Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF ENERGY ASSISTANCE
Bruce Rauner, Governor

Percentage of Income Payment Plan (PIPP) Steering Committee
Minutes of Meeting Held on October 12, 2016
9:00 a.m. – 12:00 p.m.

Attendance in Chicago
Members: *Ellen Rendos, Nicor Gas; Jennifer Schmidt, Community & Economic Development Association (CEDA)*

Guests: *Maria Gallardo, Department of Commerce and Economic Opportunity (DCEO); Maria Montemayor, CEDA*

Attendance in Springfield
Members: *Melanie Brown, Ameren Illinois; Mindy Browning, Embarras River Basin Agency, Inc.; Robin Cromer, Madison County; Leslie DeVore, DCEO; Gail Hedges, DCEO; Dalitso Sulamoyo, Illinois Association of Community Action Agencies (IACAA); Kathy Walk, CEFS Economic Opportunity Corporation*

Guests: *Janet Hawes-Davis, DCEO; Patty Hughes, DCEO; Leslie Ann Lesko, DCEO; Ben Moore, DCEO; Anthony White, Ameren Illinois;*

Attendance via Conference Telephone
Members: *Deborah Bursey, Ameren Illinois; Cherise Conley, ComEd; Aimee English, Citizens Utility Board; Jen Fenske, Nicor Gas; Kerri Halsall, DuPage County Department of Community Services; Joan Howard, Illinois Commerce Commission; Deborah Hozzian, Peoples Gas/North Shore Gas; Nancy Kane-Richards, Community Contacts; Karen Lusson, Attorney General's Office; Michelle Machay, Peoples Gas/North Shore Gas; Lauren Pashayan, Land of Lincoln Legal Assistance; Ashley Piwowarczyk, DuPage County Department of Community Services; Martha Strawser, Rockford Human Services*

Guests: *Pat Ferris, ComEd; Philip Gentry, IACAA; Adrian Gonzales, Nicor Gas; Amy Park, DCEO*

Gail Hedges introduced the new Deputy Director of the Office of Energy Assistance (OEA), Leslie DeVore. Leslie will become the new Deputy upon Gail's retirement on December 31,

2016. Gail thanked the committee for all of their hard work and dedication during her tenure as Deputy.

Call to Order
Maria Gallardo called the meeting to order.

Approval of Minutes
Melanie Brown made a motion that the July 7, 2016 minutes be accepted. Kathy Walk seconded the motion. A vote was taken, motion carried.

Percentage of Income Payment Plan (PIPP) Discussion Items
Maria Gallardo gave an update on the PIPP program. As of October 12, 2016 the Office of Energy Assistance (OEA) has obligated 13.2 million on behalf of 16,145 applicants that have been enrolled in PIPP. The Local Administering Agencies (LAAs) have reported that there has been a lot of interest in the program this year, more so than previous years, because of the suspension of PIPP last year. The press releases, sent out by both the LAAs and the Department, have been making an impact. Since the program has been very successful this year, there are three agencies that have quit taking applications as of yesterday. The agencies are BCMW, CEDA and Decatur. Some agencies have quit taking PIPP applications in certain counties because they have obligated all their funds in those counties. Dalitso Sulamoyo asked how many households OEA expected to fund this year. Ben Moore explained that this year's PIPP funding is roughly half what it was in 2015, so PIPP should serve around 30,000 households this year. It was asked if OEA anticipated adding any PIPP funds this year. It was explained that isn't going to be done this year for a number of reasons. The first being that the clients that are signing up for PIPP will only receive, at most, 9 months of benefits this year, so next year their benefits will go up by at least 1/3. Second their budget bills are fairly low because of the mild winter in 2015, and their bills may be substantially higher next year. Last, we have set aside some money to start all programs in September, before we receive the federal funds. The LAAs also explained that it would be a nightmare now to add money to PIPP if they have quit taking applications in some or all counties, since they would have missed offering PIPP to their clients while they were out of funds. It was asked if there would be money available for PIPP transfers. Ben Moore explained that is being looked at on a case by case basis. Most of the LAAs have been stressing to their clients that the chance of them receiving PIPP benefits if they move are extremely slim. Dalitso Sulamoyo asked if the committee could start receiving weekly reports again, Maria Gallardo said she would make a note to resume them.

Nicor Gas asked that we discuss the situation of clients getting little or no Nicor Gas benefit. Maria Gallardo said she remembers this being an issue in the past because the clients are presented an all Direct Vendor Payment (DVP) or all PIPP benefit scenario. The client may be receiving a higher benefit on the electric side, or may have a high arrearage on the electric side that makes the PIPP benefit a better option. Jennifer Schmidt said that CEDA does counsel the client on their best choice, but some of the clients will not be talked out of PIPP, even if it isn't the most beneficial to them, because they prefer a budget bill that won't change for a full year. Ellen Rendos said that it was surprising to look at the 841 CEDA clients on PIPP and 540 of those are receiving no benefit. However, 232 are receiving some part of an Arrearage Reduction Program (ARP) benefit. Only 301 have both a state and ARP benefit. So Nicor is surprised that as we go into the heating season, some clients are getting no benefit and this is supposed to be a heating program. Jen Fenske added that in all their territories only 14% of Nicor's customers are receiving both a state benefit and an ARP, whereas 34% are receiving no benefit at all. She also stated that Nicor is receiving a lot of customer calls where the customers don't understand why they are getting no benefit for Nicor. Nicor tries to make them aware that they might be benefiting from PIPP on their electric side. It was brought up that because of the priority periods; usually the PIPP funding is gone before it gets to the families that have the biggest arrearages. Maria Gallardo said that perhaps this issue should be taken up with the Consumer Education Subcommittee. Jen Fenske also indicated that when she started at Nicor in the PIPP area, the program didn't allow clients that had no benefit to be enrolled, which caused them not to be enrolled on the ComEd side. Nancy Kane-Richards brought up the fact that this was the issue the LAAs raised last summer about the program not allowing clients to enroll for PIPP if they would get a higher DVP, because try as they might, the LAAs cannot convince some clients that the DVP is a better choice for them. Maria suggested that we table this discussion for now, and then bring it back when we get to the discussion item on today's agenda about what the minimum PIPP benefit level is in order for the client to be enrolled in PIPP. Michelle Machay said that Peoples Gas is seeing the same dynamic, just not as severe as Nicor.

OEA has been working with Capitol Strategies and Maria gave an update on where the enhancement to the STARS system stood. The first enhancement that has been implemented corrected the missed payment process and the corresponding letters. The letters regarding late payments have been adjusted to have only one or two late notices going to a client rather than a letter or two after each late payment with different due dates. The second enhancement that has been implemented is the auto drop functionality after a client had not made any payments by day 60 with an LAA override function. The final enhancement that was implemented was the LAA's ability to choose which PIPP letters they would like the State to print and mail for them.

Maria mentioned that besides the webinars that were provided to the LAAs before the start of the heating season, OEA has worked with Capitol Strategies to post videos to the OEA Extranet to provide ongoing training to new staff. Some of the items covered in the videos are: How to Enroll a PIPP Client; How to Do Intake in STARS; How to Verify with a Utility, and How To Do a Benefit Comparison for the Client.

There is a STARS change still in process that will verify that a client's maximum benefit of $1800 per year is not exceeded. It will also need to verify that the client benefit of $100 per month on the primary side and $50 per month on the secondary side is not exceeded. OEA is still working with the utilities on how to verify this information. When reviewing the 2015 data, we did realize that a few clients had exceeded the maximum yearly amount. One of the things that complicate the verification is the utilities deal with billing cycles, while the State deals with fiscal years. There is a draft document drawn up on how to implement this verification that OEA has been discussing with the utilities, but OEA needs to resume the discussion in order to finalize the agreement. Melanie Brown brought up that Ameren has concerns about being able to implement this by the February date mentioned in the draft document, unless discussions resume immediately. Karen Lusson asked what would happen if a client was flagged as being over the monthly or yearly benefit. Ben Moore explained that it would most likely happen at the end of a fiscal year, and we have a couple adjustments, a true up adjustment and a manual adjustment that essentially allows for a manual payment to take care of a pledge that may have had a problem or there was some data corruption. OEA has been working with the utilities to try to have a calendar month assigned to each payment. Currently, because the utilities use a revenue month that doesn't equate to a calendar month, there is a timing difference. It seems to happen most when a client moves within the same utility's area. If they leave early in the month when the state has already paid their pledge to the utility, then reenroll in a different county, a pledge would be sent in the same month to the same utility. In this scenario the client truly is receiving more benefits than the program would allow. It is a loophole we are looking to tighten up. OEA's objective is to ensure that the payment that we established and pledged for a client each month is what they receive. The tentative plan is that if we receive a pledge on June 26 that the utility marks as calendar month July, we will accept that pledge on STARS so the utility knows they are going to get the money and put it on the bill so the client knows they are going to receive it, but OEA won't actually process it on a register until July. There is some coding that has to be done in STARS to hold that register and make a separate register type that will be released for payment in July. OEA's hope is that once we make these changes it should really minimize the scenarios where any client is truly shorted what is an expected or reasonable benefit. The only time that it should affect a client is in a move situation, and the clients are counseled when they sign up for PIPP that if they move they might not be able to reenroll in the PIPP program, and if they are able to reenroll, there is a possibility that they may not get that month's benefit on the first bill.

Maria Gallardo brought up the proposal of a new business rule where it will refer energy assistance applicants whose PIPP benefits are zero dollars, or lower than their DVP amount, to the regular LIHEAP program. Sometimes clients are choosing PIPP for a budget billing amount that won't change throughout the year. It is costing the LAAs time and energy to maintain these customers when they are earning little or no benefit. Ben Moore put together an analysis of the overall administrative costs as reported by the LAAs in 2015, and divided by the total number of LIHEAP and PIPP clients that were served that year, to come up with the average annual administrative costs per client. The analysis resulted in an annual benefit of $504, or a monthly benefit of $42.04 to earn enough administration money to cover the cost of a PIPP client. Before the PIPP phone call that got cancelled, emails were received that indicated the LAAs thought that annual benefit was too high. As a reminder, when the PIPP Steering Committee recommended to the PAC that if the PIPP benefit was less than the DVP then that client would be referred to the DVP, that wasn't approved by the PAC. OEA wanted to bring the discussion up today since there hasn't been an opportunity to talk about this after our email interaction. Jen Schmidt asked for an explanation of why the $42 must be split with the 2/3, 1/3 for this rule. Ben Moore explained that it is $42 in aggregate for that client per month, meaning the primary and the secondary. It was asked if the $42 included the arrearage benefit. Ben Moore explained that it didn't. The LAAs receive their administrative payments based on a percentage of client benefits paid, and the arrearage benefit is netted directly by the utilities from the monthly deposits. Ben clarified that one of the catalysts for this discussion is the clause in the statute that says if it is administratively burdensome to serve that client, then program rules can be developed to prevent it from happening. Ben explained that the idea was originally brought up in the context that the Local Agencies felt that a client was leaving their office after receiving a benefit that wasn't the best option for them. Unfortunately the statute doesn't discuss the ability for a Local Agency to guide the client in their best interest, so the only mechanism available was the administrative cost issue. Maria Gallardo also brought up that if the client chooses PIPP, with little or no benefit, and later becomes disconnected, they are not eligible for Reconnection Assistance. Dalitso Sulamoyo asked if this should be a statutory change next year, and said that is something we should work on because the LIHEAP Energy Assistance Act sunsets in 2018. Ben said that is something we could work towards, however, since that process is so burdensome OEA was trying to make the change as a business rule. Ben proposed a two pronged approach, pursue the statutory change and OEA can work collectively on some language that achieves that, but in the event that doesn't succeed, that we will continue to work on some type of business rule(s). The original proposal was if the PIPP benefit was less than what the client would receive in a DVP, the system would automatically guide them to the DVP. Ben said it was interpreted that the statute doesn't necessarily allow that. Ben said he thought the Committee could take a hybrid approach, and say that if the benefit doesn't pay for the administrative cost (which will be worked out with the LAAs help, to come up with a more accurate number than the $42) then send them to DVP, unless the DVP is a lower amount and then they would get PIPP. Ben said that STARS would be programmed to make that calculation. Lauren Pashayan said that we need to be careful with a statutory work-around because the statute controls and that the Committee can't lose sight of the client's right to choose. If clients are given all the information and still make a choice that isn't the most beneficial to them, they still have the right to do so. Karen Lusson agreed with Lauren. It was left that OEA will work with the Illinois Association of Community Action Agencies (IACAA) to pursue some statutory change that fits the practical implementation of the program. OEA will also look into the administrative cost piece, because it hasn't been taken into account in the design of the program. After 4 or 5 years of experience, we have seen that it does have a negative impact on the Local Agencies. Jen Schmidt brought up that while the administrative cost is built in to taking the application, whether it is for PIPP or DVP, it doesn't cover the cost of case management to work with the clients that choose PIPP when it wasn't the best choice for them. Any change that would occur wouldn't be put into place until program year 2018, if it could happen that quickly. However, because we would need to get Capitol Strategies involved in the programming changes in STARS, something should be decided by the end of the year so that the PIPP Steering Committee could act on it in January. There is less chance that the system changes to STARS will be done by program year 2018, the more complicated they are. There needs to be more discussion on all issues, and the Department's Legal Office needs to be in on discussions about changes to the statute. It was brought up by Mindy Browning and Jen Schmidt that the LIHEAP Energy Assistance Act does not have any language that looks at the best interest of a client on a personal level. Jen Schmidt also brought up that the language about the 2/3, 1/3 split should be looked at again. It is being implemented, but now that the program has been in place for a period of time, is it working as it was intended? Jen also mentioned that we haven't done a good job of analyzing the data from the first years of the program, and that is really hurting us when we try to plan what is best going forward. Maria Gallardo mentioned that OEA is, again, looking into a contract with one of the Universities that could do an analysis of the program and help with the LIHEAP benefit matrix, and are hoping to have more information in the next couple of months.

Meeting Schedule

The next quarterly meeting of the PIPP Steering Committee will be held on January 5, 2017 from 9:00 a.m. to 12:00 p.m.

OEA needs to talk internally about who should be engaged and next steps, and then schedule another meeting of the Committee before the quarterly meeting, if possible.

Adjournment

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