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July 6, 2021

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, Floor 4
Montpelier, Vermont 05620

Re: Case No. 20-0203-INV
Investigation into the establishment of reduced rates for low-income residential
ratepayers of Vermont electric utilities

Dear Ms. Anderson:

On April 30, 2021, the Vermont Public Utility Commission (“Commission”) issued an order scheduling a workshop for July 8, 2021 in the above-referenced proceeding. The main purpose of this workshop is for the Vermont Department of Public Service, GDS Associates, Inc., and Green Mountain Power Corporation (“GMP”) (collectively referred to herein as the “Presenters”) to provide a presentation on GMP’s low-income Energy Assistance Program so Vermont’s other electric distribution utilities may learn from GMP’s experience. The Commission also requested that the Presenters file with the Commission any slides or presentation materials for the workshop by no later than July 6, 2021.

The Presenters hereby submit the attached PowerPoint slides for the July 8, 2021 workshop and look forward to discussing the information contained therein. Thank you, and please contact me with any questions.

Sincerely,

Erin C. Brennan,
Special Counsel

Electronically filed in ePUC

Energy Assistance Program (EAP) Workshop

July 8, 2021



Agenda

- Background on the GDS Evaluation
- EAP structure, operations, costs, and benefits
- EAP successes and opportunities
- Key findings from GDS Report and GMP's responses
- Best practices to maximize enrollment
- Summary of GMP's Lessons Learned
- Discussion / Questions

Background on the GDS Evaluation

- On January 16, 2018, GMP filed a petition with the Commission to return excess EAP funds to GMP customers (Case No. 18-0126-PET).
 - Proposed one-time rebate due to overcollections from slow EAP uptake.
- In that same petition, GMP proposed to hire an independent consultant to (1) review the design of GMP's EAP, and (2) make recommendations regarding best practices to increase EAP enrollment.
- The Department agreed with this proposal but suggested that the Commission appoint the Department as the entity responsible for selecting and hiring the independent consultant.
- On February 22, 2018, the Commission (1) approved the EAP refund requested by GMP, and (2) appointed the Department as the entity responsible for selecting and hiring the independent consultant.
 - Department-led contracting process would be in the public good: greater transparency in contracting process and potentially less expensive than GMP-led process.
- Upon completion of the EAP analysis, the Commission requested that the Department file the consultant's report in the above-referenced proceeding.
- Department contracted with GDS Associates and filed GDS Associates' final report on GMP's EAP on November 15, 2019.
- On February 3, 2020, the Commission opened an investigation into the potential implementation of best practices for providing discounted rates to low-income residential ratepayers (20-0203-INV).

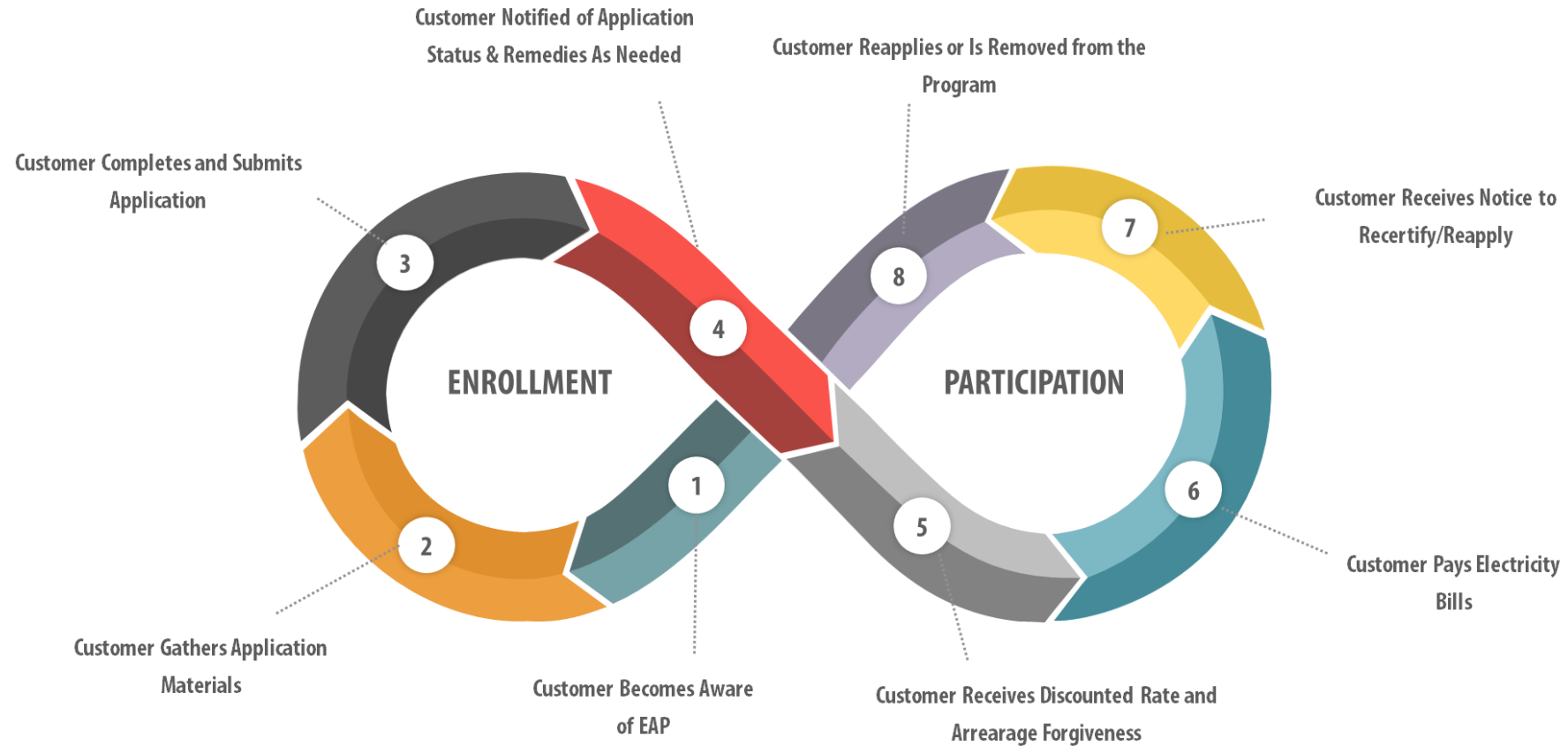
EAP Structure, Operations, Costs, Benefits

- The EAP originally was approved by the Commission on September 6, 2012, in Docket 7535. The program was rolled out in December, 2012 and has been re-evaluated over time.
- The goal of the EAP is to help low-income customers meet their energy needs.
- Statutory Items: Act 124 of 2021 changed the low-income eligibility to mean households having an income of 185% or less of the federal poverty level (FPL) (30 V.S.A. 2018(e)) (150% through June 30, 2021).
 - For existing programs established under this section, the increase in the FPL will be effective following an investigation regarding tariff changes for the distribution utility sponsor of the program.

EAP Structure, Operations, Costs, Benefits

- Elements of the current GMP EAP:
 - 25% discount on electric bill
 - 100% arrearage forgiveness at the time of original enrollment
 - The program is funded by a monthly, per meter charge, based upon previous 150% eligibility level:
 - Residential: \$1.00, Commercial: \$1.67, Industrial: \$55.50
 - EAP participants are required to re-enroll annually
 - The Department for Children & Families (DCF) accepts applications and verifies customer information/income
 - Participation: 10,207 customers as of June 30, 2021

Customer Pathway through EAP



*GMP has allowed participants to remain in the program without re-applying. Given the recent re-opening of the economy, we recently began notifying all customers who should reapply of that fact, and will do so in real time for other customers going forward. Also see slide 13 for more details.

EAP Structure, Operations, Costs, Benefits

- History
 - 2012 original program design
 - 25% discount on customer charge and first 600 kWh/month
 - 3-month window for 100% arrearage forgiveness to encourage immediate enrollment
 - Recovery of benefits funded by GMP retail customers
 - Residential: \$1.50, Commercial: \$2.50, Industrial: \$83.33
 - Eligibility qualifications administered by DCF

EAP Structure, Operations, Costs, Benefits

- History

- 2014 Program Re-evaluation

- Fund surplus resulted in a refund of \$1.5M back to customers, proportional to collections from each rate class
 - New enrollees were given a new 3-month window for arrearage forgiveness
 - Began calculating interest on the program fund balance

- 2015 Program Re-evaluation

- Fund surplus resulted in another refund of \$6.3M, proportional to collections from each rate class
 - Arrearage forgiveness added as a short-term element of the program with an allocation of \$450K of the excess funding balance
 - Per meter charge reduced by one-third to the current rates (see slide 5)

EAP Structure, Operations, Costs, Benefits

- History

- 2016 Program Re-evaluation

- 25% discount allowed on all electricity consumption
 - Arrearage forgiveness reintroduced with no sunset date
 - Power Partners introduced: 50% arrearage forgiveness for existing participants with new arrearages

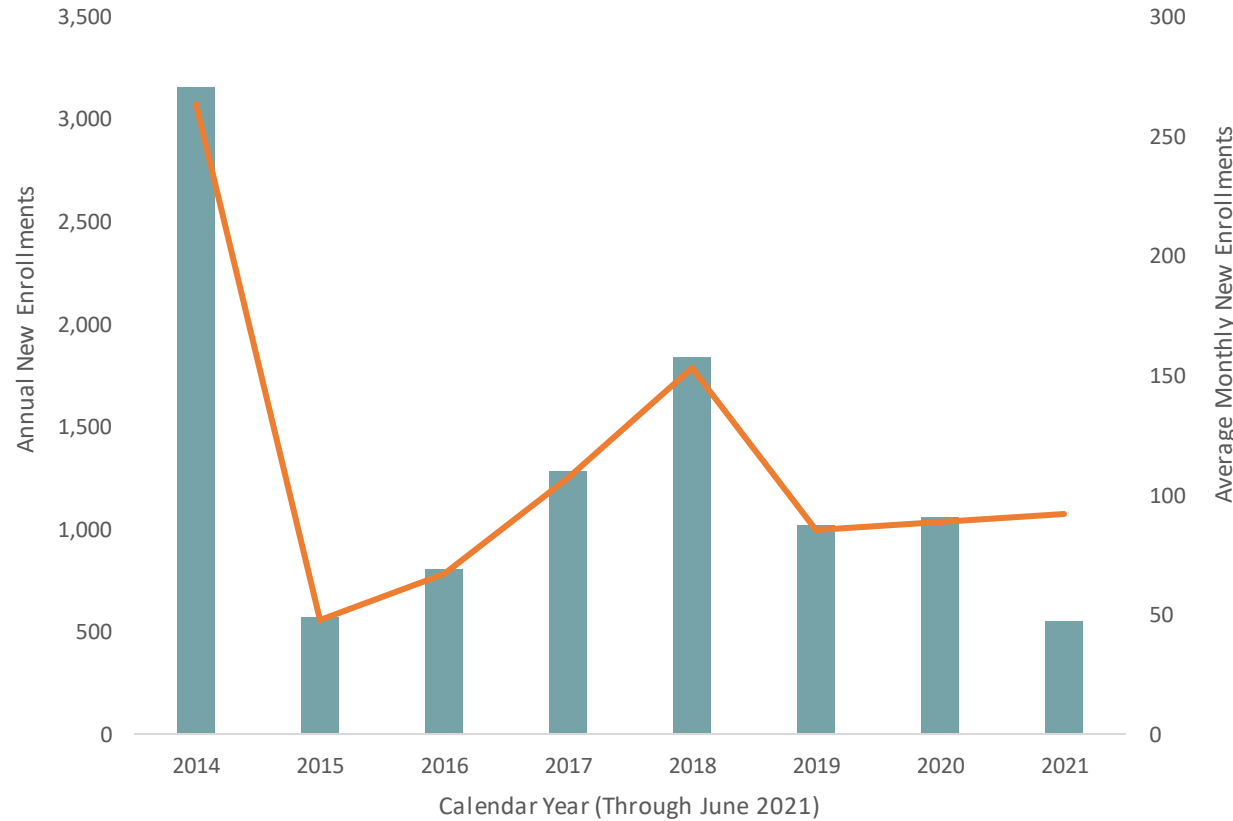
- 2018 Program Re-evaluation

- Fund surplus resulted in a refund of \$2.6M back to customers, proportional to collections from each rate class

- 2019 Program Re-evaluation

- Fund balance transitioned toward deficit balance
 - Removal of Power Partners

Historical Enrollments 2014 - June 2021



Large enrollment at program start (2014)

Drop-off in 2015 may reflect the initial surge and arrearage forgiveness offer

Steady growth in new enrollments from 2015 to 2018

Drop-off in 2018 may reflect re-enrollment burden

Steady new enrollments from 2019 to 2020 (2021 was only a partial year)

EAP Structure, Operations, Costs, Benefits

- Current Program Change Considerations
 - Identify ways to recover deficit balance and ensure the fund breaks even – to possibly include a change to EAP rates.
- COVID 19:
 - Program participation remains similar
 - June 30, 2021 total enrollment of 10,207 vs September 2020 total enrollment of 10,125
 - Unsure what the impact of lifting the moratorium will be on participation
 - Increase in GMP's accounts receivable over 60 days (\$20.8M as of June 30, 2021)
 - Continue advocating for additional State/Federal funding to directly help customers
 - Implementing plan to help customers through this difficult time and get caught up

EAP Successes & Opportunities

- Successes:
 - Providing lower rates to low-income customers
 - Having conversations and establishing relationships with customers to offer assistance
- Initial Program Opportunities:
 - Assessing rates to cover program costs
 - Program designers needed to ensure adequate funding from customers even though it is difficult to assess customer participation rates.
 - Initial estimation of 36,000 customers eligible at <150% poverty level
 - GMP currently provides assistance to about one-third of this estimated population
 - An increased eligibility level will provide greater potential participation that would have to be considered in light of the fund deficit balance

EAP Successes & Opportunities

- Current Program Opportunities:
 - Recover fund deficit and maintain a stable fund balance.
 - Evaluate the re-enrollment process to reduce re-enrollment burden; align income eligibility requirements with other programs supporting the low-income population.
 - The household income eligibility level has increased to 185% of the FPL. For GMP, the eligibility level will increase following an investigation at the PUC.
 - Increase population of Vermonters eligible for EAP benefits
 - Impact to current EAP structure
 - Streamline eligibility review at DCF

Key Findings of GDS Report

- Key Finding & Recommendation #1:
 - The GMP EAP follows a general administrative best practice – administering the program by or working closely with organizations that broadly serve the low-income population.
 - The EAP should continue its core administrative approach by utilizing DCF and Community Action Agencies (CAAs), along with retaining its ongoing engagement with the broader network organizations that support low-income residents of VT.
- GMP's Response:
 - GMP will continue to maintain current partnerships with DCF, community agencies and organizations in order to attain the benefits of the outreach practices of these organizations and increase enrollment.

Key Findings of GDS Report

- Key Finding & Recommendation #2:
 - The statutory definition of a low-income electricity customer limits GMP's ability to align eligibility requirements with similar programs that service the same population.
 - Should the opportunity arise for GMP to increase the income-eligibility threshold, it should do so.
- GMP's Response:
 - Act 42 of 2021 amended V.S.A. 30 218(e) to increase the income-eligibility threshold. This creates the following benefits:
 - Enlarge the population of Vermonters eligible for EAP benefits
 - Potentially streamline the application process for all assistance programs into one form
 - State of Vermont (SOV) use of one system rather than two

Key Findings of GDS Report

- Key Finding & Recommendation #3:
 - The current program application only allows for a single pathway into the program.
 - On-line electronic options may provide different options for driving program applications/enrollment.
 - Expand options to submit electronic applications or make applications available via GMP customer's online portal.
- GMP's Response:
 - Paper applications include return postage paid envelope to be mailed to DCF.
 - Applications can be downloaded online from DCF and DPS websites and also physically available at offices of agencies and GMP.
 - GMP will continue to explore opportunities to link to DCF software.
 - It would be beneficial if all programs shared the same FPL .

Key Findings of GDS Report

- Key Finding & Recommendation #4:
 - GMP & DCF manage program enrollments without a unified data tracking system, participant data is only accessible by those with program administrative roles.
 - GMP & DCF should collaborate to develop a unified data system to provide long-term tracking and visibility of EAP applicants.
 - Applicant status, key eligibility criteria (household size / income) disconnection, reconnection, exits, re-enrollments, etc.
- GMP's Response:
 - GMP should not have customer income/personal household data.

Key Findings of GDS Report

- Key Finding & Recommendation #5:
 - Retroact benefits to the date of application to provide benefits as soon as possible.
 - Consider adopting a self-certification approach that enables customers to immediately receive discounts.
- GMP's Response:
 - Benefits are retroactive to the date customer applied to DCF
 - Forgiveness is provided on next bill
 - Self-certification may be appropriate if tied to electronic application process and an income verification timeline.

Key Findings of GDS Report

- Key Finding & Recommendation #6:
 - EAP engages with customers in arrears but may not be attracting or reaching as many customers as possible who are eligible but otherwise not facing a crisis.
 - Expand EAP outreach and awareness outside of traditional social support network, provide application and referral facilitation training.
- GMP's Response:
 - GMP agrees with partnering with other entities, outside the social services arena, to spread awareness and increase applications.

Key Findings of GDS Report

- Key Finding & Recommendation #7:
 - The current approach to arrearage forgiveness does not reinforce the practice of making regular payments of the electricity bill.
 - Consider adjusting arrearage forgiveness approach to one of periodic forgiveness based on maintaining account in good standing.
- GMP's Response:
 - GMP agrees that the forgiveness approach currently in place does not reinforce the necessity to keep accounts current.
 - Alternative to explore: A portion of forgiveness provided upfront and the remaining portion forgiven over time based on payment practices.

Key Findings of GDS Report

- Key Finding & Recommendation #8:
 - The EAP discount – a 25 percent reduction to the energy charge and customer charge – may be inadequate for many EAP participants.
 - Consider increasing the discount for program participants, dependent on administrative/program costs considerations
 - If linked to reduced disconnections and arrearages, additional apparent costs may be dampened
- GMP's Response:
 - GMP is willing to re-evaluate current discount, while also keeping in mind impacts to other customers.
 - Currently, costs to fund the program exceed the costs collected by all customers.
 - GMP would work with other program stakeholders to evaluate alternatives for its current program.

Key Findings of GDS Report

- Key Finding & Recommendation #9:
 - There is a large number of existing customers who are eligible and not enrolled, indicating that there is room for program growth within GMP's customer base, regardless of changes to the income-eligibility criteria.
 - Consider how changes may affect the growth in program enrollments and participation.
- GMP's Response:
 - GMP will work with stakeholders on outreach about the EAP program.
 - The program should be reviewed periodically to measure the success of the changes made and adjust as needed.

Best Practices to Maximize Enrollment

- Increase partnerships/outreach to get the word out to more customers and organizations
- Target customers in need vs. customers with a delinquent balance
- Provide more ways to apply, re-enroll, self-certify
- Increase of FPL requirement from 150% to 185%
- Create software efficiencies between DCF and GMP

Summary of GMP's Lessons Learned

- Accomplishing the goal of helping low-income customers meet their energy needs.
- Review program periodically and adjust, as needed, to meet customer enrollment demands while maintaining a self-funded program.
- There are ebbs and flows of program funding and program needs. Consider use of balance sufficiency during the initial stage of the program in later periods.
- Evaluate program re-enrollment process to reduce re-enrollment burdens and ensure customers maintain program eligibility while maintaining/increasing customer enrollment levels.

Discussion / Questions

