 2025. "Residential Aid Discount Program." Pepco website. <https://www.pepco.com/my-account/customer-support/assistance-programs-dc/bill-payment-assistance/residential-aid-discount-program>.

⁸³ Potomac Electric Power Company (Pepco). Accessed April 11, 2025. "Residential Aid Discount Program." Pepco website. <https://www.pepco.com/my-account/customer-support/assistance-programs-dc/bill-payment-assistance/residential-aid-discount-program>.

⁸⁴ WGL. Accessed April 11, 2025. "Energy Assistance: District of Columbia Residents." Washington Gas website. <https://www.washingtongas.com/get-assistance/energy-assistance>.



Table 4. Total residential aid credited to RAD customers by program year

Time period	March 2021–Feb. 2022	March 2022–Feb. 2023	March 2023–Feb. 2024
RAD credit	\$7,229,116	\$10,735,160	\$9,127,799

Sources: PEPRADR2022-01-E – 1 Attachment B. Pepco's compliance filing for Rider "RADS"– Residential Aid Discount Surcharge. 4.6.22; PEPRADR2023-01-E – 5 Attachment B. Pepco's compliance filing for Rider "RADS"– Residential Aid Discount Surcharge. 9.29.23; PEPRADR2024-01-E – 2, Attachment B. Pepco's compliance filing for Rider "RADS"– Residential Aid Discount Surcharge. 5.20.24.

Table 5. Total assistance credited to RES customers by program year

Time period	Nov. 2021–Oct. 2022	Nov. 2022–Oct. 2023	Nov. 2023–Oct. 2024
RES credit	\$1,877,291	\$2,193,943	\$2,790,322

Sources: WGLRESR-2022-01 - 3, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2022. WGLRESR-2023-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2023. WGLRESR-2024-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.20.2024.

Program performance

Table 6 presents the number of participating RAD customers and the benefits per participant by program year. Pepco has acknowledged the lower participation numbers in the latest program year, noting that "decreased participation [is] driving [a] lower program cost...from June 2024 through May 2025" but did not explain the causes underlying decreased participation.⁸⁵

Table 6. Number of participating RAD customers and benefits per participant by program year

Time period	March 2021–Feb. 2022	March 2022–Feb. 2023	March 2023–Feb. 2024
Participants	25,889 ^a	28,442 ^b	22,809 ^c
Avg. benefit per participant	\$279.24	\$377.44	\$400.18

Notes: Participant numbers come from the same annual filings, respectively, cited as in Table 4. Calculating Benefits per Participant requires dividing the credit amount in Table 4 by the participant number in Table 6. ^(a) February 2022 actual RAD customers; ^(b) February 2023 actual RAD customers; ^(c) Average actual customers from March 2023 to February 2024.

Table 7 presents the number of participating RES customers and the benefits per participant by program year.

⁸⁵ PEPRADR2024-01-E – 2, Attachment B. Pepco's compliance filing for Rider "RADS"– Residential Aid Discount Surcharge. 5.20.24.

Table 7. Number of participating RES customers and benefits per participant by program year

Time Period	Nov. 2021–Oct. 2022	Nov. 2022–Oct. 2023	Nov. 2023–Oct. 2024
Participants	5,451	7,092	7,512
Avg. benefit per participant	\$344.39	\$309.35	\$371.45

Sources: WGLRESR-2022-01 - 3, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2022. WGLRESR-2023-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2023. WGLRESR-2024-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.20.2024. Notes: Calculating Benefits per Participant requires dividing the credit amount in Table 5 by the participant number in Table 7.

Arrearage Management Programs

Program structure

Arrearage management programs (AMPs) provide customers the opportunity to receive forgiveness for past-due debt. WGL and Pepco both offer AMPs to District customers.

Under WGL's AMP,⁸⁶ WGL will forgive past-due balances for customers who successfully complete a 12-month payment plan,⁸⁷ as long as they first bring their past-due balance down to \$3,000 or less. Customer accounts enrolled in AMP are placed on a "Budget Plan," allowing customers to spread the cost of gas bills over the whole year, with steady monthly payments. For each month a customer pays the Budget Plan bill amount, one-twelfth of their arrearage balance at the time of program enrollment is forgiven. Customers can miss up to two full-and-on-time monthly payments and still participate in the program, but after a third missed payment, WGL will cancel their AMP.⁸⁸

Similarly, customers enrolled in Pepco's AMP receive monthly bill credits of one-twelfth of their arrearages balance. At the end of the 12 months, the customer's arrearage balance is completely forgiven. Customers who have arrearage balances over \$3,600 can receive monthly credits calculated differently, and the total length of the program may be longer. In addition, Pepco waives the \$35 reconnection fee for terminated customers participating in the AMP.⁸⁹

⁸⁶ Note that at the time of this report, potential changes to WGL's AMP program were before the Commission. See FC 1164, "Joint Report on Arrearage Management Program." July 30, 2025.
<https://edocket.dcpsec.org/apis/api/Filing/download?attachId=227312&guidFileName=5815381c-f377-481d-a5a0-d5a757835202.pdf>.

⁸⁷ See Washington Gas. "Energy Assistance." <https://www.washingtongas.com/get-assistance/energy-assistance>. [Accessed April 11, 2025.]

⁸⁸ See FC 1164, Order No. 20990. August 9, 2021:
<https://edocket.dcpsec.org/apis/api/Filing/download?attachId=139536&guidFileName=2193bbc6-17df-447a-b7d9-bb32ff767019.pdf>.

⁸⁹ Apprise, Inc. May 2021. *Pepco Arrearage Management Program Evaluation: Final Report*. Available at:
<https://www.appriseinc.org/wp-content/uploads/2022/09/Final-Pepco-AMP-Evaluation-Report-5-21-21.pdf>.

Eligibility

To be eligible for an AMP, customers must apply and be approved by the DOEE for energy assistance within 12 months prior to applying for the AMP. The same income thresholds apply as with RAP and RES: customers' annual household income must be less than 80 percent of AMI.⁹⁰

Customers who have been approved by DOEE for energy assistance will automatically be enrolled in WGL's AMP program.⁹¹ To qualify for WGL's AMP specifically, customers must have a maximum arrearage balance of \$3,000. If a customer has a past-due balance of more than \$3,000, they must first reduce the balance to less than \$3,000 before they are eligible for WGL's AMP. Customers can miss up to two full-and-on-time monthly payments and still participate in the program, but after a third missed payment WGL will cancel their AMP program.⁹²

To be eligible for Pepco's AMP, customers must be currently or recently participating in the RAD program and have a minimum arrearage balance of \$300 or more that is at least 60 days past due.⁹³

Funding

WGL recovers AMP costs through the RES surcharge on non-RES customers, described above. WGL's annual RES Surcharge filing with the DC PSC also estimates its AMP costs for the coming year. Table 8 shows the annual AMP cost forecast in recent years.

Table 8. AMP cost forecast by program year

Time period	Nov. 2021–Oct. 2022	Nov. 2022–Oct. 2023	Nov. 2023–Oct. 2024
AMP cost	\$246,994	\$1,215,579	\$694,188

Sources: WGLRESR-2022-01 - 3, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2022. WGLRESR-2023-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.17.2023. WGLRESR-2024-01 - 2, Washington Gas Light Company's Annual Residential Essential Service Surcharge Reconciliation Factor. 11.20.2024

Pepco recovers the costs of its AMP through base rates. The costs of distribution-related arrearages forgiven through the AMP are recovered through distribution rate cases and supply- and transmission-

⁹⁰ See FC 1164, Order No. 20749. May 27, 2021.
<https://edocket.dcpsc.org/apis/api/Filing/download?attachId=125083&guidFileName=e6080107-0565-4324-b180-71900e02ef50.pdf>.

⁹¹ See FC 1164, Order No. 21536. October 6, 2022.
<https://edocket.dcpsc.org/apis/api/Filing/download?attachId=182333&guidFileName=275d2bc6-f012-47c1-98a4-bbc2f187cfc7.pdf>.

⁹² See FC 1164, Order No. 20990. August 9, 2021.
<https://edocket.dcpsc.org/apis/api/Filing/download?attachId=139536&guidFileName=2193bbc6-17df-447a-b7d9-bb32ff767019.pdf>.

⁹³ Pepco. Accessed April 11, 2025. "Bill Payment Assistance." Pepco website. Available at: <https://www.pepco.com/my-account/customer-support/assistance-programs-dc/bill-payment-assistance>.

related arrearages are included in uncollectible expenses in FC 1017⁹⁴ (recovery of standard offer service) or Docket PEPPOR⁹⁵ (third-party supplier costs).⁹⁶

Program performance

An evaluation of Pepco’s AMP after its first year found that the average AMP participant had reduced their arrears by \$897 after 12 months, with an average balance of \$553 remaining.⁹⁷

Since it was launched in 2021, WGL has enrolled more than 8,900 customers in its AMP.⁹⁸ Participation in WGL’s AMP has varied, reaching a peak of over 4,000 customers enrolled in 2023.⁹⁹ As of June 30, 2025, WGL had 1,321 customers enrolled—out of 2,380 low-income customers who were in arrears.¹⁰⁰ In total, 1,062 customers have completed the AMP and avoided disconnection through the AMP since the start of the program.

Table 9. Average credit per customer in WGL's AMP

Year	2022	2023	2024
Credit amount per AMP participant (\$)	\$100.31	\$203.55	\$246.99

Note: 2024 data only available through September. Source: FC 1164. WGL Quarterly AMP Reports. Available at: <https://edocket.dcpsec.org/public/search/casenumbr/fc1164>.

Deferred payment plans

A deferred payment agreement (DPA) is an agreement whereby a utility customer pays a past-due balance in a series of installments over time. In accordance with legislation surrounding the COVID-19 public health emergency, the Commission required utilities to provide DPAs to eligible residential customers.¹⁰¹ These programs allow customers to pay utility bills across a minimum of 12 months

⁹⁴ See FC 1017, “In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia”: <https://edocket.dcpsec.org/public/search/casenumbr/fc1017>.

⁹⁵ See Docket PEPPOR, Pepco’s Purchase of Receivables Reports and Filings: <https://edocket.dcpsec.org/public/search/casetype/peppor>.

⁹⁶ See FC 1119, FC 1017, and Docket PEPPOR, Order No. 19718. October 18, 2018. <https://edocket.dcpsec.org/apis/api/Filing/download?attachId=81396&guidFileName=814ae28d-9dad-4574-a3b1-7e1fd6a8b98d.pdf>.

⁹⁷ Apprise, Inc. May 2021. *Pepco Arrearage Management Program Evaluation: Final Report*. Available at: <https://www.appriseinc.org/wp-content/uploads/2022/09/Final-Pepco-AMP-Evaluation-Report-5-21-21.pdf>.

⁹⁸ See FC 1164 WGL’s “Joint Report on Arrearage Management Program” July 30, 2025. <https://edocket.dcpsec.org/apis/api/Filing/download?attachId=227312&guidFileName=5815381c-f377-481d-a5a0-d5a757835202.pdf>.

⁹⁹ See FC 1164. WGL Quarterly AMP Reports. <https://edocket.dcpsec.org/public/search/casenumbr/fc1164>.

¹⁰⁰ See WGL quarterly AMP reports, available at <https://edocket.dcpsec.org/public/search/casenumbr/fc1164>.

¹⁰¹ See Order No. 20707 in Formal Case 1164 (March 3, 2021): <https://edocket.dcpsec.org/apis/api/Filing/download?attachId=113124&guidFileName=4ac511c2-4036-4103-9572-c1f466d8dfdf.pdf>.

through a structured payment plan. Customers are eligible if they are in arrears and request to enter into a DPA.

Incremental costs associated with COVID-19, including bad debt expense and lost revenues, are recorded in a regulatory asset account and are covered in future rate cases.¹⁰²

Solar for All

Program structure

The Solar for All Program aims to deliver electric bill savings of up to 50 percent over 15 years (or about \$500 per year) to 100,000 low- and moderate-income households in the District by providing free installations of rooftop solar or free subscriptions to a community solar facility.¹⁰³ DOEE administers the program, in partnership with the DC Sustainable Energy Utility (DCSEU) and other local organizations that install or contract for rooftop and community solar systems. Eligible households can apply for Solar for All community solar through DOEE's website and for rooftop solar through DCSEU's website.

Eligibility

Solar for All targets both low-income and moderate-income households, defined as those having a household income at or below 80 percent of the AMI (see the thresholds listed above). The program also allows households to demonstrate eligibility based on their participation in other means-tested programs, including LIHEAP, the Weatherization Assistance Program (WAP; see next section), the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Supplemental Security Income (SSI).¹⁰⁴

Funding

The Solar for All program is funded through the DC Renewable Energy Development Fund (REDF), which is funded through compliance fees paid by electricity suppliers as required by the District's Renewable Portfolio Standard (RPS). In fiscal 2022, funding from the American Rescue Plan Act (ARPA) was also used to support the program. Table 10 shows the program budget for fiscal years 2020–2022.

¹⁰² See GD2020-01, Order No. 20329 (April 15, 2020): <https://edocket.dcpsec.org/apis/api/filing/download?attachId=102978&guidFileName=beec1708-3dbb-4eef-ada6-01c89e1d76b4.pdf>.

¹⁰³ See the District of Columbia Sustainable Energy Utility (DCSEU) web page "Solar for All": <https://doee.dc.gov/solarforall>.

¹⁰⁴ DCSEU. Accessed April 11, 2025. "Solar for All." DCSEU website. Available at: <https://www.dcseu.com/solar-for-all>.

Table 10. Solar for All budget by fiscal year

Year	FY 2020	FY 2021	FY 2022
ARPA	\$0	\$0	\$10,583,985
REDF	\$27,728,450	\$17,546,260	\$2,387,365
Total	\$27,728,450	\$17,546,260	\$12,971,350

Source: DC DOEE. Fiscal Year 2020 Solar for All Annual Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/FY%202020%20SFA%20Annual%20Report.pdf; DC DOEE. Fiscal Year 2021 Solar for All Program Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/FY%202021%20Solar%20for%20All%20Annual%20Report.pdf; DC DOEE. Fiscal Year 2022 Solar for All Program Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/FY%2022%20SFA%20Report%20Final%20Version.pdf.

Program performance

Information on the number of rooftop and community solar projects installed under the program and the direct benefits to participants are limited. Table 11 provides the total solar capacity installed under the program—including both rooftop solar and community solar—as well as the number of households receiving program benefits in fiscal years 2020–2022.

Table 11. Total solar capacity installed and number of households receiving benefits under Solar for All

Year	FY 2020	FY 2021	FY 2022
Total solar capacity installed	11.01 MW	8.59 MW	7.21 MW
Total households receiving benefits	3,103	Over 2,500	Over 1,925

Sources: DOEE. Fiscal Year 2020 Solar for All Annual Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/FY%202020%20SFA%20Annual%20Report.pdf; DC DOEE. Fiscal Year 2021 Solar for All Program Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/FY%202021%20Solar%20for%20All%20Annual%20Report.pdf; DOEE. Fiscal Year 2022 Solar for All Program Report. Available at: https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/FY%2022%20SFA%20Report%20Final%20Version.pdf.

3.3. Federally funded programs

Low-Income Home Energy Assistance Program

Program structure

The Low-Income Home Energy Assistance Program (LIHEAP) provides funding to help low-income households pay for heating and cooling energy costs. It pays benefits directly to utility companies on customers' behalf, thus reducing their bill. Eligible households can receive a “regular benefit” between \$250 and \$1,800 once per fiscal year, with the amount determined using a benefit matrix that takes into

account household size, total household income, heating source, and type of dwelling.¹⁰⁵ In general, households that live in single-family homes and have more people, lower incomes, and oil or gas heating receive higher benefits from the program.

In addition, the program provides emergency assistance (“crisis benefits”) to households that have been disconnected from utility service, have received a disconnection notice, or have 5 percent or less heating oil capacity. The emergency benefit applies to the household’s outstanding utility bill balance after application of the regular benefit, up to \$750.

The DOEE administers the LIHEAP program for the District. The program is usually open for applications in early October of each year and remains open until funds have been depleted. Households seeking energy assistance can apply for the program by submitting an online application through the DOEE website, scheduling an in-person appointment at a DOEE Energy Center, or by mailing an application.

Eligibility

To be eligible for LIHEAP benefits, households must have an annual income below 60 percent of the SMI. For fiscal 2025, this threshold translates to the following:

- \$57,571 for a one-person household
- \$75,286 for a two-person household
- \$93,001 for a three-person household
- \$110,715 for a four-person household
- \$128,429 for a five-person household
- \$146,144 for a six-person household
- \$149,465 for a seven-person household
- \$152,787 for an eight-person household¹⁰⁶

Households are also considered eligible for LIHEAP if at least one member of the household receives SNAP, TANF, or SSI benefits.¹⁰⁷

Funding

Funding for the District’s LIHEAP program comes from federal funding—through the U.S. Department of Health and Human Services (HHS)—and local funding. Local funding for LIHEAP comes from the Energy

¹⁰⁵ District of Columbia Department of Energy and Environment (DOEE). “DOEE’s LIHEAP Regular Benefits Table for FY 2024.” https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/DOEE%20FY24%20LIHEAP_REGULAR_Benefits_Table-Matrix.pdf.

¹⁰⁶ See the DOEE web page for LIHEAP: <https://doee.dc.gov/vi/liheap>.

¹⁰⁷ See Detailed Model Plan (LIHEAP): https://doee.dc.gov/sites/default/files/dc/sites/doee/service_content/attachments/DETAILED%20MODEL%20PLAN%20%28LIHEAP%29_10_2_24.pdf, p. 5.

Assistance Trust Fund (EATF), which is funded by a surcharge on utility customers in the District. Federal LIHEAP funding also supports the Weatherization Assistance Program, which we discuss in detail below.

Table 12 shows the amount of federal funding for the District’s LIHEAP program and the amount spent on program benefits—which is the amount that flows directly to District residents as energy assistance—for fiscal years 2020–2023. The regular benefit is categorized as “heating benefits” or “cooling benefits,” depending on the time of year.

Table 12. LIHEAP federal funding and benefits amount – Washington DC

Year	FY 2020	FY 2021	FY 2022	FY 2023
Total program funding	\$14,769,286	\$29,413,093	\$23,631,353	\$19,696,984
Heating benefits	\$6,759,526	\$8,769,991	\$6,472,906	\$8,234,204
Cooling benefits	\$368,477	\$1,287,636	\$6,917,468	\$1,002,320
Crisis benefits	\$2,230,443	\$5,001,269	\$5,780,893	\$5,903,348
Weatherization benefits	\$1,108,602	\$1,434,539	\$2,137,809	\$1,122,299
Total benefits	\$10,467,048	\$16,493,435	\$21,309,076	\$16,262,171

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

However, the future of federal LIHEAP funding is uncertain. In April 2025, the Trump Administration terminated the entire federal staff who administered LIHEAP at the U.S. Department of Health and Human Services (HHS), effectively freezing the remaining fiscal 2025 funds despite their having been approved by Congress.¹⁰⁸ Those remaining fiscal 2025 funds were subsequently released,¹⁰⁹ the future of the program remains uncertain. The Trump Administration’s proposed fiscal year 2026 budget would eliminate federal LIHEAP funding entirely.¹¹⁰ The potential elimination or reduction of LIHEAP funding should be a serious concern as the District evaluates energy affordability for gas and electric utility customers.

Program performance

HHS’s LIHEAP Performance Management website provides detailed information on states’ use of LIHEAP funds and on funding recipients. Table 13 through Table 15 show the number of households receiving federally funded LIHEAP benefits, the percentage of income-eligible households served by federally funded LIHEAP benefits, and the average LIHEAP benefits per participating household in the District for

¹⁰⁸ PBS. 2025. “Utility Assistance Frozen after Trump Administration Fires Program’s Staff.” *PBS News Hour*, April 24. <https://www.pbs.org/newshour/show/utility-assistance-frozen-after-trump-administration-fires-programs-staff>.

¹⁰⁹ U.S. Department of Health & Human Services, Office of Community Services. 2025. “LIHEAP DCL- 2025-02 Final Funding Release of Federal Fiscal Year 2025 (FY25)”. May 1. <https://acf.gov/ocs/policy-guidance/liheap-dcl-2025-02-final-funding-release-federal-fiscal-year-2025>.

¹¹⁰ National Energy Assistance Directors Association. 2025. “President’s FY 2026 Budget Eliminates Federal Funding for LIHEAP.” <https://neada.org/wp-content/uploads/2025/05/Presidents-FY-26-Budget-LIHEAP-1-1.pdf>.

each year in fiscal years 2020–2023. Table 16 in the following section provides data on weatherization benefits.

Table 13. Number of households receiving LIHEAP benefits in the District of Columbia

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	8,608	8,970	8,035	12,349
Cooling benefits	672	2,263	13,480	1,757
Crisis benefits	2,601	2,155	4,700	5,961

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 14. Share of income-eligible households receiving LIHEAP benefits in the District of Columbia

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	11.237%	11.678%	9.377%	13.87%
Cooling benefits	0.877%	2.946%	15.731%	1.973%
Crisis benefits	3.396%	2.806%	5.485%	6.695%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 15. Average LIHEAP benefits per participating household in the District of Columbia

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	\$785	\$1,144	\$580	\$914
Cooling benefits	\$548	\$622	\$594	\$829
Crisis benefits	\$497	\$494	\$623	\$1,158

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Weatherization Assistance Program

Program structure

The Weatherization Assistance Program (WAP) provides low-income households with technical and financial assistance to improve the energy efficiency of their homes—and thereby reduce energy bills. This includes performing energy audits and installing energy efficiency measures such as insulation, duct sealing, heating and cooling system repairs or replacement, air infiltration mitigation, roof repair, mold remediation, and a switch to ENERGY STAR-rated lighting and appliances.¹¹¹

DOEE administers WAP in partnership with community-based and nonprofit organizations that hire local contractors to perform audit-recommended installations. Eligible households can apply for the program electronically through DOEE’s website or email or by mailing an application to DOEE. The application for the WAP is combined with DOEE’s Emergency Mechanical Systems Replacement and Lead Reduction programs.

¹¹¹ See the DOEE web page “Weatherization Assistance Program (WAP)”: <https://doee.dc.gov/service/wap>.

Eligibility

Similar to LIHEAP, WAP benefits are available to households with annual income below 60 percent of the SMI, as well as households with at least one member receiving TANF or SSI benefits. Multifamily dwellings with two to four units are eligible if at least 50 percent of households are eligible, and those with five or more units are eligible if at least 66 percent of households are eligible.

Funding

Funding for WAP is included in the federal funding for LIHEAP. Table 12 shows funding levels for the 2020–2023 fiscal years, which ranged from \$1,108,602 in fiscal 2020 to a peak of \$2,137,809 in fiscal 2023. Because WAP draws from the same funding as LIHEAP, funding and staffing changes that affect LIHEAP, as discussed above, will also affect WAP.

Program performance

HHS’s LIHEAP Performance Management website provides data on weatherization benefits and recipients. Table 16 provides the number of households receiving federally funded WAP benefits, the percentage of income-eligible households served by federally funded WAP benefits, and the average WAP benefits per participating household in the District in fiscal years 2020–2023.

Table 16. Households receiving federally funded WAP benefits – Washington, DC

Year	FY 2020	FY 2021	FY 2022	FY 2023
Number of households served	110	115	77	158
Percent of income-eligible households served	0.144%	0.15%	0.09%	0.178%
Average benefit per participating household	\$10,078	\$12,474	\$27,764	\$7,103

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

3.4. Utility Consumer Bill of Rights

Along with the energy assistance programs described above, the District also provides utility customers with certain protections under the PSC’s Consumer Bill of Rights (CBOR).¹¹² Among other regulations, the CBOR provides requirements related to utility disconnections, including protections for customers with medical necessity and for all customers during periods of extreme weather.¹¹³ The CBOR also includes the right of customers to enter in deferred payment agreements for their past-due balances.

¹¹² District of Columbia Public Service Commission (DC PSC). Consumer Bill of Rights. <https://dcpssc.org/Consumers-Corner/Utility-Bills-Complaints-and-Service-Providers/Consumer-Bill-of-Rights.aspx>.

¹¹³ District of Columbia Municipal Regulations, Chapter 3: Consumer Rights and Responsibilities, Section 310-311. [https://dcpssc.org/getattachment/Orders-and-Regulations/Orders-Rules-and-Regulations/District-of-Columbia-Municipal-Regulations-Title-1/15-3-Compiled-\(3\).pdf.aspx?lang=en-US](https://dcpssc.org/getattachment/Orders-and-Regulations/Orders-Rules-and-Regulations/District-of-Columbia-Municipal-Regulations-Title-1/15-3-Compiled-(3).pdf.aspx?lang=en-US)

4. LEARNING FROM OTHER JURISDICTIONS

Just as the District of Columbia can use California as a model for building an energy affordability framework, it can learn from practices and measures adopted in other states. This section begins with a brief overview of common best practices for energy assistance and affordability programs for low- and moderate-income residents. It then looks more closely at Maryland, Illinois, and Massachusetts, providing detailed descriptions of their programs and drawing out recommendations for the District.

4.1. Best practices for energy assistance and other energy affordability programs

Policy experts have identified criteria and best practices for effective energy assistance and other energy affordability programs, including the following:

- Programs should provide **maximum benefits** to the recipients of the program relative to the dollars funded by utility customers.¹¹⁴
- **Consumer education** should make eligible households aware of available assistance and how to reduce their energy bills.¹¹⁵
- Programs should lower collection costs, service disconnections, arrearages, and debt write-offs.^{116,117}
- Programs should **streamline application processes**—for instance, by using **categorical eligibility** (such as automatically granting eligibility for energy assistance programs to participants in other means-tested programs, such as SNAP) and **automatic enrollment** to reduce burden on administrators and applicants.¹¹⁸

¹¹⁴ Costello, K.W. 2021. “Making Utility Assistance to Low-Income Households More Effective.” *The Regulatory Review*, November 23. <https://www.theregreview.org/2021/11/23/costello-utility-assistance-low-income-households-effective/>.

¹¹⁵ Ibid.

¹¹⁶ Ibid. See also: Lusson, K. 2024. “Protecting Access to Essential Utility Service During Extreme Heat and Climate Change.” National Consumer Law Center. <https://www.nclc.org/resources/protecting-access-to-essential-utility-service/>.

¹¹⁷ National Consumer Law Center and Center for Energy Poverty and Climate. 2024. “Protecting Access to Essential Utility Service During Extreme Heat and Climate Change.” Available at: https://www.nclc.org/wp-content/uploads/2024/07/202407_Report_Protecting-Access-to-Essential-Utility-Service-in-the-Time-of-Extreme-Heat-and-Climate-Change.pdf.¹¹⁸ Drehabl, A. and F. Castro-Alvarez. 2017. “Low-Income Energy Efficiency Programs: A Baseline Assessment of Programs Serving the 51 Largest Cities.” American Council for an Energy-Efficient Economy. <https://www.aceee.org/white-paper/low-income-ee-baseline>.

¹¹⁸ Drehabl, A. and F. Castro-Alvarez. 2017. “Low-Income Energy Efficiency Programs: A Baseline Assessment of Programs Serving the 51 Largest Cities.” American Council for an Energy-Efficient Economy. <https://www.aceee.org/white-paper/low-income-ee-baseline>.

- Programs should **integrate diverse funding sources**, such as by partnering with federal programs like WAP.¹¹⁹

Policy experts have also identified criteria and best practices for effective energy efficiency programs targeted towards low-income households. While applicable to energy efficiency, they also hold relevant principles for energy assistance programs. These include the following:

- Programs should **provide a one-stop shop** that helps participants navigate program offerings.¹²⁰
- Programs should specifically **address the needs of multifamily affordable housing**,¹²¹ and they should seek to **provide benefits to tenants** who pay utility bills as well as those whose energy costs are included in rent.¹²²

Most states measure and track energy assistance program outcomes purely based on participation in the program. Through our review, we have not found any jurisdictions that have adopted a comprehensive plan or evaluation framework around achieving specific affordability goals using other metrics—besides California, as discussed in section 2.1.

4.2. A Deep-Dive into Three Leading States

In order to provide more insights for the District, we closely examined practices in three states: Maryland, Massachusetts, and Illinois. All three have deregulated markets, meaning that the investor-owned utilities within those states own and maintain their distribution infrastructure, but they pass through supply and transmission costs to customers via surcharges on their utility bills. In addition, as in DC, customers may choose to participate in retail choice, where the customer can opt out of the utilities' default supply offering and can choose another electricity or natural gas supplier for their generation needs. All three states we surveyed are pursuing clean energy goals that have associated costs, such as taxpayer- or ratepayer-funded clean energy incentive programs or clean energy procurements to meet renewable portfolio standards. They also all have noteworthy energy assistance and other energy affordability programs.

We selected Maryland for its comprehensive portfolio of energy assistance programs, which promotes affordability for low-income households by providing grants, improving energy efficiency, and managing and reducing arrearages. Notably, the state has a combined application for all of its energy assistance programs, making it easy for customers to get the assistance they need. The programs also include

¹¹⁹ Drehobl and Castro-Alvarez, 2017.

¹²⁰ Energy Efficiency For All. 2015. "Program Design Guide: Energy Efficiency Programs in Multifamily Affordable Housing." https://downloads.ctfassets.net/ntcn17ss1ow9/5tmOEuPodqb7jCvWrTltwd/5bfbee151daf4641d08e2ef036a1c669/Full_Program_Design_Guide.pdf.

¹²¹ Ibid.

¹²² Ibid. See also: Bilowich, J. 2023. "HUD Details Benefit Distribution of Community Solar in Affordable Housing." *LeadingAge* (blog), May 18. <https://leadingage.org/hud-details-benefit-distribution-of-community-solar-in-affordable-housing/>.

automatic enrollment for categorically eligible households, which further improves accessibility. Finally, the use of state funding sources helps alleviate the cost of energy assistance programs to ratepayers.

We selected Illinois because it was one of the first states to enact a Percentage of Income Payment Plan, which aims to reduce energy burden and keep utility bills affordable by capping participants' utility bills at no more than 6 percent of their income. Illinois utilities also offer energy efficiency programs for low-income customers, and state law requires utilities to bundle those offerings with other programs that serve low-income households, in order to maximize the benefits to these households.¹²³ Recently, the Illinois Commission authorized low-income discount rates for gas and electric utilities; this system provides tiered discounts based on income thresholds for low-income customers.

We selected Massachusetts because the state's utility regulator has prioritized affordability issues, including by opening a dedicated proceeding investigating energy affordability for residential ratepayers.¹²⁴ The ongoing proceeding will determine a statewide design for tiered, income-based electric and gas utility discounts aimed at reducing low-income customers' energy burdens equitably across income levels. To inform design of future energy assistance programs, the proceeding seeks stakeholder engagement regarding the appropriate percentage of household income used to pay electricity and heating bills.¹²⁵ One Massachusetts utility has already begun implementing tiered discount electric rates. In addition to these noteworthy initiatives, the state's arrearage management program is exemplary for its auto-enrollment of customers and detailed reporting.

In Table 17, we compare practices in the District with those in Maryland, Illinois, and Massachusetts. This table also relates these practices to the best practices mentioned above.

Table 17. Practices in DC and select jurisdictions and recommendations for DC programs

Category	Current DC practice	Practice in other jurisdictions	Recommendations for DC
Funding source	All programs except LIHEAP and WAP are funded by ratepayers	Maryland: Programs other than LIHEAP and WAP are funded by both ratepayers and state funds	Consider alternative funding source(s) to offset risk of federal LIHEAP/WAP funding disruption and diversify funding stream
Program offerings	Shutoff protection is only available for vulnerable populations or during periods of extreme weather	Maryland: Shutoff protection is available to any customers in arrears throughout the heating season (with timely payments under budget billing plan)	Consider extending protections to all customers in arrears within the heating and cooling seasons; if implemented, track data and monitor success of this change in avoiding shutoffs

¹²³ ILCS 5/8 Section 8-103B(c) <https://www.ilga.gov/documents/legislation/ilcs/documents/022000050K8-103B.htm>

¹²⁴ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Opened 1.4.2024.

¹²⁵ "DPU Issues Notice of Investigation on Energy Affordability for Massachusetts Ratepayers." Department of Public Utilities Press Release. 1.4.2024. <https://www.mass.gov/news/dpu-issues-notice-of-investigation-on-energy-affordability-for-massachusetts-ratepayers>.

Category	Current DC practice	Practice in other jurisdictions	Recommendations for DC
	Utility discounts exempt customers from certain bill components, but do not account for income	Illinois: Utility discount rates are tiered based on income (percentage-of-income payment plan, or PIPP) Massachusetts: Utility discounts are tiered depending on the participant's income	Consider implementing a PIPP or tiered discount program
	Utility discount is not tailored to achieving specific affordability metrics	Illinois: PIPP ensures participants' energy bills are capped at 6 percent of income Massachusetts: Tiered discount rates will be designed to achieve a particular energy burden level	If a PIPP or tiered discount program is implemented, tie discounts to affordability metrics
Program eligibility	Programs (LIHEAP, RAD, RES) require customers to have utility bills in their name	Maryland: For LIHEAP participants' whose energy costs are included in rent, benefits are paid to the landlord, and rent is reduced accordingly Illinois: LIHEAP participants with utilities included in their rent receive a cash benefit if they verify they do not have an energy bill under their name	Ensure that renters with energy costs included in their rent are eligible for assistance, and/or develop offerings for such renters—for example, multifamily energy efficiency programs that require landlords to agree to share the cost savings with tenants (for master-metered units)
Funding source Program offerings	All programs except LIHEAP and WAP are funded by ratepayers	Maryland: Programs other than LIHEAP and WAP are funded by both ratepayers and state funds	Consider alternative funding source(s) to offset risk of federal LIHEAP/WAP funding disruption and diversify funding stream
	Shutoff protection is only available for vulnerable populations or during periods of extreme weather	Maryland: Shutoff protection is available to any customers in arrears throughout the heating season (with timely payments under budget billing plan)	Consider extending protections to all customers in arrears within the heating and cooling seasons; if implemented, track data and monitor success of this change in avoiding shutoffs
	Utility discounts exempt customers from certain bill components, but do not account for income	Illinois: Utility discount rates are tiered based on income (percentage-of-income payment plan, or PIPP) Massachusetts: Utility discounts are tiered depending on the participant's income	Consider implementing a PIPP or tiered discount program

The following sections present federally funded, state-funded, and ratepayer-funded programs available in each state. For each program, we describe the program structure, eligibility, and funding sources and amounts. We also present some indicators of program performance and impact.

Maryland

Maryland law requires utilities to offer energy affordability programs for low-income households, noting that “the societal benefits of a well-constructed limited-income mechanism to benefit Maryland’s



eligible limited-income customers are in the public interest.”¹²⁶ Per statute, when evaluating a low-income program, the Maryland Public Service Commission (PSC) must consider several factors, including the degree to which the program promotes affordability for low-income customers; the impact on rates, customer arrearages and disconnections, and uncollectible costs; and the coordination of the program with other assistance.¹²⁷

Maryland has a deregulated electricity and gas market that allows customers to select their electricity and gas supplier.

As detailed further below, Maryland’s portfolio of energy assistance programs includes bill assistance programs, such as the Maryland Energy Assistance Program and the Electric Universal Service Program, and programs that assist customers with arrearages, such as the Arrearage Retirement Assistance program and the Universal Service Protection Program. With a combined application for these four programs, Maryland allows customers to easily identify and access these programs. In addition to applying for energy assistance programs, the Energy Assistance Application allows customers to opt in to be referred to energy efficiency programs provided by the Maryland Department of Housing and Community Development (DHCD), including the Weatherization Assistance Program and the Limited Income Energy Efficiency Program through EmPOWER. These programs provide income-eligible customers with home energy audits and improvements to improve energy efficiency, reduce energy usage, and reduce costs.

Electric Universal Service Program

Program structure

The Electric Universal Service Program (EUSP), established pursuant to the Electric Customer Choice Act of 1999, provides low-income electric customers with bill assistance through benefit payments paid directly to the utility on the participant’s behalf.¹²⁸ The benefit amount is based on the participant’s gross household income, household size, electricity usage, and price of electricity. Beginning in fiscal 2025, the program divides participants into seven groups, as shown in Table 18.¹²⁹

¹²⁶ Maryland Public Utilities Article, §4–309(b), available at: https://mgaleg.maryland.gov/2024RS/Statute_Web/gpu/gpu.pdf

¹²⁷ Maryland Public Utilities Article, §4–309(e), available at: https://mgaleg.maryland.gov/2024RS/Statute_Web/gpu/gpu.pdf

¹²⁸ Public Service Commission of Maryland (PSC). 2024. Electric Universal Service Program – 2023 Annual Report, p. 1, 18. https://www.psc.state.md.us/wp-content/uploads/2023-PSC-EUSP-Report_FINAL_01.23.2024.pdf.

¹²⁹ Maryland PSC, 2024. Electric Universal Service Program – 2023 Annual Report, p. 5. ¹³⁰ Maryland PSC, 2024. Electric Universal Service Program – 2023 Annual Report, p. 26.

Table 18. EUSP income levels

Group/poverty Level	Household income
Level 1	0–25% FPL
Level 2	26–50% FPL
Level 3	51–100% FPL
Level 4	101–150% FPL
Level 5	151–200% FPL
Level 6	Subsidized housing occupants
Level 7	Categorically eligible households that exceed 200% FPL

The benefit amount is calculated based on a formula to ensure that households with the lowest income and the highest-usage customers receive the greatest benefit:¹³⁰

$$\text{EUSP Benefit} = \text{Annual kWh Usage} \times \text{Average Cost per kWh} \times \text{Utility Index} \times \text{Poverty Level Percentage}$$

The Office of Home Energy Programs (OHEP) administers the EUSP and is required to file an Operations Plan for approval by the Maryland PSC for each fiscal year. Twenty local administering agencies throughout the state receive and process EUSP applications, which can be submitted through mail, email, fax, drop-offs, in-person interviews and outreach events, or an online portal.¹³¹

Eligibility

EUSP is available to households with incomes up to 200 percent of the federal poverty line, subsidized housing occupants, and categorically eligible households.¹³² For 2025, the 200 percent FPL threshold corresponds to:¹³³

- \$31,300 for a one-person household
- \$42,300 for a two-person household
- \$53,300 for a three-person household
- \$64,300 for a four-person household
- \$75,300 for a five-person household
- \$86,300 for a six-person household
- \$97,300 for a seven-person household
- \$108,300 for an eight-person household

¹³⁰ Maryland PSC, 2024. Electric Universal Service Program – 2023 Annual Report, p. 26.

¹³¹ Maryland PSC, 2024. Electric Universal Service Program – 2023 Annual Report, p. 18.

¹³² Maryland PSC, 2024. Electric Universal Service Program – 2023 Annual Report, p. 5.

¹³³ HHS, Office of the Assistant Secretary for Planning and Evaluation. Poverty Guidelines – Chart showing different multiples for the poverty guidelines for 2025.

<https://aspe.hhs.gov/sites/default/files/documents/df03c95bc141ef99b4caf28b7e9e4d00/detailed-guidelines-2025.xlsx>;

LIHEAP Clearinghouse. 2024. State Median Income (SMI) by Household Size for Optional Use in federal Fiscal Year (FY) 2024 and Mandatory Use in LIHEAP for FY25—Households of Size 7 through 12.

https://acf.gov/sites/default/files/documents/ocs/COMM_LIHEAP_IM%202024-02_Att4SMITable_0.pdf.

Households that participate in TANF, SSI, SNAP, and means-tested veterans' programs are categorically eligible. Since 2024, categorically eligible households have been automatically enrolled in EUSP and other OHEP energy assistance programs for which they qualify.¹³⁴ The automatic enrollment of categorically eligible households is enabled by the state's MDTHINK Eligibility & Enrollment system, which records data for participants of social services programs.¹³⁵

Funding

The EUSP is funded by a combination of ratepayer funds (through the Universal Services Benefit Program Ratepayer Surcharge) and Regional Greenhouse Gas Initiative (RGGI)/ Strategic Energy Investment Fund (SEIF) funds (see Table 19).¹³⁶

Table 19. EUSP funding source and amount by year – FY 2020-2023

Year	FY 2020	FY 2021	FY 2022	FY 2023
Ratepayer funding	\$30.9 million	\$30.9 million	\$27.5 million	\$30.7 million
RGGI/SEIF and other funding	\$10.4 million	\$19.9 million	\$33.4 million	\$59.7 million
Total benefit expenditures	\$41.3 million	\$41.8 million	\$60.9 million	\$90.4 million

Source: PSC. 2024. *Electric Universal Service Program – 2023 Annual Report*, p. 15.

Program performance

Table 20 shows EUSP participation and benefit per household by year.

Table 20. EUSP participation and benefit per household by year

Year	FY 2020	FY 2021	FY 2022	FY 2023
Households served	84,079	83,702	79,951	96,367
Average benefit per household	\$492	\$504	\$763	\$939

Source: PSC. 2024. *Electric Universal Service Program – 2023 Annual Report*, p. 15.

Several changes introduced by Maryland House Bill 323 of 2023, including categorical eligibility and automatic enrollment, have improved the reach of OHEP's energy assistance programs, including EUSP

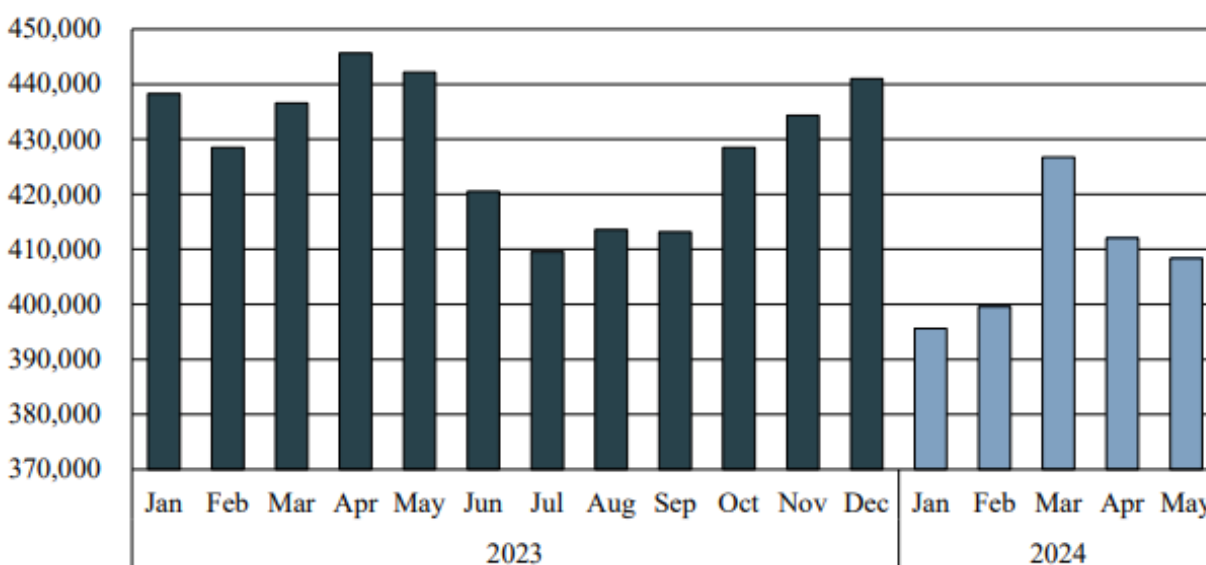
¹³⁴ Brock, E., V. Martinez, S. Quist, et al. 2025. "Evaluation of the Office of Home Energy Programs." Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. <https://dls.maryland.gov/pubs/prod/ProgEval/EvalofOHEP.pdf>.

¹³⁵ Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. 2025. *Evaluation of the Office of Home Energy Programs*, p. 11.
See also myMDTHINK website. <https://mymdthink.maryland.gov/home/#/>¹³⁶ Maryland PSC. 2024. *Electric Universal Service Program – 2023 Annual Report*, p. 8; Maryland PSC. *Energy Assistance in Maryland*. <https://www.psc.state.md.us/wp-content/uploads/Energy-Assistance-in-Maryland-Fact-Sheet-1.pdf>.

¹³⁶ Maryland PSC. 2024. *Electric Universal Service Program – 2023 Annual Report*, p. 8; Maryland PSC. *Energy Assistance in Maryland*. <https://www.psc.state.md.us/wp-content/uploads/Energy-Assistance-in-Maryland-Fact-Sheet-1.pdf>.

and MEAP (discussed below).¹³⁷ A report from the Maryland General Assembly’s Office of Program Evaluation and Government Accountability found that, compared to before categorical eligibility was implemented, the number of applications have dramatically increased and denial rates have dramatically decreased.¹³⁸ However, the increased enrollment has required OHEP to lower the amount of benefits provided to each household in order to ensure that all eligible households receive benefits within the authorized budget.¹³⁹ Overall, the report showed that the implementation of House Bill 323 beginning January 2024 has reduced the number of customer accounts in arrears (see Figure 4).

Figure 4. Number of customer accounts in arrears in Maryland, January 2023 – May 2024



Source: Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. 2025. *Evaluation of the Office of Home Energy Programs*, p. 16.

Arrearage Retirement Assistance

Program structure

The Arrearage Retirement Assistance (ARA) program, also created by the Electric Customer Choice Act of 1999, provides grants to help customers pay down their past-due utility bills. Electric customers can

¹³⁷ Brock, E., V. Martinez, S. Quist, et al. 2025. “Evaluation of the Office of Home Energy Programs.” Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. <https://dls.maryland.gov/pubs/prod/ProgEval/EvalofOHEP.pdf>, p. 9.

¹³⁸ Brock, E., V. Martinez, S. Quist, et al. 2025. “Evaluation of the Office of Home Energy Programs.” Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. <https://dls.maryland.gov/pubs/prod/ProgEval/EvalofOHEP.pdf>, p. 11, 13.

¹³⁹ Brock, E., V. Martinez, S. Quist, et al. 2025. “Evaluation of the Office of Home Energy Programs.” Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. <https://dls.maryland.gov/pubs/prod/ProgEval/EvalofOHEP.pdf>, p. 14.¹⁴⁰ OHEP. Energy Assistance Application. <https://dhs.maryland.gov/documents/DHS%20Forms/FIA%20Forms/English/OHEP/OHEP2025Application%20-%20Fillable.pdf>.

receive up to \$2,000 in a five-year period, and gas customers can receive up to \$1,000 in a five-year period.¹⁴⁰ The ARA program is administered by OHEP. Eligible residents can apply for ARA benefits as part of the same application for EUSP and other energy assistance programs.

Eligibility

Customers who have a past-due bill of \$300 or greater and receive EUSP benefits (for electric customers) or Maryland Energy Assistance Program benefits (for gas customers, as described below) are eligible for the ARA program.¹⁴¹ Residents with medical vulnerabilities can receive ARA grants multiple times within a five-year period.¹⁴²

Funding

As shown in Table 21, the Electric ARA program is mainly funded through SEIF funding but has been supplemented with ratepayer funding in some years:¹⁴³

Table 21. Electric ARA funding sources by year

Year	FY 2020	FY 2021	FY 2022	FY 2023
Ratepayer Funding	-	\$0.5 million	\$1.2 million	-
RGGI/SEIF and Other Funding	\$9.5 million	\$18.1 million	\$19.5 million	\$32.9 million
Total Benefit Expenditures	\$9.5 million	\$18.6 million	\$20.7 million	\$32.9 million

The Gas ARA program is funded through LIHEAP.¹⁴⁴ Funding information for the Gas ARA program was unavailable.

Program performance

Table 22 below shows participation and benefits per household for the Electric ARA program.¹⁴⁵

Table 22. Electric ARA participation and benefit per household by year

Year	FY 2020	FY 2021	FY 2022	FY 2023
Households Served	12,218	17,774	20,792	29,376
Average Benefit per Household	\$779	\$1047	\$997	\$1,123

¹⁴⁰ OHEP. Energy Assistance Application. <https://dhs.maryland.gov/documents/DHS%20Forms/FIA%20Forms/English/OHEP/OHEP2025Application%20-%20Fillable.pdf>.

¹⁴¹ OHEP. Energy Assistance Application. <https://dhs.maryland.gov/documents/DHS%20Forms/FIA%20Forms/English/OHEP/OHEP2025Application%20-%20Fillable.pdf>.

¹⁴² 2025 LIHEAP Detailed Model Plan, p. 10.

¹⁴³ Maryland PSC. 2024. "Electric Universal Service Program – 2023 Annual Report." p. 15.

¹⁴⁴ Maryland PSC. Energy Assistance in Maryland. <https://www.psc.state.md.us/wp-content/uploads/Energy-Assistance-in-Maryland-Fact-Sheet-1.pdf>.

¹⁴⁵ Maryland PSC. 2024. "Electric Universal Service Program – 2023 Annual Report" p. 15.

Universal Service Protection Program

Program structure

The Universal Service Protection Program (USPP), established by the PSC in 1988 as required by statute, is designed to protect low-income customers from utility shutoffs during the heating season from November through March.¹⁴⁶ The program allows customers in arrears to avoid service termination or restore service if the customer enrolls in and makes timely payments under an equal payment plan (also known as “budget billing plan”) for their outstanding arrearages and if outstanding arrearages are lowered to \$400 or less prior to the winter heating season.¹⁴⁷ Utilities are required to publicize and offer the program before November of each year.

Eligibility

The USPP is available to customers who are eligible for and have applied for benefits under the Maryland Energy Assistance Program (MEAP).

Funding

The USPP does not provide funding to help pay down participants’ arrearages.

Program performance

Table 23 shows USPP participation by program-year, along with the participation rate for each of those years.

Table 23. USPP participation by year

Heating season	2021-2022	2022-2023	2023-2024
Number of Participants	18,027	26,561	36,410
Participation Rate among Eligible Customers	45%	60%	59%

Source: PSC. 2024. *Utility Service Protection Program Annual Report – Winter 2023-2024*, p. 15.

Low-Income Home Energy Assistance Program / Maryland Energy Assistance Program

Program structure

Maryland implements the Low-Income Home Energy Assistance Program (LIHEAP) as the Maryland Energy Assistance Program (MEAP). It provides a one-time payment per heating season, sent to the fuel supplier (e.g., propane or oil vendors) or utility company on the participant’s behalf. The regular benefit

¹⁴⁶ Maryland PSC. 2024. “Utility Service Protection Program Annual Report – Winter 2023–2024, p. 8-9. <https://www.psc.state.md.us/wp-content/uploads/USPP-Annual-Report-for-Winter-2023-2024.pdf>.

¹⁴⁷ PSC. 2024. *Utility Service Protection Program Annual Report – Winter 2023-2024*, p. 13. <https://www.psc.state.md.us/wp-content/uploads/USPP-Annual-Report-for-Winter-2023-2024.pdf>.

provided by the program ranges from \$25 to \$750 and is determined based on the participant's household income, fuel type, and area of residence.¹⁴⁸

Crisis assistance is available to households that have no heat, a shortage of fuel supply, or an imminent utility shutoff during the winter. Crisis assistance is a fast-tracked regular benefit and does not normally include a separate benefit except if the regular benefit does not resolve an energy crisis, in which case the household can receive an additional crisis benefit between \$100 and \$600.¹⁴⁹

OHEP administers MEAP under the Maryland Department of Human Services. Customers can apply for MEAP assistance through an online application on OHEP's website or a paper application mailed to OHEP's office. The MEAP application is combined with other energy assistance programs, including EUSP, ARA, Maryland Department of Housing and Community Development (DHCD) energy efficiency programs, and USPP.¹⁵⁰ Customers can also contact Local Home Energy Program Offices for guidance related to the energy assistance application.¹⁵¹ Additionally, there is a streamlined application process for applicants aged 60 or older, as well as disabled applicants and critically ill applicants receiving benefits through Maryland's Critical Medical Needs Program.¹⁵²

Eligibility

The income-eligibility thresholds for MEAP are 200 percent of FPL for households with up to 10 members and 60 percent of SMI for households with 11 or more members.¹⁵³ For 2025, these thresholds correspond to:¹⁵⁴

- \$31,300 for a one-person household
- \$42,300 for a two-person household
- \$53,300 for a three-person household
- \$64,300 for a four-person household

¹⁴⁸ Maryland Department of Human Services, Office of Home Energy Programs. "How are Grants Determined?" <https://dhs.maryland.gov/office-of-home-energy-programs/how-are-grants-determined/>; 2025 LIHEAP Detailed Model Plan, p. 11. https://liheapch.acf.hhs.gov/docs/2025/state-plans/MD_Plan_2025.pdf.

¹⁴⁹ 2025 Low-Income Home Energy Assistance Program (LIHEAP) Detailed Model Plan, p. 16.

¹⁵⁰ Office of Home Energy Programs (OHEP). Energy Assistance Application. <https://dhs.maryland.gov/documents/DHS%20Forms/FIA%20Forms/English/OHEP/OHEP2025Application%20-%20Fillable.pdf>.

¹⁵¹ OHEP. Local Home Energy Program Office/ <https://dhs.maryland.gov/office-of-home-energy-programs/local-home-energy-program-office/>.

¹⁵² 2025 LIHEAP Detailed Model Plan, p. 10.

¹⁵³ Brock, E., V. Martinez, S. Quist, et al. 2025. "Evaluation of the Office of Home Energy Programs." Maryland General Assembly, Department of Legislative Services, Office of Program Evaluation and Government Accountability. <https://dls.maryland.gov/pubs/prod/ProgEval/EvalofOHEP.pdf>.

¹⁵⁴ HHS, Office of the Assistant Secretary for Planning and Evaluation. Poverty Guidelines – Chart showing different multiples for the poverty guidelines for 2025. <https://aspe.hhs.gov/sites/default/files/documents/df03c95bc141ef99b4caf28b7e9e4d00/detailed-guidelines-2025.xlsx>; LIHEAP Clearinghouse. 2024. State Median Income (SMI) by Household Size for Optional Use in federal Fiscal Year (FY) 2024 and Mandatory Use in LIHEAP for FY25—Households of Size 7 through 12. https://acf.gov/sites/default/files/documents/ocs/COMM_LIHEAP_IM%202024-02_Att4SMITable_0.pdf.

- \$75,300 for a five-person household
- \$86,300 for a six-person household
- \$97,300 for a seven-person household
- \$108,300 for an eight-person household
- \$119,300 for a nine-person household
- \$130,300 for a 10-person household
- \$131,637 for an 11-person household
- \$134,323 for a 12-person household

Categorical eligibility requirements are the same as those for EUSP, and categorically eligible customers are enrolled automatically.¹⁵⁵ For renters whose energy costs are included in their rent payments, MEAP benefits will be paid to the landlord, who will reduce the rent accordingly.¹⁵⁶ In addition, applicants living in subsidized housing must provide proof that they pay their own heating costs. Renters living in subsidized housing receive a lower benefit, given that a utility allowance is incorporated into their subsidy.¹⁵⁷

Funding

Table 24. LIHEAP federal funding and benefits amount – Maryland

Year	FY 2020	FY 2021	FY 2022	FY 2023
Total program funding	\$99,434,666	\$176,810,832	\$159,065,751	\$128,971,904
Heating benefits	\$57,826,867	\$79,095,762	\$125,315,677	\$76,852,451
Cooling benefits	\$2,396,580	\$1,272,001	\$0	\$0
Crisis benefits	\$3,973,162	\$2,286,358	\$3,747,711	\$3,085,642
Weatherization benefits	\$0	\$4,428,923	\$16,000,000	\$0
Total benefits	64,196,609	\$87,083,044	\$145,063,388	\$79,938,093

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Program performance

The PSC submits annual reports to the Maryland General Assembly on all bill assistance and arrearage retirement programs, including MEAP and other programs discussed below. The reports rely on data supplied by OHEP and can be found on the PSC’s website.¹⁵⁸ See Table 25 through Table 27 for details.

¹⁵⁵ 2025 LIHEAP Detailed Model Plan, p. 5.

¹⁵⁶ 2025 LIHEAP Detailed Model Plan, p. 9.

¹⁵⁷ 2025 LIHEAP Detailed Model Plan, p. 9.

¹⁵⁸ <https://www.psc.state.md.us/>. The reports can be found by searching for “EUSP annual report” using the website’s search bar.

Table 25. Number of households receiving federally funded LIHEAP benefits – Maryland

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	88,639	86,274	82,046	96,798
Cooling benefits	4,062	2,874	0	0
Crisis benefits	4,939	4,200	4,195	3,008

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 26. Percent of income-eligible households served by federally funded LIHEAP benefits – Maryland

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating Benefits	14.436%	13.954%	13.139%	15.953%
Cooling Benefits	0.662%	0.465%	0%	0%
Crisis Benefits	0.804%	0.679%	0.672%	0.496%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 27. Average LIHEAP benefits per participating household – Maryland

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	\$652	\$513	\$851	\$826
Cooling benefits	\$590	\$504	\$0	\$0
Crisis benefits	\$248	\$510	\$860	\$910

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Weatherization Assistance Program

Program structure

WAP provides income-eligible homeowners and renters with energy audits and energy improvements to reduce energy use and lower energy costs. The weatherization measures provided include blower door air infiltration reduction; insulation in the attic, floors, and walls; hot water system improvements; lighting retrofit; furnace clean/tune, safety repairs, burner retrofit or replacement; and other health and safety items.¹⁵⁹

OHEP and DHCD administer the program, and local weatherization agencies throughout the state program handle program applications and provide program services.¹⁶⁰

Eligibility

The income threshold is 200 percent of FPL or 60 percent of the SMI, whichever is higher.¹⁶¹ Priority is given to residents aged 60 and above, those with disabilities, those with children in the home, and

¹⁵⁹ Maryland Department of Housing and Community Development (DHCD). Weatherization Assistance Program. <https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Homeowner-Grants/WAP.aspx>.

¹⁶⁰ DHCD. Local Weatherization Agencies (LWAs) for the Weatherization Assistance Program. <https://dhcd.maryland.gov/Energy-Home-Repair/Documents/WAP/LocalWeatherizationAgenciesContacts.pdf>.

¹⁶¹ 2025 LIHEAP Detailed Model Plan, p. 18; DHCD. Weatherization Assistance Program. <https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Homeowner-Grants/WAP.aspx>.

households with high energy usage and/or energy burden. Also, households that receive SSI, TANF, SNAP, U.S. Department of Housing and Urban Development housing assistance, or MEAP benefits are automatically eligible.¹⁶²

Funding

The program is funded through a mixture of LIHEAP and U.S. Department of Energy funds. LIHEAP funding amounts are included in Table 24 above. The state’s allocation of federal WAP funds for fiscal 2024 was \$3,057,092.¹⁶³

Program performance

Table 28 breaks out the number and percentage of income-eligible households receiving LIHEAP-funded WAP benefits for each fiscal year from 2020 through 2023.

Table 28. Households receiving LIHEAP-funded WAP benefits – Maryland

Year	FY 2020	FY 2021	FY 2022	FY 2023
Number of households	0	7	257	336
Percent of income-eligible households	0%	0.001%	0.041%	0.055%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Data on average benefits per participant are not available.

EmPOWER Limited Income Energy Efficiency Program

Program structure

The EmPOWER Limited Income Energy Efficiency Program (LIEEP) was created by the EmPOWER Maryland Energy Efficiency Act of 2008 and provides limited-income households with home audits and installation of materials and equipment to improve energy efficiency and reduce energy use, at no cost for the program participant.¹⁶⁴ For the 2024–2026 program cycle, the program is designed to meet the state’s goals to reduce limited-income electric retail sales by 0.53 percent in 2024, 0.72 percent in 2025, and 1 percent in 2026.¹⁶⁵ The program includes two core components:

¹⁶² DHCD. Weatherization Assistance Program. <https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Homeowner-Grants/WAP.aspx>.

¹⁶³ U.S. Department of Energy (DOE). 2024. Weatherization Program Notice 24-2: Program Year (PY) 2024 Grantee Allocations. https://www.energy.gov/sites/default/files/2024-04/wap-wpn-24-2_041024.pdf.

¹⁶⁴ Maryland Energy Administration. EmPOWER Maryland. <https://energy.maryland.gov/pages/facts/empower.aspx>; DHCD. EmPOWER Maryland Limited Income Energy Efficiency Program. <https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Homeowner-Grants/EmPOWER.aspx>.

¹⁶⁵ DHCD. 2023. EmPOWER Maryland Limited Income Program – Program Plan. <https://dhcd.maryland.gov/Energy-Home-Repair/Documents/EmPOWER/DHCD-Limited-Income-Program-Plan.pdf>.

- **Whole Home Efficiency:** Directly install energy efficiency improvements in participants' homes through qualified contracted service providers or through grants or loans for property owners.
- **Base Efficiency:** Provide limited selection of energy efficiency measures (excluding building shell measures) for customers deferred from the Whole Home Efficiency program due to their home condition.

The DHCD administers the LIEEP program using a network of competitively selected local service providers.¹⁶⁶ Eligible households can apply for the program through an online application or by submitting or mailing a paper application to the DHCD office.¹⁶⁷

Eligibility

For single-family households, the income threshold is 250 percent of FPL or 80 percent of AMI, whichever is higher. Households can also be deemed categorically eligible if they participate in SNAP/food assistance, TANF/TCA, Medicaid, the Maryland Fuel Fund, Social Security, EUSP, DHCD Rehab Programs, the Baltimore Lead Hazard Control Program, Healthy Homes for Healthy Kids, or the MEA LMI Energy Efficiency Grant. For multifamily properties, a minimum of 20 percent of households must be at or below the 80 percent of AMI threshold; all units within an eligible property can receive services.¹⁶⁸

Beginning in the 2024–2026 program cycle, individual participants who live in certain disadvantaged communities can self-attest their income to determine eligibility for the LIEEP program.¹⁶⁹

Funding

The EmPOWER LIEEP program is part of the EmPOWER Maryland portfolio, which also includes utility-administered energy efficiency programs serving non-low-income residential customers and commercial customers.¹⁷⁰ All EmPOWER Maryland programs are funded by utility ratepayers, including both electric and gas customers, with program budgets approved by the PSC. Table 29 shows program costs for 2021–2023.

Table 29. LIEEP 2021–2023 program costs

Year	2021	2022	2023
Program costs	\$10.8 million	\$26.5 million	\$24.2 million

¹⁶⁶ DHCD. Resources for Network Partners. <https://dhcd.maryland.gov/Energy-Home-Repair/Pages/Energy-Efficiency-Workforce/Resources.aspx>.

¹⁶⁷ DHCD. EmPOWER Maryland Limited Income Energy Efficiency Program.

¹⁶⁸ DHCD. 2023. EmPOWER Maryland Limited Income Program – Program Plan, p. 32-33.

¹⁶⁹ DHCD. 2023. EmPOWER Maryland Limited Income Program – Program Plan, p. 34.

¹⁷⁰ Maryland Office of People's Counsel. EmPOWER Programs. <https://opc.maryland.gov/Consumer-Learning/Energy-Bill-Savings/EmPOWER-Programs>

The program budget for the 2024–2026 program cycle is shown in Table 30.¹⁷¹

Table 30. LIEEP 2024–2026 approved budget

Year	2024	2025	2026	Total
Incentive costs	\$63,501,970	\$95,089,833	\$141,970,081	\$300,561,884
Total costs	\$72,069,901	\$108,145,727	\$161,145,936	\$341,361,564

Program performance

The PSC submits annual reports on the EmPOWER Maryland portfolio to the Maryland General Assembly. The reports can be found on the PSC’s website as well as on the Maryland State Archives website.¹⁷² See Table 31 for details on properties served and energy savings per participant.

Table 31. LIEEP participants and energy savings by year

Year	2021	2022	2023
Single-family homes served	1,500	21,000	14,000
Multifamily properties served	152	2,200	2,500
Average energy savings per participant	1,784 kWh	964 kWh	478 kWh

Sources: Maryland PSC. 2022. *The EmPOWER Maryland Energy Efficiency Act Report of 2022*, p. 12. <https://www.psc.state.md.us/wp-content/uploads/2022-EmPOWER-Maryland-Energy-Efficiency-Act-Standard-Report.pdf>; PSC. 2023.

Illinois

Illinois’ portfolio of energy assistance programs includes bill assistance programs comprising the Low-Income Home Energy Assistance Program and the Percentage of Income Payment Plan program, low-income discount rates, Weatherization Assistance Program, and arrearage reduction programs.

Illinois has enacted legislation outlining the state’s approach to energy affordability. Illinois defines unaffordable energy bills as those that exceed 6 percent of household income.¹⁷³ Per the Energy Assistance Act, the state declares that “society benefits if essential utility services are affordable and arrearages and disconnections are minimized for those most in need.”¹⁷⁴ After being signed into legislation in 2021, the Climate and Equitable Jobs Act required the Illinois Commerce Commission (ICC) to conduct a comprehensive study and report assessing the potential for low-income discount rates for

¹⁷¹ DHCD. 2023. *EmPOWER Maryland Limited Income Program – Program Plan*, p. 50.

¹⁷² Maryland State Archives. *Public Service Commission – Reports (Mandated)*. <https://msa.maryland.gov/msa/mdmanual/25ind/html/62pubsr.html>.

¹⁷³ 305 ILCS 20/18(c), available at: <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1416&ChapterID=28>.

¹⁷⁴ 305 ILCS 20/2(a), available at: <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1416&ChapterID=28>.

residential electric and natural gas utility customers, after which the ICC was granted authority to file a tariff establishing said discount rates.¹⁷⁵

Affordability programs in Illinois include referrals to energy efficiency programs. As part of the electric utility Commonwealth Edison Company's (ComEd) 2022–2025 Energy Efficiency programs quarterly reports, ComEd reports the number and percentage of customers receiving utility bill assistance that were referred to energy efficiency programs. Local Administering Agencies (LAA) offer energy efficiency kits and energy efficiency program information to participants in LIHEAP and other energy assistance programs.¹⁷⁶ Conversely, customers who participate in ComEd's single-family and multifamily low-income energy efficiency retrofit programs or receive energy saving kits through the income-eligible program channel receive referrals to financial assistance programs in the form of brochures or as part of energy savings assessment reports.¹⁷⁷ In its quarterly reports, ComEd tracks participant referrals by program and ZIP code.¹⁷⁸ ComEd also targets energy efficiency offerings to communities with high rates of shutoffs.¹⁷⁹

Illinois has a deregulated electricity market, and thus generation charges are separate from distribution charges on customer bills. ComEd is the state's largest electric utility, followed by Ameren Illinois Company (Ameren Illinois).

Percentage of Income Payment Plan

Program structure

Illinois established the Percentage of Income Payment Plan (PIPP) program for utility customers by state statute in 2009.¹⁸⁰ The goal of PIPP is to make energy costs more affordable for low-income households by capping monthly utility payments at a fixed percentage of a customer's income. Illinois' PIPP is designed to limit the amount participating customers pay towards gas and electric utility bills to no more than 6 percent of their gross income. To cover the remainder, participants receive a monthly credit to cover the rest of their utility bill. Participants are also automatically enrolled in "Budget Billing," which helps stabilize energy costs by setting a fixed monthly payment amount.¹⁸¹ In addition, the PIPP

¹⁷⁵ Illinois Compiled Statutes. 220 ILCS 5/9-241. Available at:

<https://www.ilga.gov/legislation/ILCS/details?MajorTopic=REGULATION&Chapter=UTILITIES&ActName=Public%20Utilities%20Act.&ActID=1277&ChapterID=23&ChapAct=220+ILCS+5%2F&SeqStart=17600000&SeqEnd=22900000>.

¹⁷⁶ ComEd. "CY2024 Fourth Quarter Report." Page 19. Available at: <https://www.ilsag.info/wp-content/uploads/CY2024-Q4-ComEd-EE-Report.pdf>.

¹⁷⁷ ComEd. CY2024 Fourth Quarter Report. Page 21. Available at: <https://www.ilsag.info/wp-content/uploads/CY2024-Q4-ComEd-EE-Report.pdf>.

¹⁷⁸ ComEd. CY2024 Fourth Quarter Report. Pages 21–23. Available at: <https://www.ilsag.info/wp-content/uploads/CY2024-Q4-ComEd-EE-Report.pdf>.

¹⁷⁹ ComEd. CY2024 Fourth Quarter Report. Page 24. Available at: <https://www.ilsag.info/wp-content/uploads/CY2024-Q4-ComEd-EE-Report.pdf>.

¹⁸⁰ 305 ILCS 20/18. Available at: <https://www.ilga.gov/legislation/ilcs/documents/030500200K18.htm>.

¹⁸¹ IL DCEO. 2019. "PIPP Brochure." Available at: <https://dceo.illinois.gov/content/dam/soi/en/web/dceo/communityservices/utilitybillassistance/documents/pipp-brochure-2019.pdf>.

includes an ARP, under which customers receive a one-twelfth reduction in previous overdue payments for each on-time monthly payment they make.^{182,183}

The maximum PIPP benefit per customer is \$1,800 per year, with a maximum limit of \$150 per month (\$100 allocated per month for the participant's natural gas bill and \$50 for the electric bill). If a household's energy costs exceed this limit, the participant must cover the difference, which may result in some customers paying more than 6 percent of their income.

Eligibility

PIPPs are available for customers of ComEd, Ameren Illinois, Northern Illinois Gas Company (Nicor Gas), and Peoples Gas Light & Coke Company (Peoples Gas). Eligible customers are determined the same way as LIHEAP: up to 200 percent of FPL. Customers can choose whether to participate in LIHEAP or PIPP; they cannot participate in both programs at once.¹⁸⁴

Funding

Funding for the PIPP comes from the state's Supplemental Low-Income Energy Assistance Fund (SLIHEAF), recovered by a surcharge on electric and gas utility customers' bills called the Energy Assistance Charge (EAC).^{185,186} Funds from SLIHEAF support the state's PIPP program as well as the LIHEAP and weatherization programs. As of January 2025, the base EAC amount is \$0.64 per month for residential customers, \$6.40 per month for nonresidential customers with peak demand less than 10 MW, and \$240 per month for large nonresidential customers with peak demand greater than 10 MW.¹⁸⁷

Table 32 presents the funds issued to PIPP participants for the last three program years.

¹⁸² LIHEAP Clearinghouse. "Illinois." Updated November 2016. Available at: <https://liheapch.acf.hhs.gov/dereg/states/illinois.htm>.

¹⁸³ Illinois Commerce Commission. Low Income Discount Rate Study Report to the Illinois General Assembly. December 2022. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf> p. 25.

¹⁸⁴ IL DCEO. 2019. "PIPP Brochure." Available at: <https://dceo.illinois.gov/content/dam/soi/en/web/dceo/communityservices/utilitybillassistance/documents/pipp-brochure-2019.pdf>.

¹⁸⁵ Illinois Commerce Commission. Low Income Discount Rate Study Report to the Illinois General Assembly. December 2022. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf> p. 23.

¹⁸⁶ 305 ILCS 20/13. "Energy Assistance Act." Available at: <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1416&ChapterID=28>.

¹⁸⁷ ComEd "Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund." Available at: https://www.comed.com/cdn/assets/v3/assets/blt3ebb3fed6084be2a/blt31e1554f825daf58/6762f30e11bd6561db715f54/95_RCA-Low_Income-Info-Sheet-41-20241218.pdf?branch=prod_alias.

Table 32. Spending on PIPP program by program year

Year	PY 2022	PY 2023	PY 2024
PIPP spending	\$38,700,000	\$43,458,715	\$32,623,369

Source: Illinois Department of Commerce and Economic Opportunity. Report on the Results of Operations: Program Year 2022. Available at: <https://dceo.illinois.gov/content/dam/soi/en/web/dceo/aboutdceo/reportsrequiredbystatute/illinois-energy-assistance-programs-py22-report.pdf>; Illinois Department of Commerce and Economic Opportunity. Report on the Results of Operations: Program Year 2024. September 2024. Available at: <https://dceo.illinois.gov/content/dam/soi/en/web/dceo/aboutdceo/reportsrequiredbystatute/illinois-energy-assistance-programs-py24-report-on-the-results-of-operations.pdf>.

Program performance

PIPPs can promote long-term financial stability by encouraging regular payments and offering arrearage reduction. However, the program's long-term commitment requirement may deter customers facing immediate financial hardship, who may opt for the one-time LIHEAP payment instead. Conversely, ComEd notes that customers participating in ComEd's PIPP are more successful in staying current on their bills than those who only elect to receive the one-time LIHEAP payment.¹⁸⁸

In July 2008, Illinois conducted a PIPP pilot that served 975 Ameren Illinois customers and lasted through May 2009.¹⁸⁹ In an impact evaluation of the pilot program, prepared for the Illinois Department of Commerce and Economic Opportunity (DCEO), APPRISE found that the PIPP Pilot “was effective in lowering the energy burden for most participating clients and substantially improved the energy security of most clients.”¹⁹⁰ However, the study team recommended that the PIPP program incentivize customers to make regular payments on their bill, for example through programs that forgive arrearages for making payments. Utilities should also maintain regular communication with customers on their expectations of payment. Table 33 presents the PIPP participants and dollars of assistance provided by utility to PIPP participants, as reported by the utilities in 2022. ComEd, which serves the greater Chicago region, enrolls the most customers in the PIPP. Across all utilities in the state, the average PIPP assistance provided per customer was \$701 in 2022.

¹⁸⁸ Illinois Commerce Commission. Low Income Discount Rate Study Report to the Illinois General Assembly. December 2022. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf>. p. 25.

¹⁸⁹ Applied Public Policy Research Institute for Study and Evaluation (APPRISE). 2009. Illinois PIPP Program Impact Evaluation. Prepared for the Illinois Department of Commerce and Economic Opportunity. Available at: <https://www.appriseinc.org/reports/Illinois%20PIPP%20Impact%20Report%20-%20FINAL.pdf>.

¹⁹⁰ Ibid.

Table 33. PIPP participants and PIPP assistance provided in 2022 by utility

Utility — Utility Service	PIPP Participants	PIPP Assistance
Ameren — Combination	8,674	\$9,201,657
Ameren — Gas	59	\$2,349,236
Ameren — Electric	3,618	\$24,127
ComEd — Electric*	29,997	\$14,764,614
Nicor Gas	7,451	\$4,716,744
North Shore — Gas	209	\$100,019
Peoples Gas	11,307	\$11,826,340
Total	61,315	\$42,982,737

Source: Illinois Commerce Commission. *Low Income Discount Rate Study Report to the Illinois General Assembly*. December 2022. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf> p. 12.

Low-income discount rate

Program structure

As required by the Climate and Equitable Jobs Act (Public Act 102-0062) and State statute, and after conducting a study of the potential for low-income discount rates, the ICC directed electric and gas utilities with more than 3 million residential delivery service customers in Illinois to offer a low-income discount rate (LIDR).¹⁹¹ In 2023, the ICC ordered the gas utilities, noted in the table below, to establish five-tier low-income discount rates for eligible natural gas customers.¹⁹² The gas utilities launched their LIDR program in October 2024, and ComEd and Ameren electric are set to launch similar LIDR programs in 2025.¹⁹³ The LIDR provides percentage discounts to eligible customers based on their income. Participants receive a set percentage discount on their bills, depending on their income level. Table 34 lists the monthly discounts by income tier for the natural gas utility LIDR. The approved methodology for the electric utility programs follows a similar approach as for the gas utilities.¹⁹⁴

¹⁹¹ Illinois Environmental Protection Agency. 2021. Climate and Equitable Jobs Act. Available at <https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/ceja/documents/102-0662.pdf>.

¹⁹² Illinois Commerce Commission, Utility Energy Assistance, <https://icc.illinois.gov/consumers/utility-energy-assistance>.

¹⁹³ Illinois Commerce Commission. 2024 Annual Report on Electricity, Gas, Water and Sewer Utilities. January 2025. Available at: <https://www.ilga.gov/reports/ReportsSubmitted/5522RSGAEmail11861RSGAAttach2024%20Electricity%20Gas%20Water%20Sewer%20Utilities%20Annual%20Report.pdf>, p. 41.

¹⁹⁴ Illinois Commerce Commission. Docket 24-0163. Final Order, p. 41. March 27, 2025. Available at: <https://icc.illinois.gov/docket/P2024-0163/documents/363172/files/635979.pdf>.

Table 34. Discount percentage by tier for natural gas utility low-income discount rates

Tier (% of FPL)	Tier 1 0–50%	Tier 2 51–100%	Tier 3 101–150%	Tier 4 151–200%	Tier 5 201–300%
Peoples Gas	83%	68%	45%	20%	5%
North Shore Gas	79%	60%	36%	12%	5%
Nicor Gas	75%	55%	25%	10%	5%
Ameren Illinois Gas	75%	55%	25%	10%	5%

Source: Citizens Utility Board. 2024. CUB Q&A: The Low-Income Discount Rate (LIDR) program. Available at <https://www.citizensutilityboard.org/blog/2024/10/04/cub-qa-the-low-income-discount-rate-lidr-program/>

Eligibility

Customers with incomes up to 300 percent of FPL as set forth by the U.S. Department of Health and Human Services are eligible for the LIDR. Table 35 presents the five income tiers.

Table 35. Income eligibility thresholds by tier for LIDR program

Tier	Income threshold	1-person household	2-person household	3-person household	4-person household
Tier 1	0 to 50% FPL	\$7,536	\$10,224	\$12,912	\$15,600
Tier 2	51% to 100% FPL	\$15,060	\$20,436	\$25,824	\$31,200
Tier 3	101% to 150% FPL	\$22,596	\$30,660	\$38,736	\$46,800
Tier 4	151% to 200% FPL	\$30,120	\$40,884	\$51,636	\$62,400
Tier 5	Up to 300% FPL	\$45,180	\$61,320	\$77,460	\$93,600

Calculated by multiplying the monthly income threshold by 12 to get annual income threshold. Source: Citizens Utility Board. 2024. CUB Q&A: The Low-Income Discount Rate (LIDR) program. Available at <https://www.citizensutilityboard.org/blog/2024/10/04/cub-qa-the-low-income-discount-rate-lidr-program/>

Most customers will enroll and certify their eligibility annually through Local Administering Agencies (LAA) at the same time as they apply for LIHEAP and/or the PIPP. Customers who already have a low-income customer flag on their account will automatically be enrolled in the LIDR program.

Customers with incomes that fall under Tier 5 do not qualify for LIHEAP but can still receive a discount. Tier 5 customers will have the option to self-certify to verify their income is less than 300 percent of FPL. ComEd will conduct a limited audit for those customers in Tier 5 who self-certify. Once enrolled, customers will need to recertify their eligibility periodically. Customers will remain in their current tier until they are required to recertify with the LIHEAP and PIPP programs.

Funding

The LIDR programs are funded by a charge on gas or electric bills for residential, commercial, and industrial customers.¹⁹⁵ The costs of the LIDR will be recovered through an annual Rider LIDR

¹⁹⁵ Citizens Utility Board. “CUB Q&A: The Low-Income Discount Rate (LIDR) program.” October 4, 2024. Available at: <https://www.citizensutilityboard.org/blog/2024/10/04/cub-qa-the-low-income-discount-rate-lidr-program/>.

reconciliation docket, and the costs of administering the program will be recovered through ComEd's Multi-Year Integrated Rate Plan (MYIRP).

Program performance

As these are recently implemented or yet-to-be launched programs, there is no performance data available at the time of this report.^{196,197}

Supplemental Arrearage Reduction Program

Program structure

In addition to the ARP offered to PIPP and LIHEAP participants, Illinois authorizes utilities to offer a Supplemental Arrearage Reduction Program (SARP).¹⁹⁸ The first and only Illinois utility with a SARP, ComEd launched its SARP program in late 2019. Through SARP, ComEd provides a monthly arrearage credit equal to one-twelfth of the arrearage amount, while encouraging customers to implement energy efficiency.¹⁹⁹ Once enrolled, SARP participants are automatically placed on Budget Billing, and ComEd provides arrearage forgiveness credits for each on-time, full monthly payment made.²⁰⁰

Eligibility

The SARP is intended for customers who cannot become ARP participants “due to PIPP timing or funding constraints.”²⁰¹ ComEd customers who receive LIHEAP benefits and have an arrearage balance of at least \$100 are eligible to apply for the SARP. To confirm eligibility, ComEd verifies that customers are receiving LIHEAP assistance and have an outstanding balance meeting the minimum threshold. No additional documentation is required for enrollment.

Funding

Utilities may use funds collected from customers through the SLIEAF fund to support additional energy assistance offerings, including ComEd's SARP.²⁰²

¹⁹⁶ North Shore & People's Gas is the first program to file an implementation report, however no current program participation or performance data has been reported. See North Shore Gas Company and Peoples Gas Company. Rider LIDEA System Savings Report. June 30, 2025. <https://icc.illinois.gov/docket/P2023-0068/documents/367305>.

¹⁹⁷ See Docket 23-0066 (Nicor Gas), available at: <https://icc.illinois.gov/docket/P2023-0066/documents/344366/files/601330.pdf>; Docket 23-0067 (Ameren Gas), available at: <https://icc.illinois.gov/docket/P2023-0067/documents>

¹⁹⁸ 305 ILCS 20/18. “Energy Assistance Act.” Available at: <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1416&ChapterID=28>.

¹⁹⁹ Illinois Commerce Commission. Low Income Discount Rate Study Report to the Illinois General Assembly. December 2022. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/icc-reports/low-income-discount-rate-study-report-2022-12-15.pdf> p. 23.

²⁰⁰ Id., p. 59.

²⁰¹ 305 ILCS 20/18(b) 5.5. Energy Assistance Act.” <https://www.ilga.gov/Legislation/ILCS/Articles?ActID=1416&ChapterID=28#>.

²⁰² Id., p. 23.



Program performance

There have not been any evaluations of the SARP program by ComEd or another entity to date. In comments to the ICC, ComEd states that as of 2022, ComEd has 13,102 customers participating in SARP and has provided \$1,979,330 in assistance.²⁰³ This results in an average of \$151 of assistance per participant for SARP in 2022. ComEd notes that there is opportunity to expand SARP and PIPP to reach more customers: historically, ComEd has provided \$3.4 million in arrearage forgiveness credits through both PIPP and SARP in a year, even though approximately \$7 million has been available to use between both programs.²⁰⁴

Low-Income Home Energy Assistance Program

Program structure

In Illinois, LIHEAP is administered by the DCEO and provides heating assistance for both gas and electric customers. As in other states, administrators pay LIHEAP benefits to the utility or energy supplier on the participant's behalf. Renters with utilities included in their rent receive a cash benefit instead.²⁰⁵

The regular benefit amount is determined based on a benefit matrix. The amount ranges from \$315 to \$2,075 depending on the participant's household income, household size, and fuel type.²⁰⁶ Crisis assistance is also available to households experiencing or facing disconnection from utility service, providing the minimum amount needed to restore service, up to \$1,500 per year.

Customers can fill out a Request for Services on DCEO's Help Illinois Families website, after which local administering agencies will reach out to the applicant to complete the application.²⁰⁷ Residents aged 60 or older, individuals with a disability, families with children 5 years old and under, households disconnected or about to be disconnected from utility service, and households with propane tanks less than 25 percent full can start applying for LIHEAP assistance starting October 1, while all other income-eligible households can start applying on November 1.²⁰⁸

²⁰³ Id., p. 12.

²⁰⁴ Commonwealth Edison Company. 2022. Response to Staff's June 24, 2022, Request for Feedback Regarding Low-Income Rate Programs. August 12. Available at: <https://icc.illinois.gov/api/web-management/documents/downloads/public/Low%20Income%20Discount%20Rates/ComEd%20Low%20Income%20Rate%20Study%20Reply%20Comments%20to%20Staff%20FINAL.pdf>. page 18.

²⁰⁵ Illinois Department of Commerce and Economic Opportunity (DCEO). 2024-2025 LIHEAP State Plan, p. 9. <https://dceo.illinois.gov/content/dam/soi/en/web/dceo/communityservices/utilitybillassistance/documents/py25-liheap-state-plan--submitted-detailed-model-plan-liheap-10.01.24.pdf>.

²⁰⁶ DCEO. 2024-2025 LIHEAP State Plan, p. 10.

²⁰⁷ DCEO. Help Illinois Families. <https://dceo.illinois.gov/communityservices/homeweatherization/communityactionagencies/helpillinoisfamilies.html>.

²⁰⁸ DCEO. Utility Bill Assistance – How to Apply. <https://dceo.illinois.gov/communityservices/utilitybillassistance/howtoapply.html>.

Eligibility

The income threshold for LIHEAP is 200 percent of FPL and 60 percent of SMI.²⁰⁹ For 2025, these thresholds correspond to:²¹⁰

- \$30,120 for a one-person household
- \$40,880 for a two-person household
- \$51,640 for a three-person household
- \$62,400 for a four-person household
- \$73,160 for a five-person household
- \$83,920 for a six-person household
- \$94,680 for a seven-person household

Households can be categorically eligible if one household member receives benefits from SNAP; TANF; or the Aid to the Aged, Blind, and Disabled (AABD) program, although categorically eligible households are still required to provide household income documentation.²¹¹ Renters with utilities included in their rent must verify that they will receive a cash benefit for their rent. The program prioritizes older adults, individuals with a disability, families with young children (under 5) and households with disconnected energy services for heating assistance.²¹²

Funding

Table 36 below details the LIHEAP funding and benefits for Illinois.

Table 36. LIHEAP federal funding and benefits amount – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Total Program Funding	\$225,093,566	\$441,496,399	\$208,467,994	\$300,885,621
Heating Benefits	\$146,812,356	\$283,442,467	\$98,798,686	\$192,771,551
Cooling Benefits	\$0	\$0	\$0	\$0
Crisis Benefits	\$19,641,958	\$82,479,390	\$41,982,896	\$42,047,552
Weatherization Benefits	\$23,276,796	\$25,794,448	\$21,786,930	\$22,825,821
Total Benefits	\$189,731,110	\$391,716,305	\$162,568,512	\$257,644,924

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

In addition, the DCEO files annual reports to the legislature on budget and funding for LIHEAP, PIPP and other energy assistance programs.²¹³

²⁰⁹ DCEO. 2024-2025 LIHEAP State Plan, p. 10.

²¹⁰ DCEO. Utility Bill Assistance – How to Apply.
<https://dceo.illinois.gov/communityservices/utilitybillassistance/howtoapply.html>.

²¹¹ DCEO. 2024-2025 LIHEAP State Plan, p. 5.

²¹² DCEO. 2024-2025 LIHEAP State Plan, p. 10.

²¹³ Energy Assistance Act Reports: IL DCEO. “Reports Required by Statute.” Available at:
<https://dceo.illinois.gov/aboutdceo/reportsrequiredbystatute.html>.

Program performance

Table 37 through Table 39 show program performance for the LIHEAP program in Illinois by number of households, percent of income-eligible households served, and average benefits per participating household.

Table 37. Number of households receiving federally funded LIHEAP benefits – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	263,500	202,229	258,424	155,770
Cooling benefits	0	0	0	0
Crisis benefits	34,483	42,502	72,384	36,395

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 38. Percent of income-eligible households served by federally funded LIHEAP benefits – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating benefits	18.545%	14.119%	18.208%	11.399%
Cooling benefits	0.000%	0.000%	0.000%	0.000%
Crisis benefits	2.427%	2.967%	5.100%	2.663%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 39. Average LIHEAP benefits per participating household – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating Benefits	\$550	\$549	\$940	\$812
Cooling Benefits	\$0	\$0	\$0	\$0
Crisis Benefits	\$502	\$501	\$502	\$648

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Weatherization Assistance Program

Program structure

The Illinois Home Weatherization Assistance Program (IHWAP) provides low-income households with up to \$16,000 for energy-related weatherization and repair work as well as up to \$3,500 for health- and safety-related measures.²¹⁴ Eligible weatherization measures include air sealing, attic and wall insulation, HVAC repair or replacement, water heater repair or replacement, and lighting and refrigerator replacement.

As with LIHEAP, DCEO administers the WAP in partnership with a network of local administering agencies throughout the state. Eligible households can fill out an application on DCEO's website or apply in person at a local administering agency.²¹⁵

²¹⁴ DCEO. Home Weatherization. <https://dceo.illinois.gov/communityservices/homeweatherization.html>.

²¹⁵ DCEO. Community Action Agencies/Local Administering Agencies. <https://dceo.illinois.gov/communityservices/homeweatherization/communityactionagencies.html>.

Eligibility

To be eligible for IHWAP benefits, the household must have an income of 200 percent of FPL or below.²¹⁶ For 2025, this corresponds to:

- \$30,120 for a one-person household
- \$40,880 for a two-person household
- \$51,640 for a three-person household
- \$62,400 for a four-person household
- \$73,160 for a five-person household
- \$83,920 for a six-person household
- \$94,680 for a seven-person household

Applicants who are renters with utilities included in rent are eligible for LIHEAP as long as they provide documentation that their rent exceeds 30 percent of their household income.²¹⁷

Funding

The WAP in Illinois is funded through a combination of LIHEAP and DOE funds. LIHEAP funding amounts are included in Table 36Table 47 above. The state's allocation of DOE WAP funds for FY 2024 is \$14,337,411.²¹⁸

Program performance

Table 40 and Table 41 show program performance of the WAP in Illinois by number of households served and percent of income-eligible households served.

Table 40. Number of households receiving LIHEAP-funded WAP benefits – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Weatherization benefits	1,693	1,664	1,930	2,773

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 41. Percent of income-eligible households served by LIHEAP-funded WAP benefits – Illinois

Year	FY 2020	FY 2021	FY 2022	FY 2023
Weatherization Benefits	0.119%	0.116%	0.136%	0.203%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

²¹⁶ DCEO. Home Weatherization. <https://dceo.illinois.gov/communityservices/homeweatherization.html>.

²¹⁷ IL DCEO. "Utility Bill Assistance – Frequently Asked Questions."
<https://dceo.illinois.gov/communityservices/utilitybillassistance/faqs.html>.

²¹⁸ U.S. Department of Energy (DOE). 2024. Weatherization Program Notice 24-2: Program Year (PY) 2024 Grantee Allocations.
https://www.energy.gov/sites/default/files/2024-04/wap-wpn-24-2_041024.pdf.

According to DCEO, participants see an average of 25 percent energy savings after weatherization.²¹⁹

Utility low-income energy efficiency programs

Program structure

Since 2007, Illinois statute requires regulated electric and gas utilities to offer ratepayer-funded energy efficiency programming.²²⁰ State statute further requires offerings for low-income households. The 2017 Future Energy Jobs Act (FEJA) added new requirements that ComEd and Ameren spend at least \$25 million and \$8.35 million per year on energy efficiency programs for low-income households, respectively.²²¹ In addition, the statute directs the utilities to “bundle low-income energy efficiency offerings with other programs that serve low-income households to maximize the benefits going to these households.” Each electric and gas utility manages its own portfolio of energy efficiency programs.²²²

Eligibility

Residential households at or below 80 percent of Area Median Income (AMI) are eligible for the low-income energy efficiency programs, per statute.²²³

Single family customers are also eligible if they participate in LIHEAP, WAP, SNAP or other income-verified financial assistance programs. In addition, multifamily customers can verify eligibility if they participate in an affordable housing program or the Weatherization Assistance Program, live in a low-income census tract, or provide tenant rent or income verification.²²⁴

Funding

Utilities recover energy efficiency program costs, including low-income program costs, through an Energy Efficiency and Demand-Response Adjustment rider. Each utility files this rider as a separate tariff before the Commission outside a general rate case.^{225,226}

²¹⁹ DCEO. Home Weatherization – Frequently Asked Questions. <https://dceo.illinois.gov/communityservices/homeweatherization/faq.html#faq-1irentmyhousedoistillqualifyforweatherization-faq>.

²²⁰ Illinois Power Agency Act, 20 ILCS 3855. <https://www.ilga.gov/Legislation/ILCS/Articles?ActID=2934&ChapterID=5>.

²²¹ Illinois Public Act 099-0906. Available at: <https://www.ilga.gov/documents/legislation/publicacts/99/099-0906.htm>.

²²² ILCS 5/8 Section 8-103B(c) <https://www.ilga.gov/documents/legislation/ilcs/documents/022000050K8-103B.htm>.

²²³ ILCS 5/8 Section 8-103F(4) <https://www.ilga.gov/Documents/legislation/ilcs/documents/022000050K8-103.htm>

²²⁴ Illinois Stakeholder Advisory Group. Illinois Energy Efficiency Policy Manual Version 3.0. https://www.ilsag.info/wp-content/uploads/IL_EE_Policy_Manual_Version_3.0_Final_11-3-2023.pdf

²²⁵ ILCS 5/8 Section 8-103(e) <https://www.ilga.gov/Documents/legislation/ilcs/documents/022000050K8-103.htm>

²²⁶ For example, see ICC Case No. 25-0544. *Ameren Illinois Company. Petition for Approval of Annual Update to Cost Inputs for Rider EE – Energy Efficiency and Demand Response Investment pursuant to 220 ILCS 5/8-103B(d).* <https://www.icc.illinois.gov/docket/P2025-0544>

Program performance

Table 42 shows the number of low-income (termed “income-qualified” in Illinois) households participating in the utility low-income energy efficiency programs since 2018. Total low-income participation has increased for all utilities since 2018.

Table 42. Income-qualified homes served

Utility	2018	2019	2020	2021	2022	2023	2024
Ameren	n/a*	n/a*	40,330	45,844	31,564	35,320	45,253
ComEd	44,085	75,450	73,577	79,722	89,548	98,592	84,309
North Shore Gas	108	138	2,087	1,577	3,504	2,528	2,502
Peoples Gas	1,327	4,724	22,395	19,223	59,602	39,989	32,902

Source: Program administrator 2024 Q4 Report Spreadsheets, available at: <https://www.ilsag.info/reports/utility-reports/>

*Data not available

Massachusetts

Assistance programs available to Massachusetts residential ratepayers unable to pay their utility bills include LIHEAP, WAP, low-income discount rates, arrearage management programs to assist low-income customers, and disconnection protections.

On January 4, 2024, Massachusetts regulators initiated an ongoing docket to evaluate improvements to these energy assistance programs to reduce the energy burden (the percentage of a household’s income spent on energy bills) that may adversely affect certain utility customers. When opening the docket, the DPU noted that in Massachusetts, the average energy burden for all households is about 3 percent while the average energy burden for low-income populations is about 10 percent, and in certain neighborhoods the energy burden is as high as 31 percent.²²⁷

Through this dedicated docket, the DPU has already gathered stakeholder input on the pros and cons of using tiered discount rates versus PIPPs and determined that Massachusetts utilities should focus on the development of tiered discount rates rather than PIPPs for low-income rate design, for a number of reasons. The DPU also determined that the tiered discount framework should target certain levels of household energy burdens for electric and gas customers, with possible variances depending on primary heating fuel.²²⁸ At the time of writing, the DPU had developed a rate design tool for all Massachusetts distribution companies, with the intention of achieving a 4 percent energy burden for customers in the

²²⁷ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Vote and Order Opening Inquiry. 1.04.2024. p.3.

²²⁸ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Interlocutory Order on Next Steps in Investigation of Energy Affordability. 9.12.2024. p.5-6.

lowest tier; the agency solicited stakeholder input on the rate structure, target energy burden, and acceptability of costs to other customers to fund low-income discounts.²²⁹

Also noteworthy about the DPU's undertaking is the effort the regulator has made to facilitate broad access to the decision-making process. The two orders issued in the docket are available in 12 languages, and virtual, all-day stakeholder workshops have been live-interpreted into six languages other than English.²³⁰

Ratepayer-Funded Programs: Low-Income Residential Discount Rate

Massachusetts law directs the energy regulator to require gas and electric distribution companies to provide ratepayer-funded, low-income discount rates.²³¹ There are numerous electric and gas utilities in the state, so this report highlights program spending and participation for the state's largest utility, National Grid.

Program structure—gas

Eligible customers of Massachusetts' gas investor-owned utilities can receive a 25 percent discount²³² on their monthly gas bill regardless of whether or not they have gas space heating equipment.²³³

Program structure—electric

Regulated electric utility companies in Massachusetts have traditionally provided eligible customers with a flat percentage discount on their monthly electric bill: 32 percent for National Grid,²³⁴ 42 percent for Eversource,²³⁵ and 40 percent for Unitil.²³⁶ National Grid is the first—and currently only—utility to transition to a multi-tiered discount rate structure, which provides higher discounts for customers at lower income levels. Effective June 1, 2025, the company has been using the tiers shown in Table 43. The default discount will be 32 percent for customers who show proof of participation in a qualified means-tested program but whose income is unknown.²³⁷

²²⁹ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Memorandum. 5.15.2025. p.2.

²³⁰ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Interlocutory Order on Next Steps in Investigation of Energy Affordability. 9.12.2024. p.2.

²³¹ G.L. c. 1F, § 4(i), accessible at <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section1F>.

²³² "Service Rates." <https://www.nationalgridus.com/MA-Gas-Home/Service-Rates/>; "Massachusetts Discount Rate Program." <https://www.eversource.com/content/residential/account-billing/payment-assistance/discount-rate>. "Residential Discount Rate Program (Massachusetts.)" <https://unitil.com/node/2622>.

²³³ For National Grid, these customers take service under rates R-2, R-4B and R-4C. <https://www.nationalgridus.com/MA-Gas-Home/Service-Rates/>.

²³⁴ "Service Rates." https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/mae/res_assist_adjmt.pdf.

²³⁵ "Massachusetts Discount Rate Program." <https://www.eversource.com/content/residential/account-billing/payment-assistance/discount-rate>.

²³⁶ "Residential Discount Rate Program (Massachusetts.)" <https://unitil.com/node/2622>.

²³⁷ These customers take service under rate R-2. https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/mae/res_assist_adjmt.pdf.

Table 43. Income tiers for electric rate discounts, National Grid

Income level	Discount
0–100% of FPL	71%
100–125% of FPL	64%
125–150% of FPL	57%
150–200% of FPL	43%
200% of FPL–60% of SMI	32%

Source: M.D.P.U. No. 1558. Residential Assistance Adjustment Provision.

https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/mae/res_assist_adjmt.pdf.

Eligibility—electric and gas

Customers are eligible for the gas discount rate if they are eligible for LIHEAP, which requires that a household's gross income not exceed 200 percent of FPL.²³⁸ Customers are eligible for the electricity discount rate if their household income does not exceed 60 percent of SMI.²³⁹ Customers are also eligible for either program if they already receive benefits under other means-tested programs.²⁴⁰

Customers can apply for the discount by filling out a form on National Grid's website.²⁴¹ Customers can submit a single application to apply for the discount rate for both their gas and electric accounts. They must attach photo proof of benefits from other means-tested programs if qualifying under this method. Customers may retroactively apply for the low-income discount rate if they can demonstrate continuous qualification for the low-income discount rate for up to 12 months prior to the date of the customer's request.²⁴²

Funding – gas

Massachusetts' gas utilities file an annual Residential Assistance Adjustment Factor ("RAAF") designed to recover the cost of low-income discounts credited to the bills of the companies' customers receiving service on the low-income rate classes, as well as the incremental cost of the companies' Arrearage Management Program. The filing estimates the discount costs for the next year and accordingly establishes a \$/kWh charge to levy on "all other customers" per state law²⁴³—not only residential customers—to collect the costs. Low-income customers also currently pay the charge.²⁴⁴ The annual

²³⁸ In a program year in which maximum eligibility for LIHEAP exceeds 200% of the federal poverty level, a household that is income-eligible under LIHEAP shall be eligible for the low-income electric discount. <https://www.nationalgridus.com/MA-Gas-Home/Service-Rates/>.

²³⁹ National Grid Massachusetts. Service Rates. <https://www.nationalgridus.com/MA-Home/Rates/Service-Rates>.

²⁴⁰ These programs are: Emergency Aid to the Elderly Disabled and Children, Food Stamps, Women, Infants, & Children Nutrition Program, Head Start, Mass Health, National School Lunch Program, Public Housing, School Breakfast Program, Supplemental Security Program, TAFDC, Veterans Programs - 115 benefits, DIC surviving parent, or Non-Service Pension.

²⁴¹ National Grid Massachusetts. Discount Rate Application for Massachusetts Customers. <https://www.nationalgridus.com/Discount-Rate-App-MA>.

²⁴² National Grid Massachusetts. Policy for Retroactive Application of the Low-Income Discount Rate. https://www.nationalgridus.com/media/pdfs/billing-payments/bill-help/cm10396_ma_retro_discount_rate_policy.pdf.

²⁴³ G.L. c. 1F, § 4(i), accessible at <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section1F>.

²⁴⁴ The Massachusetts Department of Public Utilities is currently investigating the feasibility of exempting low-income customers from paying the costs of low-income discount rates and has asked each investor-owned utility in the state to

filing also contains a true-up from the previous period to address any over- or under-collections from the RAAFs for the forecast period. National Grid’s most recently proposed residential gas RAAF, effective November 1, 2024, is \$0.0699 per kilowatt-hour. Table 44 presents the total discount provided to low-income customers in recent years.

Table 44. National Grid’s actual and estimated spending on low-income gas discount by program year

	Nov 22 to Oct 23	Nov 23 to Oct 24	Nov 24 to Nov 25
Low-Income Discount	\$36,855,230	\$40,790,661	\$47,033,799

Source: D.P.U. 24-PGAF-GRID. 2024-2025 Residential Assistance Adjustment Factor filing, Exhibit TKB-2. 8.24.2024.

Funding – electric

As with its gas business, National Grid files an annual electric RAAF with similar characteristics. The most recently proposed residential electric RAAF, effective March 1, 2025, is \$0.01149 per kilowatt-hour. From February 2025 to January 2026, National Grid estimates that it will provide \$125,163,682 in low-income discounts.²⁴⁵

Program performance - gas

An average of 108,968 actual or projected customers took or are anticipated to take service on National Grid’s low-income gas discount each month from July 2024 to October 2025.²⁴⁶ Table 45 presents the discount benefits per participant by program year.

Table 45. National Grid’s actual and estimated gas low-income discount per participant by program year

	Nov 22 to Oct 23	Nov 23 to Oct 24	Nov 24 to Nov 25
Benefits per Participant	\$338	\$374	\$432

Program performance - electric

National Grid anticipates that an average of 162,411 customers will take service on its low-income electric discount per month, resulting in an average annual discount of \$774 per participant over the forecasted year.²⁴⁷

comment on how it would allocate the costs among the remaining customers. See “Department of Public Utilities’ Fourth Set of Information Requests to the Distribution Companies.” 2.28.2025. D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. <https://eeasonline.eea.state.ma.us/dpu/fileroom/#/dockets/docket/11154>.

²⁴⁵ D.P.U. 25-02. Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of their 2024 electric reconciliation filing. Exhibit DEG-17. 1.15.2025.

²⁴⁶ D.P.U. 24-PGAF-GRID. 2024-2025 Residential Assistance Adjustment Factor filing, Exhibit TKB-2. 8.24.2024.

²⁴⁷ D.P.U. 25-02. Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of their 2024 electric reconciliation filing. Exhibit DEG-17 & 18_RAAF Reconciliation Oct'23-Sep'24. 1.15.2025.

Ratepayer-funded programs: Arrearage Management Programs (“Forgiveness Programs”)

Massachusetts has ratepayer-funded arrearage management programs for both its regulated gas and electric utility companies, respectively, which provide eligible customers with a pathway to forgiveness of 100 percent of their pre-plan arrears balance. Again, this section highlights program spending and participation for the state’s largest utility, National Grid.

Program structure

The structure of the Forgiveness Program is the same on both the electric and gas sides of National Grid’s business, making the offering easy for customers to understand. Participants are eligible for forgiveness of 100 percent of their pre-plan arrears balance up to an annual maximum of \$12,000.²⁴⁸ This forgiveness level exceeds that of some other Massachusetts distribution companies, such as Unitil, whose maximum annual arrearage forgiveness is \$9,600 for customers with both electric and gas service and Eversource Gas Company, whose maximum annual arrearage forgiveness is \$3,600 per customer.²⁴⁹

Participants must enroll in a payment plan that covers their current estimated annual usage in balanced installments. National Grid determines the monthly bill amount based on the customer’s average energy usage and reviews active AMP payment plans every three months to determine if the Company must adjust the required monthly installment from the original calculation. If customers make payments on time, National Grid applies forgiveness credits to the arrears balance in equal arrearage credits each month. If an eligible customer has an arrearage balance greater than \$12,000, the customer will be eligible for an AMP that continues past 12 months, up to a maximum monthly forgiveness amount of \$1,000 per month, in order to forgive the entire pre-plan arrears balance. AMP participants will be removed from normal collection treatment while actively participating.²⁵⁰

As part of its annual RAAF reporting, National Grid publicly reports other useful metrics, such as: number of customers (1) who enrolled in the program, (2) who enrolled in the current year, (3) who were removed from the program (by choice or by default), and (4) who successfully completed the program in the current period; average arrearage amount of current year participants; average arrearage amount as a percentage of the total balance due of current year participants; total amount of arrears outstanding for all participants at the end of the current year; and more.²⁵¹

Eligibility

Customers must meet the following criteria to be considered eligible for enrollment in the AMP:

- The applicant must be the customer of record.

²⁴⁸ National Grid Massachusetts. Arrears Management Program. <https://www.nationalgridus.com/MA-Home/Bill-Help/Arrears-Management-Program>.

²⁴⁹ D.P.U. 24-15. Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers. Vote and Order Opening Inquiry. 1.04.2024. p.8-9.

²⁵⁰ D.P.U. 2025-AMP-05. National Grid’s Arrearage Management Plan. 3.31.2025.

²⁵¹ Id., page 4-5.

- The applicant must be enrolled in the low-income discount rate by receiving a means-tested public benefit or be eligible for LIHEAP.
- The account must be an active residential gas or electric heating or non-heating account that is individually metered.
- The account must have a minimum arrears balance of \$300.00 that has aged at least 60 days.
- The customer must agree to being placed on a balanced billing program.
- If a past participant in the AMP, a customer cannot enroll again until one year after the completion or default date.

National Grid auto-enrolls eligible electric and gas customers in the AMP. Customers may also opt in between monthly auto-enrollment dates. National Grid sends information regarding the AMP, the low-income discount rate, fuel assistance, and energy efficiency to all of its customers at different times throughout the year, without regard to their arrearage or low-income status. This is done through multiple channels, such as paper and electronic letters, bill messages, bill inserts, social media, automated customer phone calls, and National Grid’s website.

Funding - gas

National Grid collects the costs of its gas forgiveness program through the same gas RAAF used to collect the costs of the low-income residential gas discount rate, as described above. In June 2024 the company began automatically enrolling eligible customers in the AMP, which was enabled by a customer billing system conversion. The projected AMP credits (see Table 46) account for the expected increase in the number of program participants as a result of the automatic enrollment.²⁵²

Table 46. National Grid’s actual and estimated spending on gas arrearage forgiveness by program year

	Nov 22 to Oct 23	Nov 23 to Oct 24	Nov 24 to Nov 25
Arrears Forgiveness Credits	\$4,469,374	\$8,103,365	\$15,797,566

Source: D.P.U. 24-PGAF-GRID. 2024-2025 Residential Assistance Adjustment Factor filing, Exhibit TKB-2. 8.2.2024.

Funding - electric

National Grid collects the costs of its electric arrearage forgiveness program through the electric RAAF, discussed above. From January to December 2024, National Grid provided \$31,703,178 in arrearage credits.²⁵³

²⁵² D.P.U. 24-PGAF-GRID. Exhibit TKB-1 Pre-Filed Direct Testimony of Theodore K. Black. 8.2.2024.

²⁵³ D.P.U. 25-02. Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of their 2024 electric reconciliation filing. Exhibit DEG-17. 1.15.2025.

Program performance - gas

National Grid did not publish the number of participants on its gas AMP.

Program performance - electric

National Grid files an annual report on its AMP.²⁵⁴ An average of 27,004 customers participated in the AMP each month over the past year of data, resulting in an average annual forgiveness of \$1,174 per participant over the last year.²⁵⁵

Low-Income Home Energy Assistance Program

Program structure

The Massachusetts Home Energy Assistance Program (HEAP) provides income-eligible customers with assistance for heating costs and is administered by the Massachusetts Executive Office of Housing and Livable Communities (EOHLC). The regular benefit amount ranges from \$357 to \$1,500 per year depending on the participant's household income, household size, fuel type, and residence in subsidized housing.²⁵⁶ Residents of subsidized housing are eligible for a partial HEAP benefit if their monthly rent is more than 30 percent of monthly income and are ineligible for HEAP benefits if their monthly rent is 30 percent or less of monthly income.²⁵⁷ Residents facing an imminent loss of heat can have their benefit fast-tracked, but the program does not provide a separate crisis assistance benefit.²⁵⁸

Applications can be submitted beginning October 1 of each year to local HEAP agencies online, in person, or by mail.²⁵⁹

Eligibility

The income threshold for HEAP eligibility is 60 percent of SMI:²⁶⁰

- \$49,196 for a one-person household
- \$64,333 for a two-person household
- \$79,470 for a three-person household

²⁵⁴ D.P.U. 2025-AMP-05. National Grid's Arrearage Management Program ("AMP") or Forgiveness Program, p. 4-5. <https://fileservice.eea.comacloud.net/V3.1.0/FileService.Api/file//iiddcahe?QgfBmFaPraoduY584A/6kcEmiDhMBXK0ednWT8WFP5Ok9v9pxUxyG6LkaCeWBSjqbmMINqhcSkxPf0qUr1gASPKrYE1qejvebf677PtCVStUdHoHpEGELGLGjR+ZpYgt>.

²⁵⁵ D.P.U. 25-02. Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of their 2024 electric reconciliation filing. Exhibit DEG-17 & 18_RAAF Reconciliation Oct'23-Sep'24. 1.15.2025.

²⁵⁶ Massachusetts Executive Office of Housing and Livable Communities (EOHLC). FY 2025 Home Energy Assistance Program (HEAP) Income Eligibility and Benefit Levels. <https://www.mass.gov/doc/fy-2025-heap-income-eligibility-and-benefit-chart-january-2025/download>.

²⁵⁷ EOHLC. 2025 LIHEAP Detailed Model Plan, p. 8. https://liheapch.acf.hhs.gov/docs/2025/state-plans/MA_Plan_2025.pdf.

²⁵⁸ EOHLC. 2025 LIHEAP Detailed Model Plan, p. 12.

²⁵⁹ EOHLC. Learn about Home Energy Assistance – HEAP. <https://www.mass.gov/info-details/learn-about-home-energy-assistance-heap>.

²⁶⁰ EOHLC. Learn about Home Energy Assistance – HEAP. <https://www.mass.gov/info-details/learn-about-home-energy-assistance-heap>.



- \$94,608 for a four-person household
- \$109,745 for a five-person household
- \$124,882 for a six-person household
- \$127,720 for a seven-person household
- \$130,559 for an eight-person household
- \$133,397 for a nine-person household
- \$136,235 for a ten-person household

Recipients of SNAP benefits are considered categorically eligible.²⁶¹

Funding

Table 47

Table 47. LIHEAP federal funding and benefits amount – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Total Program Funding	\$160,632,772	\$322,968,404	\$148,336,307	\$218,489,132
Heating Benefits	\$125,406,579	\$267,730,741	\$112,063,265	\$182,772,437
Cooling Benefits	\$0	\$0	\$0	\$0
Crisis Benefits	\$0	\$0	\$0	\$3,691,085
Weatherization Benefits	\$13,425,000	\$13,000,000	\$16,972,082	\$0
Total Benefits	\$141,404,756	\$283,235,825	\$132,167,359	\$189,263,522

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Program performance

Table 48 through Table 50 show program performance for the LIHEAP program in Massachusetts.

Table 48. Number of households receiving federally funded LIHEAP benefits – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating Benefits	146,234	134,180	133,635	152,011
Cooling Benefits	0	0	0	0
Crisis Benefits	9,663	6,496	10,180	13,229

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

²⁶¹ EOHLC. 2025 LIHEAP Detailed Model Plan, p. 5.

Table 49. Percent of income-eligible households served by federally funded LIHEAP benefits – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating Benefits	17.983%	16.116%	15.857%	18.551%
Cooling Benefits	0.000%	0.000%	0.000%	0.000%
Crisis Benefits	1.188%	0.780%	1.208%	1.614%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 50. Average LIHEAP benefits per participating household – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Heating Benefits	\$884	\$869	\$1,344	\$1,414
Cooling Benefits	\$0	\$0	\$0	\$0
Crisis Benefits	\$0	\$0	\$0	\$0

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Weatherization Assistance Program

Program structure

The WAP provides low-income households with full-scale home energy efficiency services, offering an average of \$4,725 in energy efficiency measures such as air sealing, attic insulation, sidewall insulation, floor insulation, pipe and/or duct insulation, and limited energy-related repairs. In addition, the program also provides an evaluation of participants' heating systems as well as health and safety testing of combustion appliances.²⁶²

The program is administered by EOHLC in partnership with a network of local agencies, which are the same administrators for HEAP in many areas of the state. The WAP application is the same as the HEAP application and can be submitted online or at local agencies.²⁶³

Eligibility

As with HEAP, WAP has an income-eligibility threshold of 60 percent of SMI (p. 67). Households with a member receiving SSI or Transitional Aid to Families with Dependent Children (TAFDC) benefits are categorically eligible, and priority of service is provided to households that have elderly or disabled members, children six years old and under, higher energy costs, or are Native American.²⁶⁴ Additionally, renters are eligible to participate with their landlord's permission.

²⁶² EOHLC. Weatherization Assistance Program (WAP). <https://www.mass.gov/info-details/weatherization-assistance-program-wap>.

²⁶³ EOHLC. Weatherization Assistance Program (WAP). <https://www.mass.gov/info-details/weatherization-assistance-program-wap>.

²⁶⁴ EOHLC. Weatherization Assistance Program (WAP). <https://www.mass.gov/info-details/weatherization-assistance-program-wap>.

Funding

The WAP in Massachusetts is funded through a combination of LIHEAP and DOE funds. LIHEAP funding amounts are included in Table 47 above. The state's allocation of DOE WAP funds for FY 2024 is \$6,978,497.²⁶⁵

Program performance

Table 51 and Table 52 detail the program performance for the Massachusetts WAP.

Table 51. Number of households receiving LIHEAP-funded WAP benefits – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Weatherization Benefits	7,926	8,881	8,932	8,042

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

Table 52. Percent of income-eligible households served by LIHEAP-funded WAP benefits – Massachusetts

Year	FY 2020	FY 2021	FY 2022	FY 2023
Weatherization Benefits	0.975%	1.067%	1.060%	0.981%

Source: LIHEAP Performance Management. Data Warehouse - Custom Reports.

4.3. Conclusion

Our research identified several best practices for utility energy assistance programs, including ways to streamline application processes, that could guide improvements in the District's energy assistance programs. Maryland, Illinois, and Massachusetts illustrate some of these best practices, such as expanded categorical eligibility and automatic enrollment, incorporating tiered- or income-based low-income discount rates, and coordinating financial assistance with energy efficiency offerings.

Looking forward, policymakers and regulators could consider adopting key practices to strengthen energy assistance programs in the District. Priorities could include diversifying funding sources to improve program resilience, expanding renter eligibility to cover master-metered households, introducing PIPP or tiered discount designs to better align benefits with household income, and expanding automatic enrollment to streamline access for categorically eligible customers.

These examples demonstrate that policy and regulatory choices, particularly around program accessibility and benefit design, can improve program reach, reduce administrative burden, and deliver more equitable outcomes for low- and moderate-income households.

²⁶⁵ U.S. Department of Energy (DOE). 2024. Weatherization Program Notice 24-2: Program Year (PY) 2024 Grantee Allocations. https://www.energy.gov/sites/default/files/2024-04/wap-wpn-24-2_041024.pdf.

Appendix A. METRIC CALCULATIONS

Hours at minimum wage for electric customers

We found that the average electric customer would have to work 7.8 hours in the summer and 7.1 in the winter season at minimum wage to pay for their electricity bill. For this calculation, we first determined the consumption of the average electricity customer from 2022 to May 2025.²⁶⁶ Using the average electricity consumption, we then calculated the monthly electricity bill of an average customer using rates as of June 2025.²⁶⁷ Finally, we calculated the hours at minimum wage by dividing the electric bill of an average customer by the minimum wage.²⁶⁸

Minimum wage in DC as of June 2025 = \$17.50

Average summer month electricity usage per customer = 617 kWh

Electricity bill at 617 kWh (June 2025 rates) = \$136.55

$\$136.55 \div \$17.50 = 7.8 \text{ hours at minimum wage}$

Average winter month electricity usage per customer = 554 kWh

Electricity bill at 527 kWh (June 2025 rates) = \$123.40

$\$123.40 \div \$17.50 = 7.1 \text{ hours at minimum wage}$

We were not able to separate out all-electric customers from electric customers who heat with natural gas. To facilitate future calculations, we recommend that PEPCO be required to provide data to the PSC with monthly electric usage and customer counts separated by customers who heat their home using electricity and by customers who heat using another fuel. We also recommend that the Commission require PEPCO and WGL to conduct essential use studies to determine the essential level of consumption of their customers.²⁶⁹

²⁶⁶ The PSC provides monthly PEPCO MWh usage at https://dcpsec.org/PSCDC/media/PDFFiles/Electric/electric_sumstats_no_cons.pdf and the monthly PEPCO customer count at https://dcpsec.org/PSCDC/media/PDFFiles/Electric/electric_sumstats_cust_energyuse.pdf.

²⁶⁷ The PSC provides an electric bill calculator at <https://dcpsec.org/Retail-Choice/How-to-Choose/How-to-Choose-an-Electric-Supplier/Electric-Bill-Calculators.aspx>.

²⁶⁸ See District of Columbia Department of Employment Services Office of Wage-Hour Compliance. June 2025. Minimum Wage. Available at <https://does.dc.gov/service/office-wage-hour-compliance-0>.

²⁶⁹ DNV, 2023, “Essential Use of Electricity Study.”

Hours at minimum wage for gas customers

We found that in April 2025, the average gas customer in DC would have to work 10.5 hours at minimum wage to pay their gas bill in an average winter month.²⁷⁰ To determine monthly consumption in an average winter month, we calculated the average residential consumption during the winter heating season in each year from 2021 to 2023.²⁷¹ We then divided average consumption by the number of residential gas customers.²⁷² Using the average monthly gas consumption during the winter heating season, we calculated the average monthly gas bill.²⁷³ To calculate hours at minimum wage, we divided the average monthly gas bill during the winter heating season by the minimum wage.

Minimum wage in DC as of June 2025 = \$17.50

Average gas usage per customer in the winter heating season = 114 therms

Gas bill at 114 therms (July 2025 rates) = \$183.83

$\$183.83 \div \$17.50 = 10.5 \text{ hours at minimum wage}$

²⁷⁰ WGL defines the winter season as November through March; see “Washington Gas Light Company Rate Schedules and General Service Provisions for Gas Service in the District of Columbia”: <https://www.washingtongas.com/-/media/d7dc128b90bc4b5cada9f12092ef174a.pdf>.

²⁷¹ See EIA data for District of Columbia natural gas residential consumption: <https://www.eia.gov/dnav/ng/hist/n3010dc2m.htm>.

²⁷² See EIA data for the number of District of Columbia natural gas residential customers: https://www.eia.gov/dnav/ng/hist/na1501_sdc_8a.htm.

²⁷³ The PSC provides a natural gas bill calculator at <https://dcpsc.org/Retail-Choice/How-to-Choose/Natural-Gas/Monthly-Washington-Gas-Light-Natural-Gas-Bill-Calc.aspx>.

Appendix B. BOUNDARIES OF DC WARDS AND CENSUS PUMAS

Figure 5. Census Public Use Microdata Areas (PUMA) boundaries and ward boundaries in the District

