



# Illinois Department of Commerce

& Economic Opportunity

OFFICE OF ENERGY ASSISTANCE

Bruce Rauner, Governor

## Low Income Energy Assistance Policy Advisory Council (PAC) Meeting Thursday, April 19, 2018 10:00 a.m. to 12:30 p.m.

### **Attendance**

*PAC Members: Leslie DeVore, DCEO; Ellen Rendos, Nicor Gas; Melanie Brown (Proxy), Ameren; Dave Baron, Peoples Gas/North Shore Gas; Elizabeth Berendsen, City of Chicago; Deborah Bursey, Ameren Illinois.*

*Guests: Shahi Nawab, CEDA; Jennifer Schmidt, CEDA; Tyrone Pickens, CEDA; Mindy Browning, ERBA; Kathy Walk, CEFS; Jim Monk, Illinois Energy Association.*

*Staff: Donna Cain, DCEO; Maria Gallardo, DCEO; Deirdre Coughlin, DCEO; Mick Prince, DCEO; Ben Moore, DCEO; Wayne Hartel, DCEO; Leslie Ann Lesko, DCEO; Brigitte Hunter, DCEO; Kurt Verdiun, DCEO; Nathalie Solis, DCEO.*

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

*PAC Members: Aimee English, Citizens Utility Board; Joan Howard, Illinois Commerce Commission; Barbara Eskildsen (Proxy), IL Area Agency on Aging, Lorrie Walls, City of Chicago DFSS; Kris White, WCCC.*

*Guests: Grace Brigando, ComEd; Latoya Butler, CEDA; Jennifer Fenske, Nicor Gas; Areli Vazquez, Nicor Gas; Karen Lussou, Attorney General's Office; Michelle Machay, Peoples Gas/North Shore Gas; Shelby Montgomery, CEDA; Martha Strawser, City of Rockford; Aarian Smith, ComEd; Emily Williams, Nicor Gas; Sarah Moskowitz, Citizens Utility Board.*

### **Call to Order**

Leslie DeVore called the meeting to order

### **Introductions**

Leslie DeVore introduced four new members to the PAC. Beverly Templeton from the Department of Human Services, Elizabeth Berendsen and Ranjani Prabhakar from the City of Chicago, and Kevin Wright from the Illinois Competitive Energy Association.

### **Approval of Minutes**

Leslie DeVore made a motion that the January 19, 2017 minutes be approved. No corrections were presented. Motion was approved by Barbara Eskildsen and seconded by Kris White.

## **Discussion Items**

### **Fiscal Report**

Ben Moore reported the Weatherization program has issued out \$25.5 million in grants to the local agencies so far and expended about \$11.4 million and leaving \$14.1 million remaining in the field. The Office of Community Assistance (OCA) is currently in the process of issuing modifications to provide additional funding. OCA received a final allocation from the Department of Energy (DOE) and has been working on the calculations for the final allocation along with additional funding that OCA has from HHS and State funds. OCA is also in the process of issuing those dollars out for Grantees who had additional capacity and requested funds. Because of the late start of program, OCA is extending the HHS and State Weatherization grants. They typically end at the end of June along with the fiscal year, but are being extended 3 months out until September 30<sup>th</sup>, 2018. The grants are being extended for a couple of reasons. This will allow the utilization of the additional funds provided. Additionally, the past year's budget delays along with the implementation of GATA has delayed the issuance of new grants that would typically start in July. Thus, extending the current grants will allow grants to be in place for weatherization activity to happen in July, August, and September.

DCEO has received the final Weatherization allocation from DOE for fiscal year 2019. Last year, DCEO received about 13.2 million from DOE and this year is about \$14.6 million. A handout packet was given with Fiscal overview sheet and emailed to members.

We have about \$181.6 million out in the network to assist LIHEAP customers. A total of \$134.7 million has been expended and \$46.9 million are still available. It does appear OCA will have sufficient funds to serve every customer who applies this year. OCA is in the process of evaluating the federal LIHEAP funds that are currently available. Two HHS LIHEAP grants are active and they are the 2017 funding which ends at the end of June and the 2018 funding which does not expire until the end of June 2019. The objective is to make sure all the 2017 money is expended prior to it expiring. OCA is de-obligating some funds from areas in the state that have not been expended and these funds are being reallocated to those grantees who have the capacity to utilize it. OCA will be evaluating the availability of carryover 2018 LIHEAP funds to determine which grantees need additional funds to start up in the fall as we await our 2019 LIHEAP allocation from HHS.

A question was asked if OCA will be looking at changing registers out for State versus Federal. OCA would like to avoid that because that process requires adjustments to the data on LIHEAP.net, which creates a risk of corrupting the data in the system. That is why efforts now are to de-obligate and reallocate funds as opposed to changing registers. Karen Lusson wanted to know when the decision to reallocate funds occurs. Ben Moore said adjustments have been made already since this needs to be done quickly because the program ends May 31<sup>st</sup>, 2018. Final evaluations are going to be done over the next week. Leslie DeVore reported that at times agencies come to OCA and report that they may not be able to spend all their funds and it becomes a conversation. Ben Moore said it is based on projections on current customer demand as well.

### **Weatherization**

A copy of the production numbers was handed out in person and sent via email to PAC members before the meeting. Mick Prince reported there are 1,184 work orders in production year-to-date with 635 in progress. As stated earlier, OCA will extend the HHS and State grants until September 30, 2018 in an effort to get all funds, including HHS funds, expended to avoid returning any money. Leslie DeVore says due to GATA changes, grants did not get out in field until the end of last year or beginning of 2018 which put the production back. Mick Prince reported 40% of work orders were completed year to date and almost all occurred in the third quarter. Weather also played a factor in production numbers but

overall agencies are performing well. As the temperature warms up OCA expects an increase in production as they do every year. CEDA has 170 work orders in process not including a unit count, many of those work orders are multifamily thus serving more people. CEDA is on track to spend out their current allocation. Agencies have requested additional funding totaling \$4.5 million. Last week OCA had kick off meetings with the utilities in the south such as Ameren, Resource Innovation, local agencies, and in the north with ComEd, Nicor, Peoples Gas/North Shore, and Resource Innovations team. With the passing of the energy efficiency bill, the utilities are now administering energy efficiency dollars and there will be \$3.7 million in Ameren territory infused into the weatherization program and nearly \$14 million with the northern agencies. We are currently finalizing the memorandum of understandings between DCEO and all the utility companies. More low-income families will be served with \$18 million being injected into the program. Leslie DeVore clarified DCEO is not administering these funds but leveraging and partnering.

Weather Works is in phase two of the new data base project. The project is currently in the budget piece of the program and OCA is making sure all the GATA requirements will be in the new system. Also, the energy audit piece of Weather Works is in progress but needs to be approved by the DOE. Mick Prince stated so far, the progress looks good and overall a step in the right direction as far as IT and the program.

OCA will make updates to the field standards manual. It must be in alignment with the Department of Energy's work specifications. It is to be updated every three years and receive a final approval from DOE by July 1<sup>st</sup>, 2018.

#### *Solar Project with Multifamily Building*

Wayne Hartel reported there is a solar project in a multi-family (128 units) for DOE with CEDA in the works. The project may go through a system of meter aggregation where the owner would allocate the energy savings TO each energy account for each tenant.

#### **Draft of Federal Fiscal Year (FFY) 2019 Weatherization State Plan**

Mick Prince reported the biggest change with the latest State Plan are all in respect to the health and safety plan. Highlighted changes are mandated in-progress work inspections to ensure contractors are doing lead-safe work and working up to OSHA and IHWAP standards. There is also a new form for clients to sign off about radon because there is a slight risk radon levels that could increase after weatherization. Therefore, the client needs to be informed about the risk for radon. Local agencies will be allowed to test for lead and asbestos. Stove replacements will not be allowed with DOE funding. The operations manual will be revised to reflect the new changes.

Leslie DeVore made a motion to approve the FFY2019 Weatherization State Plan. Motion was approved by Barbara Eskildsen. Motion was seconded by Ellen Rendos. All voted yes. No one opposed.

Leslie DeVore said if anyone changes their mind, there will be an email sent. There will be a public hearing on April 27, 2018. If anything develops before or after the public hearing PAC members will be notified.

#### **LIHEAP**

Leslie Ann Lesko reported as of April 17<sup>th</sup>, there were 227,576 applications registered with payments accepted or beyond. A handout was emailed and given in person with the reported numbers. As Ben Moore mentioned, Leslie Ann reiterated applications are going to be accepted until May 31<sup>st</sup>, 2018. Applications are down earlier this year at 4% but has decreased to now around 2%. The reason is

believed to be due to the moratorium ending and now we are seeing more reconnection assistance applications. It is time to renew our vendor agreements. They are good for three years and expire at the end of June. Maria Gallardo will be contacting and the utilities to initiate the process and we will be also sending templates to the Local Administering Agencies (LAA). Unregulated vendors need to sign an updated agreement as well. OCA is currently working on the FFY19 LIHEAP State Plan that is going to be presented during the next PAC meeting on July 19<sup>th</sup>, 2018. There are possible changes to the benefit matrix and OCA is in the process of reviewing it. Following HHS requirements, OCA will be analyzing the LIHEAP performance data to factor energy burden. Major changes are not anticipated for the LIHEAP State Plan manual however small changes may include the benefit matrix update, policy clarifications, and how Weatherization's health and safety policy may affect furnace assistance.

Leslie DeVore discussed details about the new system. She mentioned it will include Weatherworks, PIPP, and LIHEAP all into one. There will be a call with the utility tech teams to talk about the integration of the new digital communication such as the verification of accounts and performance data. The work being developed for Weatherworks is laying the ground work for PIPP and LIHEAP in the future. The new system will be user friendly not only for the agencies but for the utilities as well. There will be a utility portal so they can log in and get information. After the schema is set up, OCA will reach out other utilities (unregulated) to see if they would like to electronically communicate with the website. Currently, OCA is very reliant on our IT team to pull data and reports and the new system will allow us to gather information ourselves. Current milestone is setting up the architectural framework of it. PAC members will be included once the basics are developed.

Setting up the security measures are taking a considerable amount of time but it is important we protect the personal identity information for all who are going to be using the system and added into the system. There was a pre-meeting with utilities on November 3<sup>rd</sup>, 2017 and on April 21<sup>st</sup>, 2018 there will be a meeting with the developers and OCA using the PIPP schema because it is the most up to date. A mobile app has been brought up in the past. PAC members will be notified of any new information and changes such as electronic payments rather than the cutting of paper checks so it will be more like STARS and PIPP. Karen Lusson asked to get a brief explanation about the how the utility portal will gather information. Leslie DeVore explained the utilities do not have access to any of our current systems they just get an electronic communication. They will be able to see the application status of their customers as well as run reports for LIHEAP and PIPP. OCA met with the electric cooperatives as well and they were eager to start communicating electronically. Since the initial inception of LIHEAP.net in 2004 the technology and resources have grown and OCA is going to try to communicate with as many utilities and associations as possible. There will be an option for some utilities who chose not to communicate on the new system but can use the current method of payment. The new system will allow for an electronic transfer of funds. Overall streamline, provide more data, and make it user friendly. Estimated time for completion is end of 2019 or early 2020.

There will be a conference call with developers on April 20<sup>th</sup>, 2018 to discuss timeline. The PIPP schema was shared with them to start the ground work for performance measures. Melanie Brown wants to be included in ground work so they can keep up with the process. Leslie DeVore said the developers are aware that utilities are going to be included and communication is open. The ISAC IT group has been good to work with and have been providing excellent ideas that are broadening horizons for OCA.

OCA is currently working on the LIHEAP English and Spanish brochures. They are like the brochures we had in the past and they will be available on the website.

Joan Howard wanted a brief explanation about how we are letting customers know they qualify for LIHEAP when there isn't funding and clarification on part 280 where customers can get certain benefits

regardless of funding and how we are letting the utilities know about their LIHEAP eligibility needed for the utilities to comply with the Part 280 update. Maria Gallardo explained that OCA and the utilities exchange info via LIHEAP.net and customers are flagged as low-income customers in the utilities' systems. There are 10 denial reasons in the LIHEAP program that make customers receive their low-income designation as well that is exchanged with the utilities via a daily special query. For example, they can see their customer applied for assistance but was denied due only a lack of funding. As OCA continues automating, OCA will also determine as a group whether it makes sense to exchange the data in the new systems.

Dave Baron clarified he understood that all customers listed in the daily query are income verified but are not going to get the LIHEAP benefit, however the system will notify the utility so they receive the low-income designation in their utility accounts. Ellen Rendos said the query is a manual process but after they are listed as a low income and receive the same protections other customers receive as a low income. Dave Baron responded to a question from Karen Lusson about how frequently they view the daily query and said it is either daily or weekly they do so at Peoples Gas. Once that indicator is sent to the utility, the customer is set up to receive part 280 benefits/protections such as not requesting a security deposit and extending terms on payment regulations. Aarian from ComEd said once they get the 280 information their CSR is privy that they are low income customers and are awarded 280 benefits. ComEd views the query information daily. It is understood that the number of customers under this denial reasons is relatively low in volume. Specific numbers are not verified. Aimee English recommended adding this information into the PAC report moving forward.

Melanie had a question about Knox County. She wants to know if WIRC is going to serve the county permanently. Leslie said that Carver has been suspended from LIHEAP during PY2018. Then the process of de-designation starts. After this process, the agency will have the opportunity to appeal and, once that is completed, there will be a Notice of Funding Opportunity (NOFO). This funding opportunity gives preference to adjacent agencies surrounding Knox county. The goal is to find a permanent provider for the next program year. It is a long process. WIRC started taking LIHEAP applications in Knox county in the end of December. They have increased application intake by 4% in Knox County

### **PIPP Report**

Maria Gallardo reported that a total of \$24.8 million is been obligated annually on behalf of 25,445 households currently receiving PIPP benefits. You can see a breakdown by local agency on the PAC Status report. Currently, average PIPP benefit is \$970. At this time, the program is not accepting any new enrollments. We are working with customer interventions and getting ready to start the annual recertification process.

On April 5<sup>th</sup>, 2018 a PIPP Steering Committee meeting was held. OCA is preparing to start the annual PIPP recertification process. Our IT contractors who support the STARS system, Kestner Consulting, have reached out to utilities to gather estimated true updates so we can push/update data in our STARS system. The estimated true up adjustments will help the LAAs know how many customers they will have for recertification on a monthly basis.

There will be a PIPP recertification process refresher webinar with Kestner Consulting and OCA during the week of May 18<sup>th</sup>. Webinar information will be announced. OCA will also issue a procedure letter to the agencies and provide some of the policy guidance in some scenarios. OCA is also updating the PIPP applicant agreement. Another item discussion during the meeting was about the auto-drop clock move. At the moment, if a customer is not making their payment within 45 days of their first missed payment they are in danger of being dropped from the program. In the meantime, letters are sent out reminding

the customers that they need to stay current or they could be dropped if they continue missing payments. The STARS system is automated to drop any customer who has not brought their account current by day 60. The LAA does not have to do it manually as they did in past. However, because of the auto-drop we are seeing customers that have 1-2 missed payments but get caught up by day 56 and can still be dropped because in some instances a third bill becomes due in the meantime. Lauren Pashayan did not think the 45-day clock talks about multiple missed payments. OCA consulted with the legal group and said it was vague in terms how many missed payments are included in the 45-day timeframe. It could tie multiple missed payments within 45 days if a customer doesn't make those the payments. There was discussion that changing the auto-drop clock from day 60 to an earlier date but after 45 days. After this discussion, the group felt that the Final Notice PIPP letter needs to be updated to let the customer know that after day 45 they are eligible to be dropped, if the customer doesn't become current by before the day 60. The hope is that this change could better educate these customers.

Maria indicated that the PIPP brochure in English and Spanish have been developed. We are in the process of sending brochures to the LAAs. The brochures will be a good education tool for new and existing customers. Our PIPP letters have been updated and revised to make it more customer friendly. The letter changes will be deployed to the STARS system and we will notify the LAAs when the letter changes are available.

Latoya Butler asked if PIPP enrollment for the new program year be optional due to LAA capacity or will it be mandatory. She also asked if there will be any extension for recertification due date. CEDA is facing 8,000 possible customers who are eligible for PIPP recertification during the months of July and August. Maria responded by saying that OCA is not trying to force any new PIPP enrollments but a local agency can determine their own expansion plans based on their PIPP allocation and capacity challenges. The busiest months for recertification will happen between July and August.

Jen Schmidt said last year the state had turned off the failure to recertify auto drops through the end of September and asked if this can be done again this year. Maria said that this was a measure OCA did last year due to the program pause done to help ease the impact of the state budget impasse during that time.

### **Other Business**

PAC Designee Letters Update – Donna Cain and Maria Gallardo have been working with members in updating their PAC Designee letters. There are new members to the PAC as mentioned earlier. OCA is finalizing the ones who were appointed by the department.

### **Ethics Training**

As every year, PAC members must complete an annual ethics training. There are packets in Springfield and in Chicago available for their review and signature. Signed documents need to be sent to the legal department attention to Gerald Lakomiak and his email address will be sent to PAC members for their response by no later than April 27<sup>th</sup>. Ellen Rendos asked if Proxys need to take the ethic training as well. OCA will consult with the ethics officer and will provide an answer.

### **Meeting Schedule**

The next meeting of the PAC will be held on July 19th, 2018. The main goal of this meeting is the presentation and approval of the draft 2019 LIHEAP State Plan.

### **Adjournment.**

Meeting was adjourned by Leslie DeVore.