



# Illinois Department of Commerce

& Economic Opportunity

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OFFICE OF ENERGY ASSISTANCE

Bruce Rauner, Governor

## Percentage of Income Payment Program (PIPP) Steering Committee Minutes of Meeting Held on March 1, 2016 9:30 a.m. – 12:30 p.m.

### **Attendance in Chicago**

Members: *Allen Cherry, Attorney General's Office; Nancy Kane-Richards, Community Contacts; Jennifer Schmidt, Community and Economic Development Association (CEDA)*

### **Attendance in Springfield**

Members: *Melanie Brown, Ameren Illinois; Mindy Browning, ERBA; Gail Hedges, Department of Commerce and Economic Opportunity (DCEO); Lauren Pashayan, Land of Lincoln Legal Assistance; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA); Kathy Walk, CEFS; Anthony White, Ameren Illinois*

Guests: *Philip Gentry, Illinois Association of Community Action Agencies (IACAA)*

### **Attendance via Conference Telephone**

Members: *Kimberly Burdine, Commonwealth Edison; Aimee English, Citizens Utility Board; Jen Fenske, Nicor Gas; Kerri Halsall, DuPage County; Joan Howard, Illinois Commerce Commission; Michelle Machay, Peoples Gas/North Shore Gas; Ellen Rendos, Nicor Gas; Barbara Richardson, Legal Assistance Foundation of Metro. Chicago; Kris White, Will County*

DCEO Staff: *Maria Gallardo; Janet Hawes-Davis; Patty Hughes; Leslie Ann Lesko; Ben Moore; Amy Park; Angela Westbrook*

### **Call to Order**

Gail Hedges called the meeting to order. Gail introduced Leslie Ann Lesko as the new LIHEAP Program Manager. Gail then turned the meeting over to Maria Gallardo to conduct the meeting.

### **Approval of Minutes**

Nancy Kane-Richards made a motion to accept the February 3, 2016 minutes. Jennifer Schmidt seconded the motion. A vote was taken, motion carried.

**PIPP Discussion Items**

Maria Gallardo discussed the Arrearage Reduction Payment (ARP) credits by utilities for reporting periods July-June from 2012-2016. Utilities have been offering ARP reduction credits to customers who continue making payments despite the suspension of the PIPP earlier in the program year. Ameren credits total \$7.6 million (includes both electric/gas spent for ARP reduction), customers served total 800 with an expiration date of March 1. Ameren's expiration date has changed to March 1 to allow customers time to view the update on their bills and to make payment arrangements prior to April 1; ComEd credits total \$12.2 million, customers served total 30,000 with an expiration date of March 31; Nicor credits total \$2.6 million, customers served total 1,366 with no expiration date at this time; North Shore credits total \$121,891; and Peoples Gas credits total \$2.5 million. Peoples Gas reported that four ARP payments were applied in October with an expiration date of March 31. However, no data is available on the total customers who received ARP credits at this time.

Aimee English requested a report on the total amount each utility spent by household. Utilities indicated that data is calculated by grants not households. Data could possibly be available within the next few days. Amy Park will follow-up to determine if data is stored in the Single Tracking and Reporting System (STARS) for comparison. If additional information is required, the Office of Energy Assistance (OEA) will contact utilities.

A proposal to include both Direct Vendor Payment (DVP)/PIPP participants in the ARP was discussed. Allen Cherry stated that Lauren Pashayan circulated a memo in May 2015 regarding why this is allowed under the Energy Assistance Act. He reported that there was a lot of support for the proposal at that time and there is enough money collected by utilities to support the ARP for both DVP/PIPP participants. Advocates request that OEA adopt the proposal for the upcoming program year. Maria Gallardo has concerns that the proposal could possibly create more clients served than the ARP revenue could support. Allen believes that the proposal is manageable because funds are available and customers who pay on time, that already have a Deferred Payment Arrangement (DPA), could benefit. Lauren will recirculate the memo. Maria will consult with the DCEO legal department and provide updates at a later time.

Demand being greater than funding was discussed. Maria Gallardo researched the Ohio PIPP Graduation Program. The State of Ohio has two main reasons for eligibility for graduation. The first eligibility for graduation is PIPP Plus participants. PIPP Plus participants are households with increased income or less people in the household. The second eligibility for graduation is a household that has been identified as the program not being the best choice because the PIPP Client Payment Responsibility (CPR) is higher than the budget bill amount. Applicants are placed in a transition payment for twelve months and, if they are in good standing, the participant could then graduate. Maria stated that graduation is one idea that could help other eligible households have access to the program. Another idea would be to change the income eligibility threshold from 150% of the federal poverty level to 125%. Lauren Pashayan recommended review of the statute prior to committing to any changes to the eligibility criteria. Allen Cherry doesn't trust that the idea can be proposed due to the clear language in the Energy Assistance Act.

PIPP capacity vs. funding availability was discussed. Maria Gallardo presented the idea that PIPP participants can recertify, if their CPR is current by the due date indicated in the correspondence. Concerns were discussed regarding clients recertifying for PIPP and after 30 days being dropped due to non-payment. Data was requested on the total of dropped clients in this category.

Customer should have a current bill payment when applying for PIPP. Maria will request a data report from the Office of Information Management (OIM) to determine the extent of this problem and continue the discussion about how these households are counseled.

Another idea presented was reducing the PIPP maximum benefit amount from \$1,800 to \$1,600 (12% reduction) to help extend program funds and provide access to the general population in some service areas where capacity was an issue in the past. This proposed change is consistent with the reduction made to LIHEAP benefits during the current program year. There would not be much impact to the customer's CPR or to the program. Per CEDA, if the benefit amount is reduced, the program would save 7.5% of funding in their service area. Maria Gallardo believes the Department has the authority to adjust the funding levels, per availability, according to the Energy Assistance Act. Allen Cherry and Lauren Pashayan believe this is a violation of the Act and dispute this proposal referring OEA to DCEO's legal department for clarification. OEA will consult with legal and provide updates at a later date.

Client interventions being resolved as a result of a state grant posting rather than a client payment was discussed. It appears this issue is isolated to Ameren and ComEd. If the state pledge amount covers the CPR amount, then the utility system would accept the state pledge as a payment and client intervention issues could get resolved. Meaning, a client is not making CPR payments, receives only a single missed payment letter notice, and may never be informed about possible removal from the program. In other words, a non-paying client is still receiving PIPP benefits to their account despite not maintaining their PIPP CPR requirement. A follow-up with Ameren and ComEd determined that both utilities will review this issue and discuss with their Information Technology (IT) staff. Melanie Brown reported that the Ameren issue may have been a timing issue although she will clarify this with IT. The cost of implementing system changes compared to the number of customers this issue is affecting has to be examined.

The fluctuation of weather and utility costs affecting the PIPP budget bill directly and how to better predict the following year's budget was discussed. Jennifer Schmidt is seeking data on usage last year vs. current year. Maria Gallardo stated that most utilities include usage trends in the monthly bill to alert clients. Including an education component for clients on how to manage the budget bill was suggested. This issue will be discussed further with the Consumer Education Subcommittee.

First year budget bill truncation for households enrolled in September/October was discussed. The Committee discussed how to communicate the budget bill impact to customers. Ameren stated, as a dual vendor, it depends on the timing. Ameren also reports that no studies have been conducted. Annual true-up will consist of 10 months of usage rather than 12 months during the first PIPP recertification year. Clients should be informed of the true-up change at the time of recertification. Recertification will occur in July for households with September enrollment dates and in August for households with October enrollment dates. Payment history will be taken into consideration. Clients will be expected to make 10 payments on time. Jennifer Schmidt is requesting data to support how this would impact clients and how to better plan from year to year. Utilities are requested to calculate the budget bill and true-up amounts based on 10 months of usage for these households, per PIPP Business Rules. This will help balance the client recertification workload that would occur during the same time as the priority groups applying in September. OEA will follow-up with the utilities to analyze data that may be available.

The ongoing role of the Annual Report and Consumer Education Subcommittees was discussed. Maria Gallardo stated that she and Allen Cherry discussed the Annual Report requirements document. The intent is to develop a STARS report of data elements in an attempt to analyze the program. Maria suggests that the report is completed less frequently than annually due to current resource availability. Maria indicated that STARS has data available and a report could be developed and shared with the group. Legislators are not requesting an Annual Report at this time to our knowledge. A formal report would require contracting with a consultant as OEA currently does not have the internal resources or expertise. Lauren Pashayan suggests retrieving the data this is currently available. Lauren would like information as to what worked in past years.

Gail Hedges stated that a single page program report/fact sheet indicating how funds were spent that is shared with legislators is better than a lengthy report which may or may not be reviewed. Gail recommends that STARS data is used to determine program changes/improvements. Allen Cherry indicated that there is no need for an Annual Report Subcommittee because there is no support going forward for a formal evaluation of the PIPP and due to the fact that the financial timing of bringing in a consultant has lapsed. Maria Gallardo will follow-up with OIM to query data in STARS for a report.

The Committee feels there are items that require further discussion in the Consumer Education Subcommittee. However, decisions must be made prior to educating customers. Clarification on which proposed program changes OEA can/cannot execute must be confirmed prior to educating customers.

The plan for the PIPP start-up was discussed. Recommendations for program changes for PY17 should be discussed with the Policy Advisory Council (PAC) during the April 21<sup>st</sup> meeting in order for Capitol Strategies to support STARS in the future. Timeframes will also be discussed. OEA will provide details when more information is available.

Income verification/zero income forms and procedures were discussed. Lauren Pashayan requested verification of which/how forms are used for LIHEAP/PIPP applicants and whether applications are set aside. Lauren asked whether PIPP zero income households will be re-enrolled and if the zero income policy is consistently followed by all agencies. Maria Gallardo informed the Committee that sufficient forms of income documentation are proof of gross income for the 30-day period. Households reporting zero income are required to complete a Zero Income Affidavit for each adult residing in the household. Forms are updated as necessary and local administering agencies are doing a great job communicating eligibility criteria. OEA consistently consults with other states in an effort to improve the application process and to seek out changes to forms to best serve clients.

### **Meeting Schedule**

The next meeting of the PIPP Steering Committee will be held on April 8, 2016. Should this date change, the Committee will be notified via email.