

EAP Advisory Board Meeting Minutes

July 29, 2022

Meeting Minutes – Office of the Consumer Advocate (Josie Gage)

Present: Jessica Arnold (Liberty), John Braswell (Eversource), Amanda Noonan (DOE), Gary Cronin, (DOE), Lea Francoeur (DOE), Sue Corson (Unitil), Jeanne Agri (CAP Belknap-Merrimack), Valerie Provenzano (CAP Belknap-Merrimack), Steve Tower (NHLA), Karen Emis-Williams (NHLWAA), Robyn Sarette (NHEC), Jose Gage (OCA) Roger Colton (via phone)

1. Review of April 22, 2022, draft minutes.

No edits. Approved as final. Motion by Sue Corson, Second by Jean Agri.

2. Update from Roger Colton.

Eversource filed a motion in DE 21-133 to extend the filing deadline for the final report from Roger Colton from August 15, 2022 to October 3, 2022. The motion anticipates completion of the report by the consultant, Roger Colton, by September 20, 2022 with the filing of written recommendations by the DOE and the electric utilities on October 3, 2022.

Roger Colton reviewed the work he has done to date and made three general observations: 1) His data analysis is pretty far along using Eversource data, and he expects to pull the NHEC data together over the next few weeks; 2) while he has a lot of data and numbers, he has not formulated the story that the numbers tell yet; and 3) notwithstanding what he shares today, everything is still tentative until a final report is out.

Preliminary observations:

- Usage limits seem to be working (750kWh). Neither overly inclusive or exclusive.
- Do not foresee the need for fundamental changes in the discounts that are being offered.
- Discounts seem to be getting NH to the level where it wanted to be when it started.
- Rate hikes on the supply side are a real threat to how the program operates. They are going to cost the program a lot of money and will be an impediment to some of the program enhancements, such as a preprogram arrears component, that the Advisory Board may have wanted to see happen.
- Using the Eversource data, 3 distinct populations have been created:
 - EAP participants who were active on the program every month for the 12-month period May 2021 through April 2022;
 - EAP participants between October 2020 and September 2021; and
 - EAP participants with 365 days of active EAP participation at any point between October 2020 and April 2022.
- Given these three populations, the average usage month-by-month for the period October 2020-April 2022 is between 450kWh and 500kWh.

- Since an average is wrong half the time, Roger looked at the 70th percentile (600kWh) and 80th percentile (exceed 750kWh).
- The program provides a discount up to but not quite to the 80% of usage. EAP provides a discount to the 80th percentile in 9 of 20 months; that is the 80th percentile is below 750kWh in nine of the twenty months reviewed. He is comfortable with keeping the 750kWh cutoff.
- **Participation in the program tracks well with census data.** Roger noted a lot of programs overserve the highest income customers and underserve the lowest income customers, something which is not an issue with EAP.

	EAP participation	○ Census Data
Tier 2	33%	33%
Tier 3	15%	14%
Tier 4	14%	13%
Tier 5/Tier 6 (combined to match census tracts)	35%	39%

- Tiers 5&6 are somewhat underrepresented when compared to the census data. Underrepresentation of the lowest income folks.
- Length of participation in the EAP is quite long. Average number of days that people remain on the program is program down by tier.

Tier	Number of days on EAP	Number of years on EAP
2	1327	3.6
3	1746	4.8
4	1789	4.9
5	1926	5.3
6	1371	3.8

- Given the longevity, may want to consider recertifying for the program less frequently. It may generate some administrative efficiencies.
- Average number of days in tier 6 is noticeably lower than the others, possibly because tier 6 participants are more likely to rent than to own.
- NHLA noted that a lot of the population is eligible for EAP -not a lot of social mobility, opportunities to come off EAP is not a surprise.
- BMCAA noted that the participants on tier 6 tend to be folks that are in distress who qualify at that level, work through that situation, then move to another tier.
- Liberty noted that it is not surprising that a tier 6 would shift to a tier 3.
 - Roger committed to looking at shifts between tiers.
- **Percentage of income burdens** -NH innovated the notion that tiers were established based on income and the discounts for the tiers were then established to result in an affordable percentage of income burden – between 4% and 5% - for the income group represented by the tier. Although those income levels have not been changed in years, NH is doing well in doing what it set out to do.
- Roger looked at the average percentage of income burden for the program as a whole and for each of the three populations. The average percentage of income burden for EAP as a whole is

5.1%. There is not a significant difference between the three populations. Given the goal is to achieve an income burden of between 4% and 5%, the program is doing fairly well.

- The income burdens for Tiers 2 through 5 are as follows: Tier 2 4.3%; Tier 3 4.9%; Tier 4 5.1%; Tier 5 5.3%.
- Tier 6, however, has an average income burden of 7.0%. This is where more benefits are needed. The challenge is how to do that. Changing the usage level is not the way to provide more benefits to this group. Changing the discount level is doable, but there is not a lot of room to increase it beyond 76%.
- Takeaway -overall 5.1% is good, averages of the other tiers don't need tinkering. Lowest income ratepayers have very high burdens -over 20% of income -partially driving the average of 7%. Incomes so low that almost any electric bill is going to be a very high burden. Some room for improvement at Tier 6.
- **Bill payment coverage ratios** – dollars billed into dollars of payment made ratio. Over 100% means paying down arrears, less than 100% means incurring new arrears. Just over half of active accounts as of 4/22/22 that have one full year of data have a ratio of over 100%. Tiny number of people had a ratio of exactly 100% and the rest had less than 100%.
- Split into levels of payment – those who paid less than 50% is less than half of the people who paid more than 100%.
- The DOE asked if the ERAP payments could be skewing the results. Roger had not considered that. He will look for big payments that would indicate the payment is an ERAP payment and recalculate the bill payment coverage ratios.
- NHLWAA noted that the welfare offices have not seen anyone who has EAP paying zero. They may not pay minimum and it accrues.
- NHLA commented that the federal stimulus checks may have helped people pay bills. Which might be harder to pick up the data for. Stimulus checks were issued 4/2020, 12/2020, 3/2021. Roger acknowledged that but pointed out that would be much more difficult to identify the impact.
- **Total arrearages on a monthly basis** have a low point/smallest aggregate arrears in November and December 2020 and again in November and December 2021 and to some extent January 2022. General conclusion is that New Hampshire does not have much of an arrearage issue but it does have some really high arrears.
- General discussion about the paying down of arrears prior to the start of the winter period to get reconnected, impact of the letters/reminders that go out prior to the winter moratorium, and fuel assistance payments.
- In May, June, and July arrearages start to go down. Declines sharply in fall.
- If are considering arrearage forgiveness, the month the program begins in would make a difference; that is fall as opposed to spring when arrears are the highest.
- In NH it is intriguing that really doesn't have a huge arrearage problem. For each month I distributed the arrears in ranges of arrears by the amounts in arrears. The biggest number of accts \$1 - \$150 in arrears.
- Group was somewhat surprised by the arrearage figures even with the discounts.
- Roger stated summing the other ranges of arrears, the 1-150 range is not larger than everyone else aggregated together. He may change the ranges.

Next steps for Roger, he will do a variety of blocks.

- Demographics –More work needs to be done in this area. He'll look at the following criteria:
 - households with a member 75 years of age or older.
 - households with a member, then look at 17 years of age or younger.
 - households with at least one child under age 5
 - households with at least one person that is disabled.
 - Households that receive food stamps.
- The number of people who received unemployment was not significant enough to warrant further discussion.
- Rate hikes on supply side are a real threat to how the program operates. This will cost the program a great deal of money and will be an impediment.
 - Tier2 - 5.6%,
 - Tier 3 - 6.5%,
 - Tier4 - 7.1%,
 - Tier5 - 7.9%,
 - Tier6 - 12.1%
- The cost to the pre rate hike levels as of 4/2022, will cost about \$2.8m for calendar year 2021. This is money we don't have.
- If we use the extra money to pay the extra rate hikes then we don't have money for arrearage management forgiveness coverage. There was a brief discussion regarding preprogram arrears management is off the table at this point. Maybe another attempt to the PUC would be an option in the future.
- EAP data doesn't match up well with census data – may end up with EAP data without having census data to compare it to.
- It was noted if the NHPUC ordered a return of what is currently in surplus, we be at a deficit of \$7 million as a result of the rate increases three of the utilities recently implemented.
- The proxy for suppliers is the default service rate so consumers with suppliers and on EAP are not negatively impacted.
- There was a brief discussion regarding preprogram arrears management is off the table at this point. Maybe another attempt to the PUC would be an option in the future.
- A Follow up in person meeting will be scheduled for Friday 8/5 at 11:00 in Livingston room. Invite will be sent out.

3. Program year 2022-2023 budgets.

Budgets are due from the utilities by August 1. Advisory Board questions on budgets should be submitted by August 10 with responses from the party questioned due by August 17. Questions and response should be circulated to all members of the Advisory Board. The Advisory Board will meet by Teams on Monday, August 22 at 2 pm to discuss and vote on the budgets.

4. EAP projections.

The DOE sent around EAP projections. Unutil questioned the average benefit when its default energy service changes on December 1. The DOE explained that, in calculating the average benefit, it left Unutil's default service rate at the 17-cent rate from last winter rather than drop it to the current 10-cent rate for August through November as the expectation is the winter period rate will be in the small vicinity as last year if not higher. The increases in the Liberty, Eversource and NHEC default service rates significantly increase the average benefit and quickly spend down the surplus, so that by September 30, 2023 the fund would have a \$3 M deficit. If the PUC takes action to somehow return the current balance in the fund in excess of \$1 M, the deficit would be \$7M. Discussion ensued around the decline in enrollment even though there are people who need assistance and the importance of the outreach campaign that Town Square Media will be undertaking for EAP. The awareness campaign for electric assistance combined with possible other outreach should hopefully lead to more customers seeking the assistance they need.

NLWAA noted that they are seeing clients who need assistance but who are not on EAP and noted that they cannot understand why. It was also noted that the welfare offices are seeing an increase in requests for assistance with utility bill.

There was a suggestion that the COVID related collection activity suspension and gradually ramp up to more typical collections activity may have led to eligible customers not applying for assistance. The development of the online application should make it easier to apply.

5. New Business.

The DOE provided some preliminary information about \$100 bill credit that the Governor announced during a June press conference. The expenditure of funds for the program requires approval from the Legislature. In the meantime, program parameters are being developed to better define the program so that it will be ready to go if and when it receives Legislative approval. The current anticipated timeframe for the Legislature to take up the matter is mid-September. The credit would be for all residential electric customers; there is no income requirement.

The revised FAP contracts were approved to reallocate funds among the five CAAs to provide a one-time cooling benefit to households with an electric account that received fuel assistance during the past winter. The utilities will work quickly to get those applied to customer accounts. Liberty shared that it will be able to automate the application of the credits to eligible customer bills rather than doing it manually, allowing for quicker application to customer bill. The DOE committed to sending the utilities

the audio file from the July 27 Governor and Council meeting with the time stamp for the vote by the Council approving the contracts. The one-time cooling benefit is a \$405 credit on the electric bill.

Eversource shared some data on its NewStart program. Since rolling out in April, 4,000 customers have enrolled in NewStart, and \$306,000 in arrears has been forgiven.