



# Illinois Department of Commerce

& Economic Opportunity

## OFFICE OF ENERGY ASSISTANCE

Bruce Rauner, Governor

### Percentage of Income Payment Program (PIPP) Steering Committee Minutes of Meeting Held on February 3, 2016 10:00 a.m. – 12:00 p.m.

#### **Attendance in Chicago**

Members: *Dave Baron, Peoples Gas/North Shore Gas; Aimee English, Citizens Utility Board; Nancy Kane-Richards, Community Contacts; Shelby Montgomery, CEDA; Shahi Nawab, CEDA; Ellen Rendos, Nicor Gas; Jennifer Schmidt, CEDA*

#### **Attendance in Springfield**

Members: *Melanie Brown, Ameren Illinois; Mindy Browning, ERBA; Deborah Bursey, Ameren Illinois; Gail Hedges, Department of Commerce & Economic Opportunity (DCEO); Kathy Walk, CEFS*

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

Members: *Kimberly Burdine, Commonwealth Edison; Latoya Butler, CEDA; Allen Cherry, Attorney General's Office; Jen Fenske, Nicor Gas; Kerri Halsall, DuPage County; Joan Howard, Illinois Commerce Commission; Ashley Piwowarczyk, DuPage County; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA); Chuck Walls, Commonwealth Edison*

Guests: *Granada Williams, CEDA*

Staff: *Maria Gallardo, DCEO; Janet Hawes-Davis, DCEO; Patty Hughes, DCEO; Amy Park, DCEO; Angela Westbrook, DCEO*

#### **Call to Order**

Maria Gallardo called the meeting to order.

#### **Approval of Minutes**

Deborah Bursey made a motion that the June 11, 2015 minutes be accepted. Aimee English seconded the motion. Nancy Kane-Richards made a motion that the August 31, 2015 minutes be accepted. Jennifer Schmidt seconded the motion. A vote was taken on all motions, motions carried.

## **PIPP Program Evaluation**

Maria Gallardo explained the meeting purpose is to discuss the status of the PIPP. In PY15, OEA had been administering the PIPP for four years. The total number of households that received benefits in PY15 was 66,356. On behalf of those households, a total of \$57.3 million was spent.

Maria Gallardo discussed program successes and change opportunities. Some of the program successes are the automation of the PIPP recertification process (now linked to the annual utility true-up process), automation of client intervention, and arrearage reduction (data is currently unavailable). LAAs have been doing a great job with PIPP. Funding levels for PY17 being restored in PY16 was also discussed.

LIHEAP benefits were reduced due to funding levels decrease. PY17 applicant enrollment will be based on an open first come, first served basis. Several internal discussions have taken place regarding funding. The Department feels that PY17 funding must be reduced compared to PY15 funding levels. Access to ARRA and carryover funding in the past contributed to enrollment of more households. The PIPP budget amount and program scope most likely will be reduced. OEA is still determining the funding level prior to making a decision.

PIPP customers dropped as of June 30, 2015 were discussed. The PIPP participating utilities have continued assisting these customers through the Arrearage Reduction Program (ARP). PY17 customers will be offered PIPP on an open enrollment first come first served basis and should apply for energy assistance benefits at that time. Currently, customers receiving ARP benefits by utilities are as follows: ComEd - 30,000 customers with March 31<sup>st</sup> expiration date; Peoples Gas - no data was made available during the meeting although Peoples Gas stated that they had been providing ARP but it has ended; Nicor - 1,366 customers as of December, no expiration date has been discussed; Ameren - 800 customers with March 31<sup>st</sup> expiration date. Utilities will manage communication with these customers. The Department will inform energy assistance applicants of the availability of PIPP contingent on the passing of a 2017 budget and funding availability at a later time.

Allen Cherry brought up the discussion about all energy assistance applicants being eligible for ARP reduction. Maria stated that no internal discussions have been held regarding this discussion item.

Maria Gallardo discussed the maximum PIPP benefit amount is double the amount of the LIHEAP benefit. There was discussion to reduce the maximum PIPP benefit as needed (by at least 12% = \$1,600 new maximum). The demand is greater than funding and there is little opportunity for non-priority households to apply. Analysis is difficult due to the fact that the LIHEAP has already started. The Department will share more information on reduction levels as information becomes available.

Raising the minimum amount that the client pays instead of reducing the maximum PIPP benefit was discussed as a concern by Jennifer Schmidt. Allen Cherry noted that the Energy Assistance Act does not allow for flexibility of reducing the maximum benefit amount. Maria Gallardo stated that is not her interpretation of the Act.

Maria Gallardo discussed the possibility of a PIPP graduation after successful payment of three years and reducing levels in order to allow non-priority households to have access to PIPP. Thresholds such as ARP being reduced to zero and payment behaviors were discussed internally and the consensus was that the time was not right until further analysis and discussion. Energy burden will be taken into consideration when analysis is complete, when determining continuation of PIPP after three years of successful participation.

Maria Gallardo informed the committee that the Consumer Education Subcommittee will discuss, at a later date, how to deal with energy assistance clients who prefer the PIPP but the program is not the best choice for them. How to manage those clients is a concern. When customers are educated on the benefits of the program, they can determine which program is best for them. Developing a business rule for eligibility criteria based on the Energy Act was discussed.

Client interventions that resolve themselves as a result of a state grant posting rather than a client payment was discussed. These clients can be viewed only as a late payer when they are actually not making payments per Business Rules. Commonwealth Edison and Ameren experienced this coding issue. System coding must be corrected by impacted utilities.

Maria Gallardo discussed concerns about the STARS timeline for processing letters which is taking 45 days for each intervention which causes confusion for clients. This issue requires a system enhancement and will be discussed with OIM.

Alternative methods of intervention and outreach will be discussed at a later time. OEA needs to review and discuss internally. Email and cell phone data is being collected in STARS and a determination needs to be made on how to utilize available data to communicate interventions and outreach.

Further investigations internally will be discussed as to whether OEA can send PIPP letters instead of the LAAs. Department printing PIPP letters on behalf of LAAs will be discussed with the Department of Human Services (DHS). The Department of Revenue prints the LIHEAP letters and DHS stuffs the envelopes and provides postage.

Balance due correspondence forwarded to clients was discussed. Clients have complained that incorrect information from the utilities' CSRs is being communicated. LAAs can only provide CPR amounts and are not aware that the client has made a partial payment or if there are any NSR charges. The utilities' CSRs are not familiar with the PIPP; as a result, more training is required. This is to be discussed with the Consumer Education Subcommittee.

Maria Gallardo discussed whether there was a need for an Annual Report Subcommittee. Bringing back the committee should be revisited to determine what's available in STARS to complete periodic analysis to be used in making future decisions. Maria stated that in reviewing the Act she doesn't see where it says that OEA must file a PIPP report annually. Perhaps OEA could file a report less frequently. The Energy Assistance Act should be reviewed to determine reporting requirements. A meeting of the Report Subcommittee will be scheduled at a later date.

Allen Cherry indicated that perhaps data gathering and discussions on lessons learned should be moved to the PIPP Steering Committee and not the Annual Report Subcommittee. It was suggested that Maria Gallardo circulate data requirements to the committee. Maria will follow-up with Amy Park to circulate data requirements discussed previously by the group.

### **Business Rules Review**

Maria Gallardo reported the need of reviewing and doing an assessment of the different versions of the PIPP Business Rules. The PAC approved the July 21, 2011 version (original) of the Business Rules and that the Working PIPP Business Rules Draft with proposed changes dated August 12, 2012 were accepted by the PAC in 2013 but final approval was never circulated. She noted that she would incorporate the April 16, 2015 changes to the August draft version making this the official document moving forward and will be circulated at the April PIPP Steering Committee meeting.

### **Other Business**

The need for the Consumer Education Subcommittee will be determined at a later date. There is a need to clean up the member list and to discuss the role of the committee going forward.

### **Meeting Schedule**

The next meetings of the PIPP Steering Committee will be held on April 8, 2016, July 7, 2016, and October 6, 2016 from 9:00 a.m. to noon. The committee agreed to quarterly meetings.