



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 January 21, 2016
10:00 a.m. – 12:00 p.m.

Attendance in Chicago

Members: *Aimee English, Citizens Utility Board; Gail Hedges, Department of Commerce & Economic Opportunity (DCEO); Ellen Rendos, Nicor Gas; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA); Chuck Walls, Commonwealth Edison; Kris White, Will County*

Guests: *Latoya Butler, Community and Economic Development Association (CEDA); Allen Cherry, Attorney General's Office; Nancy Kane-Richards, Community Contacts; Lana Kennebrew, CEDA; Shelby Montgomery, CEDA; Shahi Nawab, CEDA; Harold Rice, CEDA; Jennifer Schmidt, CEDA*

Attendance in Springfield

Members: *Deborah Burse, Ameren; Julie Hubbard, Illinois Area Agency on Aging;*

Guests: *Melanie Brown, Ameren; 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*

Attendance via Conference Telephone

Members: *Joan Howard, Illinois Commerce Commission; Doc Mueller, Illinois Municipal Electric Agency; Chris Wheat, City of Chicago*

Guests: *Jen Fenske, Nicor Gas; Cassandra Fricke, CEDA; Michelle Machay, Peoples Gas; Debra Moss, Nicor Gas; John Pady, CEDA; Barbara Richardson, Legal Assistance Foundation of Metro. Chicago; Granada Williams, CEDA*

DCEO Staff: *Maria Gallardo, Leslie Ann Lesko, Ben Moore, Amy Park, Mick Prince, Angela Westbrook*

Call to Order

Gail Hedges called the meeting to order.

Approval of Minutes

Kris White made a motion that the June 18, 2015 minutes be accepted. Chuck Walls seconded the motion. Kris White made a motion that the July 23, 2015 minutes be accepted. Dalitso Sulamoyo seconded the motion. Chuck Walls made a motion that the August 27, 2015 minutes be accepted. Kris White seconded the motion. A vote was taken on all motions, motions carried.

Fiscal Report

Ben Moore covered the provided fiscal overview. In Weatherization, the Office of Energy Assistance (OEA) currently has approximately \$22 million out in grants to local administering agencies (LAAs), with LAAs expenditures totaling approximately \$3.3 million, leaving a balance of approximately \$18.6 million. The Notice of Allocation for 2017 is \$12.5 million compared to \$11.1 million in 2016. This represents a slight increase in the US Department of Energy (DOE) funding for FY 2017.

The Low Income Home Energy Assistance Program (LIHEAP) total budget amount has approximately \$142 million out in grants to the LAAs, approximately \$93 million has been expended, leaving a balance of approximately \$49 million. The total budget amount includes two open federal LIHEAP grants and one State LIHEAP grant. An initial amount of \$43 million in State LIHEAP funds was released. No LAAs are in immediate danger of exhausting funds. The target set by OEA is to provide enough funding to operate LIHEAP until at least the end of April. Excess funds will be reallocated to LAAs potentially exhausting all available funds in an effort to allow all LAAs to operate the program as long as possible.

Gail Hedges gave an overview of the status of the programs. The budget impasse has had significant ramifications on the programs. LAA staff was laid off and positions are now being filled. OEA is monitoring the expenditures and receipts. LIHEAP will begin September 1 contingent upon funding. Households are being serviced and LAAs are working hard to complete applications.

Weatherization

Mick Prince reported year-to-date, 668 units have been completed with 579 in progress. The goal is to complete approximately 4,850 units. LAAs were not conducting weatherization work and assessments were not being performed in the first quarter. Production is slow. Currently, CEDA has \$1 million in multi-family projects in progress. Several LAAs have requested additional funds near completion of the program.

The University of Illinois is administering training classes. The Illinois Historic Preservation Agency (IHPA) approval process and prevailing wage issues have impacted the program. The IHPA process to assess homes takes approximately 30 days which impacted CEDA's production in the second quarter. OEA met with IHPA and resolved the issues. No single family rentals are being completed at this time due to the prevailing wage issue. Legislation is in the process of enactment which would remove the prevailing wage from weatherization. Lead safe protocols with DOE were running parallel with one another which caused additional cost for training. DOE is considering removing the lead safe mandate.

The Weatherization State Plan is due in May. Hopefully, there will be a Plan available prior to May for PAC review and discussion.

Gail Hedges stated that, as a result of the budget impasse and the LIHEAP starting October 1st, a portion of weatherization start-up funds were used as start-up funds for LIHEAP. In the upcoming program year, LIHEAP will set-aside 15%. The program is expected to be at full funding next program year with State and federal funding.

Mick Prince reported that approximately 7% of weatherization funds have been expended state-wide for single and multi-family units.

Dalitso Sulamoyo stated that, although legislation will perhaps be introduced to address the prevailing wage issue, legislation has been in the works on the language since 2010. Hopefully language being introduced will benefit everyone. If the bill does not move, there may not be any resolution until the close of the program year.

LIHEAP/PIPP

Maria Gallardo provided program updates on LIHEAP and the Percentage of Income Payment Plan (PIPP), reviewing the information provided in the Program Status Summary. LIHEAP has spent \$75.2 million on behalf of 175,025 households. This amount reflects applications on register accepted and invoice. Applications taken have increased by 9% compared to last year due to PIPP applications migrating to regular LIHEAP.

LAAs have been struggling with the verification of applications due to the suspension of the State LIHEAP funding. LAAs laid off staff during the summer months and brought staff back two weeks prior to the start of the heating season. As a result, the start of the heating season has been impacted.

The LIHEAP State Plan comments and approval were received from the Policy Advisory Council (PAC) in August 2015. Changes include LIHEAP beginning October 1st and LIHEAP benefits being decreased 12% across the board. Also, the reconnection assistance benefit will be applied only if it assists with restoring service to households. The maximum reconnection assistance benefit amount was also reduced from \$1,000 to \$750. There will be no Summer Cooling Program in 2016. The decision was made to operate a furnace assistance program with funding coming out of reconnection assistance funding. Once funds are exhausted for the furnace assistance, no additional funds will be released. Feedback and comments were taken into consideration.

The LIHEAP State Plan was submitted to the US Department of Health and Human Services (HHS) with changes. HHS responded inquiring about the program procedure for serving emergency crisis households (reconnection assistance) as per HHS recommendations. Reconnection assistance applications must be processed within 48 hour/18 hour plan, if there is a life threatening situation no matter the time of the year. Once the changes recommended by HHS were made, the Plan was approved.

In FY16, the new HHS-LIHEAP Performance Measures report is due to HHS on January 2017. OEA and information technology (IT) have been working with regulated utilities and negotiated an annual data exchange process. DCEO will forward a list of households who receive LIHEAP benefits to regulated utilities who will then provide OEA with the annual usage and annual expenditure needed for the reporting. This report consists of the following sections: 1- energy burden, 2- prevention of home energy crises, and 3- restoration of home energy. The data will be included in HHS's annual LIHEAP report to Congress and will help states target the highest LIHEAP benefit levels to the households with the highest energy burden. OEA and IT have also been working with the top 10 fuel providers to collect data. This process has been challenging as OEA hasn't received the commitment from all providers.

Maria Gallardo stated that the Illinois Administrative Code Part 280 new changes required regulated utilities to notify customers of their low income designation and their benefits under this new change. All utilities are implementing changes at different times with the ICC. ComEd and Ameren began notifying customers of their low income status expiration in December 2015. ComEd sent a letter that created confusion. Customers thought LIHEAP eligibility would be denied starting December 2015 which prompted a lot of phone calls to OEA and the Energy Assistance hotline. OEA was not involved in the coordination of this correspondence to customers.

Chuck Walls stated that there were things that could've been done differently. The rules written should have considered the December 31st deadline. Other dates should be considered in forwarding future correspondence. OEA agrees to meet soon to have more discussion on this issue and be involved in the coordination of any future customer notifications.

Gail Hedges stated that OEA would like to begin the process earlier to ensure that by the time the program starts, customers are aware that they need to apply for LIHEAP in order to continue these low-income customer benefits. We need to determine how to prepare the letter/notification so that the customers understand the difference in the low income designation status vs. the LIHEAP benefit status. The conversation should begin soon. Experiences will be shared and hopefully a better experience will occur next year. ICC and advocate staff is invited to attend the discussions.

Aimee English stated consumer education as it relates to the Illinois Administrative Code Part 280 was discussed. Customers should receive clear instructions on their rights at the time they are notified of the expiration of their low income designation. The PAC agrees that further discussion will occur and all utilities are in agreement that communication and changes are needed prior to correspondence being sent to customers. Meeting notices will be forwarded for further discussion.

Gail Hedges discussed the weather conditions in December which caused a great deal of flood issues. There is a great need for disaster assistance and furnace repair/replacement. LIHEAP is facing this new issue and is in the process of revising policies so that there is a clear understanding of what the procedure is. Clients are receiving immediate response. LAAs and Community Action Agencies (CAAs) are out getting the work done and this is much appreciated.

Maria Gallardo explained that State LIHEAP funding was restored in December. The PIPP suspension was discussed. OEA is planning for the reinstatement of the PIPP in program year 2017, pending the State LIHEAP funding authorization. PIPP must start at the beginning of the next heating season so that clients have a choice.

Utilities discussed the status of applying arrearage reduction program (ARP) credits. Nicor, ComEd, and Ameren continue to run the ARP program with PIPP households who were dropped on June 30, 2015 due to the suspension of the State LIHEAP funding and the suspension of PIPP. Peoples Gas was not present at the time to report. Allen Cherry stated that Peoples Gas and other utilities continue to work with PIPP former participants to extend ARP benefits.

The PIPP Steering Committee plans to meet February 3, 2016 from 10a.m. to noon. Discussions will consist of membership review, lessons learned, and on-going role of sub-committees.

Gail Hedges stated that the committee should be prepared to discuss, in the event State funding isn't approved by July 1st, how this impacts the program and customers, and that discussions need to take place far enough in advance so that decisions can be made.

Gail informed the group of the change in the meeting schedule of the PAC. The PAC will meet quarterly moving forward. This will help with the attendance because it's difficult to prepare for meetings and OEA wants to share good information so that time is not wasted. Quorum issues have occurred. Face-to-face meetings are preferred but sometimes not possible. Members were encouraged to attend on-site meetings, if possible because it's difficult to control callers and get questions answered via telephone. The PAC membership participation will be reviewed and the membership list will be updated as necessary.

Gail shared her background with the programs. She has been with the DCEO for 38 years and was over the programs until they were moved to Healthcare and Family Services (HFS). She's excited to manage the programs again and ensures the committee that the programs will run differently. Gail indicated that she welcomes the PAC and others to contact her with any questions or concerns. She informed the committee of her commitment and would like to continue and strengthen partnerships going forward.

Composition of the PAC was discussed due to vacancies. Changes would require legislative approval. OEA will look into how to recruit members that are identified in the statute in an attempt to get vacancies filled. There is one member vacancy and four representatives that are not active.

Other Business

No new business was presented.

Meeting Schedule

The next meetings of the Policy Advisory Council are scheduled for April 21st, July 21st, and October 20, 2016.

Adjournment

Kris White made a motion to adjourn. Chuck Walls seconded. Motion carried.