



## Illinois Department of Commerce

& Economic Opportunity

OFFICE OF ENERGY ASSISTANCE

Bruce Rauner, Governor

### **Low Income Energy Assistance Policy Advisory Council Minutes of Meeting Held on April 21, 2016 10:00 a.m. – 12:00 p.m.**

#### **Attendance in Chicago**

Members: *Gail Hedges, Department of Commerce & Economic Opportunity (DCEO); Wanda Hopkins (proxy for Bob Vondrasek), South Austin Coalition; Ellen Rendos, Nicor Gas; Kris White, Will County Centers for Community Concerns*

Guests: *Karen Lusson, Attorney General's Office; Lana Kennebrew, Community and Economic Development Association (CEDA); Shelby Montgomery, CEDA; Shahi Nawab, CEDA; Jennifer Schmidt, CEDA*

DCEO Staff: *Maria Gallardo, Angela Westbrook*

#### **Attendance in Springfield**

Members: *Joan Howard, Illinois Commerce Commission; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA)*

Guests: *Melanie Brown, Ameren Illinois; Mindy Browning, Embarras River Basin Agency, Inc.; Jim Monk, Illinois Energy Association; Lauren Pashayan, Land of Lincoln Legal Assistance; Kathy Walk, CEFS Economic Opportunity Corporation*

DCEO Staff: *Janet Hawes-Davis, Patty Hughes, Ben Moore, Amy Park*

#### **Attendance via Conference Telephone**

Members: *Julie Hubbard, Illinois Area Agency on Aging; Doc Mueller, Illinois Municipal Electric Agency; Chuck Walls, Commonwealth Edison*

Guests: *Dave Baron, Peoples Gas; Allen Cherry, Attorney General's Office; Jen Fenske, Nicor Gas; Phillip Gentry, IACAA; Adrian Gonzalez, Nicor Gas; Michelle Machay, Peoples Gas; Barbara Richardson, Legal Assistance Foundation of Metropolitan Chicago; Martha Strawser, Rockford Human Services Department*

DCEO Staff: *Mick Prince*

### **Call to Order**

Gail Hedges called the meeting to order.

### **Approval of Minutes**

Kris White made a motion that the January 21, 2016 minutes be accepted. Ellen Rendos seconded the motion. Motion was amended to approve minutes as corrected (spelling of name (Pady)). A vote was taken on motion, motion carried.

### **Weatherization**

Mick Prince provided the program report for the Illinois Home Weatherization Assistance Program (IHWAP). Units completed total 1,653 with a total of 699 work orders. The 2016 U.S. Department of Energy (DOE) Weatherization Plan for Program Year (PY) 2017 was submitted for review and approval. The Plan is similar to the PY16 Plan with the exception that DOE funds are the only funding source included. The landlord contribution on rentals and multi-family units were removed from the Plan. DOE homes are the only homes that require quality control inspections. The Committee discussed the Plan. The Plan is due to DOE by April 30<sup>th</sup>. A public hearing will be held on April 29, 2016 for public comment at 500 E. Monroe St., Springfield, Illinois and at 100 West Randolph St., Chicago, Illinois. A motion to approve the Plan was made by Kris White. Ellen Rendos seconded the motion. A vote was taken on motion, motion carried.

### **Fiscal**

Ben Moore provided the fiscal overview. IHWAP has a total budget of approximately \$22.6 million out in grants to LAAs with expenditures totaling approximately \$9.2 million, leaving a balance of approximately \$13.3 million. Unspent DOE and state weatherization grant funds can be carried over at the State level and re-issued in Fiscal Year (FY) 2017 to be utilized for weatherizing additional homes. LIHEAP has a total budget of approximately \$157 million in state LIHEAP funds with approximately \$131 million in expenditures, leaving a balance of approximately \$26 million. Despite the fact that last year many LAAs had to stop taking applications early due to a lack of funding, it appears that there will be sufficient funds to allow all LAAs to take LIHEAP applications until the end of PY16 (May 31<sup>st</sup>).

### **LIHEAP**

Maria Gallardo provided the program report for the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP has spent \$126.9 million to date on behalf of 271,844 households. Applications have increased by 2% compared to the same period last year. The Office of Energy Assistance (OEA) is discussing Program Year 2017 at this time. The goal is that LIHEAP and PIPP will begin in September, contingent upon the necessary appropriation authority being given to DCEO by the General Assembly. Allocations for PY17 are expected to be released in August. HHS released the remaining allocations totaling 10% (\$16.6 million) for FY16. A total of \$165.4 million was allocated to Illinois in the current program year. Legislative negotiations continue regarding federal pass-through funds for LIHEAP.

The department met with regulated and unregulated utilities regarding the Illinois Administrative Code Part 280 changes. LIHEAP.net does not have the capability to exchange data at this time. The plan is to design a process that Information Technology (IT) can identify and inform utilities

which customers are defined as low income but have been denied by LIHEAP due to other program requirements in an attempt to flag and send correspondence to customers regarding this status. The low income customer designation provides exceptions for these households with regard to deposits, late payment fees, and deferred payment arrangements. Implementation dates are not decided at this time.

### **PIPP**

The Office of Energy Assistance (OEA) agrees that the maximum annual Percentage of Income Payment Plan (PIPP) benefit amount will remain at \$1,800 for PY17. The income eligibility requirement will remain at 150% of the federal poverty guidelines consistent with the LIHEAP income threshold for PY17. State grants cannot be processed without spending authorization.

Maria Gallardo mentioned that DCEO is working to bring CAP Strategies back on contract in order to make necessary IT changes in STARS in preparation of PY17. However, due to the current state budget impasse, contracting with a consultant is not possible at this time.

OEA proposed the following PY17 program changes for consideration of the Low Income Energy Assistance Policy Advisory Council (PAC):

1. Establish a new Business Rule that requires PIPP participants to have a higher benefit than the Direct Vendor Payment (DVP) in order to participate in PIPP. If the PIPP +Arrearage Reduction Payment (ARP) benefits are less than the DVP amount presented to the applicant at the time of intake, the applicant will be ineligible for PIPP and be served through LIHEAP.

*OEA Recommendation: If the PIPP benefit amount is less than the DVP, the applicant will be served through LIHEAP. If the household is disconnected at a later time, the client may apply for Reconnection Assistance (RA). This program change will provide the highest energy assistance benefit to the client.*

*PAC Vote: Discussion of the recommendation was held. A motion was made to carry out the recommendation. A roll call vote was taken on motion, motion did not pass. The recommendation failed.*

2. Establish a new Business Rule that requires PIPP participants to have sufficient monthly income to satisfy the Client Payment Responsibility (CPR) in order to participate in PIPP. If the CPR calculated monthly payment is more than the calculated income, the client is ineligible for PIPP and must be served through LIHEAP. PIPP applicants must have sufficient monthly income in order to participate in PIPP.

*OEA Recommendation: Track income that isn't normally counted as income in the Single Tracking and Reporting System (STARS) (see V.7 of the LIHEAP manual for a list of types). If the client has zero income on the benefit comparison screen, compare the non-income amount to the CPR. Document how the client lives in a zero or very*

*low income household. In addition, removing the quarterly zero-income recertification requirement from the PIPP Business Rules is recommended.*

PAC Vote: Discussion of the recommendation was held. A motion was made to carry out the recommendations. A roll call vote was taken on motion, motion did not pass. The recommendation failed.

3. STARS, not the local administering agency (LAA), will automatically drop a PIPP participant on Day 56 after missed payment. Currently, if the client has not made a CPR payment in full by day 45 after the first bill due date, the client is in default of their responsibility under the PIPP. The LAA sends at least two letters, plus one phone call to remind participant of their PIPP responsibility. After the final notice is sent, the participant is allowed 5 business days from the date of the letter or the date stamp, whichever is later, to become current or to appeal the potential termination. There are PIPP participants who have been enrolled for more than 50 days without fulfilling their CPR obligation. If tested during an audit, this would be considered a PIPP rule violation.

OEA Recommendation: *Automate client drops in STARS. At day 56 (that is 45 days after the first missed payment + 5 business days for the client to become current or to appeal the potential drop + grace period) when payment or appeal has not been received by the date or timeframe identified, the client is dropped.*

PAC Vote: Discussion of the recommendation was held. A motion was made to carry out the recommendation. A roll call vote was taken on motion, motion carried. The recommendation will be adopted provided the LAAs are provided an override function in STARS.

### **Old Business**

None

### **New Business**

The PAC members were reminded to complete the 2016 Ethics Training. The Acknowledgement of Participation (page 41) must be completed and returned by no later than May 20, 2016 to the ethics training administrator.

PAC expiration of terms for designated members has expired or will expire soon. OEA will forward designation renewal requests to organizations the week of April 25<sup>th</sup>. Organizations should also provide the name of an alternate (proxy) in the event that the designated member is unable to participate.

### **Meeting Schedule**

The next meeting of the PAC will be held on July 21, 2016.

### **Adjournment**

A motion was made to adjourn. Motion was seconded. The motion carried.