



Illinois Department of Commerce

& Economic Opportunity

OFFICE OF ENERGY ASSISTANCE

Bruce Rauner, Governor

Low Income Energy Assistance Policy Advisory Council (PAC) Minutes of Meeting Held on July 21, 2016 10:00 a.m. – 12:30 p.m.

Attendance in Chicago

Members: *Aimee English, Citizens Utility Board; Ellen Rendos, Nicor Gas*

Guests: *Janice Dale, Attorney General's Office; Lana Kennebrew, Community and Economic Development Association (CEDA); Shelby Montgomery, CEDA; Shahi Nawab, CEDA; Lorrie Walls (proxy for Christian Denes), Chicago Department of Family and Support Services*

DCEO Staff: *Maria Gallardo, Angela Westbrook*

Attendance in Springfield

Members: *Melanie Brown (proxy for Deborah Bursey), Ameren Illinois; Gail Hedges, Department of Commerce & Economic Opportunity (DCEO); Joan Howard, Illinois Commerce Commission; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA)*

Guests: *Mindy Browning, Embarras River Basin Agency, Inc.; Lauren Pashayan, Land of Lincoln Legal Assistance; Kathy Walk, CEFS Economic Opportunity Corporation*

DCEO Staff: *John Hathaway, Janet Hawes-Davis, Patty Hughes, Leslie Ann Lesko, Ben Moore, Mick Prince*

Attendance via Conference Telephone

Members: *Grace Brigando, Commonwealth Edison; Wanda Hopkins (proxy for Bob Vondrasek), South Austin Coalition; Rod Whelpley (proxy for Doc Mueller), Illinois Municipal Electric Agency; Kris White, Will County Centers for Community Concerns*

Guests: *Jen Fenske, Nicor Gas; Phillip Gentry, IACAA; Michelle Machay, Peoples Gas; Jennifer Schmidt, CEDA*

Call to Order

Gail Hedges called the meeting to order.

Approval of Minutes

Dalitso Sulamoyo made a motion that the April 21, 2016 minutes be accepted. Joan Howard seconded the motion. A vote was taken on the motion, motion carried.

Fiscal

Ben Moore reported that program year (PY) 17 grants will move forward with the passage of the Stopgap Budget. 2017 HHS Weatherization grants were processed with a start date of June 1, 2016. The State LIHEAP and Weatherization grants as well as the DOE grants are being processed with a start date of July 1, 2016. The grant processing has been slowed by the requirements of the Grant Accountability and Transparency Act (GATA), which went into effect on July 1st, and significantly changes the grant issuance process. Some details of the GATA implementation are not in place which is the main cause for the delays. Grant amounts for the 2017 program will be available for the next scheduled PAC meeting.

The information related to the FY16 grants is as follows: The Illinois Home Weatherization Assistance Program (IHWAP) has a total budget of approximately \$22.6 million out in grants to LAAs with expenditures totaling approximately \$20.8 million, leaving a balance of approximately \$1.8 million. The U.S. Department of Energy (DOE) grant was extended by one year. The Low Income Home Energy Assistance Program (LIHEAP) has a total budget of approximately \$159 million in state LIHEAP funds with approximately \$146.1 million in expenditures, leaving a balance of approximately \$12.8 million. State grants are in the process of being issued. The new U.S. Department of Health and Human Services (HHS) grant will be awarded in October, the amount is not known.

Weatherization

Mick Prince reported that units completed in PY16 total 3,203. DOE requires monthly billing for multi-family units. The Office of Energy Assistance (OEA) is seeking ways to meet this requirement more effectively. Energy usage data is also required. The data is difficult to obtain and is required for completion of the report. Gail Hedges indicated that OEA will work closely with utilities to obtain data required. The 2016 DOE Weatherization Plan for PY17 was submitted to DOE and approved.

LIHEAP

Maria Gallardo reported that in PY16, LIHEAP spent \$143.9 million serving 301,554 households. The application priority period for PY17 is expected to begin on September 1st for seniors and disabled, October 1st for families with children under the age of six and disconnected households, and on November 1st for the general low-income population. At the discretion of the local administering agencies (LAAs), Reconnection Assistance (RA) could begin sooner than October 1st. Furnace assistance will be available starting October 1st. Income guidelines are being updated and will be set at 150% of the poverty levels in accordance with HHS guidelines. The LIHEAP benefit matrix is expected to remain the same as PY16.

Maria Gallardo discussed the draft 2017 LIHEAP State Plan. The Plan is due to HHS by September 1st. It is the Department's goal to submit the Plan to HHS by August 24, 2016. The draft of the Plan and a Public Hearing Notice will be posted on the LIHEAP website on July 22, 2016. A copy of the draft 2017 LIHEAP State Plan and the Public Hearing Notice will also be sent to the network of LAAs for their review and comments. The public hearing is scheduled for August 2, 2016 from 10:00 a.m. to noon in the Springfield 4th floor conference room and in Chicago's Illinois Room, 3rd floor. Persons wishing to testify must contact the Department to schedule a time to present their testimony and submit written testimony at the public hearing.

Dalitso Sulamoyo inquired whether the LIHEAP benefit amount reduced in PY16 by 12% would be restored. This reduction occurred due to the delay in state funding. Maria Gallardo indicated that the LIHEAP matrix is expected to remain at the 12% reduction.

Ben Moore reported that carryover funding has been exhausted due to PIPP and more clients requiring LIHEAP assistance. The carryover funding helped the program stay open longer and serve more households. Gail Hedges stated that the objective is to serve as many clients as possible and that leaving the benefit matrix as is will help the program to stay open longer. In addition, Reconnection Assistance (RA) will be offered and the maximum benefit amount will also remain at \$750. RA will be available starting October 1st and funds must be available until March 15th at the minimum. If funds are still available after this date, LAAs will continue serving disconnected households until funds are exhausted. With the exception of a correction on page 1 and in section 12 related to typographical errors, no other suggestions or changes are recommended. Aimee English made a motion to accept and approve the Plan with corrections noted. Ellen Rendos seconded the motion. A vote was taken on the motion, motion carried.

Percentage of Income Payment Plan (PIPP)

PIPP will be offered in PY17, with a reduced budget, starting September 1 for eligible households on a first-come, first-served basis until the LAA reaches budget capacity. A PIPP Steering Committee meeting was held on July 8, 2016.

Proposed Program Change: Establishing a new Business Rule that requires PIPP participants have a higher benefit than the Direct Vendor Payment (DVP) in order to participate in PIPP. LAAs renewed this discussion based on the administrative cost perspective. If a client is dropped from PIPP, DVP or RA would not be available due to enrollment in PIPP. Supporting data and client choice indicates that a small population would be affected by this rule.

Gail Hedges stated that LAAs want to ensure that customers receive the best benefit possible which requires additional time spent serving clients. These clients prefer the stability of a budget bill and the option of being on PIPP although there may be no benefit. Valuable time is involved in the process of assisting customers in understanding the choice and benefit. Consumer education regarding the benefit of PIPP versus DVP is the responsibility of the LAA to ensure that clients are offered the greatest benefit option.

Feedback from the committee, LAAs, advocates, and utilities was received and all parties have concluded that this rule is an administrative issue and should not be passed on to PIPP participants. OEA will continue discussions on ways to handle this situation. Therefore, this proposed business rule change was not approved until further discussion can take place with all parties to determine how it might be resolved.

The program impact of the proposed business rule change, if approved was discussed. Analysis at the state-wide level will be available soon. LAAs are paid 6% in administrative costs for processing applications. If the PIPP benefit is less than the DVP, the amount of administrative funds paid to the LAA decreases. OEA will examine developing a new business rule in partner with the PIPP Steering Committee. Action will then be taken via email. A solid business rule is needed that takes into consideration such information. A PAC vote on the final business rule will be held via email prior to the September 1st enrollment date. Information on data cost will also be made available.

OEA Recommendation: *Zero benefit or very minimal benefit amount is tabled until it will be approved or denied by the PAC via email vote. A new business rule will be required.* Resolving the issue of program year pledges exceeding the maximum benefit amount of \$1,800 is still under review. The recommendation for PY17 is that, if the maximum benefit amount has been reached, OEA will reject any pledges received above the maximum benefit amount.

The PIPP adjustment was automated in the Single Tracking and Reporting System (STARS) and this mechanism can ensure that the client is made whole, in cases where it is needed. Based on feedback received from utilities, this issue is caused due to several factors such as utilities' billing cycles, state fiscal year, moves, etc.

STARS auto-drop at day 56 with override functionality was discussed. According to business rules a client can be dropped at day 45 due to non-compliance (payment has not been made). During the period day 51-52 with no payment made or appeal requested, a client can then be dropped. The committee determined that auto-drop should occur at day 60 and not day 56 in order to allow a grace period for clients to become current or time to go through due process. When a client is identified as delinquent, the LAA should work with the household to identify the cause and work with the household to resolve the matter. If the client has extenuating circumstances, the LAA can override the system and continue to work with the household to catch up payments. If the household does not have an extenuating circumstance, the client will be dropped from the program. Capitol Strategies is currently working with OEA on enhancements for PY17 which include one clock for missed payments, auto-drop with override function, and centralized PIPP letters.

Training webinars for LAAs have tentatively been scheduled for August 4 and August 11, 2016. Possible topics will include PIPP enrollment, client intervention, how to submit a trouble ticket via STARS and enhancements. Short videos will be available on the OEA Extranet for new staff training and refreshers. Revised PIPP Business Rules will be forwarded to LAAs in the following weeks. LAAs are requested to notify OEA of any other needs in terms of consumer education and resources that may be necessary tools for training. Press releases on start-up dates will also be coordinated soon.

Janice Dale inquired about the Federal Energy Regulatory Commission (FERC) Reconnection Assistance Program. Maria Gallardo informed the committee that FERC funds will be available in PY17 for eligible disconnected households in the ComEd service area. Households that receive FERC will be required to participate in PIPP. FERC was also discussed with LAAs during the OEA workshop held on July 20, 2016. Training will be held to discuss any potential changes to the eligibility criteria prior to the start of the program. OEA will stay in touch with the Attorney General's Office for next steps.

Old Business

None

New Business

None

Meeting Schedule

The next meeting of the PAC will be held on October 20, 2016.

Adjournment

A motion was made to adjourn. Motion was seconded. The motion carried.