



Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

Percentage of Income Payment Plan (PIPP) Steering Committee Minutes of Meeting Held on July 11, 2019

Attendance in Springfield:

Joan Howard, Illinois Commerce Commission; Kathy Walk, CEFS; Mindy Browning, ERBA; Angela Baldwin, DCEO, Deirdre Coughlin, DCEO, Leslie Ann Lesko, DCEO; Ben Moore, DCEO, Marie Mueller, DCEO; David Wortman, DCEO

Attendance in Chicago:

Abigail Miner, Office of the Attorney General; Maria Gallardo, DCEO; Addrena Kim, DCEO

Attendance via Telephone:

Melanie Brown, Ameren; Deborah Bursey, Ameren; Aimee English, Citizens Utility Board; Michelle Machay, Peoples Gas; Ashley Miller, DuPage County; Tyrone Pickens, CEDA; Barbara Richardson, Legal Assistance Foundation; Taniya Robinson, Theo Vaught and Amber Gordon, Nicor Gas; Ellen Rendos, Nicor Gas; Kimberly Roberts, CEDA; Lucy Sanchez, Lake Co.; Eric Schrader, Peoples Gas; Aarian Smith, ComEd; Martha Strawser, Rockford Human Services; Anthony White, Ameren

Call to Order

David Wortman called the meeting to order with introductions.

Approval of Minutes

There were no corrections from the April 11, 2019 minutes. Mindy Browning motioned for approval of the minutes and Leslie Ann Lesko seconded the motion. All voted, and the minutes were approved.

Program Status Update

Leslie Ann Lesko provided an update of the program. She said Maria sent out a report of the PIPP Steering Committee summary. There is a total of \$23,251,848 obligated annually on behalf of 22,399 customers enrolled in PIPP. The average PIPP benefit is \$1,038. This is 10% less customers enrolled compared to the previous year (6-25-18).

Last year, we were obligating annually a total of \$24,792,721 on behalf of 24,940 enrolled customers. The average benefit last year was \$994. Ben Moore commented that timing does make a difference in enrollment. Leslie Ann said there is a system in place to drop a certain group of customers if they fall into a certain category on June 30th and September 30th.

Recertification Process

Maria Gallardo gave the Recertification Process report. She said the new Recertification phase starts July 1st. A Procedure Letter was sent to the LAAs in May to announce the start of the recertification and provide guidance. The PIPP Recertification Refresher webinar was conducted on May 31st.

Maria indicated the bulk of our PIPP customers will recertify in the months of July and August from September and October True-Ups. Approximately 993 customers are now in “Ready for Client” status in STARS. This means the LAAs can now bring in these customers for their recertification appointment between the months of July and August. A total of two letters are sent to the customers to inform them about their recertification requirements. Customers visit the LAA when they are in “Ready for Customer” status. The True Up Adjustment benefit is available starting in October.

The PIPP Recertification choices are:

- Remain on PIPP
- Dropped due to Over Income
- Dropped due to Missed payment with another vendor
- Voluntary Drop
- Drop-Ineligible Option
- Drop- NO TU Adjustment
- Drop-TU Adjustment

A total of 171 customers were dropped on 6/30 by the programmers due to Future Drop. This category of customers had a PIPP Participating Utilities (PPUs) dropped during the Program Year and as a result, the program drops the other PIPP-PPU so they can return during their next enrollment period. The LAAs that had these customers are: 1- Lake, 2- Community Contacts, 3- CEDA, 4- DuPage, 5- Kendall Grundy, 6- Kankakee, 7- Mid Central, 8- McHenry, 9- Northwestern, 10- Rockford, 11- Tri-County, 12- Will and 13- WIRC. OCA sent the customer list to each LAA and the drop letter was made available in STARS so these customers could receive their notifications. They can come back during their next priority enrollment and apply for energy assistance.

Mindy Browning stated that she has seen 50% of customers that experienced a lower budget bill during their recertification and 50% experienced a higher budget bill. Kathy Walk stated that they were just getting started and she hasn't had many customers recertifying the first week. She said the following weeks will be heavy. Therefore, she has not received any files and do not know what the numbers are.

Barb Richardson asked if all notices were out for July and August customers. Maria said not necessarily because the system is programmed to send the letters out 30 days in advance of True-Up and 15 days before the actual True-Up. Therefore, the recertification letters have been sent to the group of customers who are recertifying shortly, and the other customers will receive theirs when it is time for them to come to their recertification. Kathy said it is an ongoing rolling process.

New Program Year Scope

Leslie Ann Lesko announced that for PY 2020, PIPP allocation will be approximately \$40M again. New customers will be added per funding availability by county and by utility. *OCA can add more PIPP funds to the LAAs if they show need because it's all state funded.* A percentage of state funds go to the

LIHEAP DVPs and the other percentage of state funds are for PIPP. If the LAAs are taking a lot of applications and new PIPP customers, there is a possibility that more funding can be added but cannot go higher than the amount the utilities pay into the fund.

Kathy asked if that was the cap. Ben said OCA is allocating an additional \$10M to create a cap. He said OCA is ensuring that there is DVP money available as well. Leslie Ann said that in order to expand the general population in December, there is a new policy where the LAAs can determine what is the best way they can take applications from October 1– December 31. For example, if they never have been able to reach the December population, they may only want to take a few PIPP applications the first two months and the rest in December. Leslie Ann said there have been communications with those involved making sure everyone understands this policy change. Once the bulk of the recertifications is done, the LAAs will know how much money is left for new PIPP customers after September. She used ERBA as an example explaining how the agency has a PIPP funding in some counties and as a result, they may want to focus on adding new customers in these counties. Kathy said once the allocations are out, she will like to ask for the funding to be moved into the counties where there is more need.

Leslie Ann stated that the LIHEAP Benefit Matrix has been updated for the new Program Year. She said there was a 10% increase in the household category located in the 0-50% poverty level, for both the North and South matrices and fuel types Natural Gas and Electricity. Starting in July, the updated LIHEAP Benefit Matrix will be available to PIPP customers when they come in for their recertification appointments, so they can decide between PIPP or LIHEAP. Some customers will drop during their recertification and they can receive DVP in October, if they are still eligible.

Maria added that because of the funding availability, some LAA-service areas were never able to reach out to the general population. This new policy will require all of us to try and make it work. Maria said this policy will give this general population access to PIPP.

Leslie Ann said based on some analysis, it is known that some agencies are not spending their PIPP allocation and that is part of the reason why we are analyzing the agencies closer and working with them to add more customers on PIPP.

Martha Strawser asked if they were able to enroll more in PIPP for Nicor, if they could allow PIPP enrollment with one utility and not both. The agency usually spends all ComEd money and leaves Nicor money unspent. She asked if they can change the program to allow them to enroll one utility without the other. Leslie Ann said they have talked about the idea in the past. Maria reminded the group of the reason for all-PIPP enrollment or all-DVP enrollment for customers with two PIPP-PPUs. The first reason is that the maximum PIPP benefit is up to \$1,800 a year. Primary DVP was around \$500, the maximum Secondary-DVP was approximately \$300 and the maximum RA benefit was around \$1,000. The second reason for this policy is that OCA ended up with two data-base systems which are STARS and LIHEAP.net and therefore, the systems do not talk to each other. As a result, the policy helps the LAAs to make sure the customers do not receive both benefits (PIPP and DVP) for the same utility.

There was some discussion about the customers that have propane and a PIPP-PPU, where the program allows for the split between DVP (Propane vendor) and a PIPP benefit (PIPP-PPU). Maria explained the reason why this category of customers is dealt differently is because the propane vendors do not contribute to the State Supplemental Fund and therefore, cannot participate in the PIPP program. Maria also said that

the Energy Assistance Act should give the Department the authority to adjust the maximum PIPP benefit amount, based on funding availability and as needed.

There was some discussion about some LAAs enrolling customer on PIPP with one PIPP-PPU after the other PIPP-PPU ran out of funding. Tyrone Pickens said CEDA would be interested in discussing this further because this policy affects the customers who have Peoples Gas/ComEd.

Joan Howard suggested the group to look at all the scenarios to see if it would work out and feel there was a reason the policy was established in that way. She also said the program should ensure consistency among the agencies. Kathy asked how many agencies have this situation because they do not. Leslie Ann and Maria said they would have to look at those numbers. Leslie Ann assured OCA will give more consideration.

However, she mentioned that LIHEAP and PIPP being in two different database systems, she doesn't know how it can work without overpaying people and having them getting duplicate benefits.

Mindy Browning asked if the new PIPP customers that are enrolled in October can have their annual true ups moved by the utilities to the month of September. She said it will help the LAAs have more activity during the month of September.

Leslie Ann said there are several advantages for this and that she remembers asking Melanie about this but don't think they decided. Melanie remembers the conversation but doesn't remember bringing it to the utilities attention but don't think it's a bad idea but need the resources to make the change. Eric Schrader from Peoples Gas said they will not be able to do it because it wasn't scheduled in time. Therefore, this remains an action item that needs to be followed up with all the utilities to guarantee all of them can do it. Leslie Ann stated that OCA is allowing the LAAs to schedule appointments starting September 16th for the October 1st intake.

Policy Updates

Leslie Ann stated they have been working on the Policy Procedures Manual that contains specific LIHEAP and PIPP policy which is all in one manual. There has been working group meetings with about 17 LAAs and the group have made policy updates.

Maria indicated that one of the PIPP policy changes is regarding customers that have delays with documentation request. Some agencies have seen customers that are late in providing missing documentation for 50 – 60 days and the LAA is waiting for these documents. She said that the new policy will give customers 15 days to bring their missing documentation, which is in accordance to the LIHEAP policy. The LAAs will have 5 extra days to complete the recertification or enrollment.

Leslie Ann explained that enrolling in PIPP has a different meaning than approving of LIHEAP application because of all the calculations involved, budget billing and the real time process. It is not 30 days to approve or deny a PIPP application. This is the reason we want to add this policy hoping everyone will understand it is to get the PIPP application done in a timely manner because they have information reporting back to the customer. If too much time is given, the budget bill, benefit and CPR amounts can change.

Mindy said tell their customers that if they do not have all their documents when they come for their intake, the agency will reschedule.

Other Business

STARS-PIPP System IT Support- The Kestner Consulting contract has been extended to support the STARS/PIPP system. The goal is to have the new contract in place by October.

Discussion of Admin and Program Support for PIPP customers receiving \$0 State Benefit- OCA sent an email to the utilities about this in preparation for the meeting. They sent us some preliminary questions and OCA responded to them. *See Q&A document attached.* Maria indicated that as of July 10th, there was a total of 221 PIPP applications out of 23,728 that had \$0 PIPP benefit but had an ARP benefit during PY2019. Maria referred to the breakdown by LAA that was sent via email. OCA wants to discuss this challenge and also ask the utilities if they can pay the LAAs the Admin and Program Supports costs associated with taking these customer's PIPP application given they have an ARP balance but not a State benefit.

Aarian Smith asked about the utilization of using the 8 cents vs the 40 cents. She thought the 40 cents was for the administrative cost. Ben Moore explained that the 40 cents is the core of the LIHEAP collection, the 8 cents was added when PIPP was added to the legislation and was earmarked specifically for the arrearage reduction program. It is to pay for the customer and related costs. It was stated that the LAAs are not being compensated for the time spent in taking the application. Ben asked Aarian if the 8 cents collected is not enough and she said yes. Melanie Brown commented on the subject that currently as utilities, some are paying their admin cost out of that 40 cents. She asked how would applying that logic to the agency's admin keep them from using the 40 cents rather than the 8. Ben said he would have to look closer at the Energy Assistance Act.

Michelle Machay said in the past, they talked about them not getting a PIPP benefit and that they would defer them to LIHEAP. Maria said that currently policy indicates the customer would have to have zero state benefit and zero ARP balance condition with both utilities. The reason is that the policy looks at the household as a whole instead of by utility. Michelle also stated that they do not have contracts to give this type of funding to the LAAs and this will be something they will have to discuss with their legal department to determine if it can be done.

Maria referred to the questions that were sent via email. Melanie asked for clarification because she doesn't understand why OCA couldn't pay the LAAs for these applications when all of it is state funded. Ben Moore explained that the administrative percentages are based on expenditures. If the money is expended at the utilities level before it gets to OCA, it would be that the administrative cost would be paid at the utility level.

Aarian Smith asked how the utilities would know which PIPP application is in this group. Leslie Ann said that OCA could do a query for zero monthly state benefit for people who has an ARP balance but with zero state benefit and we can provide this list to the utilities.

There was also a discussion about whether customer education could help these customers. Even though the LAAs educate the households before they get enrolled in PIPP, some customers still want PIPP even though they may not have a state benefit. Some customers may want PIPP for the ARP component and other may

want to still be on budget bill, which they can get enrolled with the utility directly anyway.

Limiting the Duration of a PIPP customer enrollment for PY2021- Leslie Ann indicated that OCA proposes to limit the customer enrollment to the greater of two years or the completion of their arrearage reduction, but not to exceed four years. The proposed policy includes STARS flagging the customer at enrollment. Two letters will be sent to the customer (6 months and 3 months) before dropping them for this reason. There would be a minimum of two years for the customer not being able to get enrolled in PIPP. STARS would display ineligibility message within the two-year waiting period.

The three things she suggested to put in this year's policy are: 1) Put a number of times on repeated drops 2) Repeated late payments and 3) If they have zero income, they should not be allowed to have PIPP. Ben said the first two can be done at application and recertification periods. Barbara Richardson stated she agrees but know clients who live on a limited/fixed income and are only surviving because they are on PIPP. Deirdre reiterated that they are raising that 0 to 50% matrix benefit income for LIHEAP which means the dollar amount may be closer.

There was disagreement in the group concerning this proposed policy change and further discussion is needed.

Update on the HEAT Act- Abigail Miner gave an up-date about the HEAT Act. It is expected that Gov. Pritzker will sign the Act in and the month of August. It will go into effect in January 2020. She said the bill will affect the PIPP and LIHEAP customers. The customers will no longer be able to newly enroll with any alternative supplier.

The AG's Office anticipated the alternative suppliers will try to sign up PIPP and LIHEAP customers prior to January 1st. Customers who currently are in contract with a supplier will not face termination fee, if they decide to terminate the contract. The bill also allows PIPP customers to eventually be able to enroll with an approved alternative supplier by the ICC once they can guarantee saving for customers.

Mindy is concerned how it is going to work if a person comes in to sign up for LIHEAP and is on the alternative supplier. Abigail said that the suppliers will not be able to charge termination fees when they terminate the contract and the LAAs could educate the applicants about this. It was asked how would this impact customers enrolled with a supplier through municipal aggregation. Abigail was not sure how the HEAT Act will impact the customers enrolled via a municipal aggregation and is going to check and provide an update later.

Meeting Schedule

October 10, 2019

Adjournment

The meeting was adjourned.