



**Illinois
Department of Commerce
& Economic Opportunity**

Bruce Rauner, Governor

**Low Income Energy Assistance Policy Advisory Council
Minutes of Meeting Held on October 20, 2016
10:00 a.m. – 12:30 p.m.**

Attendance in Chicago

Members: *Ellen Rendos, Nicor Gas*

Guests: *Latoya Butler, Community & Economic Development Association (CEDA); Shahi Nawab, CEDA; Jennifer Schmidt, CEDA*

Staff: *Leslie DeVore, Department of Commerce & Economic Opportunity (DCEO); Maria Gallardo, DCEO*

Attendance in Springfield

Members: *Deborah Bursey, Ameren; Gail Hedges, DCEO*

Guests: *Melanie Brown, Ameren; Kathy Walk, CEFS Economic Opportunity Corporation*

Staff: *Patty Hughes, DCEO; Leslie Ann Lesko, DCEO; Ben Moore, DCEO; Mick Prince, DCEO*

Attendance via Conference Telephone

Members: *Cherise Conley, Commonwealth Edison; Aimee English, Citizens Utility Board; Joan Howard, Illinois Commerce Commission; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA); Lori Walls, Chicago Department of Family & Support Services; Kris White, Will County Center for Community Concerns*

Guests: *Mindy Browning, Embarras River Basin Agency, Incorporated (ERBA); Jen Fenske, Nicor Gas; Nancy Kane-Richards, Community Contacts; Lauren Pashayan, Land of Lincoln Legal Assistance*

Staff: *Amy Park, DCEO*

Call to Order

Gail Hedges called the meeting to order. She explained that it would be her final meeting, as she is retiring the end of December. She introduced her replacement Leslie DeVore.

Approval of Minutes

There wasn't a quorum present to approve the minutes, therefore, the July 21, 2016 minutes will be re-distributed again at the January 19, 2017 meeting.

Fiscal Report

Ben Moore explained that the new legislation that was enacted, the Grant Accountability and Transparency Act (GATA), has really caused a significant delay in the grant processing because of the new requirements. The Office of Energy Assistance (OEA) is almost through the process for the 2017 grants and Ben estimated they might be released by mid-November. Ben explained that OEA is one of the first offices in the Agency to be working through the process so we are working out the kinks as we go. Ben covered why GATA was put in place and what steps are involved that lengthens the grant process.

Ben explained that OEA was able to issue the 2017 Health and Human Services (HHS) Weatherization grants back in June. OEA was able to get an exemption from GATA because the funding was from a previous year. The State and the Department of Energy (DOE) Weatherization grants are nearing completion. The total funding available for Weatherization this year is roughly \$28 million.

In the Low Income Home Energy Assistance Program (LIHEAP) there is about \$134.7 million available. Again, the State LIHEAP and the 2017 Health and Human Services (HHS) money are not available at this time due to the delays. Of the roughly \$135 million, the Local Administering Agencies (LAAs) have obligated about \$42.9 million leaving roughly \$92 million for the year. There is roughly \$47 million still available of the HHS 2016 grant that started in October and it has been given to the LAAs in grants. The State LIHEAP grant is close to being executed, the LAAs have been obligating money against it. The 2017 HHS money has not been received yet, even though the fiscal year started October 1. The initial 2017 HHS LIHEAP grants will be issued \$40 million; \$35.6 million would be the client benefit portion. OEA issued \$58 million in State money this year with roughly \$52 million being the client benefit portion. While the revenues in the State fund are roughly \$97 million, OEA felt we needed to keep some money for starting the 2018 program. Of the \$58 million that has been released, OEA has allocated \$30 million for the 2017 Percentage of Income Payment Program (PIPP) and roughly half of the \$30 million has been obligated. There are some areas that have exhausted their PIPP funding and have quit taking applications; Maria Gallardo will cover that later. Ben also explained that the PIPP clients that enrolled this year would only have a maximum of nine months of benefits, and OEA needed to make sure we allow enough money to cover those same clients for 12 months next program year in the money held back to start the 2018 program. Ben also explained that because of the delay in getting the grants out the door, there will be a delay in payments to the utilities, specifically for PIPP clients since the LAAs can't pay those out of HHS funds.

Weatherization

Mick Prince talked about the Weatherization Program. The HHS grant is in place and agencies are out doing energy audits and work is being performed by the contractors. There isn't anything closed out in the system or final inspected because of using braided funding and not having the other funds available yet. Once the other grants are in place the numbers should increase quickly. There are 112 units that are finalized in WeatherWorks and closed out. CEDA has approximately \$2 million in process between their single-family and multi-family projects. CEDA has two, 200 plus units, multi-family buildings that are in the works. One they are just taking client applications. There have been inquiries about additional funding once it is available, so work is getting done but it isn't reflected in the final numbers.

Mick explained that braided funding is applying multiple funding sources to the home, when possible, in order to maximize the measures installed in each home. The goal is to leave the home with no energy penalties. By utilizing the braided funding agencies are able to provide more weatherization measures for each home because HHS and State funding is a lot more flexible than DOE. The maximum that can be applied per grant is \$7,500 for labor and materials and an additional \$1,750 for health and safety measure. Weatherization is sticking with two funding sources unless there is an extreme situation. Potentially \$18,500 will be spent per home. The averages are closer to \$10,000 per home. The multi-family averages will probably be lower than the single-family. OEA feels that \$10,000 to \$11,000 average will address the vast majority of the energy penalties in the home.

OEA received Energy Efficiency Portfolio (EEPs) funds of \$4.5 million from the Office of Energy and Recycling within the Department. There is a chance to receive more funds if OEA thinks it can be spent.

There is carry over DOE funds that have to be spent during this last year of the grant. Dalitso Sulamoyo asked if the Energy Conservation and Home Repair Program will be back or is it finished. Ben Moore said there is a possibility the program will return, but it wouldn't be back until program year 2018 at the earliest. The Energy Conservation and Home Repair Program was administered by OEA with funds collected through fines paid by ComEd. The idea was to spend more on a home than regular weatherization allows and almost solidify a neighborhood. Originally it was to help beautify a neighborhood, but there wasn't enough money. OEA combined some of our HHS money with this Housing Trust Fund (HTF) money each year and would move the program around from agency to agency with about seven projects each year. Illinois House Development Authority (IHDA) did not provide the HTF money for a couple years in a row towards the end of the program. The program was supposed to run for 20 years and Ben thought it started in 1995. It would have expired last year because of the delay. There are some funds left and OEA needs to reconcile what is still available to the years that ComEd did contribute and possibly run another year of the program.

LIHEAP/PIPP

Maria Gallardo made the PAC aware that OEA submitted the HHS LIHEAP State Plan on August 31, 2016. A copy of the document was sent to the PAC yesterday and there is a copy available via the LIHEAP website.

As Ben Moore stated earlier, the State has not received our HHS allocation yet. We should be receiving it sometime in October.

The energy assistance program enrollment period started September 1 for seniors and disabled clients. October 1 the agencies started serving families with children under the age of 6 as well as disconnected households. OEA also gave the agencies the option to serve disconnected households that are not part of the priority groups earlier than October. November 1 the LAAs started serving the rest of the low income clients.

There are 42,696 applicants that are receiving LIHEAP benefits. The amount obligated on behalf of these clients is approximately \$16.8 million. We currently have 17,894 applications enrolled in PIPP.

Some agencies have started reaching their PIPP obligation threshold. There are six agencies that have stopped taking PIPP applications, CEDA, BCMW, Decatur, Fulton County, Peoria and MCS. Others have run out of PIPP funds in some counties, the others can take applications until December 31 or until they run out of funds. Kathy Walk said that CEFS ran out of PIPP funds yesterday, so they have stopped taking PIPP applications, too. Maria said that there is a reduction in LIHEAP applications this year because of clients enrolling in PIPP and because of the time it takes to enroll a PIPP client. We should see an increase in LIHEAP application entries on LIHEAP.net as PIPP starts winding down.

Maria indicated that OEA is running, in conjunction with the Attorney General's Office, the Federal Energy Regulatory Commission (FERC) Reconnection Assistance Pilot Program in the ComEd service area. Last year, FERC was suspended because of the PIPP suspension. In program years 2014 and 2015 OEA spent \$187,391 out of the original \$466,000 that was received from the Attorney General's Office. There is roughly \$279,000 remaining for this program year. It is the combined goal of OEA and the Attorney General's Office to spend the remaining money this program year. As of today, \$18,899 of FERC has been obligated on behalf of 41 clients that have been enrolled in the LIHEAP.net system. OEA is working to make it easier for the LAAs to spend the FERC funds.

OEA has been working with the regulated utilities, the Illinois Commerce Commission (ICC), and other stakeholders on implementing the changes in part 280. The change requires regulated utilities to inform a client when their low income designation will expire. The utilities are including a notice in the client's bill to contact their local agency so that they can apply for LIHEAP/PIPP and renew that designation. OEA is working to let the utilities know about clients that are denied for certain reasons for LIHEAP but should still have the low income designation because of income.

Maria shared things that were discussed at the PIPP Steering Committee Meeting on October 12, 2016. OEA introduced a recommendation of a new PIPP business rule last month that would refer clients to a DVP rather than PIPP if their benefit would be higher, that way the agencies would earn administration funds for that client. Ben Moore did an analysis of the average administration cost per PIPP client and came up with \$42/month. The agencies thought that was high, and didn't want to hurt the client by adopting that amount. There was a lot of discussion at the PIPP Steering Committee Meeting and no resolution has been reached. Nicor Gas and Peoples Gas also indicated that they are seeing a higher volume of PIPP enrollees that are having no, or a very small, PIPP benefit. OEA had them send in some of those accounts for review. What OEA found, after reviewing a few of the accounts, was that some of those clients are benefiting on the electric side or they have an Arrearage Reduction Program (ARP) benefit. OEA is still looking into this issue because there are PAC members and advocates that feel the client should have a choice, and the Energy Assistance Act is silent on the issue. Ellen Rendos did bring up that an analysis of the last few years of PIPP data would be very beneficial.

The second item that was discussed was the changes in STARS to correct the issue with overlap on missed payment letters and two different clocks for clients. Maria explained the issue has now been fixed in STARS. Capitol Strategies has now coded STARS to implement the business rule to automatically drop a client for non-payment on day 60 with an override function for the LAAs. The coding has been completed to allow the LAAs to choose which PIPP letters they would like the State to print and mail, and which ones they would like to mail themselves. Maria also discussed the webinars that were developed to help the LAAs with the introduction of the PIPP program again, and the LIHEAP program. Those webinars are available on the OEA extranet. OEA is working with the utilities to

develop a change in the STARS system that would not allow the client to go over the \$1,800 maximum benefit per year. This primarily happens at the end of the fiscal year. The utility may be receiving a pledge from July sometime in June and the client has already met their maximum benefit. The goal is to have this implemented on STARS in February of 2017.

New Business

Gail Hedges said that Angela Westbrook had been working to make sure we had current PAC member designation letters. OEA is still missing several. Angela moved to Texas in September, so someone will be sending follow-up emails to make sure OEA gets all of those letters back.

Meeting Schedule

The next meeting of the Policy Advisory Council is January 19, 2017.

Gail Hedges said that OEA will be sending a notice of all meetings for 2017 soon so that everyone could get them on their calendars. She stressed the necessity of a quorum in order to get any business done. April will be the review of the DOE Plan for submission and July will be the review of the LIHEAP State Plan.

Deborah Bursey made a motion to adjourn, motion carried.