



**Illinois
Department of Commerce
& Economic Opportunity**

JB Pritzker, Governor

**Low Income Energy Assistance Policy Advisory Council (PAC)
Minutes of Meeting Held on Thursday, July 25, 2019
10:00 a.m. to 12:30 p.m.**

Attendance in Springfield and Chicago:

PAC Members: Brian Maruyama, Nicor Gas; Aimee English, Citizen Utility Board; Joan Howard, Illinois Commerce Commission; David Wortman, DCEO

Guests: Mindy Browning, ERBA; Allen Cherry, Low Income Utility Advocacy Project; Janice Dale, Attorney General's Office; Jim Monk, IL Energy Association; Shahi Nawab, CEDA; Michelle Pulce-Flynn, IACAA; Kimberly Roberts, CEDA; Kathy Walk, CEFS; Abigail Miner, Attorney General's Office; Tyrone Pickens, CEDA

DCEO Staff: Angela Baldwin, Deirdre Coughlin, Maria Gallardo, Ben Moore; Marie Mueller, Mick Prince

Attendance via Conference Telephone:

PAC Members: Elizabeth Berendsen, City of Chicago; Melanie Brown, Ameren IL; Wanda Hopkins, South Austin Coalition; Dalitso Sulamoyo, Champaign County; Lorrie Walls, City of Chicago; Kris White, Will County; Staci Wilson, IL Municipal Electric Agency

Guests: Jim Agnew, IL Commerce Commission; Latoya Butler, CEDA, Kim Campbell, Vistra Energy; Larry Dawson, IACAA; Jennifer Marten, Nicor Gas; Lauren Pashayan, Land of Lincoln Legal Assistance; Barbara Richardson, Legal Assistance Foundation; Eric Schrader, Peoples Gas; Aarian Smith, ComEd; Martha Strawser, Rockford Human Services

Call to Order

David Wortman called the meeting to order.

Approval of PAC Minutes

There was one correction from the April 25, 2019 minutes. It was to add Abigail Miner as a guest. A vote to approve the minutes was moved by Brian Maruyama and seconded by Joan Howard. The motion carried. The minutes were approved.

Fiscal

Ben Moore provided a report about the Weatherization funding. He referenced the Program Status report that was distributed to the attendees. He said the Weatherization program has about \$45.6 million available funds out in the network. The grantees have utilized about \$44 million to date. There is about \$10.6 million available for this program year which ends June 30, 2020. The State and HHS grants (shown at the top of the list), end date is not until the end of September 2019. He said that funds are still available until then.

Ben stated that OCA Fiscal is processing the initial grants for Program Year 2020. The first step is to get the budgets the grantees submitted for that grant, all are approved except three grantees for all the grant series. For the HHS series (19-221), 15 grants are executed, and the remainder are waiting for the Director's signature. There are 20 State grants that are in the Director's office waiting for approval, and 9 are out with grantees for signatures. Although they were not executed by July 1, it is hopeful that we are ahead compared to last year.

Ben indicated that LIHEAP has about \$235.2 million out in the network. He said about \$186.9 million has been expended with about \$48.3 million available. The 19-224 series grant extends until the end of June 2020. The \$12.3 million, if available, will carry-over to the start-up of the program and OCA is processing modifications from that same grant (19-HHS) and approximately \$98 million will be given to the network to use as start-up money for the 2020 Program Year. Ben said they will be receiving the Federal Fiscal Year 2020 award starting October 1. Once the award is received, OCA will begin processing grants to supplement the carry-over funding they have available for the agencies to run the 2020 program.

David Wortman inquired about the other sheets Ben had. Ben said they were State funds the utilities requested. He explained how the summary broke down LIHEAP and PIPP funds and how it was distributed to the utilities.

Weatherization

Mick Prince provided the Weatherization report. He stated a total of 2,568 units have been completed to date which he is satisfied with. The goal was set at 2,950. He said, due to the additional utility funds available to the network, it is difficult to project the number of units that will be completed and the weather can also affect production. He said 18 LAAs increased in production this year and carried over HHS funding.

The IHWAP State Plan approval letter has not been received yet. However, as of yesterday (July 24, 2019), he received a call from DOE that it got approved and they are in a good place as far as grant processing. He thanked Ben and his staff for getting the grants to the LAAs out sooner. The DOE energy audit regarding recertification is now approved.

Mick is now in discussion with the IT staff concerning the procurement of the new database system. The WeatherWorks system is now certified for five years. Mick stated they are working with the Central Management System (CMS) to finalize some job specifications for Weatherization Specialist positions. OCA lost some staff to retirement, and the description was outdated. OCA is hoping to hire more

monitors. They are working with the IT staff to get production done. The LAAs are working on procurement, which has to be completed by October 1.

LIHEAP

Deirdre Coughlin gave an update of the LIHEAP program in Leslie Ann Lesko's absence. The program ended May 31, 2019. She reported that a total of \$147,979,298 has been spent statewide on behalf of 251,433 households receiving at least one LIHEAP benefit. See breakdown by LAA in the Program Status report.

The Program Year ended with an application intake reduction of 3% compared to last year. This is an area that OCA will continue discussing to determine ways to increase the application intake for next program year.

Currently, OCA is working with the Energy Assistance Procedures Manual in preparation for the next program year. We conducted several LIHEAP Working Group meetings with a small group of LAAs representing the network to discuss policy that needs to be clarified or added in the Manual. In addition, we shared with them the draft of the 2020 LIHEAP State Plan and gathered their input.

The Annual LIHEAP Policy and Procedures Workshop with the LAAs is scheduled for August 20, 2019 in Springfield.

PIPP

Maria Gallardo provided the PIPP report. She stated that a total of \$23,305,404 is annually obligated on behalf of 22,226 customers that are receiving PIPP benefits. See breakdown by LAA in the Program Status report.

The Recertification process is now in full swing. The estimated True-Up from the utilities for recertifying is about 70% of population. Our contract with Kestner Consulting, for the STARS-PIPP IT support, was extended for 3 more months (October). To date, a total of 15,513 out of the 22,533 applications have been recertified. The Department is working on a full solicitation for PIPP IT support and we expect to have the vendor in place by October.

The PIPP Steering Committee met on July 11 and we discussed the status of PIPP and the Recertification process. The group discussed whether the utilities could cover the Admin costs for PIPP customers receiving \$0 PIPP benefits but are receiving a monthly ARP benefit. The group left it that the utilities will investigate this and let us know if they can use either the \$.40 or the \$.08- ARP \$ to cover these costs. There will be a follow-up once their legal departments provide an opinion.

The group also discussed the idea of moving the new October enrollment's True-Ups to September (11-month) so it can help the LAAs with the recertification volume. It looks like this will require some utilities to make IT changes and this could not be done by PY2020. We talked about making some policy changes to limit PIPP enrollments for customers who are repeat drops, repeat late payers, or zero income households. The proposal was to refer these customers to LIHEAP to give the rest of the population, who also are low-income households, a chance to apply for this program. There was a lot of discussion about this as well and we left it that OCA will further discuss this idea.

Finally, we discussed the idea of limiting the duration of a PIPP customer enrollment for PY2021. OCA's proposal is to limit the customer enrollment to the greater of two years or the completion of their arrearage reduction, but not to exceed four years. These discussions occurred as possible creative ways to allow other households access to PIPP, given current funding levels.

For the new PY20, OCA is allocating approximately \$40M for PIPP toward the new customers, per funding availability by county and utility. OCA could add more funding to the LAA if they show there is need.

Another item discussed was program expansion. The goal is to reach the general population in December. Some service areas, because of the funding availability, will be asked to enroll some December customers who have never had access to the program.

Janice Dale asked in terms of the change in the business rules, since DCEO is considering graduating people from PIPP: Has there been any kind of legal review? Maria said the legal department will have to take another review into this topic, but when legal reviewed it a couple of years ago it was not an issue. Janice said she isn't aware of any statute that permits it. Maria reiterated that the DCEO legal department will have to investigate it.

David Wortman asked Maria what the timing would be to implement the proposed policy change. Maria said if it was for the start of Program Year 2021, it would be ready for the Recertification start date in July 2020. The decision should be made by April 2020. She also stated that they should consider in further discussions that it will impact the STARS system. Ben elaborated on the impact it will have on STARS and thought it would be best if the decision was made in January due to timing. It was also suggested that a separate group meeting could take place outside of the regular PIPP Steering quarterly meetings.

Dalitso inquired about limiting participants to a certain number of years asking if that can be done. He agrees with Janice regarding if it could be done without amending the Energy Assistance Act. Dalitso directed it to Jim Monk, who stated he has not looked at the Act lately but agrees it will have to be reviewed by the legal department who will have to contact the agencies involved and decide.

Dalitso inquired about the impact it will have on the number of seniors and people with disabilities on fixed income. David stated that he doesn't have enough information now to give an opinion. He said all parties involved will meet to get a decision on "can" we do it and "should" we do it by the January meeting.

Wanda Hopkins explained she has had customers tell her they wouldn't know what to do without PIPP. Wanda also stated that in her 30-year career, she never heard of graduating anyone. It would be detrimental to people and Martha Strawser agreed.

Michelle Pulce-Flynn asked if there has been a request for a waiver at the federal level to possibly use some of the other funding in the regular LIHEAP program to augment the PIPP program. She knows of PIPP programs around the country supported by state funds asking if seeking a waiver of some kind to move more money into the PIPP fund given that all the LIHEAP funds are always carry-overs.

Ben said the Department requested it at the beginning of the PIPP program (2012-2013), but it was not approved due to not having enough people eligible. There were going to be too many people left out of being able to receive PIPP because it was just those major utilities that will be participating in the program. Ben said HHS was very adamant about their perception of inequity because it was limited to certain utilities. Maria reiterated what Ben said about reaching out to HHS with the proposal.

Deirdre said with LIHEAP OCA has been trying to increase the benefit, which we did by 22% last year. OCA is increasing the bottom income portion from 0 to 50% of poverty another 10% this year. She said it's not PIPP or nothing, but PIPP or LIHEAP with LIHEAP increasing. Sometimes it is to the customer's benefit to be on LIHEAP.

Deirdre also stated that she wasn't here at the beginning of the program but didn't think anyone thought of the program as having limited funds. She explained that when everyone gets on at the beginning for life, everyone else is being excluded. She said it is not a matter of kicking people off, it's about what's the best program for the customer. Again, she reiterated that State funds are limited and the Department is trying to allow other eligible low-income households to also have access to PIPP. Some agencies have not been able to add new PIPP customers for several years due to funding availability. Deirdre said it will be further explored and a proposal will be provided to the group at the time. She said it is not to hurt anyone, but to help more people who are also in need.

Lauren Pashayan agreed with Dalitso saying her understanding of administrative law in agency restrictions is that the authority comes strictly from the Act. The Department cannot change policy if it's not in the statute regardless of the motivation or rationale. She said the initial review needs to look at the Act to determine what the Act requires. If it doesn't give the authority to limit the enrollment, it will have to be addressed before the Department can modify its policy.

Aimee English suggested to look closer at this population and determine how many households this policy change would impact. Maria indicated that the Office of Community Assistance would have to analyze the data and report back.

Janice Dale pointed out that customers will get a DVP for one month and wonder what to do for the remainder of the year. She stated it's not just about the money but lives too. She wants to know if they could spread out LIHEAP payments over a period to make it a regular distribution of funds. To be further discussed.

Allen Cherry stated DCEO worked on this legislation in 2008. He didn't expect PIPP to be focused solely on single family seniors. It provides benefits for them but is not what was expected. Allen said he would not want to allow zero income people to get on PIPP. He wants to understand how many people are involved. He also wants to better understand what the business rule of this proposal looks like to say to some people that PIPP is not for them. The program has set terms. He added his concerns regarding the eligibility graduation for PIPP by saying it doesn't matter if the Act was silent from this point because going back more than fifty years, a series of constitutional cases under the Due Process Clause that says you can't add additional requirements to a program. It started with Public Aid and the man in the home concept where people have been kicked off the program. He agreed with Dalitso regarding his previous

comments about what the Act allows. Allen said it could be worth looking into for a better policy and to have a special committee to continue discussing ways for improvement.

David agreed with Allen and other stakeholders. He will let everyone know how to proceed with this matter. He said OCA will be engaging legal and as for the data, it's something OCA has been trying to ramp up with improving the data analysis. It will be further discussed with some of the suggestions brought forth. David let them know that OCA is open for thoughts outside the normal meetings and can contact OCA anytime.

Draft of 2020 LIHEAP State Plan

Maria directed everyone to look at the documents sent via email referencing the Proposed Changes Summary and the 2020 LIHEAP Matrix. She explained that The State Plan is the application for HHS federal funds which is due to HHS by September 3, 2019.

The first draft of the plan was presented to the LIHEAP working group to gather some feedback from the local agencies. Next, OCA is discussing the draft with the Policy Advisory Council. Finally, a Public Hearing will be scheduled to receive comments from the public.

The Public Hearing will be scheduled on Thursday, August 8 from 10AM-12:00 PM in both DCEO locations – Chicago and Springfield. OCA also posts the draft of the Plan on our LIHEAP website, and we send the draft to the network of LAAs.

We are presenting the draft plan today and we will ask for a motion to approve the State Plan as a draft. Then, OCA will update the PAC if comments are received in the Public Hearing. Otherwise, OCA will send the document to the PAC upon submission to HHS.

Maria discussed the proposed changes to the 2020 LIHEAP State Plan , as provided in the Summary of Changes.

A motion to approve the draft State Plan was requested. The motion was approved by Beth Berendsen and seconded by Joan Howard. The draft 2020 LIHEAP State Plan was approved.

Alternative Electric Suppliers Data Collection Report

Maria referred everyone to the document handout that was also sent to the group by email. She stated that this is the first year DCEO started collecting data on customers that have an Alternative Energy Supplier who also received LIHEAP benefits. As promised, this is a report we prepared for the PAC including the households who received LIHEAP benefits during PY2019 that had an Electric Supplier with Purchase of Receivable (POR) relationship with the utility at the time of the LIHEAP application.

There were 36,816 customers in PY2019. This represents 15% of the LIHEAP entire population.

A total of 92 supplier names were recorded in LIHEAP.net. A total of \$138,406 was spent on these customers. Maria explained that DCEO sends the LIHEAP benefit to the regulated utility and then the utility handles paying the alternative supplier.

Maria reiterated this is the first year of the data collection and the data may contain data entry errors made during the LIHEAP application intake process.

In addition, any changes on the supplier after the LIHEAP applications is not reflected in this report.

Janice Dale asked what most customers have in terms of gas or electric providers. Maria said when looking at data, there were a couple of gas suppliers but the majority of the suppliers were electric.

Aimee English asked if a customer receives LIHEAP, can they have a gas supplier. Maria indicated that the only way a customer with a gas supplier can receive LIHEAP benefits is if the supplier has a Purchase of Receivable with the regulated gas utility.

Janice Dale indicated the gas suppliers are much worse because they charge enormous premiums to customers. Aimee said there are ongoing proceedings regarding the gas bill Purchase of Receivables and the ICC has been conducting workshops on this but no agreement has been reached yet.

It was stated that the group was happy with receiving the Alternative Electric Suppliers data. Maria said DCEO will review the data again and confirm whether there are gas suppliers in the data as well.

Maria reminded the group that the program gives customers a one pager called “LIHEAP Alert” and a document called “Choosing your Supplier”, which was developed by the AG’s Office. These documents provide resources to customers so they can compare prices and make an informed decision.

David Wortman said that DCEO also found that some suppliers have different names but they are the same and only one should be listed. Jim Monk explained that may be because there are separate companies under one corporation; they are part of an umbrella but work independently. David said that some suppliers became or are currently inactive and are sometimes selected incorrectly by the LAA. The intake person must be careful when choosing the supplier. Deirdre asked if the drop-down icon could be up-dated. Maria said we need to receive an updated list of suppliers registered with the ICC and provide the list to our IT group so they can update LIHEAP.net and the LAAs can select the correct suppliers. Joan Howard will give Maria an updated list of active suppliers that DCEO will make available to the LAAs.

Other Business

Jim Monk asked if Janice Dale could provide an update on the Heat Act. One of the chief provisions of this bill is that as of January 1, 2020, no one who is currently enrolled on PIPP or has received LIHEAP in the past 12 months can be enrolled with an alternative supplier. If the alternative supplier presents the change order to the utility company and the utility company sees that the customer has been on one of the programs, the utility will reject the change request. There is an exception that an alternative supplier can market low-income customers if they present a plan to the ICC that guarantees savings for those customers. Janice said it is unclear at this time exactly what is involved in making such a decision with ICC. She asked Joan Howard if she can respond to this question.

Joan Howard said the ICC is still reviewing the data. Janice clarified that prior to January 1, 2020, marketing can take place and these suppliers will try to switch customers to their plans.

Abigail Miner said there are exceptions for the auto renewal, but the Act does not change any existing contracts, it only changes future contracts signed after January 1. If a customer is in a current contract that provides for an auto renewal in mid-2020, the auto renewal is valid because it was signed before the Act became effective. Jim asked if there are provisions governed in the auto renewal. Janice said that customers who are going from fixed to fixed rates must receive a notification of renewal and if the vendor is going from fixed to variable rates, the vendor must get permission. She also mentioned that when the new Act becomes effective in January 2020 there will not be any termination fees. Right now, the termination fee is \$50 per supplier .

Kathy Walk asked how the Act will impact customers who are enrolled with a supplier through municipal aggregation. Janice said they are excluded. Mindy Browning asked when these customers sign up for LIHEAP or PIPP, should they turn them away. Janice said the intent of the bill was not to keep people from getting LIHEAP or PIPP benefits if they are with an alternative supplier, but to put the burden on the supplier. Abigail stated that it is not the responsibility of the LAA to reject an application if someone is with a supplier. That responsibility is with the utility .

Jim asked how the customer gets out of a contract. Aimee said they will have to call and cancel the contract or when they recertify, someone would let them know their rights.

Wanda Hopkins inquired about customer education. She said sometimes customers do not know that they are enrolled with these suppliers. Maria said at the time of the new application or PIPP recertification it is a good time for the agency to educate the customer by explaining their bill to them. The LIHEAP Alert and the Choosing your Supplier are very helpful in this customer education.

Kathy Walk said she requested a special report from DCEO IT to gather customer information and she contacted them to talk about their current contracts and the prices they are paying currently. Kathy said the customers were sent notices and this notice helped them with information. The customers did not know they were enrolled with a supplier.

Mindy Browning said their agency educates their customers by showing them how to look at the prices they pay on their bills.

Janice said the Attorney General's Office will be updating the LIHEAP Alert and will provide the updated document to OCA for distribution to the LAAs.

Latoya Butler asked if a customer is applying for a DVP, after January 1 and has an alternative supplier will they be dropped. Janice said no as there is no burden on the customer. Janice said the utility is the one who will reject the change. Maria said the goal for LIHEAP is to educate the customers.

Abigail Miner provided examples of the Price to Compare updates made on Electric Customer's Bill. The LAAs can point out to customers on this section of the bill to help them make an informed decision.

Latoya Butler asked who will inform the customer when they make a switch. She is concerned that CEDA and other LAAs will receive more phone calls with customer questions that they may not be able to handle. Janice Dale said they currently don't know.

Maria indicated the Attorney General's Office will be attending the LIHEAP Workshop in August and they will provide more information about the HEAT Act and how to direct customers to the updated section of the price to compare.

Abigail asked DCEO to consider collecting supplier data in STARS-PIPP. Currently, this data is not collected but OCA will further discuss with the new STARS-PIPP IT provider and will report back when there are updates.

Meeting Schedule

The next quarterly meeting is October 24

Adjournment

The meeting was adjourned at 12:30pm.