

**New Hampshire
Electric Assistance Program
Triennial Process Evaluation**

of

Program Years 2016-2018

**April 1, 2019,
June 3, 2019 Revision**

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

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1. INTRODUCTION

This report summarizes the activities completed in the Triennial Process Evaluation (TPE) of the New Hampshire Electric Assistance Program (EAP), and provides recommendations for consideration to continue to improve EAP processes. The New Hampshire Office of Strategic Initiatives (OSI), formerly known as the New Hampshire Office of Energy and Planning (OEP) prior to July 1, 2017¹, conducted the evaluation as required by the New Hampshire Public Utilities Commission (PUC) in Order No. 24,820.² The process evaluation is intended to focus primarily on the three program years *beginning October 1, 2015 and ending September 30, 2018*. 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 PUC required that OEP perform a process evaluation of the EAP once every three years. As further detailed in the *EAP Monitoring and Evaluation Manual (dated August 10, 2018)*, *Section 2.2 and Section 4*, the process evaluation is intended to answer the following three questions:

- 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 questions 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 fourth process evaluation performed by OSI 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 2016 Process Evaluation Recommendations, and 4) 2019 Observations and Recommendations. Section 4 is organized based on the three broad focus areas listed above, with the recommendations at the end of section 4 presented topically for the purpose of highlighting specific program areas.

Acknowledgements: OSI would like to thank the following individuals for their cooperation and assistance: Shannon Nolin (EAP Program Administrator), Barbara Chellis (CAP-BMC Intake Specialist), Janice Johnson (Eversource), Tracy Desmarais (OSI Fuel Assistance Program

¹ References prior to July 2017 are to OEP and references since July 2017 are to OSI.

² Noah Hodgetts, an Assistant Planner at OSI was the Evaluator who conducted this TPE and is not involved in EAP on behalf of OSI in order to ensure independence in the evaluation.

Administrator), Sue Corson (Unitil), Nicole Harris (Liberty Utilities), Liza Reynolds (CAP-BMC EAP Specialist), Karen Emis-Williams (Concord Human Services Director), Kristenn LaPanne (CAPSC Fuel and Electric Assistance Manager), Rene Bailey (SWCS EAP Manager), Terra Rogers (SWCS Director of Energy and Employment Programs), Pam Newell (SNHS Electric Assistance Specialist), Amanda Noonan (PUC Consumer Services and External Affairs Director), Rorie Patterson (PUC Consumer Services and External Affairs Assistant Director), Gary Cronin (PUC Utility Analyst), Michele Sanschagrin (TCCA Lead Certifier/A16 Coordinator), Lisa Sheehy (NH Electric Cooperative), and Stephen Tower (NHLA Staff Attorney).

See **Appendix A** for a list of abbreviations and terms used throughout this report.

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 (Advisory Board) members; 2) Review of PUC 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 PUC Orders and associated supporting documentation, procedural manuals, Advisory Board Minutes, Community Action Agency (CAA) compliance review reports, PUC audit reports, annual CAA outreach plans, enrollment reports, sample reconciliation reports, etc. The Evaluator attended two Advisory Board meetings in the current program year on October 26, 2018 and January 25, 2019, and also conducted a visit to the Belknap-Merrimack County Community Action Program's central intake site on January 31, 2019. In addition, an *EAP Process Evaluation Workbook* assembled as part of the 2013 Process Evaluation 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 was updated.

Fifteen phone interviews and informal meetings were conducted with staff from each of the four participating electric utilities who serve on the Advisory Board, EAP program staff at each of the five CAAs, PUC Staff, the EAP Program Administrator, other Advisory Board members, and the NH Fuel Assistance Program Administrator. These meetings and interviews were intended to assess activity and actions taken as a result of the third TPE conducted in 2016, to identify current challenges the program faces and to identify any opportunities that might exist for process improvements. The greatest challenge identified since the last TPE was declining program enrollment. However, because no significant new issues have been identified since the last TPE which effect the day to day operation of the program; this evaluation focuses more attention on the 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 System Benefits Charge (SBC)

assessed on all customers of regulated electric utilities throughout the state.³ The SBC is currently set at 3.3 mills (\$0.0033) per kWh consumed⁴, with a maximum of 1.5 mills dedicated to low-income assistance by statute.⁵ The remaining SBC funds finance a range of efficiency programs administered by the electric utilities. EAP operates through a coordinated effort between New Hampshire’s five CAAs, the four electric utility companies (Unitil, Eversource (formerly Public Service of New Hampshire), Liberty Utilities (formerly National Grid), and NH Electric Cooperative), and the PUC Staff, with regulatory oversight by the PUC.

The EAP distributes electric discounts of 8% - 76% to households based on income. Households with lower incomes receive deeper discounts on their bills. The program divides the eligible population into five income “tiers” determined by the household’s income as a percentage of the federal poverty guidelines for a household of its size. Households earning 0 – 200% of the Federal Poverty Guidelines (FPG) are eligible for the program. The 2019 EAP Income Eligibility Guidelines by Discount Tier are attached as **Appendix B**.⁶

The PUC oversees all aspects of the program and budget and all changes are reviewed and approved by the PUC through a formal proceeding usually based on the advice of the Advisory Board. The Advisory Board meets quarterly and has members representing various parties involved in the program: PUC staff, the CAAs, the electric utilities, New Hampshire Legal Assistance, the Office of the Consumer Advocate (OCA) which represents residential customers at the PUC, OSI, and others. A list of the current members is attached as **Appendix C**. The Advisory 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 various roles of the parties involved in program administration are outlined in four 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 PUC Orders, document the guidelines for the program.

The CAAs are the primary liaison between potential clients and the program. The CAAs manage numerous programs to help New Hampshire’s vulnerable populations, including Head Start, food pantries, Meals on Wheels, transportation programs, the Weatherization Assistance Program (WAP), and the Fuel Assistance Program (FAP)⁷. With offices and intake sites across the state as well as trained staff, the CAAs are well prepared to work with low-income households and assess their needs in a hands-on way that the utilities cannot.

³ RSA 374-F:3,VI

⁴ RSA 369-B:3,IV (6)

⁵ RSA 374-F:4 VIII: (c) The portion of the system benefits charge due to programs for low-income customers shall not exceed 1.5 mills per kilowatt hour. If the commission determines that the low-income program fund has accumulated an excess of \$1,000,000 and that the excess is not likely to be substantially reduced over the next 12 months, it shall suspend collection of some or all of this portion of the system benefits charge for a period of time it deems reasonable.

⁶ PUC Order 25200 eliminated “Tier 1” on March 4, 2011

⁷ This program is also known as the Low Income Home Energy Assistance Program (LIHEAP).

Individuals connect with their CAA in many different ways, but at some point a CAA staff member will determine their eligibility for the EAP, including which tier of the program they qualify for, along with their eligibility for FAP and WAP. When an applicant visits a CAA intake site for an appointment, an intake staff member begins an application on the FAP/EAP software. Intake staff walk through the electronic application as the system prompts them to enter required information. This information is gathered from the documentation that applicants are asked to bring with them to the intake appointment. Applicants lacking required documentation are sent home with a list of the information missing for their application and a date by which they must provide it to continue with the process.

The specific criteria for determining eligibility or termination are detailed in the CAA Procedures Manual. The EAP enrolls households throughout the year on a continual basis. This is in contrast to the FAP which enrolls households once a year before/during the heating season. EAP recipients are eligible to receive their approved discount for 12 months (or 24 months if all members of the household are over age 65 and live on a fixed income) from the date that their utility company first applies the discount.⁸ Customers can be removed from the program if they have not applied for recertification upon their annual renewal date, if they are determined ineligible during 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.

Once a household is in the EAP system and assigned to a discount tier, the EAP software automatically transmits enrollment data via a secure connection to the appropriate utility which then adjusts its billing accordingly, charging less to the household on its monthly bill and utilizing SBC funds to cover the costs of the EAP discounts.

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

PUC staff members review monthly reconciliation information from the utilities to ensure accuracy and authorize the Treasury to make payments to the utilities if necessary. The PUC Audit Staff provides additional fiscal oversight through annual fiscal audits of the utilities and the CAAs. At the direction of the PUC, utilities analyze projected and actual revenues and current and projected expenditures to track the amount of funds remaining to be obligated, and provide information related to when it may be necessary to increase or decrease the flow of benefits.

⁸ CAA Procedures Manual, Section 1.11.1

The Advisory Board tries to keep a balance in the fund of greater than the \$5,000 minimum balance, but below the \$1 million cap set in state law, RSA 374-F:4, VIII(c).⁹ This balancing requires adjustments in the benefit levels (both the total amount paid out and how the benefits are allocated across income tiers). To prevent enrollment from getting too high, the program can stop enrolling households, put eligible households on a wait list, or change the rules to make fewer households eligible. The program can also control spending by putting a cap on the number of kilowatt-hours to which the discount is applied. If the unspent program balance is higher than expected, program benefits can be adjusted to give a greater benefit to individual households, the kilowatt-hours cap to which the discount is applied can be adjusted or removed, discount tiers can be changed, and/or some of the unspent monies can be allocated to other programs which aid low-income electric customers.

Total enrollment in the program is carefully managed to provide benefits to approximately 30,000 customers as specified by the PUC and detailed in the *EAP Monitoring and Evaluation Manual Section 3.1.2*. 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.

When a wait list was last in place in 2012, customers were certified as eligible, but notified via letter that they had been placed on the list. Wait-listed customers had to be re-certified every 12-24 months as appropriate. Enrollment was determined from a statewide wait list with the lowest FPG households being enrolled first. This policy was intended to promote the goal of targeting benefits to those customers most in need based on the customer's FPG ranking. At times this resulted in some eligible customers remaining on the wait list for a significant length of time.

Implementation of the program requires continuous communication and data flow between the CAAs and the utilities. The CAAs send a daily transmission, known as a Certification Notification Transaction, to each of the individual utilities. This identifies newly enrolled customers and their discount tier as well as changes for re-certified customers. This information is accessed by the utilities by email via a security-protected hyperlink. The CAAs also send Removal Notifications that list customers who are to be removed from the program. When the utilities receive these notifications, they update their customers' information and the changes are generally reflected in their next billing cycle.

The utilities send a Utility Transmission File back to the CAAs on a monthly basis. This file provides data that is stored in the EAP database and includes customer information, the utility enrollment date, actual bill amount, bill-to-income percentage, actual benefit amount, and other details specific to each customer. The CAAs scrutinize these transmissions to identify any inconsistencies between the utility data and the CAA's data. When inconsistencies are identified by CAA staff, the CAAs work with the utilities to correct the errors. Timely correction is critical since these errors are often reflected on the customer's bill. Corrections are not verified until after submission of the next month's Utility Transmission File.

⁹ See also RSA 369-B:3,IV(6).

3. RECENT PROGRAM HISTORY RELATING TO PROCESS

Summary overview of events relating to program years 2016-2018

Program Year 2016

- August 31, 2015 – Order No. 25,805 Approving 2015-2016 Program Budgets
- October 7, 2015 - PUC / OEP Memorandum of Agreement (MOA) approved for period ending 9/30/18
- October 22, 2015 – PUC Authorizes Eversource Payment of Civil Penalty to EAP
- March 7, 2016 – Advisory Board recommendation of extension of Order 25,643 until 6/30/16
- March 15, 2016 – PUC Approval of extension of Order 25,643 until 6/30/16
- April 7, 2016 – Advisory Board recommendation for EAP design changes
- April 29, 2016 – TPE submitted by OEP
- May 13, 2016 – Order No. 25,901 Approving Program Changes effective 7/1/16
- July 13, 2016 – Revised TPE submitted by OEP

Program Year 2017

- September 23, 2016 – Order No. 25,944 Approving 2016-2017 Program Budgets

Program Year 2018

- September 22, 2017 – Order No. 26,059 Approving 2017-2018 Program Budgets
- April 5, 2018 – Advisory Board recommendation for EAP design changes
- May 4, 2018 – Order No. 26,132 Approving Program Changes effective 10/1/18
- September 20, 2018 – PUC / OSI MOA approved for period ending 9/30/21

Program Year 2016

On August 31, 2015 the PUC issued *Order No. 25,805 Approving 2015-2016 Program Budgets*. This budget cycle included the \$20,000 expense associated with the TPE required to be conducted by OEP due April 1, 2016.

On October 7, 2015 the MOA between PUC and OEP was approved by the Governor and Executive Council for the three year period ending 9/30/18.

On October 22, 2015 the PUC authorized Eversource Energy's request to deposit the \$250,000 civil penalty imposed on it by Order No. 25,818 into the EAP fund.

On March 7, 2016 the Advisory Board submitted a proposal to the PUC requesting an extension of Order 25,643 issued on March 28, 2014 from the original April 30, 2016 deadline to June 30, 2016. Order 25,643 was issued to address a build-up of the EAP fund to \$3.27 million as of January 31, 2014 due to continued fluctuation in the EAP enrollment levels. Order 25,643 temporarily increased income eligibility from 175% FPG to 200% FPG for tier 2 to match the FAP income eligibility level at the time (the highest-income tier with the lowest discount rate) and also made modest increases in the EAP discount for tiers two, three, and four (but not tiers five or six) effective for 24 months. The goal was to expand eligibility and discount levels to

“deplete the surplus that has accumulated in the EAP fund” in accordance with RSA 374-F:4 VIII: (c).

The recommendation to delay the expiration of the higher income eligibility and benefits levels from April 30, 2016 to June 30, 2016 was made to minimize the impact on any existing EAP customers who would see their benefits reduced or eliminated as a result of the changes. The recommendation was made in light of the fact that the Advisory Board and PUC staff felt the EAP fund still had sufficient funds to maintain the higher benefit levels and income eligibility level through summer 2016 as a result of the receipt of the \$250,000 by the EAP fund in 2015. The \$250,000 was from the civil penalty assessed against Eversource by the PUC under Order No. 25,818. The Advisory Board also recommended a deadline of May 1, 2016 to file a recommendation for program changes, which would be effective July 1, 2016.

On March 15, 2016 the PUC issued a letter approving the Advisory Board’s recommendation to extend the increase in temporary benefit and income eligibility levels through June 30, 2016 and file a recommendation for additional program changes by May 1, 2016.

On April 7, 2016 the Advisory Board submitted a proposal regarding changes to the design of the EAP. These recommendations were made to ensure the continued sustainability of the EAP fund while minimizing the impact of reversing the temporary increase in benefit levels and income eligibility enacted by Order 25,643, which was set to expire on June 30, 2016. After examining thirteen different tier modification scenarios that would “support program sustainability while continuing meaningful benefits to participants”, the Advisory Board recommended that the increase in income eligibility from 175% to 200% FPG for tier 2 customers remain and that the benefit levels for each of the five tiers be reduced by one percentage point effective July 1, 2016.

On April 29, 2016 the third TPE was submitted by OEP to the PUC pursuant to PUC Order No. 24,820. The delayed filing of the third TPE was approved by the PUC in a letter dated March 14, 2016 as part of DE 07-009 Electric Assistance Program.

On May 13, 2016 the PUC issued *Order No. 25,901 Approving Program Changes*. The PUC approved the changes to the EAP design proposed by the Advisory Board, effective July 1, 2016. The PUC in response to a letter from the New Hampshire Electric Cooperative dated April 28, 2016, directed all utilities to implement these program changes on a bills rendered basis rather than a service rendered basis and granted a waiver of PUC Rule 1203.05 to the other participating utilities. The implementation of this order coincided with the expiration of Order 25,643.

On July 13, 2016 a revised version of the third TPE was submitted by OEP to the PUC pursuant to PUC Order No. 24,820 to reflect comments received from PUC staff on July 7, 2016. The evaluation was reviewed in detail at the Advisory Board’s July 22, 2016 meeting as noted in the minutes of that meeting as well as subsequent Advisory Board meetings on October 28, 2016; January 20, 2017; April 28, 2017; and July 28, 2017.

Program Year 2017

On September 23, 2016 the PUC issued *Order No. 25,944 Approving 2016-2017 Program Budgets*.

Program Year 2018:

On September 22, 2017 the PUC issued *Order No. 26,059 Approving 2017-2018 Program Budgets*. This budget cycle included a 1.86% increase in the CAA budget to account for required software upgrades amounting to \$34,287, the cost of which are shared with the FAP.

On April 5, 2018 the Advisory Board submitted a proposal regarding changes to the design of the EAP, effective October 1, 2018. The Advisory Board recommended the EAP discount be applied to the energy portion of the bill for those EAP participants who have chosen to procure their electricity from a competitive energy supplier. With this change, all EAP participants would receive the discount on the total bill, both delivery and energy, ending the penalty against customers who procure energy from a competitive supplier as opposed to a default energy service provider. The change was recommended after the Advisory Board spent a year studying the financial implications of the added benefit to the EAP fund and technology challenges to the utility's billing systems of implementing such a change.

The Advisory Board evaluated the financial impact of three different enrollment scenarios from this change and found the higher enrollment rate of 32,800 households, would deplete the EAP fund within two years. Therefore, the Advisory Board agreed to monitor the effect of this change on the fund closely. The Advisory Board further recommended that because competitive supply rates vary greatly, a proxy default service rate was to be used to calculate the energy portion of the bill for customers who procure their electricity from competitive suppliers. The Advisory Board also recommended requiring effected customers to use consolidated billing by the distribution utility (as opposed to direct billing by the competitive energy supplier) in order to receive the EAP discount on the energy portion of their bill.

On May 4, 2018 the PUC issued *Order No. 26,132 Approving the Advisory Board's April 5, 2018 recommendation to expand the EAP discount to the energy portion of the bill for EAP participants who have chosen a competitive energy supplier, effective October 1, 2018*. The PUC also ordered that once the necessary work was completed on the billing systems, utilities could submit a filing for cost recovery.

On September 20, 2018 the MOA between PUC and OSI was approved by the Governor and Executive Council for the three year period ending 9/30/21.

Ongoing Issues

The Advisory Board has been discussing potential upgrades to the EAP software used by the CAAs and EAP Program Administrator for the entire duration of the triennium. OSI took the lead on developing a Request for Proposals (RFP) to examine the software needs for the

EAP/FAP program. This effort stalled in 2018 due to personnel changes at OSI, but a new RFP is currently in the process of being developed.

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 Advisory 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 improvement to reporting and software.

4. REVIEW OF 2016 RECOMMENDATIONS AND RESPONSES

The following section reviews the 2016 Process Evaluation recommendations. For each of the six recommendations that were made in the process evaluation, an “Evaluator Response” has been provided by the Evaluator based on interviews with members of the Advisory Board and other stakeholders involved with EAP program administration (see 1.2 EVALUATION METHODS).

Recommendation 4.1 - Redefine the EAP Advisory Board’s membership or their roles

The PUC should change the structure of the EAP Advisory Board or the roles of its participants to make the Board better able to conduct meaningful analysis in order to offer the kind of advice the commission needs, and should provide the necessary staff to oversee the program. Technical issues should be addressed by members with technical expertise; advice on the distribution of benefits should come from those who work with and represent low-income households; issues of accountability and oversight should be in the hands of those with direct responsibility for managing public funds. The Board should also be able to access experts in these fields as needed to assist in these efforts. Appendix B (in 2016 evaluation) provides the 2003 EAP Advisory Board “Rules of Governance.” The Board should propose an updated version for the Commission to approve.

Evaluator Response: The current composition of the Advisory Board is made up of stakeholders that are involved in all aspects of program administration and represent all of the major parties involved with EAP including utilities, CAAs, PUC staff, OSI, and customers (represented by NHLA and Concord Human Services on behalf of the Municipal Welfare Directors Association). All Advisory Board members share the same goal of providing the most beneficial level of support to low-income electric customers throughout New Hampshire while maintaining the long-term sustainability of the program. Rigorous analysis is conducted by staff with the technical know-how and any changes in program design are considered at length and made very cautiously. Furthermore, the Advisory Board has effectively and diligently responded to changing program needs during the 2016-2018 triennium – i.e. expanding the EAP discount to the energy portion of the bill for EAP customers with competitive suppliers to ensure all EAP customers receive the same level of benefits. The Advisory Board is waiting to see the effect on the EAP fund balance before making any additional program design changes to respond to decreasing program enrollment. Therefore, a change in the composition of the Advisory Board is not warranted at this time and is likely to have a detrimental impact to the program. The Advisory Board adopted changes to the Rules of Governance at its April 28, 2017 meeting.

Recommendation 4.2 - Bring more discipline and analysis to EAP Advisory Board meetings and problem-solving

Members of the EAP Advisory Board, PUC staff, and the EAP Administrator should develop and adhere to a more structured approach to their work. Agendas and materials for Advisory Board meetings and conference calls should be distributed at least five business days before each meeting so members can be thoroughly prepared. Meeting minutes should be standardized and attended to with more care. Those materials should simultaneously be posted to the PUC’s website to ensure public access and compliance with RSA 91-A. The PUC should maintain files relating to the EAP, such as Advisory Board materials, audits, reports, and other documentation

in a location where they can be produced immediately upon request and accessed by the public. EAP manuals should be updated and recirculated immediately upon any change or adjustment to the program.

The Advisory Board should adopt and adhere to an annual timeline that incorporates a robust framework for program assessment. This should include formal program updates (independent audit results, budget analyses, compliance monitoring reports, etc.) to the Advisory Board by the EAP Administrator. A formal process to discuss and address problems and recommendations, whether brought by stakeholders or included in these Triennial Process Evaluations, should be in place.

Program staff should present to the Advisory Board a standard report each quarter conveying timely analysis of both the utility side of the program – spending on benefits by tier, changes in electricity costs, trends and projections for the EAP Fund balance – and the administrative side – enrollment trends and staffing, interactions with the Fuel Assistance Program, and administrative costs.

To implement these improvements, the Public Utilities Commission may need to restructure how it staffs and manages the program.

Evaluator Response: The Advisory Board adopted changes to the format of its minutes and minutes posting procedure at its October 28, 2016 meeting. The Advisory Board decided to use a standard, succinct format for minutes going forward that includes the identification of members present; the topics discussed (e.g., items on the agenda); any decisions made by the Advisory Board; any action items; the date of the next meeting; and any topics from the agenda to be carried forward to a future meeting. The Advisory Board also began posting approved meeting minutes on the PUC’s EAP webpage effective July 22, 2016. The format of minutes since this time have largely conformed to the agreed upon standardized format.

The Advisory Board has added many documents and reports to the PUC EAP website and any other reports that were not on the website needed for the TPE were readily available from PUC staff and the EAP Program Administrator including audits, program manuals, and compliance review reports. PUC staff monitor the fund balance of the EAP closely and review all utility monthly reconciliation reports while also providing the Advisory Board at the appropriate time EAP fund projections which have allowed for sound fiscal management of the fund to date. The EAP Program Administrator also ensures CAA compliance with all program procedures. Furthermore, the necessary data and reports are already able to be generated to create sound decisions. Therefore it would place an unnecessary burden on Advisory Board members at this time to institute additional assessment frameworks and reporting requirements.

Recommendation 4.3 - Increase the synergy between the Electric Assistance and Fuel Assistance programs

The Public Utilities Commission should encourage the EAP Advisory Board to build cost-effective links between the Electric Assistance Program and the Fuel Assistance Program. Because the two programs have different funding streams (one state, one federal) and accountability structures, this is challenging. But because both programs work through the

Community Action Agencies and serve a virtually identical set of households, progress is both possible and essential.

The two programs should adopt a single application and renewal process and eliminate the dual physical recordkeeping in place today. Harmonizing the software and data management required for the two programs should be a priority for both OEP and the Public Utilities Commission as harmonization has the potential to reduce administrative costs for both programs while increasing managers' ability to use data for analysis and program improvement. An integrated system should also improve the process the Community Action Agencies and utilities use to select homes for weatherization services.

Evaluator Response: All CAAs conduct dual EAP-FAP intake appointments, which has helped streamline the intake process for both programs. However because FAP is a federal program, while EAP is a state program there are some differences including the FAP-specific citizenship requirement which make further collaboration between the two programs difficult. The Advisory Board has periodically updated its process manuals to match the rules for the FAP program and is currently considering increasing the income eligibility limit for EAP from 200% FPG to 60% of State Median Income (SMI) to match the FAP income limits, which should further streamline dual qualifying customers for both programs. There are some issues with the current software which require income figures to be entered in both the FAP and EAP application and which limit the transfer of notes from the EAP portion of the software to the FAP portion of the software. CAA EAP administrators hope these issues would be addressed with any future software upgrades.

Recommendation 4.4 - Use the PUC website to improve transparency

OEP recommends that more information regarding the EAP be included on the Commission's website. Currently, basic information on the EAP is found on the consumer page of the website providing a brief outline of the program, the program's eligibility guidelines, and a link to another page discussing the five Community Action Agencies where one can apply for the Program. This information is helpful for potential applicants, but for those interested in policy or governance, more detailed information should be included here including a background on how and when EAP was created, how EAP is funded, where the money is spent, as well as references to the specific PUC orders and legislation pertaining to the program. This information is very difficult to find.

EAP Advisory Board meeting materials and minutes should be posted to the EAP webpage on the Commission's website. This would ensure that the EAP is operating transparently, in full accordance with state law, and providing public access to information on the decisions being made with public SBC funds.

Evaluator Response: All documents referenced in this recommendation including the Advisory Board Rules of Governance, Select PUC Orders Relating to EAP, EAP Dockets, SBC Annual Reports, and Legislation Pertaining to EAP as well as EAP meeting agendas and minutes can be easily found on the PUC EAP website.

Recommendation 4.5 - Expand the EAP analysis in the SBC Annual Report

The System Benefits Charge Annual Report should include an expanded section on the Electric Assistance Program with some of the analysis provided in this report, including a breakdown of administrative costs amongst the five community action agencies.

Evaluator Response: At the April 28, 2018 Advisory Board Meeting, the Advisory Board determined that the SBC Annual Report is a document produced by the PUC Commissioners, and, as such, it is not a document that the Advisory Board may contribute to.

Recommendation 4.6 - Contract with an independent organization for the next EAP evaluation of EAP

The PUC should contract with an independent organization to conduct the future Triennial Program Evaluations. A member of the Advisory Board should no longer conduct the evaluation.

Evaluator Response:

The Advisory Board concluded at its July 22, 2016 meeting that OEP is free to contract with a consultant for the TPE. However, OEP has chosen to conduct the evaluation itself in the past, and past evaluations have been undertaken by an OEP staff member who does not represent OEP on the Advisory Board. Further discussion about this took place at the April 28, 2017 Advisory Board meeting at which time the Advisory Board concluded that OEP was brought onto the Advisory Board solely to provide ongoing monitoring and evaluation of EAP and conduct the TPE. While the OSI FAP Administrator sits on the Advisory Board, neither the FAP Administrator nor anyone at OSI is involved with the day-to-day management of the program and therefore there is no appearance of impropriety by OSI conducting future TPEs. The Evaluator of this TPE has benefited from the institutional knowledge about EAP and EAP reference materials housed at OSI gained from OSI's completion of three previous TPEs.

5. 2019 OBSERVATIONS AND RECOMMENDATIONS

This fourth TPE also marks the conclusion of the seventeenth year of EAP. While the EAP struggled with long waitlists during the early years of the program, during the past triennium the greatest challenge EAP faced was declining enrollments due in part to a surging economy. Adjustments and revisions were made to the program during this period to expand income eligibility and benefit levels to address the rising surplus in the EAP fund caused by declining enrollment. As noted above, the three significant changes that occurred during the triennial period were (1) making the temporary expansion of income eligibility from 175% to 200% FPG for tier 2 customers permanent, (2) reducing benefit levels across all five tiers by one percentage point, approved in *PUC Order 25,901*, and (3) expanding the EAP benefit to the energy portion of the bill for customers that procure their electricity from competitive energy suppliers, approved in *PUC Order 26,132*. 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 previous process evaluations be revisited periodically as many of the observations and recommendations may continue to be relevant to the management of the program.

EAP is a complex system comprised of five independent non-profit CAAs, four independent utilities, an Advisory Board, the PUC, 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 functions quite efficiently. Furthermore, many of the recommendations of previous evaluations have been adopted, which have increased the effectiveness of the program. However, as mentioned above EAP faces persistent declining enrollments and a software system which dates back to 2000. As such, this evaluation focused on basic program operations as well as methods for combatting declining enrollment while maintaining the long-term sustainability of the program.

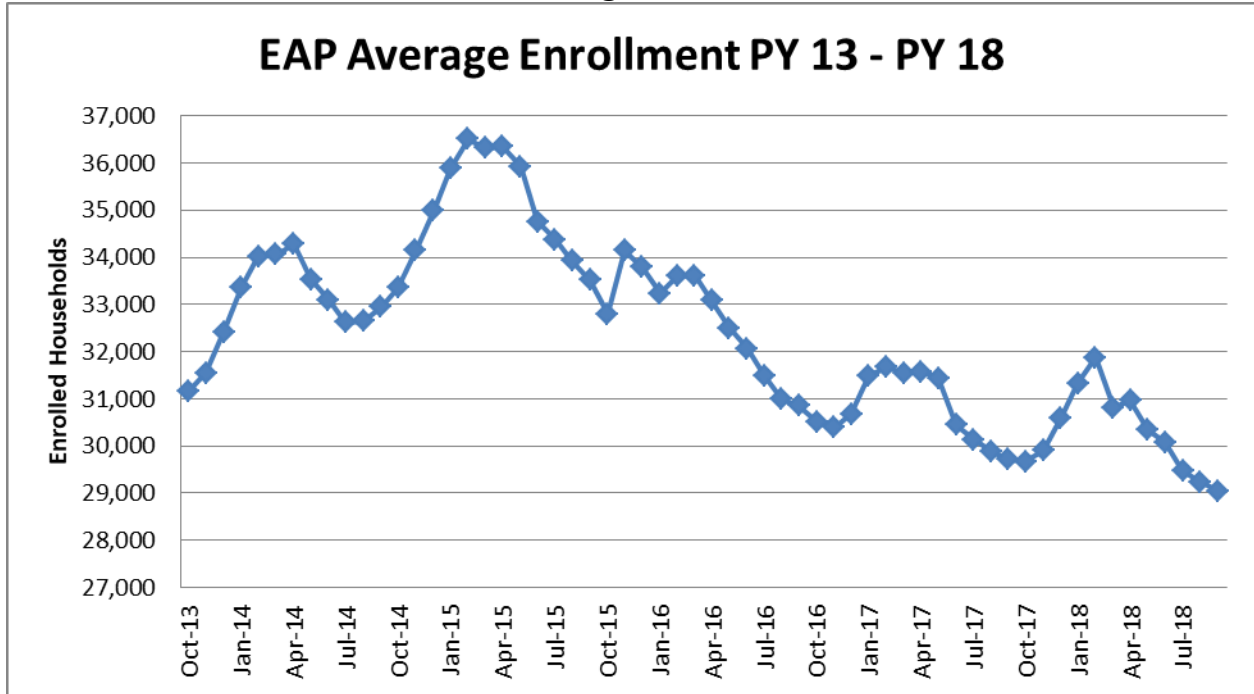
The observations and considerations that follow are geared largely toward further refining administrative functions and improved communications at all levels, with many being characterized as *housekeeping*. The evaluation first answers the three main objective questions, and then articulates by topic 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: (1) provide benefits to approximately 30,000 customers, (2) to target the greatest benefit to households in the lowest percentage poverty brackets, (3) and to minimize the number of customers on a waiting list.¹⁰ **Figure 1** below shows average enrollment between October 2013 and September 2018. EAP has not had a waiting list since May 27, 2012 and there was no waiting list anytime during the past triennium.

¹⁰ EAP Monitoring and Evaluation Procedures Manual, August 10, 2018, Section 3.1.2

Figure 1

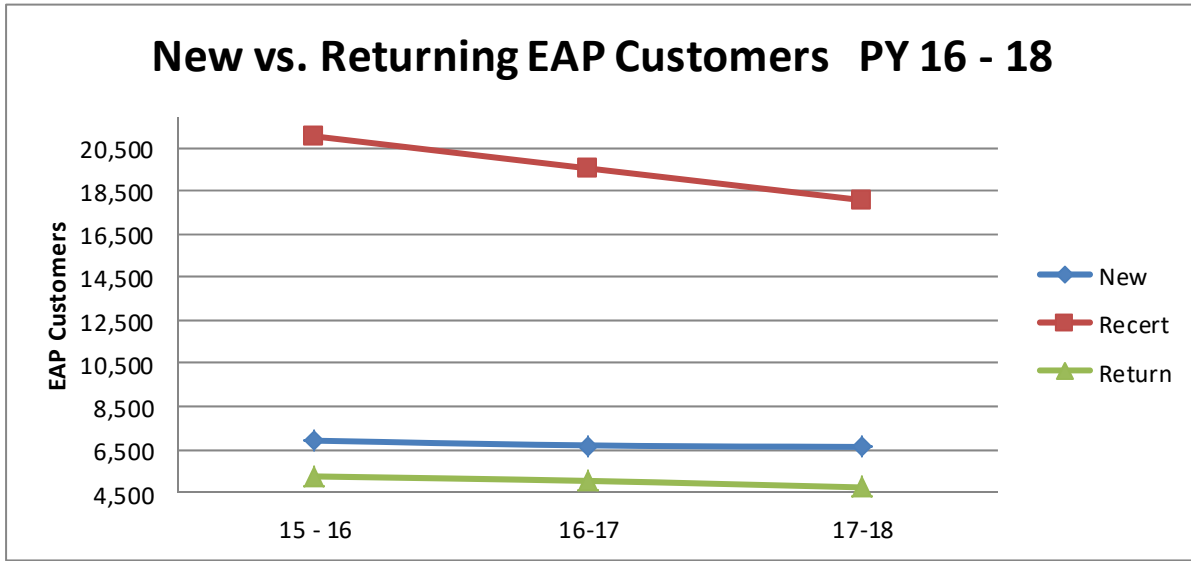


Source: New Hampshire Public Utilities Commission from utility submitted data

While the number of EAP households for the triennial period covering October 2015 – September 2018 averaged 31,250, overall the number of households declined throughout the triennium, save for a few increases in enrollment during the winter season (October – March) when heating and electric needs are greatest. EAP enrollment reached the lowest level during the triennium in September 2018 (29,042) since December 2009. While the number of enrollees has fallen slightly below the 30,000 households’ target, EAP is meeting the objective to target the greatest benefit to households in the lowest percentage poverty brackets. This is evidenced by the fact that 78% of all clients fell into the 150% or lower FPG level over the course of the triennial period. The program also met and exceeded the objective to minimize the number of customers on a waiting list, evidenced by the lack of a waiting list during the duration of the triennium.

It is important to note that low-income utility assistance programs across the country have reported declining enrollments over the past several years according to the National Energy and Utility Affordability Coalition so this does not appear to be a New Hampshire or EAP specific issue. The NH FAP Administrator also mentioned that FAP saw similar declines in enrollment during the triennium period. An analysis of EAP enrollment and recertification data for the triennium illustrated in **Figure 2** below also shows that while new enrollments per year remained relatively steady throughout the triennium, the number of households recertifying each year significantly declined. This pattern was consistent across all CAAs and the consensus among CAA staff involved with EAP is that this is likely due to household’s economic situations improving during this period and consequently no longer income qualifying for EAP or not wanting to go through the hassle of recertifying.

Figure 2



Source: EAP Applications by Type Report for October 2015 – September 2018

An analysis of the enrollment data also revealed that while enrollment of households with children under 6 climbed from 2,709 during Program Year 2016 to 2,964 in Program Year 2017 and 3,106 in Program Year 2018, the number of elderly households steadily dropped from 6,629 in Program Year 2016 to 6,377 in Program Year 2017 and 5,366 in Program Year 2018.¹¹ This pattern is somewhat counter intuitive since statewide, the number of children under 6 fell during this time, while the elderly population continues to grow according to U.S. Census data. This points to a growing need for assistance by young families and a shrinking need among New Hampshire’s seniors. However, additional analysis beyond the scope of this report is needed to confirm this finding.

While previous TPEs have questioned whether EAP is meeting the level of need based on the large number of households earning at or below 200% FPG that are not served by EAP, stakeholders involved with the administration of the program noted that (a) there is very little available data on the number of renters who don't have electricity included in their rent and would qualify for EAP, (b) while many college students are listed as earning at or below 200% FPG due to earning little to no income while in college, many are living on a college campus in which electricity is included in room and board and therefore wouldn't qualify for EAP. Therefore, it is very hard to calculate an exact number of eligible households that EAP does not serve, but it is likely significantly lower than noted in previous TPEs. Many stakeholders interviewed also noted that there is a large stigmatized population including elderly and veterans who are eligible for EAP discounts, but are reluctant to receive benefits. There is also a significant elderly population that believe some folks have it worse than them and need the benefit more, but who may be eligible and none the less don't apply. While additional outreach

¹¹ EAP Demographics Report for October 2015 – September 2018

should be done to these segments of the population, CAA staff indicated that often times even the best outreach can't convince members of these populations to enroll in EAP.

The EAP is also constantly facing a host of challenges that can range from weather patterns to macro-economic trends. For example, an extremely cold winter or an unusually hot summer could trend electric needs upward. While New Hampshire's strong economy marked by record low unemployment and poverty levels has pushed enrollment levels to record low levels, Advisory Board members are mindful of the fact that when the economy changes direction sometime in the coming years, enrollment numbers will likely also rebound. The Advisory Board is constantly evaluating data, and is in a sound position to make adjustments to EAP's program design to continue achieving EAP's overall objectives when the economy begins to recede.

5.2 Whether the EAP conforms to program design guidelines

Overall OSI's evaluation indicates that the EAP is largely conforming to program design guidelines. Program administrators including CAA staff and utility providers could not identify any situations that the current manuals do not cover and believe that the day-to-day operation of the program conforms to all guidelines laid out in the four procedure manuals.

The procedure manuals provide precise guidelines and requirements for the program operation. The manuals are periodically updated as program administrators become aware of situations and changes in law that the manuals do not address. The Utility Procedures manual was updated after the October 27, 2017 Advisory Board meeting to clarify that the EAP discount does not extend to the outdoor lighting portion of a customers' bills¹². The Utility Procedures Manual was updated after the April 27, 2018 meeting to note that the EAP discount does not apply to electricity usage from electric vehicle charging stations.¹³ All manuals were last reviewed and updated on August 10, 2018 and filed with the PUC on August 13, 2018. The Advisory Board discussed and approved each change. The following updates were made as part of the August 10, 2018 procedure manuals update: (1) the Utility Procedures Manual was updated to note that while the SBC for customers that are utilizing net metering is to be collected on gross kilowatt hour usage, the EAP discount is to be applied only to the net kilowatt hour usage in accordance with the PUC's Order in DE 16-576. (2) The CAA Procedures Manual was changed to remove Supplemental Security Income (SSI) received by minor children from countable income, based on the August 2, 2016 NH State Supreme Court ruling. (3) The CAA Procedures Manual was updated to align with the utilities' practice of applying the EAP discount to an account if the benefits are in the name of a household member other than the customer, which is often the case for customers with a disability or medical condition.¹⁴ (4) The Utility Procedures Manual implements the requirement that EAP benefits apply to competitive supply costs, pursuant to the PUC's order in DE 18-057.

¹² October 27, 2017 Advisory Board meeting minutes

¹³ April 27, 2018 Advisory Board meeting minutes

¹⁴ March 27, 2018 Advisory Board meeting minutes

5.3 Whether the EAP operates efficiently.

Given the complexity of the program, nearly all stakeholders interviewed believe EAP operates relatively efficiently for a relatively low cost. This process evaluation indicates that the fiscal oversight and fiscal management aspects of the EAP including the monthly utility reconciliation process and disbursement of EAP benefits operate efficiently with the exception of a few cases where a utility was late in paying back the surplus amount of EAP SBC funds collected to the State Treasury as noted in the PUC EAP audits. 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. While most of this process is done automatically, CAA staff noted several instances where the CAA was not informed of a customer withdrawing their service or moving by the utility. Areas for possible improvement are addressed below in section 5.4. Program administration costs remained nearly flat during the triennium save for monies spent to update the CAAs computer servers, which was split with the FAP program.

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. All manuals were reviewed and updated on August 10, 2018. PUC Audits and PUC Orders will on occasion suggest or direct a change to a manual. **OSI recommends that each procedure manual be reviewed in its entirety prior to the next TPE in 2022. Based on feedback from several stakeholders, OSI recommends that CAA program administrators make sure all CAA intake staff are familiar with *CAA Manual, Section 1.3*, which states that prospective customers can income qualify for EAP based on their income in the past 30 days or the past 365 days.** Conforming to this section is also important for determining the correct tier a customer should be placed in.

5.4.2 Reporting – The procedure manuals include many required reports, but other reports may be necessary and / or useful. The evaluator who conducted the 2013 TPE produced a Schedule of Reports, attached as **Appendix D**, which has been updated as part of this evaluation based on the requirements for report generation set out in the four manuals. The Schedule of Reports was intended to be a working document in that it presents the full range of current reports known and can provide a platform for consideration by the Advisory Board regarding report discussion and dissemination. It is also important for all parties to follow the guidelines for report generation and distribution. **OSI recommends that the Schedule of Reports should be reviewed for accuracy and updated with attention paid to what reports are most necessary, and in the end correspond to the procedure manuals' requirements. The procedure manuals should**

be updated accordingly if the Advisory Board makes changes to the reporting requirements. OSI also suggests that the categories for application denial should be standardized across CAAs for comparison of denial data among CAAs. In addition, OSI suggests evaluating the transfer of report data between CAAs and utilities to further ensure efficiency. This would address the Utilities concern that enrollment data doesn't always get fully transferred from the CAA to the Utility during high enrollment periods. It would also address CAA's desire to receive a weekly report of EAP customers who have changed their address/disconnected their service from the respective utilities.

5.4.3 Audits – The PUC Audits for two of the three program years were reviewed as part of this evaluation. Among the wealth of information contained in the annual PUC audits are specifically identified issues. The 2015 - 2016 and 2016 - 2017 audits revealed minor isolated issues with regard to timeliness of utilities filing utility budgets, invoices, reconciliation reports (as required by *Procedures Manual Sections 3.3 & 3.4*), and PUC Treasury reports; as well as utilities timelessness of payments of over collection of SBC funds to the state treasury. The audits also noted minor issues with CAAs adhering to the 45-day recertification window and date stamping applications when they are received. These and other outstanding “Audit Issues” were addressed expeditiously by the EAP Program Administrator as noted in the respective audits and CAA compliance review annual reports and were resolved in a timely fashion. The Audit for Program Year 2017-2018 was not completed in time for review as part of this process evaluation. **OSI recommends that best efforts be made to expedite completion of the audit prior to April 1st during years the TPE is to be completed, so that the evaluator has a chance to review the audits from all three program years of the triennium before completing his/her evaluation.**

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 EAP Program 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. While the compliance review reports contain a wealth of data on the applications processed by each CAA as well as any challenges they had complying with program design guidelines, the reports lack any data on customer satisfaction with the program. A survey of EAP clients was last conducted in 2010. **OSI recommends that the Advisory Board consider conducting an anonymous client survey in the current triennium, to be administered at CAA intake sites at the conclusion of intake/recertification appointments. Such a survey could provide valuable feedback about program administration and help answer questions such as how new EAP customers are finding out about the program.**

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 Program Administrator submitted and OSI reviewed outreach plans for all five CAAs for all three program years that are the subject of this evaluation. While efforts have been made to standardize the format of each CAA's outreach plan, the plans vary in specificity with some CAAs providing one outreach plan for all of their intake sites while other CAAs have created intake site specific outreach plans. **OSI is charged**

with presenting a summary of these outreach plans noted in 4.1.1 of the CAA Procedures Manual, to the Advisory Board annually, but there is no record of this having occurred during the period covered by this TPE. This provision should be reviewed by the Advisory Board and OSI to determine what actions might be appropriate going forward. OSI suggests that the EAP Program 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. OSI notes that the program is just shy of meeting its target of serving 30,000 clients and meeting the enrollment target going forward is likely to remain a challenge unless the economy changes direction. Therefore, consideration should be made to increasing sharing of most effective outreach strategies among CAAs to help improve outreach efforts and increase program enrollment. A limited discussion of outreach strategies for increasing enrollment occurred at the July 27, 2018 Advisory Board meeting. The discussion successfully resulted in all CAAs increasing distribution of mail-out applications, which has been found to be a successful outreach strategy. However, a broader conversation with CAA staff involvement is needed to address the declining enrollment trend. While each of the Compliance Review Annual Reports for the triennium noted that the EAP Program Administrator “would host an outreach/barriers meeting over the summer to facilitate sharing of outreach methods, materials, etc. among the CAAs” there is no record that any such meeting took place during the duration of the triennium.

OSI recommends that the EAP Program Administrator host an outreach/barriers meeting in the summer of 2019 for CAAs and other interested stakeholders including the utilities, to share outreach strategies which have been most effective and methods to increase coordination among CAAs and utilities with regards to outreach. Such outreach strategies which have been found to be most successful include CAA outreach to low-income/elderly housing complexes, outreach at community events/community groups, and outreach to landlords with section 8 tenants. Such an outreach meeting could also be valuable for developing strategies to remove barriers to reaching hard-to-reach, stigmatized populations including: (1) elderly households and veterans who are eligible for EAP, but are reluctant to receive benefits, (2) elderly households that believe some folks have it worse than them and need the benefit more, (3) immigrant non-English speaking communities, and (4) young families with children.

Based on stakeholder feedback OSI also recommends that the Advisory Board consider partnering with local community radio and TV stations who would advertise the EAP program at no cost. OSI also recommends based on stakeholder feedback that the Advisory Board explore additional coordination with the New Hampshire Department of Health and Human Services (DHHS) so that DHHS can advertise EAP to its clients, who often are the same population seeking EAP benefits. A first step could be to see if DHHS would be

interested in CAAs training them about the specifics of the EAP program so that DHHS could make referrals of potential EAP clients to the CAAs.

Additionally, the Advisory Board should explore avenues for increased circulation of EAP brochures to raise further awareness about the program among populations who may not be familiar with their area CAA. All CAAs should also consider putting their EAP intake document checklist and paper application online as this has proven to be a very successful strategy for TCCA in reaching younger families who don't have time to come in for an intake appointment and are comfortable submitting their information electronically.

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. All CAAs conduct dual EAP-FAP intake appointments and the EAP and FAP Program Administrators share information at FAP and EAP directors meetings. However, current differences in income eligibility requirements mean that a customer might qualify for FAP, but not EAP. **OSI recommends that the Advisory Board continue discussion of increasing the income eligibility limit for EAP from 200% FPG to 60% of SMI to match the FAP income limits. Doing so would further streamline dual qualifying customers for both programs. OSI also suggests that EAP eligibility requirements should be reviewed again if/when FAP eligibility requirements change.**

5.4.7 Advisory Board – The Advisory Board plays an important role in the management of EAP. Members bring a spectrum of skills and backgrounds with a few having deep roots in the program since its inception. The current composition of the Advisory Board is made up of stakeholders that are involved in all aspects of program administration and represent all of the major constituencies including utilities, CAAs, PUC staff, OSI, and customers (represented by NHLA and Concord Human Services on behalf of the Municipal Welfare Directors Association). Therefore the make-up of the Advisory Board appears sufficient for continued efficient administration of EAP. **However, OSI recommends that the Advisory Board review its own functions. Topics to examine and explore include:**

- **Consider sending a member of the Advisory Board to the National Energy and Utility Affordability Coalition Annual Conference to learn about best practices of other state's low-income utility assistance programs. Currently, one of the OSI representatives on the Advisory Board attends this conference in her capacity as FAP Administrator. CAA's Energy Directors and the EAP Program Administrator have also attended this conference on occasion in the past.**
- **Review compliance with RSA 91-A as relates to posting of meeting notices in at least two places (including the PUC EAP website), and publishing draft meeting minutes within five business days after a meeting for public inspection (RSA 91-A:2(II)).**
- **Consider opportunities for increased inclusion of CAA staff at all levels to gain the benefit of their perspectives in the process.**
- **Subcommittee activity should be fully reported and included in Advisory Board minutes.**

- **Review the Schedule of Reports, attached as Appendix D, such that the Advisory Board agrees on which reports they would like to receive and at what interval. For example, the Advisory 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.**
- **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.**
- **Discuss whether other types, styles, or frequency of meetings would be valuable.**
- **Invite guest speakers as appropriate when considering program changes or participants to meetings**
- **Consider reviewing individual reports periodically.**

5.4.8 Utilities – The utilities play a vital role in making EAP benefits flow to EAP customers relatively flawlessly on a day to day basis for relatively low cost beyond the cost they charge to print EAP brochures. Utilities have reported a relatively smooth transition to including the EAP benefit on the energy portion of customers’ bills who have selected a competitive supplier. While this change was implemented by utilities October 1, 2018, the Advisory Board is waiting for additional months of data to see how much it is costing the EAP fund. However, the required utility software upgrades and number of customers utilizing the additional discount appear to be lower than projected. **OSI recommends regular communication and dedicated meetings among and between CAAs and utility companies to address data transmission issues between CAAs and Utilities identified in 5.4.2 as well as other technological changes that could improve efficiency of program administration. OSI also recommends as identified in 5.4.5 that utilities partake in CAAs sharing of effective outreach strategies as there may be outreach activities such as outreach to local organizations about EAP (which some utilities already do) which may be better handled by the Utilities than the CAAs.**

5.4.9 Office of Strategic Initiatives - The OSI has two major responsibilities for EAP as articulated in the OSI / PUC MOA. 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 TPE. **While OSI has fulfilled its responsibility to conduct the TPE since program inception, OSI’s ongoing oversight and monitoring of EAP is minimal except for attendance at EAP’s quarterly meetings. The Advisory Board should explore how OSI could further fulfill its responsibility of ongoing oversight and monitoring of the EAP.**

5.4.10 Software

Several stakeholders especially many CAA staff noted that the current EAP/FAP software has many limitations including, but not limited to: notes and income data not transferring from EAP to FAP, the software unexpectedly quitting, unique ids not matching, new case numbers being created unnecessarily when someone changes utilities, the software not supporting all internet browsers, income incorrectly being rounded up or down, the software not letting CAAs enroll new customers, and the software on occasion not automatically transmitting enrollment data to utilities. CAA staff who work with the EAP software on a daily basis also expressed their desire for updated software to: allow for online/mobile applications; be able to send out appointment reminders via e-mail/text; have all reports/windows on a single interface; allow for someone to

apply for EAP, FAP, and WAP at the same time without having to enter information multiple times; provide keyword search functionality; provide an unduplicated count of customers across programs; provide a side-by-side 30-day and 365-day income qualification calculation; and allow for additional customizable reports and more robust monitoring, data evaluation and analytic capability.

The Advisory Board has been discussing potential upgrades to the EAP software which dates back to 2000, used by the CAAs and EAP Program Administrator, for the entire duration of the triennium. OSI took the lead on developing an RFP to examine the software needs for the EAP/FAP program. This effort stalled in 2018 due to personnel changes at OSI, but a new RFP is currently in the process of being developed. **OSI recommends that to the degree possible the software upgrade process be expedited and the RFP be drafted as soon as possible. OSI also recommends that CAA staff be involved with developing criteria for the new software to ensure that the limitations of the current software are adequately addressed.**

5.4.11 Use of Surplus Funds

While it is not within the scope of this evaluation to determine how program funds should be spent, the EAP had a balance of \$2,814,237.15 on February 28, 2019, significantly 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 uses of the surplus funds as summarized below.

OSI does not make a recommendation of how the surplus of funds should be spent, but notes that stakeholders interviewed were most enthusiastic about increasing EAP income eligibility from 200% FPG to 60% of SMI to match FAP income limits and extend EAP benefits to a significant number of households who qualify for FAP, but not EAP. Additional analysis of the number of households that CAAs denied in the past three years earning between 200% FPG and 60% SMI is required to determine the number of households impacted and cost of implementing such a change.

Several stakeholders also noted that the benefit level for Tier 2 customers earning 150-200% FPG should be increased from 8% to 10% to better meet the program objective of customers only paying 4-5% of their income in electric costs. Increasing the Tier 2 benefit may also attract additional customers who currently do not receive enough of a substantial benefit to see the value in applying for EAP.

While the Advisory Board has discussed the creation of an arrearage management program on several occasions¹⁵ and there is currently a subcommittee conducting further research on the creation of such a program, stakeholders interviewed were mixed on using EAP monies to fund an arrearage management program. Concerns centered on the effect such a program would have on the long-term sustainability of the EAP fund (the reason it was discontinued soon after EAP was first created), especially when the economy begins to change direction. Several stakeholders were also concerned such a program, while providing a meaningful benefit would not result in

¹⁵ January 20, 2017 Advisory Board Meeting; January 26, 2019 Advisory Board Meeting

any measurable behavioral change. Stakeholders in favor of such an arrearage management program noted that the coupling of an arrearage management program with financial/budget counseling, which some CAAs already provide on a limited scale, has proven to be successful. **OSI recommends further research of arrearage management program, best practices, and additional analysis of the impact such a program would have on the long-term sustainability of the EAP fund.**

OSI also recommends an updated analysis be conducted to determine whether the 750 kWh cap used for calculating EAP benefits should be adjusted as well as the feasibility of selectively lifting the kWh cap for specific EAP customers including customers with large homes/apartments and those with medical equipment uses.

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.

OSI 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. Furthermore the recommendations contained within this report shouldn't take away from the fact that by many accounts EAP is a model program which operates very efficiently and fulfills its intended purpose at relatively low costs. OSI commends the Advisory Board for thoughtfully reviewing the 2016 Process Evaluation findings and recommendations, and OSI looks forward to working with the Advisory Board as it reviews and considers this 2019 TPE.

7. APPENDIX

Appendix A: Abbreviations & Terms Used in Triennial Process Evaluation

Advisory Board – EAP Advisory Board

CAA – Community Action Agency

CAP-BMC – Community Action Program Belknap Merrimack Counties, Inc.

CAPSC – Community Action Partnership of Strafford County

EAP – Electric Assistance Program

Evaluator – Noah Hodgetts, OSI Assistant Planner

FAP – Fuel Assistance Program

FPG – Federal Poverty Guidelines

MOA – Memorandum of Agreement

NHLA – New Hampshire Legal Assistance

OCA – New Hampshire Office of the Consumer Advocate

OEP – New Hampshire Office of Energy and Planning

OSI – New Hampshire Office of Strategic Initiative

PUC – New Hampshire Public Utilities Commission

RFP – Request for Proposals

SBC – System Benefits Charge

SMI – State Median Income

SNHS – Southern New Hampshire Services, Inc.

SWCS – Southwestern Community Services, Inc.

TCCA– Tri-County Community Action

TPE – Triennial Process Evaluation

WAP – Weatherization Assistance Program

Appendix B: Current EAP Eligibility Guidelines by Discount Tier

2019 EAP Income Eligibility Guidelines by Discount Tier*

Household size	76%	52%	36%	22%	8%
1	≤ \$ 9,368	> \$ 9,368 but ≤ \$12,490	> \$12,490 but ≤ \$15,613	> \$15,613 but ≤ \$18,735	> \$18,735 but ≤ \$24,980
2	≤ \$12,683	> \$12,683 but ≤ \$16,910	> \$16,910 but ≤ \$21,138	> \$21,138 but ≤ \$25,365	> \$25,365 but ≤ \$33,820
3	≤ \$15,998	> \$15,998 but ≤ \$21,330	> \$21,330 but ≤ \$26,663	> \$26,663 but ≤ \$31,995	> \$31,995 but ≤ \$42,660
4	≤ \$19,313	> \$19,313 but ≤ \$25,750	> \$25,750 but ≤ \$32,188	> \$32,188 but ≤ \$38,625	> \$38,625 but ≤ \$51,500
5	≤ \$22,628	> \$22,628 but ≤ \$30,170	> \$30,170 but ≤ \$37,713	> \$37,713 but ≤ \$45,255	> \$45,255 but ≤ \$60,340
6	≤ \$25,943	> \$25,943 but ≤ \$34,590	> \$34,590 but ≤ \$43,238	> \$43,238 but ≤ \$51,855	> \$51,855 but ≤ \$69,180
7	≤ \$29,258	> \$29,258 but ≤ \$39,010	> \$39,010 but ≤ \$48,763	> \$48,763 but ≤ \$58,515	> \$58,515 but ≤ \$78,020
8	≤ \$32,573	> \$32,573 but ≤ \$43,430	> \$43,430 but ≤ \$54,288	> \$54,288 but ≤ \$65,145	> \$65,145 but ≤ \$86,860

* The above are meant as guidelines only. To find out if you are eligible, please contact your local Community Action Agency.

Appendix C: List of Current EAP Advisory Board Members

EAP ADVISORY BOARD As of January 31, 2019	
Name	Organization
Jeanne Agri	BMAC - Lead Agency
Shannon Nolin	BMAC - Statewide EAP Director
Janice Johnson	Eversource
Sandra Morin	Eversource
Nicole Harris	Liberty Utilities
Karen Emis-Williams	Municipal Welfare Directors Association
Lisa Sheehy	NHEC
D. Maurice Kreis	NH OCA
Pradip Chattopadhyay	NH OCA
Steve Tower	NHLA/The Way Home
Ray Burke	NHLA/The Way Home
Dianne Pitts	The Way Home
Amanda Noonan	NHPUC
Rorie Patterson	NHPUC
Gary Cronin	NHPUC
Tracy Desmarais	OSI
Eileen Smiglowski	OSI
Sue Corson	Unitil

Appendix D: EAP Schedule of Reports

Reports / Audits / Etc.	By	For	Freq. / Due	Manual	Para.
CAA					
Recertification	CAA	CAA/program management	Ongoing - Rolling	N/A	
Enrollment Numbers (see Utilities)	CAA	Adv. Board / CAAs / Interested parties	Weekly	M&E	3.1.3.1
Poverty Level / Income	CAA	Adv. Board / program management	Annual	M&E	3.1.3.2
Demographics	CAA	Adv. Board / program management / TANF	Annual	M&E	3.1.3.3
Program Participation Report	CAA	Adv. Board / program management	Occasional	M&E	3.1.3.4
Municipal Report by Town	CAA	Legislature	Annual / Sept.	M&E	3.1.3.5
Denial report	CAA	Adv. Board / program management	Occasional	M&E	3.1.3.6
Wait List	CAA	Adv. Board / program management	Weekly if waitlist	M&E	3.1.3.7
EAP / SWEAP Weekly	CAA	Adv. Board / CAAs / Interested parties	Tuesdays		
EAP Cert / Trans	CAA	Program Management	When requested		
Municipal Report by CAP	CAA	Legislature	Annual / Sept.		
Program Time Allocation	CAA-PM	Program Administrator/Adv. Board- In Annual Budget	Annual	M&E	7.2.1
EAP Program Administrator					
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 & OSI	EAP Admin	PUC & OSI	Annual / Jul 1	CP	4.1.1
OSI Summary	OSI	Advisory Board (not completed)	Annual	CP	4.1.1
CAA Program Staff Levels	EAP Admin.	CAA/program management	Annual	M&E	7.3.1
Program Time Allocation	Lead CAA Program	CAA-PM - In Annual Budget	Annual /	M&E	2.1.2.1
CAA Independent Audits	Admin.	Advisory Board / Commission		M&E	2.1.4

Reports / Audits / Etc.	By	For	Freq. / Due	Manual	Para.
Administrative Costs Invoice	Program Admin.	Utilities / cc. PUC	Monthly	FP	3.8.3
Utilities					
Bills Behind Analysis/Payment Performance	Utilities	Adv. Board / program management	Monthly	M&E	3.1.6.1
Total Number of Accounts	Utilities	Adv. Board / program management	Monthly	M&E	3.1.6.2
Total Revenue	Utilities	Adv. Board / program management	Monthly	M&E	3.1.6.2
Arrearage Report	Utilities	Adv. Board / program management	Monthly	M&E	3.1.6.2
Under Collection - Reconc.	Utilities	PUC	Monthly if req.	FP	3.3.1
Over Collection - Reconc.	Utilities	PUC	Monthly if req.	FP	3.4.1
Admin Costs	Utilities/CAA	PUC	Monthly	FP	3.8.1
Net SBC Bill & EAP discount	Utilities	PUC	Monthly	UP	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	PUC & Program Administrator	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	PUC	Annual / Aug. 1	UP	8.3.1
Annual SBC Projections	Utilities	PUC & Adv. Board	Annual	UP	8.3.2
PUC - EAP					
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.
Audits					
Audits of 6 CAAs - A133	External Audit	Adv. Board / PUC/Program Administrator	Annual / Rolling	FP	4.1
Audits of Utilities	PUC Auditors	Adv. Board / PUC / Utilities	Annual /	FP	4.2
Audits of OSI	PUC Auditors	Adv. Board / PUC / OSI	Annual /	FP	4.3
OSI					
Performance Evaluation	OSI	PUC / Adv. Board	3-year / April 1	M&E	2.2.1
PUC - OSI MOA	PUC-OSI	PUC-OSI	3-year / Oct 1		
Annual Budget	OSI	PUC	Annual	FP	3.8.4
Procedure Manuals					
M&E = Monitoring and Evaluation					
UP = Utilities Procedures					
FP = Financial procedures					
CAA - CAA Procedures					