

**New Hampshire  
Electric Assistance Program  
Process Evaluation**

**of**

**Program Years 2010-2012**

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**Prepared for:  
New Hampshire Public Utilities Commission**

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## **1. INTRODUCTION**

This report summarizes the activities completed in the process evaluation of the New Hampshire Electric Assistance Program (EAP), and provides recommendations for consideration to continue to improve EAP processes. The New Hampshire Office of Energy and Planning (OEP) conducted the evaluation as required by the Public Utilities Commission (Commission) in Order No. 24,820.<sup>1</sup> The process evaluation is intended to focus primarily on the three program years *beginning October 1, 2009 and ending September 30, 2012*. However, due to the nature of how the EAP functions, some overlap with the preceding program year and the period following the current reporting period is included where appropriate.

### **1.1 PROCESS EVALUATION OBJECTIVES**

In Order No. 24,820, issued on January 30, 2008, the Commission required that OEP perform a process evaluation of the EAP once every three years. The process evaluations are intended to focus on the following three areas:

- 1) Whether the EAP has met the level of need, within the limits of the available Systems Benefits Charge (SBC) funds;
- 2) Whether the EAP conforms to program design guidelines; and
- 3) Whether the EAP operates efficiently.

This evaluation assesses the program from a process perspective in the context of the three areas listed above. The process evaluation provides a program process overview, which describes generally how the process currently works, and a summary of recent program history, in addition to recommendations for process improvements. This is the second process evaluation performed by OEP, and is intended to generate discussion and inspire further inquiry among EAP stakeholders.

The evaluation is organized into four sections: 1) Program Process Overview, 2) Recent Program History Relating to Process, 3) Review of the 2010 Evaluation Recommendations and Responses, and 4) 2013 Observations and Recommendations. Both sections 3 and 4 are organized based on the three broad focus areas listed above, with section 4 including issues presented topically for the purpose of highlighting specific program areas.

Acknowledgements: OEP would like to thank the following individuals for their cooperation and assistance: Amanda Noonan (NHPUC), Shannon Nolin (EAP Director), Steve Eckberg (OCA), Judy Scothorne (Belknap-Merrimack Community Services Director), Michele Perez (SNHS Intake Specialist), Alan Linder (NHLA), Gil Gelineau (PSNH), Kathryn Wilson (PSNH), Matt Minghella (Liberty Utilities), Celeste Lovett (NHOEP), Scott Falvey (NHOEP), and Meredith Hatfield (NHOEP).

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<sup>1</sup> Steve Walker, the OEP Staff person who conducted this Performance Evaluation, is not involved in EAP on behalf of OEP in order to ensure independence in the evaluation.

## **1.2 EVALUATION METHODS**

This evaluation consisted of three primary activities: 1) Interviews with staff involved in program implementation and administration and EAP Advisory Board members; 2) Review of Commission Orders, existing procedural manuals, and other reports and program materials relating to the EAP; and 3) General review of reporting information.

The first step in the evaluation was a review of all materials available related to the program including Commission Orders and associated supporting documentation, procedural manuals, EAP Advisory Board Minutes, Community Action Agency (CAA) compliance review reports, Commission audit reports, annual CAA outreach plans, enrollment reports, sample reconciliation reports, etc. The lead evaluator attended an EAP Advisory Board meeting in the current program year, and also conducted a visit to a CAA intake site. In addition, an *EAP Process Evaluation Workbook* was assembled to collect and organize available materials to aid in understanding the program, and to provide a comprehensive resource to assist in the research and writing of future process evaluations.

Informal meetings and interviews were conducted with Commission Staff, the EAP Program Administrator, several Advisory Board members, the NH Fuel Assistance Program Manager, a utility customer care representative, and an intake specialist at a CAA satellite intake site. These meetings and interviews were intended to assess activity and actions taken as a result of the first performance evaluation, and to identify any opportunities that might exist for process improvements. Because no significant new issues have been identified since the last Process Evaluation, more focus in this evaluation was placed on basic functionality of EAP processes.

## **2. PROGRAM PROCESS OVERVIEW**

The EAP, which was created in 2002 as part of electric utility deregulation, provides electric discounts to qualifying low-income households through the SBC assessed on all customers of regulated electric utilities throughout the state. The program operates through a coordinated effort between New Hampshire's five Community Action Agencies (CAAs),<sup>2</sup> the four electric utility companies (Unitil, Public Service of New Hampshire, Liberty Utilities (formerly National Grid), and NH Electric Cooperative), and the Commission Staff, with regulatory oversight by the Commission. The Commission oversees all aspects of the program and budget and all changes are reviewed and approved by the Commission through a formal proceeding. The EAP Advisory Board provides advice and recommendations. The Advisory Board is scheduled to meet at least quarterly and has members representing various parties involved in the program. A list of the current members is attached as Appendix A. The Board's responsibilities include on-going review of the EAP, drafting of policy recommendations, and providing clarification and guidance to the parties responsible for administering the program. The EAP completed its first decade of operation in 2012 and is now in its eleventh year.

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<sup>2</sup> The Southern NH Services CAA is the combination of Merrimack and Rockingham counties. For purposes of identity, outreach, and benefits to client services Rockingham continues to maintain its own website.

The various roles of the parties involved in program administration are outlined in four procedural manuals: Fiscal Procedures Manual, CAA Procedures Manual, Utility Procedures Manual, and a Monitoring and Evaluation Manual. Each of these manuals describes procedural guidelines and requirements as they apply specifically to the various administrative aspects of the program. These manuals, in addition to Commission Orders, document the guidelines for the program.

The CAAs are the primary liaison between potential clients and the program. They collect and evaluate applications/recertifications, enroll, deny, or wait-list potential customers and assign a discount tier based on established criteria approved by the Commission. They also determine when a participant should be removed from the program. The specific criteria for determining eligibility or termination are detailed in the CAA Procedures Manual. Customers are enrolled throughout the year on a continual basis. (This is different from similar assistance programs such as the NH Fuel Assistance Program (FAP),<sup>3</sup> which enrolls customers once a year during the heating season.) EAP customers are eligible to receive their approved discount for 12 months (or 24 months if all members of the household are over age 65) from the date that their utility company first applies the discount. They can be removed from the program if they have not applied for recertification prior to their renewal date, if they are determined ineligible during recertification, or if they move without notifying the CAA. Enrolled customer and discount tier information (or termination information) is sent via secure electronic means to the appropriate utility company.

The utilities are responsible for applying discounts to enrolled customers' bills and for collecting the SBC from all ratepayers as established by the Commission. The program is designed so that individual utilities reconcile the difference between the SBC they receive and the EAP benefits they pay out in any given month. Any net surplus in a given month, less administrative expenses approved by the Commission, is transferred to the EAP Fund held by State Treasury. In the case where utilities pay out more benefits in any given month than they collect, they submit an invoice to the Commission, and Treasury reimburses them out of the fund.

The Commission is responsible for fiscal oversight of the program. Commission Staff reviews monthly reconciliation information from the utilities to ensure accuracy and authorizes the Treasury to make payments to the utilities if necessary. The Commission Audit Staff provides additional fiscal oversight through annual fiscal audits of the utilities and the CAAs. Commission Staff also analyzes projected and actual revenues and current and projected expenditures to advise the EAP Program Administrator of the amount of funds remaining to be obligated, and provides information related to when it may be necessary to implement a wait list, or when wait-listed clients may be enrolled. The EAP Program Administrator then disseminates this information to the individual CAAs and determines which wait-listed customers to enroll.

Total enrollment in the program is carefully managed to provide benefits to approximately 30,000 customers as specified by the Commission. This target is maintained through attrition, meaning that as people are removed from the program new customers are enrolled as funds become available. Managing total enrollment in this manner is intended to result in the least amount of disruption to the participants.

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<sup>3</sup> This program is also known as the Low Income Energy Assistance Program (LIHEAP).

When a wait list is implemented, customers are certified as eligible but notified via letter that they have been placed on the list. Wait-listed customers must be re-certified every 12-24 months as appropriate. Enrollment is determined from a statewide wait list with the lowest Federal Poverty Guideline (FPG) households being enrolled first. This policy is intended to promote the goal of targeting benefits to those customers most in need based on the customer’s FPG ranking. At times this has resulted in some eligible customers remaining on the wait list for a significant length of time.

Implementation of the program requires continuous communication and secure data / information exchange between the CAAs and the utilities. Those processes are described in the first Process Evaluation, which was completed in 2010.

A participant’s re-certification date is determined based on the date that the individual utility company first applies the discount. The CAA is notified of this date by the utilities on a monthly basis.

Customers may be removed from the program if they fail to apply for recertification, if they are determined to be ineligible at the time of recertification, or if they disconnect utility service and don’t reconnect at another location elsewhere within 60 days. CAA and utility staff coordinate on all potential removal cases that have been triggered by missed monthly Utility Transmissions to ensure that customers are not removed from the program in error.

### **3. RECENT PROGRAM HISTORY RELATING TO PROCESS**

#### **Summary overview of events relating to program years 2010-12**

- September 22, 2009 – Order No. 25,015 Approving 2009-2010 Program Budgets
- January 14, 2010 – Senate Bill (SB300) for temporary SBC increase enacted into law
- April 1, 2010 – Triennial Process Evaluation submitted by OEP
- September 15, 2010 – Order No. 25,145 Approving 2010-2011 Program Budgets
  
- December 15, 2010 – Advisory Board recommendation for EAP design changes
- March 4, 2011 – Order No. 25,200 Approving Program Changes effective 7/1/2011
- June 30, 2011 – Senate Bill (SB300) for temporary SBC increase expires
- September 22, 2010 – PUC / OEP MOU approved for period ending 9/30/2012
  
- April 10, 2012 – Northeast Utilities and NStar complete merger
- July 3, 2012 – Liberty Utilities acquires National Grid’s electric distribution in NH
- September 19, 2012 – Order No. 25,414 Approving 2012-2013 Program Budgets
- December 19, 2012 – PUC / OEP MOU approved for period ending 9/30/2015

## **Program Year 2010**

**On September 22, 2009** the Commission issued Order No. 25,015 *Approving 2009-2010 Program Budgets*.

**On January 14, 2010**, Senate Bill (SB300) was enacted into law, effective immediately. This legislation temporarily increased funding for EAP by shifting a portion of the SBC from the CORE energy efficiency programs to EAP through the end of fiscal year 2011. This additional revenue was used to move a significant number of eligible customers from the wait list onto the program.

**On April 1, 2010** the first triennial Process Evaluation was submitted by OEP to the Commission pursuant to PUC Order No. 24,820. The evaluation was reviewed in detail at the Board's April 23, 2010 meeting as noted in the minutes of that meeting.

**On September 15, 2010** the Commission issued *Order No. 25,145 Approving 2010-2011 Program Budgets*.

## **Program Year 2011:**

**On December 15, 2010** the EAP Advisory Board submitted a proposal regarding changes to the design of the EAP. These recommendations were made to enable the EAP to stay within the budget for the program beginning July 1, 2011 when the low income portion of the systems benefit charge would return to a 1.5 mil funding level from 1.8 mils. Without an adjustment to the program design, program enrollment would have had to be reduced to well below the original program goals in order to stay within the budget. In anticipation of this impending change, the Advisory Board analyzed several options that would reduce costs while meeting the program goals. These goals are: 1. to bring the electric bills into the range of affordability; 2. to encourage conservation and the use of energy efficiency mechanisms to make electric bills manageable; and 3. to make the most effective use of limited funding.

After its review, the Board recommended to the Commission adoption of program changes including the following:

- Eliminate discount tier 1, thereby reducing the program eligibility level to 175% FPG;
- Maintain the same discount levels for tiers 2-6 (7%, 18%, 33%, 48%, and 70%); and
- Cap the amount of usage eligible for the EAP discount at 700kWh per month.

Based on utility company projections, the Board estimated the changes would result in an average annual benefit of \$388 (compared to the current average of \$468), that the program would serve 33,000 clients (out of a current eligible population of 36,300), and that the wait list would be approximately 2,500 clients (compared to a projected waitlist of 10,200 under the status quo on July 1, 2011). Approximately 70% of EAP participants would fall below the 700 kWh cap and would continue to receive a discount on their entire bill. The Advisory Board was mindful of interactions with other programs that provide support for energy costs of low-income

households, and those which provide weatherization services. The Board reiterated its support for coordination of these programs to assist customers with their energy bills and weatherization efforts.

**On March 4, 2011** the Commission issued *Order No. 25,200 Approving Program Changes*. The Commission approved the changes to the EAP design proposed by the EAP Advisory Board. The Commission also decided that although tier 1 was eliminated, those customers eligible for tier 1 and currently receiving benefits would continue to receive benefits until their next recertification. The Advisory Board was also ordered to update its Procedures Manual to reflect the changes within 30 days of the order. The implementation of this order coincided with the expiration of Senate Bill 300.

### **Program Year 2012:**

**On September 19, 2012** the Commission issued *Order No. 25,414 Approving 2012-2013 Program Budgets*. This budget cycle included the expense associated with the triennial Process Evaluation required to be conducted by OEP due April 1, 2013.

**On December 19, 2012** the MOU between PUC / OEP was approved for the three year period ending 9/30/15.

### **Ongoing Issues or Discussions**

The Tri-County Community Action Program was placed under the management of a special trustee in December 2012 by a Probate Court due to severe financial challenges. Both the EAP and FAP Program Administrators report that their respective programs have functioned as designed without interruption thus far. In addition, the court-appointed trustee has reported that needed services are being provided.

The Advisory Board has considered the issue of addressing exceptional hardship circumstances of clients who, for example, have had to access retirement accounts to address a significant medical need. Discussion on this item is continuing at the Advisory Board meetings.

The EAP has accumulated funds in excess of the one million (\$1M) that is allowed under RSA 374-F:4,VIII(c) (*see also* RSA 369-B:3,IV(6)). Falling enrollment, seasonal changes, and combining of family units may all be contributing to this situation, though most information is anecdotal. The Advisory Board is tracking the situation and is discussing possible corrective actions should they become necessary. It is recommended that the Board consider other potential uses of a portion of these funds that will benefit the program. An example would be for the purpose of making improvements to reporting and software.



#### **4. REVIEW OF 2010 RECOMMENDATIONS AND RESPONSES**

The following section reviews the 2010 Process Evaluation recommendations. For each of the thirteen recommendations that were made in the process evaluation, a “Response” has been provided by EAP Administrators. Due to the ongoing nature of EAP, it is recommended that the Advisory Board review these findings periodically to assess their relevance, as some of the topics examined may relate to current observations and recommendations offered in this report.

##### **4.1 WHETHER THE EAP HAS MET THE LEVEL OF NEED WITHIN THE LIMITS OF THE AVAILABLE BENEFITS CHARGE FUNDS**

**Recommendation (4.1.1):** *If enrollment data continues to show an increasing demand for the program, the Advisory Board and the Commission should immediately begin evaluating whether it is possible to meet the current program objectives listed above. In addition, the administrative burden of reviewing and enrolling more potential customers and maintaining a significant wait list with existing resources should also be considered. Alternative strategies for achieving these desired outcomes should be evaluated, including consideration of recommending a permanent increase to the SBC for the program as opposed to shifting funds between the programs. This is important not only to address the immediate significant increase in need for the program but also to address the intended reduction in funds at the end of fiscal year 2011 when the SBC returns to 1.5 mills per kWh.*

**Response:** The Advisory Board submitted a recommendation to the Commission on December 15, 2010 that addressed the level of EAP funding versus the level of EAP need. The Commission has no authority to increase the low-income portion of the system benefits charge beyond the current level of 1.5 mills per kWh. [RSA 374-F:3, V authorizes the creation of EAP, a program designed to enable residential customers with low incomes to manage and afford essential electricity requirements. RSA 374-F:3, VI establishes the system benefits charge. RSA 374-F:4, VIII caps the low income portion of the system benefits charge at 1.5 mills per kWh.]

**Recommendation (4.1.2):** *Although the evaluation found that the assumptions and data associated with the current percent discount table are being periodically assessed on an informal basis, we recommend that the Advisory Board develop a more formal schedule to review the assumptions and percent discounts using current data on FPG, electric bill usage, and cost to ensure that the 4 to 4.5% target intended by the current program design continues to be maintained.*

**Response:** The Advisory Board agreed that an annual assessment of assumptions would be worthwhile, and Steve Eckberg volunteered to do this for the July 2010 meeting. Discussions regarding how to address the EAP need within the legislated funding level superseded discussion regarding the assumptions and data associated with the percent discount table. Limiting the EAP benefit to the first 700 kWh of

usage mooted the need to assess the percent discounts to ensure they remained in the 4 to 4.5% target.

**Recommendation (4.1.3):** *The Advisory Board should consider evaluating whether it is a more responsible use of ratepayer dollars to remove a customer from the program if their household income increases prior to their re-certification date, especially given the current overwhelming demand for benefits. Implementing this change would require modification of the enrollment letter so as not to guarantee enrollment for a year if household income increases.*

**Response:** The CAAs updated the enrollment letter. Over-income is a cause for removal in the CAA manual. See 1.11.3. *Non-Periodic Re-evaluation*. The Advisory Board discussed, viewed, and determined that the number of customers who were found to be over income in advance of their recertification date was very small. Given the difficulty in ensuring consistency among 100 plus intake workers and the express intent of the EAP being a 12 or 24-month program, the Advisory Board determined it would not be efficient to remove those customers in advance of their recertification date.

#### **4.2 WHETHER THE EAP CONFORMS TO THE PROGRAM DESIGN GUIDELINES**

**Recommendation (4.2.1):** *We would recommend that the final version of each of the procedural manuals have the latest revision date clearly displayed on the front page and, if a particular manual was approved as part of a Commission order (such as the EAP Monitoring and Evaluation Manual), the order number and approval date be displayed on the front page as well. We would also recommend that only the final versions as submitted to the Commission be made available to staff involved in program implementation and that they be distributed in PDF format only so that interim draft word versions aren't circulated.*

**Response:** All manuals are distributed in PDF format.

**Recommendation (4.2.2):** *The annual CAA evaluations, as well as the ongoing desk auditing, are important components of the program since they provide a formal mechanism for assuring consistency amongst the multiple CAA offices throughout the state. The CAA Compliance Monitoring evaluation criteria however, seem to focus primarily on evaluating only the intake and initial enrollment aspects of the program. Consideration should be given to expanding the CAA Compliance section of the Monitoring and Evaluation Manual to include an annual systematic review of other aspects of the CAA's implementation of the program such as Recertification, Customer Relocation (Moves), Withdrawal or Removal from the Program, and enrolling from the wait list. As discussed later in this report, OEP's evaluation found that some aspects of program implementation that occur after initial enrollment seem to be administratively problematic. While informal evaluation of these areas may be currently occurring, annual systematic evaluation and reporting by the Program Administrator may help to*

*identify causes and possible solutions to some of these problematic areas of the program, which are discussed later in the evaluation.*

**Response:** This was discussed at an Advisory Board meeting. Shannon Nolin will expand the report to include reviewing of the denials, desk monitoring and the removal process.

**Recommendation (4.2.3):** *We would recommend that the Advisory Board consider creating a sub-committee to evaluate the content of each of the reports listed in Section 3 of the Monitoring and Evaluation manual to determine whether they are necessary to assess the measurable outcomes of the program, the impact and costs of the program, and whether they provide information necessary to inform future decision making. We also recommend that the sub-committee determine whether the data included in each report is appropriate and if it is presented in a useful format. For example, in some cases it would be most beneficial to see information summarized over a specific period of time. OEP would also recommend that the Advisory Board establish a routine schedule to review these reports (or trends that the reports may show), possibly annually at the end of a program year. The sub-committee should consult with the EAP Administrator regarding any potential software programming changes that may be necessary to develop useful evaluation and future decision-making reports. Section 3 of the Monitoring and Evaluation Manual would need to be updated if changes are made to the list of reports.*

**Response:** A sub-committee met to discuss the reports in the M&E manual. At the July 2010 Advisory Board meeting, the subcommittee reported that many of the reports should remain at the CAA level. The subcommittee recommended the payment reports be done by the utilities, as they will be able to see information regarding EAP participants and their payment behavior. The subcommittee recommended that there be an annual report on payment behavior. The subcommittee recommended that the poverty level report, the municipal report and the waiting list report be circulated on a periodic basis.

**Recommendation (4.2.4):** *In addition, OEP would recommend that the Program Administrator continue working with the utilities and the EAP software contractor to determine mechanisms for eliminating data transmission errors between the utilities and EAP database. If the accuracy of data transmitted from the utilities to the EAP database cannot be consistently received, the Advisory Board may want to explore the possibility of obtaining summarized information in report format directly from each individual utility on a monthly basis. Some report information contained in the Monitoring and Evaluation Manual currently comes to the Commission in this format (e.g., total number of accounts for non-EAP vs. EAP, total revenue for non-EAP vs. EAP, arrearage report for non-EAP vs. EAP).*

**Response:** This is an ongoing process. Feedback or requests from the utilities are taken into consideration and implemented if feasible. One request has been made to identify elderly households for PSNH. Work will be done with the software contractor to accomplish this through the daily enrollment process.

### **4.3 WHETHER THE EAP OPERATES EFFICIENTLY**

**Recommendation (4.3.1):** *We would recommend that the Program Administrator, Advisory Board, and software programmers fully evaluate the potential cost of re-designing the database to remove the Unique ID vs. the true administrative costs to the CAAs of retaining it. This evaluation should also assess whether removal of the Unique ID will truly improve the administrative issues that users are currently experiencing related to the Unique ID. EAP Directors at each CAA should be informed of evaluation results as they relate to removal or retention of the Unique ID and additional training should also be provided to all software users to limit complications involving the Unique ID.*

**Response:** The Unique ID is the identifier that was established at the beginning of the program to avoid duplication of payments for the Arrearage Forgiveness component of the program. Although this component has not been utilized for many years, the ability to bring it back into existence requires the Unique ID be in place.

**Recommendation (4.3.2):** *We would recommend that the Program Administrator and software programmers continue to work collaboratively with the EAP Directors and their staff at each of the CAAs to identify, document, and prioritize software and reporting improvements, including ad hoc reporting capability for end users, that are necessary to improve administrative efficiency.*

**Response:** The EAP Program Administrator meets with the CAA EAP Directors on a monthly basis. At least annually the CAAs submit their requests for software enhancements. The Program Administrator also solicits feedback from the outreach/intake staff for their suggestions. As funding and feasibility allows, the enhancements are provided.

**Recommendation (4.3.3):** *The Program Administrator and Program Directors should continue working with all CAA staff involved in program implementation to ensure that they understand how to use the software effectively, especially as new reports and software enhancements are developed.*

**Response:** Each CAA provides annual and ongoing training for their staff. The EAP Program Administrator attends some of these trainings and provides technical assistance when needed. A Software Manual is available and provided to all CAAs. Any enhancements or changes to software are sent to the CAAs with instructions. Two years ago there was a joint effort between the Fuel Assistance Program (FAP) and the EAP to assemble all CAA staff for a meeting on program and software changes. This is an event I would like to have on a bi-annual basis.

**Recommendation (4.3.4):** *If the Advisory Board and Commission ever opt to consider an entire redesign of the EAP, the concept of mirroring the EAP after the FAP should be evaluated in terms of closing out the program year.*

**Response:** There are inherent differences in the program, with a significant difference being that EAP is a 12 or 24-month benefit while FAP is a fixed benefit that ends on a date certain, regardless of the participant’s enrollment date. It would be extremely inefficient and administratively burdensome to enroll and re-enroll all 34,000 EAP participants on the same day so that the EAP program year could be closed out on a date certain.

**Recommendation (4.3.5):** *We would recommend that the Advisory Board and Commission continue evaluating mechanisms for making the FAP and EAP as administratively similar as possible to improve efficiency. For example, intake documentation and program rules for both programs (e.g., income qualification criteria) could be evaluated. FAP software features that would be beneficial in the EAP portion of the database should be evaluated for potential use in EAP. Some features such as the ability to have notes apply to both EAP and FAP cases when entered have already helped to improve efficiency.*

**Response:** Celeste Lovett (FAP) and Shannon Nolin (EAP) met to review the program rules to consider opportunities for making the programs more administratively similar. There was agreement, however, that the EAP was different than FAP and those differences were conscious program design decisions. As a result, the administrative rules for EAP and FAP will never mirror one another completely.

**Recommendation (4.3.6):** *In addition to the recommendations previously discussed, we would also suggest that CAA staff at all levels of program implementation continue to be periodically consulted for ideas that could improve program efficiency in terms of potential software and reporting improvements and general program implementation. Some examples mentioned as part of this review include allowing submission of applications/ supporting materials by mail for re-certifications rather than requiring in-office or home meetings, elimination of duplicate copies of all application materials for both the EAP and FAP, utilizing a “pre-application” process, setting aside one day a month to focus entirely only on EAP applications, and providing a mechanism for making all cases in process “current” to the new program year.*

**Response:** In addition to the monthly meeting with the CAA EAP Directors, the EAP Program Administrator solicits input from the Office of Energy and Planning, Utilities and field staff.

## 5. **2013 OBSERVATIONS AND RECOMMENDATIONS**

This second triennial Process Evaluation also marks the conclusion of the first decade of the EAP program. This provides an opportunity to reflect on the evolution of the program, celebrate its success, and to consider the challenges and opportunities of the next decade of the program. Throughout the first ten years the program was being developed, adjusted, and refined. As noted above, the two significant changes that occurred during the triennial period were the passage of Senate Bill 300, which temporarily provided additional funding, and the changes to the program to reduce costs that were approved in Commission Order No. 25,200. From a program process standpoint, no other substantive changes have occurred since the most recent evaluation, though continuous improvements have been implemented. It is recommended that the first report be revisited periodically as many of the observations and comments may continue to be relevant to the management of the program.

EAP is a complex system comprised of 5 independent non-profit CAAs, 4 independent utilities, an Advisory Board, the NH Public Utilities Commission, and a client base that faces continuous challenges. The program exists in a changing economic climate and can be affected by such unpredictable events or patterns such as weather or economic trends. The program overall appears to accomplish what it sets out to do and the system in place is functioning relatively efficiently. As such, this evaluation focused on the basic program systems. An overall observation is to add more rigor and / or detail to some of the basic program functions. However, staff capacity is often at the heart of how much can be accomplished with the resources available, and this report is sensitive to that fact.

The observations and considerations that follow are geared largely toward further refining administrative functions and improved communications at all levels, with many being characterized as *housekeeping*. The evaluation first answers the three main objective questions, and then articulates by topic the observations and recommendations.

### 5.1 **Whether the EAP has met the level of need, within the limits of the available Systems Benefits Charge (SBC) funds;**

This evaluation has determined that the EAP has met the level of need within the limits of the available funds during the triennial period. Some of the key objectives of the program are to provide benefits to approximately 30,000 customers, to target the greatest benefit to households in the lowest percentage poverty brackets, and to minimize the number of customers on a waiting list. As detailed above, two major adjustments to the program to keep in line with the objectives were the passage of Senate Bill 300 (SB300) on January 14, 2010, and the implementation of PUC Order No. 25,200. It is noted that the enrolled client number average for the triennial period was approximately 33,000, and at the end of the triennial period the wait list was at zero. The wait list presents an administrative burden and adds additional costs to the program to maintain it, and is difficult for customers who are eligible and in need of assistance. A chart illustrating the enrollment and wait list levels is attached as Appendix B. A review of the enrollment reports indicates that approximately 84% all clients fell into the 150% or lower FPG level over the course of the triennial period.

The EAP is constantly facing a host of challenges that can range from weather patterns to macro-economic trends. For example, the winter of 2011/12 experienced unusually warm weather. Conversely, an unusually hot summer could also trend electric needs upward. Economic factors resulting from the 2009 recession may have forced more clients into multi-generational housing situations resulting in fewer client households. The EAP Advisory Board is constantly evaluating data, and has been able to make adjustments to achieve the overall objectives.

An important note to add is the changing environment of retail competition in the electric industry. New companies are advertising lower prices for electricity, and anecdotally there is evidence to suggest that information from these new companies regarding eligibility for EAP discounts is being communicated or interpreted incorrectly, or both. It is strongly advised that reliable information is gathered and distributed so that customers can understand whether they can use their EAP discount if they choose to purchase electricity from a competitive supplier.

## **5.2 Whether the EAP conforms to program design guidelines**

Overall OEP's evaluation indicates that the EAP is largely conforming to the program design guidelines. The procedure manuals provide precise guidelines and requirements for the program operation. Any changes to those requirements would necessitate updating the appropriate manual. OEP recommends a scheduled periodic review and update of the respective reports to ensure accuracy. In conjunction with a periodic review of the manuals, the *Schedule of Reports* provided at Appendix C should also be reviewed.

## **5.3 Whether the EAP operates efficiently.**

This process evaluation indicates that the fiscal oversight and fiscal management aspects of the EAP operate efficiently. Implementation of other aspects of the program requires daily communication and data/information exchange between the individual CAAs and the individual utilities. This, combined with the fact that the program is designed to enroll and remove customers on a continuous basis throughout the year, makes the process administratively complex. Areas for possible improvement are addressed below in section 5.4.

As noted above, the EAP is a complex system with many moving parts, including some unpredictable elements. EAP is successful because the CAAs, utilities, PUC Staff, and the Advisory Board work in a very cooperative fashion to ensure that the overall EAP objectives are met.

## **5.4 Suggestions and Recommendations**

**5.4.1 Procedure Manuals** - The four procedure manuals prescribe program operations. All program manuals are now dated and distributed in a PDF format, which is helpful. The Monitoring and Evaluation Manual was last updated over 5 years ago. OEP suggests that this manual be reviewed to ensure that it is current. PUC Audits and Commission Orders will on occasion suggest or direct a change to a manual. It would be advantageous for all manuals to be constructed using a consistent format for purposes of clear presentation and effecting on-going reviews and updates more easily. It is also important for all parties to follow the

guidelines for report generation and distribution. To that end, the schedule should be reviewed for accuracy, updated as necessary, and in the end correspond to the procedure manuals' requirements. OEP recommends that items requiring an annual report have a specific due date prescribed. OEP also recommends that each procedure manual be reviewed in its entirety prior to the next Performance Evaluation in 2016.

**5.4.2 Reporting** – The procedure manuals include many required reports, but other reports may be necessary and / or useful. The *Schedule of Reports* is a working document in that it presents the full range of current reports known and can provide a platform for consideration by the Board regarding report discussion and dissemination. Part of the intent of presenting the schedule is to assist the Advisory Board in determining whether there are alternative formats of reporting that may be useful to their comprehension of the program, for decision-making, or to offer different perspectives that may benefit decisions and changes. Additionally, OEP recommends that different reports are reviewed / audited periodically. As an example, a report of the kWh usage of PSNH-EAP customers enrolled for the full twelve months of 2012 was reviewed for this report and the information is attached as Appendix D. It is noted that some customers use far in excess of the average kWh usage. While the EAP benefit is capped at 700 kWh, this data is useful to help to identify customers that might be in need of other assistance programs, such as Weatherization. In addition, OEP suggests evaluating the transfer of report data between CAAs and utilities to further ensure efficiency. Consideration should be given to all reports being submitted electronically using the same software program (ex. Excel) on the same submission schedule. Examples of these reports might include those for enrollment, denial, and removal.

**5.4.3 Audits** – Among the wealth of information contained in the annual PUC audits are specifically identified issues. Most issues appear to be resolved expeditiously. The PUC Audits for all three of the program years were reviewed. Any outstanding “Audit Issues” should be resolved in a timely fashion, and are typically addressed expeditiously. OEP is in the process of rectifying Issue #1 noted in the Program Year 2012 Final Audit.

**5.4.4 Compliance Reports** – Compliance reporting represents an opportunity to both evaluate the effectiveness and functioning of an intake site. It is also an opportunity to gather important information and feedback directly from the intake specialists. The CAA Administrator employs a standardized form for each compliance site visit in order to create consistency in the data collected and to provide retrievable and measurable information. OEP suggested to the EAP and FAP Administrators that a client survey could provide feedback that may be useful to the programs, and could be administered at intake sites. OEP recommends that the Advisory Board considering conducting such a survey in the current triennium.

**5.4.5 Outreach** – Outreach is identified in several documents as a key component for success of the program, most particularly in section 4.1 of the CAA Procedures Manual. Review of this section is highly advised. Each CAA is required to submit an outreach plan 90 days prior to the start of each program year. The EAP Administrator submitted and OEP reviewed 2012-13 plans for all five CAAs. OEP suggests that to the extent possible all plans should use a similar format and include the date and author. OEP is charged with presenting a summary of these plans, also in section 4.1, to the Advisory Board annually, but there is no record of this



having occurred during the period covered by this evaluation. This provision should be reviewed by the Board and OEP to determine what actions might be appropriate going forward. OEP suggests that the EAP Administrator provide copies of these plans to the Advisory Board for consideration at a future meeting.

Coordination of outreach is an area where efficiencies could be found as the content matter should be similar across all CAAs. Avoiding duplication of efforts and redundancy can have significant financial savings and produce other efficiencies. Outreach is the responsibility of the CAAs, but utilities maintain their own outreach and customer relation programs and the potential exists for further cooperation in this area. The Advisory Board should explore possibilities for greater coordination. OEP notes that the program is reaching its target of serving 30,000 clients, so consideration should perhaps be given more to efficiencies in production and delivery, as opposed to increasing outreach efforts. A coordinated meeting including all CAAs was held on July 31, 2012 to discuss outreach. PSNH staff presented a session on how utilities can help reach potential clients. Brainstorming was a goal of the event and a list of action items was generated. The Advisory Board should review those potential items and determine next steps.

**5.4.6 Organizational Structure and Alignment** – It has been noted that the EAP and FAP have both distinct similarities as well as differences. These two programs, along with weatherization and other energy conservation related programs, share similar goals of assisting low-income customers with reducing their energy bills. Closer contact and coordination among and between programs could result in benefits such as sharing administrative resources, improved communication, increased interaction opportunities, more cost effective programmatic material development and dispersal, and overall a more unified approach to client service. OEP suggests that these opportunities be periodically evaluated, especially if other major program changes occur.

**5.4.7 Advisory Board** – The Board plays an important role in the management of EAP. Members bring a spectrum of skills and backgrounds with many having deep roots in the program since its inception. As the program enters its second decade, it is a time to look forward. OEP recommends that the Board review its own functions. Topics to examine and explore might include:

- Revisit the Rules of Governance - last revision was March 26, 2003.
- Review current Advisory Board list, consider other skill sets/representation desired.
- The NH Welfare Director's Association position is vacant on the Board.
- Discuss whether other types, styles, or frequency of meetings would be valuable.
- Consider an annual retreat to address larger and more complex issues. Brainstorm a list of topics that would be useful to consider for this expanded meeting format.
- Invite guest speakers or participants to meetings / retreats
- Consider opportunities for increased inclusion of CAA staff at all levels to gain the benefit of their perspectives in the process.
- For quarterly meetings that might otherwise be cancelled for lack of normal ongoing activity, consider addressing topics outside the norm by focusing on a dedicated topic.
- Institute a systematic agenda with the same format, this makes tracking issues easier.

- Use standard formatting for construction of all meeting minutes that corresponds with agendas. Final versions should be noted as such and dated. Consider using one minute taker for each year to increase consistency.
- Subcommittee activity should be fully reported and included in Board minutes.
- Review the report schedule such that the Board agrees on which reports they would like to receive and at what interval. For example, the Board may elect to receive the monthly enrollment reports, or members might be better served by receiving reports or materials a set time in advance of each meeting.
- Consider reviewing individual reports periodically.
- Materials generated at Advisory Board meeting should be forwarded to the OEP – EAP dedicated mailbox to assist with Process Evaluations.

**5.4.8 Utilities** – Two notable changes have occurred with utilities. In April 2012 Northeast Utilities and NStar completed a company merger, and in July 2012 Liberty Utilities acquired National Grid’s electric and gas distribution in NH. These changes may bring opportunities. One particular area to explore is technology. For example, Liberty Utilities will be making major technological upgrades. Regular communication and dedicated meetings among and between CAAs and utility companies would be valuable as technology is constantly changing.

#### **5.4.9 Office of Energy and Planning**

The OEP has two major responsibilities for EAP as articulated in the OEP / PUC Memorandum of Agreement. The first is to participate in quarterly Advisory Board meetings to participate in the on-going oversight and monitoring of the EAP. The second is to prepare the triennial process evaluations. To better address these tasks, OEP is investigating the possibility of creating a dedicated e-mail address so the distribution of all EAP generated materials so that they can be received, reviewed, and stored centrally for use in the evaluations. As noted above OEP will also review the Outreach annual reporting requirement.

## **6. SUMMARY**

EAP is a large, complex, and important program serving a critical need in the State. A simple analogy of the program offered by an Advisory Board member is that of EAP as a three-legged stool. The legs of the program are: Fiscal Integrity and Accountability; Benefits to the Clients; and Workability of the Program. If all three legs are in place the program is stable. Conversely, a deficiency in any one of the legs would cause the program to function less than optimally. This Process Evaluation concludes that all three legs are working as designed and the stool is quite stable. EAP functions as intended, and the client base is receiving the necessary services.

OEP notes that the parties involved in managing and overseeing EAP work together in a very collaborative fashion, which provides great benefits to the efficiency and effectiveness of the program. We also commend the Advisory Board for thoughtfully reviewing the 2010 Process Evaluation finding and recommendations, and we look forward to working with the Board as it reviews and considers this 2013 Process Evaluation.

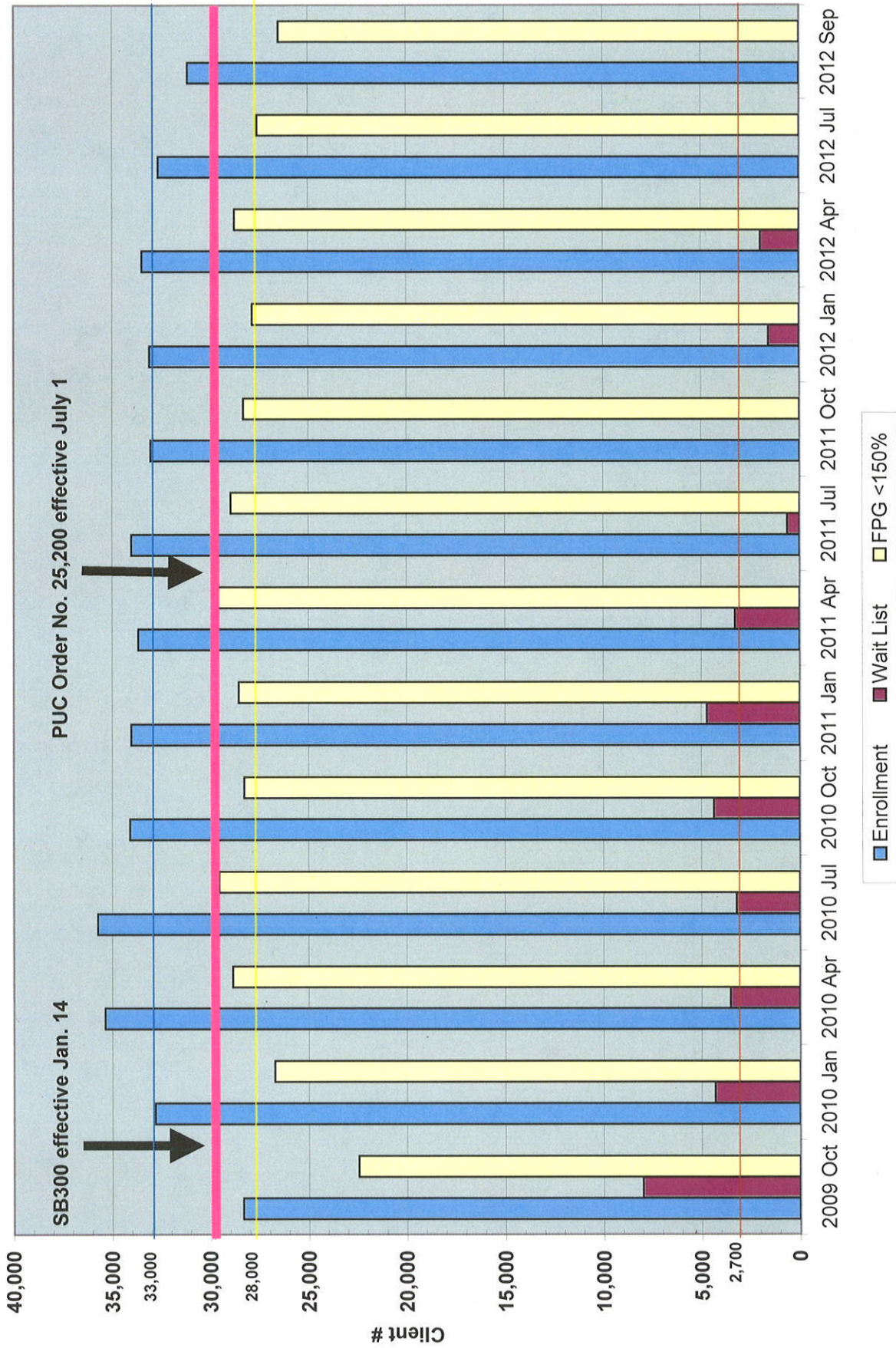
7. **APPENDIX**

- A. List of Current EAP Advisory Board Members
- B. Enrollment and Waitlist Graph
- C. Schedule of Reports
- D. PSNH EAP Average kWh Usage 2012

<b>Name</b>	<b>Representing (* = voting member)</b>	<b>Phone #</b>	<b>E-mail</b>
Alan Linder	The Way Home*	800-921-1115 x 2802	<a href="mailto:alinder@nhla.org">alinder@nhla.org</a>
Diane Pitts	The Way Home*	627-3491	<a href="mailto:dianne@thewayhome.org">dianne@thewayhome.org</a>
Amanda Noonan	NHPUC*	271-1164	<a href="mailto:amanda.noonan@puc.nh.gov">amanda.noonan@puc.nh.gov</a>
Celeste Lovett	NH OEP / LIHEAP*	271-8317	<a href="mailto:celeste.lovett@nh.gov">celeste.lovett@nh.gov</a>
Cynthia Trottier	PSNH*	634-2624	<a href="mailto:cynthia.trottier@nu.com">cynthia.trottier@nu.com</a>
Gil Gelineau	PSNH*	634-2727	<a href="mailto:gilbert.gelineau@nu.com">gilbert.gelineau@nu.com</a>
Kathleen Orrick	NStar*		<a href="mailto:kathleen.orrick@nstar.com">kathleen.orrick@nstar.com</a>
Lisa Sheehy	NHEC*	800-698-2007 ext 8869	<a href="mailto:SheehyL@nhecc.com">SheehyL@nhecc.com</a>
Matt Minghella	Liberty Utilities*	328-2773	<a href="mailto:matthew.minghella@libertyutilities.com">matthew.minghella@libertyutilities.com</a>
Ralph Littlefield	BMAC - Lead Agency	225-3295	<a href="mailto:rlittlefield@b-mcap.org">rlittlefield@b-mcap.org</a>
Shannon Nolin	BMAC - Statewide EAP Director	225-3295	<a href="mailto:snolin@b-mcap.org">snolin@b-mcap.org</a>
Steve Eckberg	NH OCA	271-1175	<a href="mailto:stephen.eckberg@oca.nh.gov">stephen.eckberg@oca.nh.gov</a>
Sue Corson	Unitil*	227-4611	<a href="mailto:corson@unitil.com">corson@unitil.com</a>
Vacant	Municipal Welfare Directors Association*		
<b><u>Guests</u></b>			

# EAP Enrollment and Waitlist - Program Years 2010-2012

~ 3 year approximate averages: Enrollment 33,000, Wait List 2,700, FPG <150% = 84% of enrollment average ~



Reports / Audits / Etc.	By	For	Freq. / Due	Man.	Para.
CAA					
Recertification	CAA	Client - 12 or 24 Month Period	Ongoing - Rolling		
Poverty Level / Income	CAA	Adv. Board / program management	Annual /	M&E	3.1.3.3
Wait List	CAA	Adv. Board / program management	Weekly if waitlist	M&E	3.1.3.14
Denial report	CAA	Adv. Board / program management	Occasional	M&E	3.1.3.13
Bill to Income	CAA / Utilities	Adv. Board / program management	When requested	M&E	3.1.3.2
Demographics	CAA	Adv. Board / program management / TANF	Annual /	M&E	3.1.3.4
Enrollment Numbers (see Util)	CAA	Adv. Board / CAAs / Interested parties	Weekly	M&E	3.1.3.1
EAP / SWEAP Weekly	CAA	Adv. Board / CAAs / Interested parties	Tuesdays		
EAP Cert / Trans	CAA	Program Management	When requested		
Municipal Report by Town	CAA	Legislature	Annual / Sept.	M&E	3.1.3.11
Municipal Report by CAP	CAA	Legislature	Annual / Sept.		
Program Participation	CAA	Report has functional deficiency		M&E	3.1.3.5
PPA Retirement	No longer used				
Program Time Allocation	CAA-PM	EAP Program Director - In Annual Budget	Annual /	M&E	7.2.1
<b>EAP Program Administrator</b>					
Compliance Monitoring	Lead CAA	Adv. Board / PUC / interested parties	Annual / July	M&E	6.1
CAA Outreach Plans	All CAAs	EAP Program Director	Annual / Oct 1	CP	4.1.1
Copies to PUC & OEP	EAP Admin	PUC & OEP	Annual / Jul 1	CP	4.1.1
OEP Summary	OEP	Advisory Board - page 10 (not completed)	Annual	CP	4.1.1
CAA Program Staff Levels	Program Admin.	?????????	Annual	M&E	7.3.1
Program Time Allocation	Lead CAA	CAA-PM - In Annual Budget	Annual /	M&E	2.2.2.1
CAA Independent Audits	Program Admin.	Advisory Board / Commission		M&E	2.1.4
Administrative Costs Invoice	Program Admin.	Utilities / cc. PUC	Monthly	FP	3.8.3

Reports / Audits / Etc.	By	For	Freq. / Due	Manual	Para.
<b>Utilities</b>					
Bill to Income	CAA/Utilities	Ad Board / program management	When requested	M&E	3.1.3.1
Timely Payment	Utilities	Ad Board	When requested	M&E	3.1.3.6
Complete Payment	Utilities	Ad Board	When requested	M&E	3.1.3.8
Partial Payment	Utilities	Ad Board	When requested	M&E	3.1.3.9
No Payment	Utilities	Ad Board	When requested	M&E	3.1.3.10
Regular Payment	Utilities	Ad Board	When requested	M&E	3.1.3.12
Bills Behind	Utilities	Ad Board	When requested	M&E	3.1.3.7
Under Collection - Recon.	Utilities	PUC	Monthly if req.	FP	3.3.1
Over Collection - Recon.	Utilities	PUC	Monthly if req.	FP	3.4.1
Admin Costs	Utilities	PUC	Monthly	FP	3.8.1
Net SBC Bill & EAP discount	Utilities	???	Monthly	FP	6.3.1
Enrollment by Customer	CAA	Utilities	Daily	UP	8.1.1
Enrollment Data Discrepancy	Utilities	CAA	Daily	UP	8.1.2
Raw Data	Utilities	Program Administrator	Monthly	UP	8.2.1
Fiscal Data	Utilities		Monthly	UP	8.2.2
Program Data	Utilities	PUC	Monthly	UP	8.2.3
Aging report	Utilities	PUC	Monthly	UP	8.2.4
Reserve Fund Data	Utilities	PUC	Monthly	UP	8.2.5
Disconnection Data	Utilities	PUC	Monthly	UP	8.2.6
Annual Budget - Admin Cost	Utilities	OUC	Annual / Aug. 1	UP	8.3.1
Annual SBC Projections	Utilities	PUC & Adv. Board???	Annual	UP	8.3.2
<b>PUC - EAP</b>					
Rec. & Eval. of SBC			Annual / Oct. 1		
EAP Fund - Fiscal Status	PUC	Treasury	Monthly	FP - M&E	3.2.1 / 7.1.2
Depos., Withdraw & Interest	Treasury	PUC	Monthly	FP	3.2.2
???					3.5.1

Reports / Audits / Etc.	By	For	Freq. / Due	Man.	Para.
<b>Audits</b>					
Audits of 6 CAAs - A133	External Audit	Adv. Board / PUC / OEP	Annual / Rolling	FP	4.1
Audits of Utilities	PUC Auditors	Adv. Board / PUC / Utilities	Annual /	FP	4.2
Audits of OEP	PUC Auditors	Adv. Board / PUC / OEP	Annual /	FP	4.3
<b>OEP</b>					
Performance Evaluation	OEP	PUC / Adv. Board	3-year / April 1	M&E	2.2.1
PUC - OEP MOA	PUC-OEP	PUC-OEP	3-year / Oct 1		
Annual Budget	OEP	PUC	Annual	FP	3.8.4
<b>Procedure Manuals</b>					
M&E = Monitoring and Evaluation					
UP = Utilities Procedures					
FP = Financial procedures					
CAA - CAA Procedures					



**PSNH Residential EAP Customers**  
**Average kWh Usage for Twelve Months Ending December 2012**  
(includes only EAP customers with 12 months of bill history and 12 months on EAP)

**Total Number of Customers**

<b>kWh Category per month</b>	<b>All Tiers</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Tier 5</b>	<b>Tier 6</b>
		<b>(5%)</b>	<b>(7%)</b>	<b>(18%)</b>	<b>(33%)</b>	<b>(48%)</b>	<b>(70%)</b>
0 - 100 KWH	166	0	20	32	37	49	28
101 - 200 KWH	1,423	2	162	296	356	442	165
201 - 300 KWH	2,553	8	376	503	611	694	361
301 - 400 KWH	2,817	14	473	610	608	654	458
401 - 500 KWH	2,583	10	444	536	542	568	483
501 - 600 KWH	2,371	10	405	484	477	534	461
601 - 700 KWH	1,961	10	293	408	396	422	432
701 - 800 KWH	1,640	3	271	331	333	323	379
801 - 900 KWH	1,307	3	224	247	260	271	302
901 - 1,000 KWH	1,035	1	159	186	201	220	268
1,001 - 1,100 KWH	851	0	131	161	168	182	209
1,101 - 1,200 KWH	588	0	99	93	119	135	142
1,201 - 1,300 KWH	441	0	63	75	94	91	118
1,301 - 1,400 KWH	336	2	47	59	70	73	85
1,401 - 1,500 KWH	227	1	40	44	39	44	59
1,501 - 1,600 KWH	164	0	35	20	31	38	40
1,601 - 1,700 KWH	105	0	17	15	16	24	33
1,701 - 1,800 KWH	91	0	16	11	14	22	28
1,801 - 1,900 KWH	67	2	9	10	13	12	21
1,901 - 2,000 KWH	48	0	8	7	8	8	17
2,001 - 2,500 KWH	109	1	17	18	19	26	28
2,501 - 3,000 KWH	21	0	4	6	4	4	3
3,001 - 3,500 KWH	7	0	4	1	1	0	1
3,501 - 4,000 KWH	2	0	0	1	0	0	1
4,001 - 4,500 KWH	0	0	0	0	0	0	0
4,501 - 5,000 KWH	0	0	0	0	0	0	0
5,001 - 5,500 KWH	0	0	0	0	0	0	0
6,501 - 7,000 KWH	0	0	0	0	0	0	0
9,501 - 10,000 KW	0	0	0	0	0	0	0
	20,913	67	3,317	4,154	4,417	4,836	4,122

### PSNH EAP Average Monthly kWh Usage for 2012

(includes only EAP customers with 12 months of bill history and 12 months on EAP)

