

# VERMONT DEPARTMENT OF PUBLIC SERVICE



## ***Assessment of the Green Mountain Power Energy Assistance Program***

**FINAL**  
**November 2019**

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# 1 Executive Summary

Utility-based low-income affordability programs are a common method to help low-income ratepayers meet their energy needs. Green Mountain Power (GMP) is no exception, with their Electric Assistance Program offering two standard features – a discount on electricity bills and an opportunity for arrearage forgiveness. Low-income ratepayers, as a group, spend more of their household income on energy than other ratepayers, with a heightened risk for a household’s well-being through exposure to rising energy costs, the ability to meet other critical needs, or exposure to unexpected expenses. Quite simply, affordability programs can play a key role in helping “keep the lights on.”

In our evaluation research we found that GMP and its Energy Assistance Program (EAP) has a large network of stakeholders that are highly engaged with the program. This network provides a significant asset that can help guide and shape the future of the program, with the Energy Assistance Program well positioned to make adjustments to program design and delivery that can drive increases in enrollment. Even without changes, the Energy Assistance Program should be able to maintain enrollment with its current design and practice.

## 1.1 INTRODUCTION

Green Mountain Power has operated the Energy Assistance Program late 2012. Since then, participation has grown with over 10,000 customers enrolled in the program. Over time, the program has adjusted its design and evolved its practices and approaches to delivering the program. The enrollment rate was relatively high early in the program’s history but have ebbed and flowed over time. For the last several years enrollment activity has grown year-on-year, but a question of whether or how enrollments could grow further remained.

The Vermont Department of Public Service (PSD) retained GDS Associates, Inc. (GDS) to evaluate GMP’s Energy Assistance Program in compliance with a Vermont Public Utility Commission order.<sup>1</sup> The focus of the evaluation is to provide an independent review of the program to make recommendations regarding best practices that should be employed to increase enrollment in the EAP. This report contains recommendations related to increasing enrollment. The evaluation did not evaluate other matters related to low-income affordability programs, such as funding mechanisms or funding levels, energy consumption or energy efficiency adoption, housing conditions, geographic or demographic considerations other than GMP’s service territory as a whole, or considerations for statewide vs utility-specific programming.

To conduct and complete the evaluation GDS interviewed key stakeholders in the program, including PSD staff, GMP staff, and key staff from the Vermont Department of Children and Families (which have a role in administering the program). Program data from GMP, along with interviews and data from other utilities, and industry literature were used to understand EAP approaches and industry best practices. Taken together, these sources of information were used to develop a set of recommendations for GMP and others to consider in making efforts to increase program enrollment.

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<sup>1</sup> Vermont Public Service Commission Case No. 18-0126-PET, order entered February 22, 2018. The order required the Vermont Department of Public Service to “retain an independent expert to review the design of the EAP and to make recommendations regarding best practices and efforts to increase enrollment in the program.”

## EXECUTIVE SUMMARY

## 1.2 KEY FINDINGS &amp; RECOMMENDATIONS

Based on the information gathered by the evaluation effort, GDS developed a set of findings and recommendations that can be used to help shape efforts at increasing EAP enrollment. While the evaluation found that GMP is following many best practices, there are others to consider within the context of the EAP. Additionally, we note that GMP is somewhat limited in its ability to meet all best practices due to statutory language limiting the definition of a low-income electricity customer, a consideration that affects the near-term opportunities for the EAP to increase enrollment but should also be kept in mind for additional opportunities should future statutory changes enable greater program flexibility.



**KEY FINDING #1** The Green Mountain Power EAP follows a general administrative best practice – administering the program by or working closely with organizations that broadly serve the low-income population.

Green Mountain Power partners with the Vermont Department of Children and Families (DCF) to administer the EAP. DCF’s primary role is to accept applications, determine applicant eligibility, and communicate the enrollment status of applicants to GMP. Community Action Agencies (CAAs) work with DCF to help guide applicants in providing complete applications as part of their larger role in assisting DCF with other social service programs. The EAP engages with a wider network of low-income support agencies to provide referrals to the program, providing a linkage between GMP and the larger set of social programs that support low-income residents. This approach to administration follows a general best practice observed with other similar programs around the country. While not all utilities take this specific approach, a close connection to CAAs and state-administered programs is still evident. Although there are differences from state to state, leveraging agencies and organizations that play a key role in delivering a wide range of income-eligible social support programs is common and considered a best practice.

**RECOMMENDATION #1** *The EAP should continue its core administrative approach to utilizing DCF and CAAs, along with retaining its ongoing engagement with the broader network organizations that support low-income residents of Vermont.*



**KEY FINDING #2** The statutory definition of a low-income electricity customer limits Green Mountain Power’s ability to follow a key best practice – aligning the program’s eligibility requirements with those other similar programs that serve the same population. The lack of alignment affects who and how the program serves at-need GMP low-income customers and limits some opportunities to streamline administration.

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Written into Vermont’s statutes, a low-income electricity customer is defined as households having an income of 150 percent or less of the federal poverty level. While there is little question that those at that income level are low-income, the general view across the U.S. is that the definition of low-income includes those at income levels up to 200 percent of the federal poverty level or even 60 percent of state median income (often higher). Indeed, many of Vermont’s related social support programs utilize an income threshold of 185 percent of federal poverty level, including the State’s fuel assistance program, Vermont Gas’s Low Income Discount Program, 3SquaresVT, and others. DCF utilizes CAAs for intake on many of these programs, with the State’s data system unable to directly confirm GMP EAP eligibility as it is with other programs. This gap necessitates DCF separately calculate eligibility. While changes to the State’s system may occur in the future, driving such changes are beyond the reach of GMP and EAP. Overall, the current program definition of low-income does not encompass the full range of household incomes that are generally considered to be low income. This limitation reduces the ability of GMP to use the EAP to help meet the needs of its low-income customers. Ideally, GMP would have the flexibility to adjust its income-eligibility threshold to align with State programs and the general perspective of what is considered “low-income.”

**RECOMMENDATION #2** *Should the opportunity arise for Green Mountain Power to increase the income-eligibility threshold, it should do so. The current definition is lower than many electric utility affordability programs around the U.S. and lower than other Vermont programs that serve the low-income population. Doing so will increase the pool of income-eligible customers and thereby likely lead to an increase in program enrollment.*



**KEY FINDING #3** The current approach to program applications is functional but only allows for a single pathway into the program. Other programs utilize on-line electronic options which may provide different avenues and options for driving program applications and enrollments.

The current application aligns with that of Vermont Gas’s Low Income Discount program, both of which allow an applicant to indicate their receipt of other programs as a means of streamlining program-eligibility determinations. Applicants can indicate that they receive 3SquaresVT, Essential Person, Fuel Assistance, or Reach Up benefits, enabling DCF to use existing household data to streamline enrollments. Receipt of these benefits is not a guarantee of eligibility. This practice is a good practice and similar to other energy affordability programs’ approaches. However, this application can only be completed via a paper application downloaded from GMP or DCF’s websites or via a paper copy provided directly to the applicant. The application must be mailed to DCF. Other programs around the U.S. allow for completing an application on-line with electronic submission or even within a utility account holder’s online account. Providing these additional approaches can enable multiple application pathways, expanding the ways that the application reaches and is completed by GMP customers. Additionally, electronic approaches may reduce the likelihood that an eligible applicant fails to complete an application and can open pathways to creating an “instant enrollment” with eligibility confirmation follow-up, ensuring that an eligible

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household begins receiving program benefits immediately (discussed further in Finding #5). Electronic completion and submission can also expand the ability for social organizations trusted by the customer to facilitate application completion and submission, reducing extra steps that may lead to an application not being completed or submitted.

**RECOMMENDATION #3** *Green Mountain Power should investigate and adopt additional application methods, expanding the options to include electronic applications that can be submitted electronically or applications available within a Green Mountain Power customer's online account portal.*



**KEY FINDING #4** Green Mountain Power and the Department of Children and Families have developed a workable approach to managing program enrollments without a unified data tracking system. Other energy affordability programs have a unified tracking system in which all elements of an applicant's or participant's relevant eligibility and program data are contained and accessible over the long term by those with program administrative roles.

In our discussions with GMP and DCF, GDS learned that each organization maintains the participant records it needs to fulfill its role in the program. GMP and DCF have developed a workable approach to sharing the key information that allows DCF to indicate the enrollment status of applicants (including those that re-certify) to GMP. GMP is then able to make the appropriate changes to its billing and customer service systems to complete the process and apply the program's discount or arrearage forgiveness. However, neither party has a complete picture of an enrollee's household data or participation status. DCF does not know if a GMP customer has been disconnected or if an applicant is currently enrolled in the program. Similarly, GMP does not know who has an application in process or a household's eligibility criteria. DCF only retains information related to enrollments and re-enrollments, removing those who fail to re-enroll. The lack of continuity in the data may limit the ability for GMP or DCF to answer the questions an applicant or participant may have regarding their enrollment status. Further, the opportunity for greater pro-active outreach or deeper program analytics may limit enrollment or re-enrollment facilitation options, or investigation of opportunities to understand program impacts. The challenge faced by DCF and GMP is that each of their core data systems – GMP's customer management system and DCF's benefits system cannot easily share data between the two organizations, with the State's system not providing a full tracking view of EAP-specific data that may be useful to GMP. GMP's system not providing information on a customer's account status. Should additional application pathways be developed, the current enrollment system does not appear to provide the information necessary to manage more than the current application approach, limiting program innovation.

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**RECOMMENDATION #4** *GMP and DCF should collaborate on developing a unified data system that would enable both GMP and DCF to have long-term tracking and visibility of EAP applicants and participants. Such a system does not need to be complex, but would be a shared system that tracks an applicant's status, key eligibility criteria (e.g. household size and income), arrearage status once enrolled, and major events, such as disconnections, reconnections, exits to the program and re-enrollments, and ancillary organizations that have supported the customer (e.g. CAAs, other social support organizations assisting the applicant to apply).*



**KEY FINDING #5** A best practice is to have benefits be either retroactive to the date of application or allow self-certification with eligibility confirmation follow-up. The purpose is to have eligible applicants receive the amount of the benefit as soon as possible from the point of initial program engagement.

The current GMP practice is for eligible applicants to receive their arrearage forgiveness at the point when GMP receives notification of eligibility and makes changes in their billing system. GMP's current practice is to apply rate discounts and arrearage forgiveness from the date indicated by DCF's determination of eligibility. Depending on when an applicant first starts the application process and how quickly DCF is able to confirm eligibility and notify GMP, the timing to the receipt of the discounted rate and arrearage forgiveness could stretch to multiple weeks or more than a month. The length of time could be driven by the applicant or the number of personnel DCF has available during peak application times (often in the fall). Applicants run a risk of being disconnected or at least not receiving a discounted rate being applied to which they are otherwise eligible. One approach to applications is to enable "self-certification." In this approach, applicants are able to indicate, typically via an online portal or electronic submission, that they are eligible for the program. At this point, they begin receiving program benefits and have a limited time (say 60 days) to provide the necessary documentation to prove eligibility. That eligibility could be demonstrated via documentation for other social programs or through a process to providing income and household data similar to the current application approach. This self-certification approach enables "instant enrollment" and may help increase overall program enrollments. For those that do not complete the application process, their benefits are removed and applied to their account (i.e. they must pay back the benefits they received). Such an approach may work best for the EAP for the discounted rate. The current 100 percent arrearage forgiveness would require a large claw-back that may be impossible to obtain or lead to a poor customer service experience.

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**RECOMMENDATION #5** *GMP should consider adopting a self-certification approach that enables customers to immediately receive the discounted rate benefit or consider retroactively applying a discounted rate (as a customer credit) back to the date of application. Self-certification may require an on-line portal or similar streamlined means of receiving such an application. Customers would need a full description of eligibility and application requirements to self-select and avoid misunderstandings. CAAs and DCF may be able to assist those customers that need guidance. The specific approach may depend on how GMP adjusts any application methods, the approach to data tracking, and could evolve or emerge over time as other changes are adopted. This recommendation is only related to the discounted rate offered by the EAP, with a need to consider how to handle accounts with arrears that would be eligible for arrears forgiveness.*



**KEY FINDING #6** The EAP has strong mechanisms for engaging with customers in arrears but may not be attracting or reaching any many customers as possible who are eligible, but otherwise not facing a crisis.

The need for affordability is not governed by the presence of a crisis. Customers not in arrears or facing disconnections may be shifting household expenses from other needs, such as food, shelter, and medical care, to pay their electricity bill. When an electricity account is in arrears or a customer faces a disconnection, GMP has an automatic way of engaging with a customer – the utility bill and subsequent communications provide GMP with an opportunity to discuss the EAP with a customer. CAAs and DCF engage with their clients when a crisis hits a household or needs are otherwise going unmet. This is not to say that the EAP is only enrolling those in crisis, simply that the current approach to applications and awareness tend to favor those households experiencing a crisis and who are willing to reach out to GMP, DCF, CAAs, or other social service organizations. Expanding outreach and providing alternative application methods may help EAP reach households that would only be eligible for the discounted rate but are unaware or engaged with the existing network of organizations that support the EAP. During interviews and at the workshop, EAP stakeholders discussed additional organizations who may be able to help with program referrals and alternative application approaches (discussed previously) to reach those who are eligible for the program. Additional outreach opportunities included medical supply businesses and property management companies, as well as providing training for new and existing organizations to facilitate the application process. Uses of social media to promote the program and expanding the visibility of the program on GMP’s website were also ideas that stakeholders offered. Incremental program enrollment increases may be mostly likely to come from EAP-eligible GMP customers who are not experiencing bill payment challenges, but who may be able to avoid future bill payment challenges or other crises by enrolling in the program.

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**RECOMMENDATION #6** *Expand EAP outreach and awareness outside of the traditional social support network used by the program. Provide application and referral facilitation training to those that indicate an interest in more than being an outlet for static program materials.*



**KEY FINDING #7** The current approach to arrearage forgiveness does not reinforce the practice of making regular payments of the electricity bill.

In reviews of other programs and in discussion with EAP stakeholders at the workshop, the current approach that EAP takes to arrearage forgiveness – 100 percent forgiveness at the time of enrollment – may not be ideal. Other similar affordability programs provide arrearage forgiveness, but often through a payment plan that sets the expectation that program participants maintain an account in good standing. Some flexibility is needed to allow for “catch-up” provisions in which forgiveness may be temporarily halted when a customer falls behind but renews when the account returns to good standing. This approach reinforces the discounted rate with good bill paying practices by showing the customer the reduction in arrears associated with their account over time. The effect on enrollment is one of retention – customers will be motivated to make ongoing payments and derive financial benefit by maintaining their account in good standing.

**RECOMMENDATION #7** *GMP should consider adjusting its arrearage forgiveness approach to one of periodic forgiveness based on maintaining an account in good standing. Doing so will require careful arrearage tracking and a communication method so that participants see the changes to their account statements.*



**KEY FINDING #8** The EAP discount – a 25 percent reduction to the energy charge and customer charge – may be inadequate for many EAP participants.

The past presence of the EAP Power Partners element of the EAP indicates that for some participants, they are unable to maintain an account in good standing. The discount approach used by the EAP is not unusual – a flat discount for any participant – and is practiced by others. This approach has the same proportional effect for those that do and do not heat with electricity and is relatively easy to communicate and administer. In researching other programs, it became apparent that deeper discounts are often offered, sometimes with the discount level tied to household income (e.g. the New Hampshire Electric Assistance Program) or with a maximum bill tied to household income (e.g. Xcel Energy’s PowerON program). Others simply provide a discount greater than 25 percent regardless of household income. In

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consideration that GMP's EAP is eligible only for the lowest-income customers (150 percent of the federal poverty level and less) and not all low-income customers, a deeper discount may help attract and retain additional customers into the program. A deeper discount will improve the affordability-effect of the program and also provides a strong financial incentive to navigate the application process. Future arrearage issues and the ability for participants to maintain their account in good standing will be enhanced.

**RECOMMENDATION #8** *GMP should consider options for increasing the discount for program participants. The specific approach and level of discount may depend on administrative and program cost considerations, though when linked to reduced disconnections and arrears, additional apparent costs may be dampened.*



**KEY FINDING #9** The EAP is reaching a substantial portion of GMP's low-income ratepayers. GDS estimates that between 25 and 30 percent of customers at or below 150 percent of the federal poverty level are enrolled in the program. This level is comparable to other programs. However, there is a large number of existing customers who are eligible and not enrolled, indicating that there is room for program growth within GMP's customer base, regardless of changes to the income-eligibility criteria.

In our research into other programs, GDS found a wide range of program participation rates. Programs with higher participation rates often required participation in other social support programs and offered higher levels of discount. Key drivers tended to be program alignment with other related social support programs, program managers focused on low-income programs, those with payment discounts greater than EAP, and those that had close data sharing within their administrative structures. Specific comparisons to the EAP and GMP's service territory are difficult due to difference in eligibility criteria (income levels, requirements for other program participation), uncertainty regarding differences in demographics, and differences in administrative structures. Most broadly, it appears that the more active programs have between five and 15 percent of their residential customers enrolled in their low-income programs (GMP has approximately five percent of residential customers enrolled in EAP). Regardless, there does not appear to be a near-term limitation to EAP adding a substantial number of customers to its participation rolls. While EAP has increased year-on-year enrollments, participation growth is not rapid – the current approach may not drive substantial increases in participation. Without consideration for what program changes will occur and when they will occur, specific expectations cannot be set at this point, but a growth in enrollment of 25 to 50 percent appears achievable based on the performance of other similar programs, with higher growth over time potentially exceeding that level.

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**RECOMMENDATION #9** *The EAP should consider how changes may affect the growth in program enrollments and participation. While the recommendations in this report provide suggestions on opportunities to drive growth, their selection and timing for adoption is unknown. A stepped approach may be reasonable, with careful tracking on the effects of changes informing the importance of and impact to subsequent changes.*

**1.3 ORGANIZATION OF THE REPORT**

The remainder of this report is organized in five sections as follows:

*Section 2 MPS Evaluation Methods* describes the approaches taken to develop evaluation findings and recommendations.

*Section 3 Program Summary* describes the history and current status of the EAP.

*Section 4 Workshop Summary* provides a summary of the workshop held with EAP stakeholder organizations and the outcome.

*Section 5 Evaluation Research and Findings* presents the results of an analysis of affordability, results of the in-depth utility research, and summarizes best practices.

*Section 6 Conclusions and Recommendations* presents the findings and recommendations of the evaluation.

## EVALUATION METHODS

## 2 Evaluation Methods

GDS conducted the evaluation of the GMP EAP with variety of methods. These included:

- Reviewing industry literature related to affordability program designs and best practices
- Interviewing GMP staff and Department of Public Service staff
- Hosting a workshop with a variety of program stakeholder organizations
- Gathering and analyzing program data from GMP and the Department of Children and Families
- For a selected group of utilities, reviewing available information and interviewing program managers for a subset

Green Mountain Power, the Department of Public Service, and the Department of Children and Families were all highly responsive in their response to data requests. Staff from all organizations were helpful in their willingness to participate in interviews as well as *ad hoc* discussions to confirm data and information, or to discuss specific topics that emerged as the evaluation progressed. In total, GDS completed six formal in-depth interviews with personnel familiar with the program's history and current operations of the EAP.

GDS completed in-depth reviews of six similar electricity assistance or affordability programs. Managers from each of these programs directed GDS to or directly provided information and data about their respective programs. Four of these program managers made themselves available for in-depth interviews, which helped clarify information and provide perspectives on their programs. The results provide mini-case studies that allow for a comparison of other programs similar to the GMP EAP and helped inform best practices and their application to the GMP EAP.

In late August, 2019, the Department of Public Service hosted a workshop, facilitated by GDS evaluation staff. At this workshop a variety of organizations that serve low-income Vermont residents were able to provide their input and perspectives on the need the EAP fills as well as provide ideas for potential program adjustments. Input from workshop attendees was incorporated into the recommendations as part of the larger set of information gathered and reviewed as part of the evaluation.

GDS reviewed a wide range of industry literature to help inform a review of affordability programs, the need for affordability, evaluations of similar programs from other jurisdictions, and low-income advocacy guidance on designing and operating affordability programs. The body of literature included data that was used to inform the analysis of the need for affordability programs and the EAP's progress to date.

The totality of the evaluation research was used to inform the recommendations presented in the Executive Summary and Conclusion report sections. All recommendations have a grounding in the evaluation research, with GDS applying judgement to convert best practices and other considerations into the policy, program design, and program operational contexts of the EAP. In the next sections of this report we provide a program summary and the results of the key evaluation activities that were used to inform the recommendations.

## PROGRAM SUMMARY

# 3 Program Summary

The following program summary includes a history and overview of the GMP EAP, a description of the program administration and process for enrolling customers, a customer journey map, and a snapshot of the program's enrollment history, and perspectives on program participants' energy consumption.

## 3.1 EAP BACKGROUND AND HISTORY

Enabled by statute 30 V.S.A. § 218(e),<sup>2</sup> in July 2011 State of Vermont Public Service Board (in Docket 7535) ordered that GMP develop a low-income rate design.<sup>3</sup> In developing the low-income rate design, several key elements were required:

- 1 A monthly electricity block rate discount of 25 percent
- 2 A one-time forgiveness during the first three months of the first year of the program of any arrearage balance accumulated by program participants prior to their program enrollment, and
- 3 A program eligibility requirement that a participating customer have a household income at or below 150 percent of the federal poverty level

Additional requirements in the Docket 7535 order described administrative budget requirements, funding from multiple rate classes, and associated other reporting and tracking requirements.

In response to the order, GMP developed the EAP, with the Public Service Board issuing an order approving the EAP in September of 2012.<sup>4</sup> GMP began operating the program in December of 2012.<sup>5</sup> Since that time the program has maintained funding via meter charges assigned to each of the residential, commercial, and industrial rate classes and has experienced several program design and funding adjustments.

## 3.2 ADJUSTMENTS TO THE EAP OVER TIME

At its start in December of 2012, the GMP EAP collected an additional monthly fee from each residential, commercial, and industrial meter in the respective amounts of \$1.50, \$2.50, and \$83.33. The program applied the rate discount to each participant's first 600 kWh of monthly electricity consumption, reverting to standard residential rates for consumption in excess of 600 kWh. Arrearage forgiveness was only offered during the first three months of the program for newly enrolled customers. In this initial program design, subsequent enrollees (enrolling after the first three months) were not provided the opportunity for arrearage forgiveness.

In 2014, a review of the program revealed that the meter fee collections had resulted in a substantial positive program balance. In response, the program refunded \$1.5MM to each rate class, proportional to the collections from each rate class. Additionally, new enrollees were given a three-month window in which to have their arrearages forgiven, similar to the original first three months of the program. GMP also began calculating interest on the program fund balance for crediting the program.

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<sup>2</sup> In the enabling statute, 218(e) defines "low-income electric consumer" as "a customer with a household income at or below 150 percent of poverty."

<sup>3</sup> Vermont Public Service Board Docket No. 7535

<sup>4</sup> Vermont Public Service Board Docket No. 8500

<sup>5</sup> Provided to GDS from GMP in a document entitled "History of Changes to the GMP Electric Assistance Program" in response to a GDS data request.

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In October of 2015, due to an ongoing growth of the program funding balance, the program experienced several adjustments. A refund of \$6.3MM was issued to ratepayers in proportion to each rate class's contribution to program funding. Arrearage forgiveness for new enrollees was again added as an element of the program, with an allocation of \$450,000 of the excess funding balance. Finally, the rate fee associated with each rate category's meter charge was reduced by approximately one-third, resulting in rate fees of \$1.00, \$1.67, and \$55.50 per month for residential, commercial, and industrial meters, respectively.

In December of 2016, the program was adjusted again. The program funding balance had grown by approximately \$1.1MM since the refund and meter charge change in 2015. This growth in the funding balance was less than in prior years, but with a positive balance of approximately \$3.9MM. With these funds, the decision was made to remove the limit on kWh consumption levels, allowing all electricity consumption to be eligible for the 25 percent discount. Additionally, arrears forgiveness was reintroduced for all new enrollees into the program, with no sunset date. Finally, a new element, named "EAP Power Partners" enabled a 50 percent arrears forgiveness for existing EAP participants that found themselves accruing new arrearages. With EAP Power Partners, the remaining 50 percent of arrears for Power Partners participants would be paid back via a payment arrangement negotiated between GMP and the customer.

In January 2019, GMP requested an adjustment to the EAP.<sup>6</sup> In order to manage fund balances, the request was to remove the EAP Power Partners portion of the program, while maintaining the 25 percent rate reduction and rolling arrearage forgiveness for new EAP enrollees. In all other aspects, the program would remain the same as of December 2016 and the Commission ordered the program adjustment.

GDS received monthly enrollment data from GMP spanning 2014 through May 2019.<sup>7</sup> With a program population of 10,560 participants at the end of May 2019, the program has seen participation growth and enrollment growth since 2014. With the data, GDS was able to make the following observations. In late 2014, with the opportunity for arrearage forgiveness reintroduced for a three-month period, a large spike in enrollments occurred in October 2014 with 1,752 new enrollments in the program (over half of 2014 enrollments were in that month, alone). Enrollments remained elevated to the end of 2014 and then dropped in 2015. From 2015 through 2018, new enrollments grew year-on-year. From 2015 through 2018, enrollments grew by 48 percent each year, on average. 2018 saw the highest number of annual enrollments since 2014, with a total of 1,840 new enrollments. 2019 data is incomplete though an elevated number of enrollments has been maintained from January through May at a rate approximately 88 percent of 2018 levels.

Figure 3-1 below, illustrates the annual enrollment pattern.

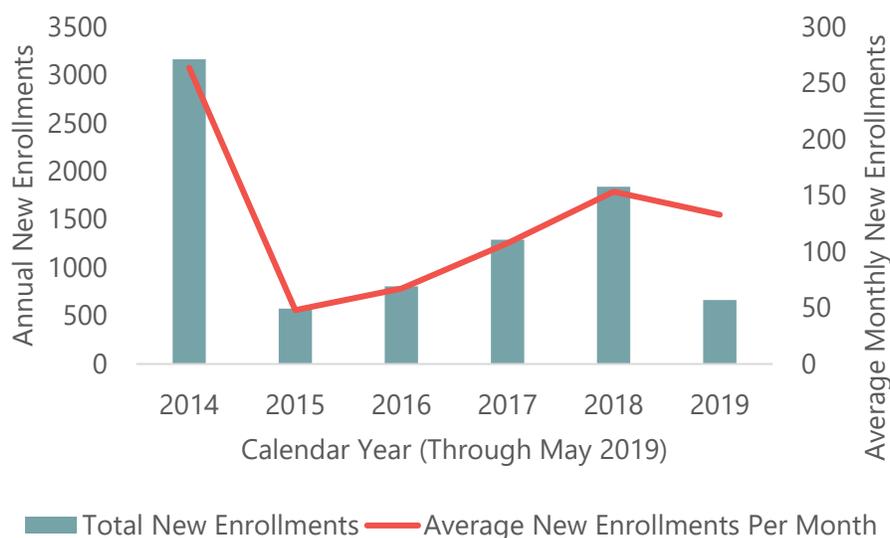
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<sup>6</sup> Vermont Public Service Board Case 19-0246-TF

<sup>7</sup> Data provided by GMP in an Excel workbook entitled "Q. 7 a.b. EAP enrollment 2014 -2019" in response to the GDS data request.

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FIGURE 3-1 TOTAL ANNUAL AND AVERAGE MONTHLY ENROLLMENTS 2014 TO MAY 2019



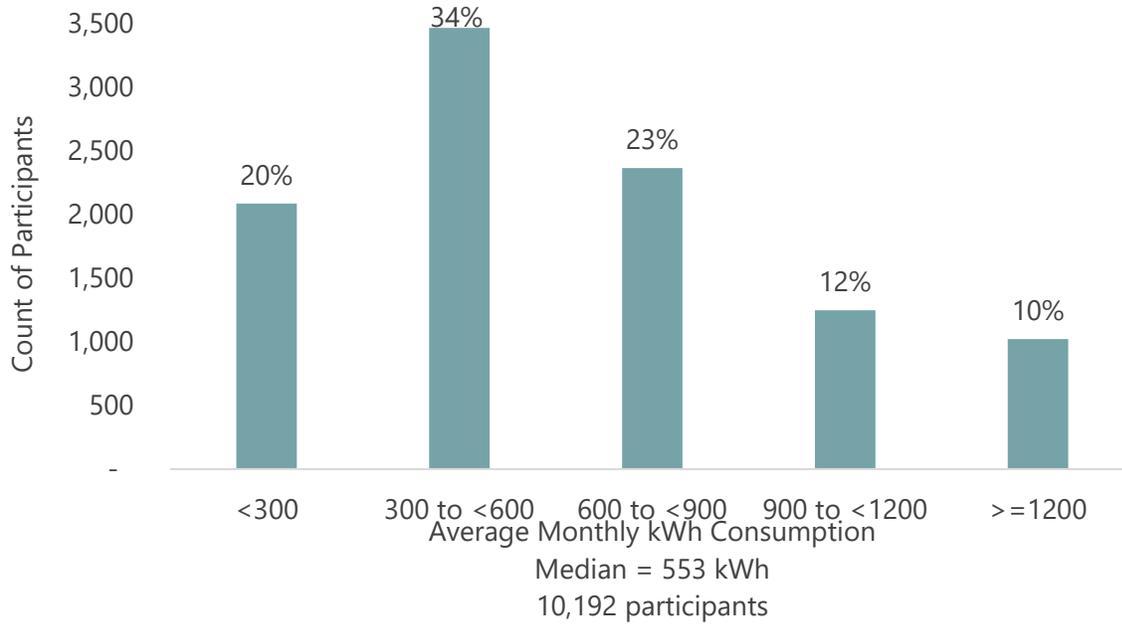
In Docket 8500, GMP estimated that the program could maintain approximately 135 new enrollments per month. While 2015 through 2017 saw an average monthly enrollment of 74 customers, 2018 exceeded 135 enrollments per month with 153 enrollments per month. Through May 2019, 2019 enrollments have average 133 per month, nearly the expectation for ongoing enrollment maintenance expressed in Docket 8500.

In Docket 8500, GMP indicated that approximately 6,650 customers participated in the EAP at the end of 2013. GMP also indicated that approximately 9,600 customers participated in the program at the end of 2014. With 10,560 participants at the end of May 2019, program participation has grown by a net of approximately 960 customers since the start of 2015. Possible reasons for customers leaving the program are discussed below, but include customers no longer being eligible for the program, customers being unable to meet their electricity expenses, and customers moving.

To understand electricity consumption patterns among EAP participants and compare that to average Vermont electricity consumption, GDS received from GMP monthly electricity consumption records. These records spanned from January 2018 through May 2019, covering 13,022 customer accounts. GDS analyzed the most recent 12 months of data – June 2018 through May 2019. The data were cleaned to include only those program participants with consumption records for each of the 12 months (some exited or entered the program with the 12-month timeframe). GDS also removed those accounts from the analysis if any monthly consumption readings were less than or equal to 10 kWh. 10,192 participants remained in the analysis. Figure 3-2 below, summarizes the result.

**PROGRAM SUMMARY**

**FIGURE 3-2 SUMMARY OF EAP PARTICIPANT ELECTRICITY CONSUMPTION**

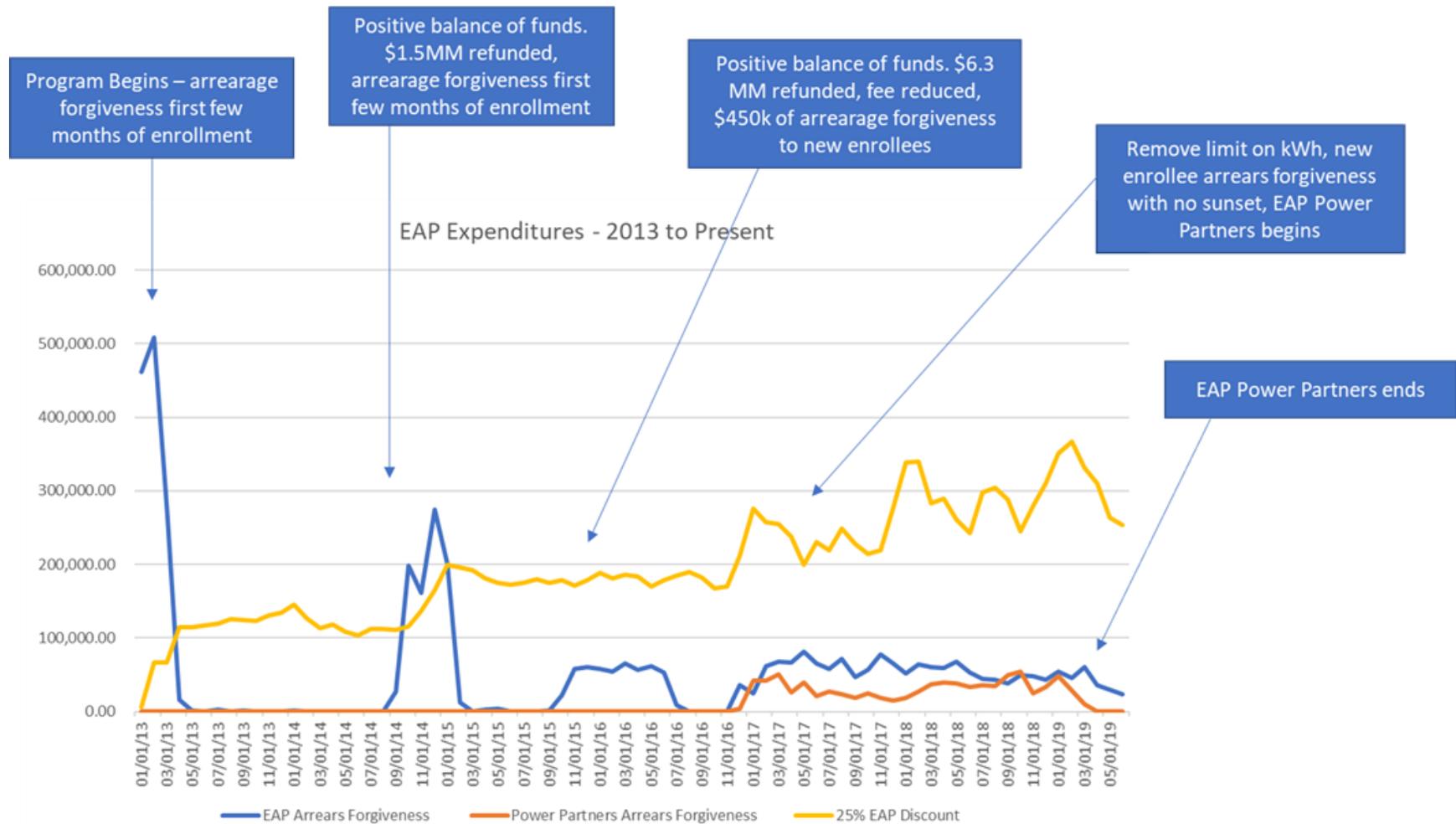


GDS also reviewed recent Energy Information Administration (EIA) data describing electricity sales to each market sector. That data indicated that the average Vermont residential account purchased 538 kWh per month in 2017. This consumption level is very close to the median EAP participant consumption of 553 kWh. The vast majority (77 percent) of EAP participants consumed less than 900 kWh per year. In discussion with GMP, GDS concluded that higher consumption levels of some EAP participants is likely driven by using electricity for space heating and the use of medical equipment. Additionally, there likely are homes that would benefit from weatherization or other energy efficiency interventions as well. But overall, EAP participants do not appear to be consuming more electricity than other Vermont residences, on average. Analyzing and determining more specific factors or opportunities to reduce consumption are beyond the scope of this evaluation.

Figure 3-3 below, summarizes the major EAP program changes and expenditure pattern. The expenditures indicate factors driving program enrollment or how changes in EAP may be affecting customers. For example, prior to late 2016, only the first 600 kWh of household electricity consumption were eligible for the energy and customer charge discount. After late 2016 the program’s overall expenses associated with the discount exhibited a level of seasonality. Figure 3-3 also illustrates the connection between arrears forgiveness and program enrollment. In late 2014, arrears forgiveness was reinstated, and program enrollments spiked (as also shown in Figure 1). In late 2015, arrears forgiveness was again reinstated, and enrollment grew into 2016. With arrears forgiveness maintained without sunset beginning in late 2016, program enrollment has similarly continued to grow year-on-year.

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FIGURE 3-3 EAP MAJOR MILESTONES AND EXPENDITURES



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### 3.3 PROGRAM ADMINISTRATION AND THE PROCESS FOR ENROLLMENT

Green Mountain Power administers the EAP with substantial assistance from the Vermont Department for Children and Families (DCF). Operated through its Customer Service department, GMP communicates with customers in arrears, provides program applications, and makes customers who contact GMP aware of the program. DCF accepts applications and verifies customer information and income, notifying GMP when a customer has successfully completed an application and is found to be eligible for the program.

Both GMP and DCF provide outreach for the program. GMP provides applications and referrals for customers in arrears to DCF, Community Action Agencies (CAAs) and other social services that may be able to assist the customer. GMP indicates that they have provided approximately 200 applications per month to customers or community organizations in the past year, while DCF provides additional applications to CAAs, via their own contact with GMP customers, and through their own community outreach. DCF provides outreach and training to Vermont organizations that may come into contact with GMP customers eligible for the program. DCF's outreach and education efforts include CAAs, churches, and other DCF staff and state programs that may be able to assist low-income customers. CAAs are particularly important for the program as CAAs provide intake services for multiple state programs, including the Low-Income Home Energy Assistance Program (LIHEAP) and for other similar programs, including Vermont Gas's EAP.

Both DCF and CAAs utilize the State's ACCESS data system to facilitate GMP EAP eligibility testing and enrollment. The program application allows for a stream-lined option in which GMP customers currently enrolled in income-eligible programs to leverage the data already in-place in the State's ACCESS system, avoiding the need to provide income information a second time.

The general enrollment process for a new GMP EAP applicant is as follows:

- 1 Customer completes the application
- 2 DCF verifies income
- 3 DCF notifies GMP of customer eligibility
- 4 GMP applies the arrearage forgiveness and discounted rate classification to the customer's account

Once in the EAP, customers are expected to re-enroll each year. The re-enrollment process requires that a customer complete the program application as if they were a new enrollee. An individual customer receives a letter from DCF two months before the end of each year's participation to help ensure adequate time is available to complete the re-enrollment process. DCF tracks those customers who re-enroll and notifies GMP. In the past, failure to re-enroll meant that customers were dropped from the program. Over the last two years, GMP has not removed customers who fail to complete the re-enrollment process, though DCF has continued to issue re-enrollment letters and track those who re-enroll.

With DCF verifying program eligibility and GMP then adjusting accounts to reflect enrollment, a standard practice has developed between DCF and GMP. On at least a daily basis, DCF provides a list of new or re-enrolled customers to GMP. Due to information technology limitations, the process requires the DCF to track each successfully enrolled customer separately from the State's ACCESS system. GMP must then receive the enrollment information and manually review and adjust each customer's account.

While DCF is able to review GMP EAP applicant data within the State's ACCESS system, it cannot manage enrollment within that system. In discussion with DCF, we learned that there is a limitation on the State's ability to adjust its database to accommodate the GMP EAP. The current system is designed to manage fuel assistance (including LIHEAP) eligibility, the eligibility for fuel assistance is 185 percent of the federal

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poverty level. The difference in eligibility requirements between GMP EAP (150 percent of federal poverty) and fuel assistance, results in the State's system not being able to directly confirm GMP EAP income eligibility, requiring DCF to review and determine GMP EAP eligibility separately from the State system. The current process and practice is well understood by both GMP and DCF, but adds more time and effort to the overall GMP EAP enrollment process than if the State's ACCESS system were able to handle the entire process.

In general, the program enrollment has emphasized customers who have develop arrearages or disconnection notices, with GMP, DCF, and others providing program applications and enrollment assistance. The program is well established with CAAs and DCF able to assist applicants, confirm eligibility, and then have GMP make the necessary changes in their customer billing system for the discounted rate and arrearage forgiveness. Opportunities to expand enrollment may be with eligible customers who are not in arrears or not actively engaged with program administered by CAAs and DCF.

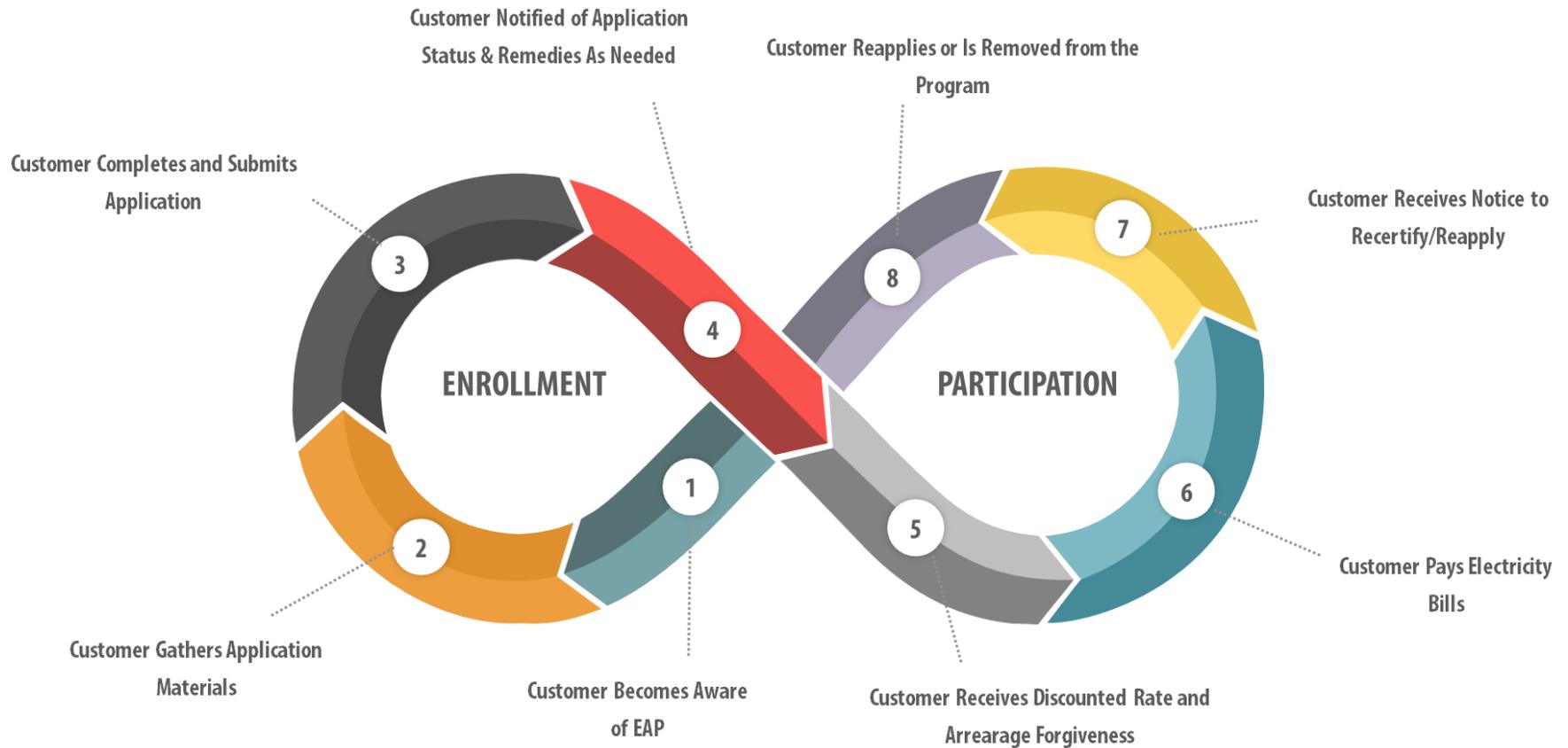
### 3.4 CUSTOMER JOURNEY MAP

As part of the evaluation, GDS was asked to develop a customer journey map. A customer journey map describes a customer's experience with a process from the customer's perspective. While related to a general process map, the difference is that the journey map is focused on the customer's experience rather than internal administrative processes that are not directly experienced by a customer. Customer journey maps can be a useful tool to identify customer touchpoints and can be used to guide customer engagement efforts. For the EAP, these touchpoints may be useful to inform opportunities to increase enrollment or program retention. The evaluation recommendations can be linked to the touchpoints identified in the EAP customer journey map.

To inform the customer journey map for the GMP EAP, GDS relied on a series of interviews with GMP and DCF to understand how customers learn about the GMP EAP, communications with customers during GMP EAP enrollment, and subsequent participation experience after a successful enrollment. We note that across customers, their individual experiences can vary for any of the touchpoints. The journey map presented here can be viewed as a starting point from which any number of potential additional areas for customer research could stem. Figure 3-4 illustrates the core customer journey with the EAP, separating their experiences into two major categories – enrollment and participation. A narrative description of each step follows Figure 3-4.

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FIGURE 3-4 GREEN MOUNTAIN POWER ENERGY ASSISTANCE PROGRAM CUSTOMER JOURNEY MAP



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**3.4.1 Enrollment Stage – Steps 1 through 4****STEP 1. Customer Becomes Aware of EAP**

In discussion with GMP and DCF, GDS identified three general cases that will trigger a customer to become aware of the GMP EAP and obtain an application for the program. These are summarized below:

- 1 Disconnection notices sent by GMP once an account has a past due amount aging beyond 35 days AND no other action has been taken by the customer. GMP will provide an EAP application to the customer and provide referrals to other social services.
- 2 Intake by a Community Action Agency (CAA) or through working directly with DCF. A GMP customer may work with a CAA or DCF to apply for a number of different social services, at which time the CAA or DCF may make the customer aware of the GMP EAP and provide an application. DCF also includes a program description and downloadable application form from its website.
- 3 Obtaining an application and learning about the program through other means. GMP provides a description of the EAP on its website and a link to an application form. Additionally, GMP provides application forms to various community organizations, including churches, community energy committees, schools, and senior centers. DCF similarly provides applications and conducts training sessions on the GMP EAP as well as other social services to community organizations. As households engage with GMP's or DCF's website or engage with community organizations, customers can gain an awareness of the program and obtain applications.

In discussion with GMP and DCF staff, GDS learned that customers receive and apply for the program for a number of reasons. While GMP identifies disconnection notices as the primary trigger for driving enrollment, other life changes are the driver of the customer to engage with the program along with other social services. The build-up of arrearages is viewed as a symptom of a broader set of challenges that may be experienced by a household. The linkage of the GMP EAP to other programs administered by DCF is viewed as not only an efficient way of reaching eligible households, but also a way of bringing a household into the larger set of social services they may be eligible for, thus helping address the underlying challenges of which past-due GMP accounts is one symptom. Customers may or may not choose to apply for those other social services, but the customer is made aware of and has access to the larger social support network. This broader set of social support services is not reflected in Figure 4 but is an important element of the overall customer experience outside of the EAP.

**STEP 2. Customer Gathers Application Materials**

A customer obtains an application through its engagement with GMP, DCF, CAAs, other organizations, or by downloading from DCF's website (also linked from GMP's website). The customer may or may not need to gather income documentation, depending on their enrollment in several other programs administered by DCF. If enrolled in other DCF-administered programs and DCF has current eligibility documentation, household income data is not needed. Regardless, the application requires that any applicant have a GMP account in their name and indicates that their most recent bill be attached (the requirement for a bill is no longer enforced). Other information is relatively straight-forward, relating to the applicant's address, contact information, and the number of people in the home.

If an applicant does not already participate in a DCF-administered program, with DCF having income-eligibility documentation available, applicants must describe the monthly gross income of the household. The application includes a list of possible income sources, including wages, social security, alimony, and a variety of other income types. The application indicates that applicants may be required to submit documents supporting the income declaration. To complete the form, applicants likely need to gather

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income data for all household members unless income details are relatively simple and constant. DCF and GMP staff can assist customers as requested.

In Step 2, if a customer does not complete the application they do not participate in subsequent steps. However, an EAP-eligible customer not completing the application may experience a service disconnection and electricity bills that are higher than would otherwise be the case if they had completed the application and been successfully enrolled.

### **STEP 3. *Customer Completes and Submits Application***

Completing and submitting a program application is the essential action to become enrolled in the GMP EAP. The application provides a DCF mailing address to the Economic Services Division (ESD) of DCF. Instructions are to mail the application and recent electric bill to ESD. Once received by ESD, ESD reviews the application. A customer will experience a waiting time as the application is transferred to ESD by mail and then reviewed by ESD. ESD indicates that the review time is approximately two weeks, though can extend to four weeks during times of high program demand, typically in late fall and early winter.

### **STEP 4. *Customer Notified of Application Status and Remedies as Needed***

Once an application has been completed and submitted to DCF, DCF determines program eligibility. After an eligibility determination has been made, DCF sends a letter to the customer notifying them of their status – either enrolled in the program or denied program enrollment. For those denied program enrollment, the reasons can vary – income eligibility, or inadequate or incorrect application information. For those with an application deficiency, instructions are given on how to remedy the information and a new application form is included with the denial letter. From time to time during the application review process, customers will make inquiries into the status of their application with a phone call to either DCF or GMP. GMP will direct customers to DCF to resolve the inquiry, with DCF verbally providing customers with an update on their application status (in review, letter sent, acceptance or denial).

## **3.4.2 Participation Stage – Steps 5 through 8**

### **STEP 5. *Customer Receives Discounted Rate and Arrearage Forgiveness***

With a successful enrollment, GMP receives a notice from DCF. GMP customer service personnel then make updates to the customer's account. The past-due arrearage amounts are removed from the account and the customer's billing rate is changed to reflect the 25 percent discounted energy rate and 25 percent discounted customer charge. The customer becomes aware of this status on their next bill. Should a customer make an inquiry to GMP on their status and GMP has received the confirmation of eligibility from DCF, GMP customer service personnel are able to verbally confirm the customer's status.

In Step 5, if a customer had received a disconnection notice prior to applying for the EAP, GMP will halt the disconnection process so long as a field order to disconnect had not yet been issued within GMP. Receiving a disconnection notice does not mean the disconnection field order had been issued – simply that the customer is at risk of having their electricity service disconnected. If the customer had completed an application and GMP had been notified prior to the field order being issued the customer may avoid experiencing the disconnection. However, for those customers that complete an application well after an initial notice had been issued, the application process and GMP notification may come too late to halt the disconnection. Customers will receive a disconnection notice when their account is past due more than 35 days and the amount owed is greater than \$50. While the disconnection notice may trigger a discussion with GMP related to bill payments (and may be a trigger for learning about the EAP), GMP does not issue

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a field order to perform the disconnection until a past due amount is greater than \$100. The EAP applicants that are disconnected due to the timing of the application and field order to disconnect do not need to reapply for the program, but automatically receive the discount once service has been reestablished.

### **STEP 6. Customer Pays Electricity Bill**

Once a customer is enrolled in the EAP and their GMP account reflects the discounted rate and arrearage forgiveness, the customer would pay their electricity bill as normal, simply at the discounted level. However, EAP participants may still have challenges paying their electricity bill and build-up arrears. Depending on their specific time in the EAP, customers who build up new arrears had varying experiences.

In case of a new build-up of arrears, GMP works with the customer to attempt to address the arrears. Payment options are explored and during the late-2016 through 2018 time period, GMP included its EAP Power Partners option as a program element. EAP Power Partner provided a second round of arrearage forgiveness. With EAP Power Partners, EAP enrollees who experience an account in arrears became eligible to have 50 percent of their arrearage balance forgiven, with the remaining 50 percent expected to be paid over time via a negotiated payment. This program element did not exist after February 2019. As noted in Step 5, if an EAP participant is disconnected due to an arrearage build-up, they remain on the program and receive the rate and customer charge discount upon resolving their arrears and becoming reconnected.

While in the program, customers may be removed from the EAP for two reasons. These include:

- 1 The customer moving or otherwise cancelling an account,
- 2 A change in income that shifts the customer to no longer being eligible

GMP and DCF each spoke of customers who had proactively contacted program personnel to notify that their income had changed and that they were no longer eligible for the program. However, in most cases, the re-enrollment process verifies whether a customer's income status enabled them to remain eligible. DCF indicated that in most re-enrollments the income eligibility did not change, leading to relatively few denials of program participation through the re-enrollment process.

In the case of a customer moving, GMP closes the account that is enrolled in the EAP. That customer may or may not move within the GMP service territory. For a customer that moves within the GMP service territory, there is no system in place to ensure continuity with the program – a new enrollment would be necessary.

### **STEP 7. Customer Receives Notice to Recertify/Reapply**

Once in the EAP, customers are expected to re-enroll on an annual basis. Two months in advance of their 12-month tenure in the program, customers receive a letter from DCF along with an EAP application and explanation of the re-enrollment process. The application process is identical to Steps 2 and 3 (gathering information and submitting the application). The major distinction is that the customer already is aware of the program and has stepped through the application process previously, suggesting greater familiarity with the requirements.

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DCF receives the application and confirms eligibility as with the initial application process (Step 4), notifying customers via letter if they are re-approved or denied. In all respects, the process repeats but without the need for Step 1 – having a customer become aware of the program. Over the last two years, GMP has not removed customers from the program if they fail to re-enroll. It is unclear how the ongoing re-enrollment communication from DCF and GMP's practice of not removing customers from the program is understood by customers on the program.

**3.4.3 Customer Journey Summary**

In general, the customer experience related to enrolling in and participating in the EAP is straight-forward. For an eligible customer not already enrolled in the program, the major areas that can cause a challenge are Steps 1 through 3 – awareness of the program through to completing and submitting an application. Once in the EAP, participation requires little effort on the part of the customer or GMP unless a customer begins to fall back into arrears. The re-enrollment/recertification process would create a potential risk, just as with a new enrollment, however, the current practice of not requiring a new application mitigates that risk. Communications are heavily focused on traditional mail – the application, notices of disconnection, notification of application acceptance or denial – creating a potential risk that customers may overlook mail that they are not expecting. That said, GMP and DCF all have staff prepared to assist customers who proactively engage with either organization in order to facilitate enrollments. The chief risk is that a customer may not proactively engage DCF or GMP and potentially be disconnected or otherwise not complete the submission of their application.

## 4 EAP Workshop

As part of the evaluation effort, GDS led a workshop held at the Vermont Department of Public Service on August 29, 2019. The purpose of the workshop was to have stakeholders in the Green Mount Power (GMP) EAP gather to share experiences and ideas on the need for the EAP as well as develop ideas for how to increase EAP enrollment.

### 4.1 INTRODUCTION

As part of the GMP EAP evaluation, GDS developed and facilitated a workshop. The workshop was held on August 29, 2019 at the Department of Public Service's offices in Montpelier. The purpose of the workshop was to enable evaluation input by a range of EAP stakeholder organizations and to facilitate discussion between the stakeholder organizations on two topics:

- 1 Describing the need for the EAP
- 2 Identifying potential ways of increasing EAP enrollment

Participating organizations included:

- *Vermont Department of Public Service*
- *Champlain Valley Office of Economic Opportunity*
- *Capstone Community Action*
- *Southeastern Vermont Community Action*
- *Central Vermont Council on Aging*
- *Green Mountain Power*
- *Vermont Department for Children and Families: Economic Services Division*
- *United Way (representing Vermont 2-1-1)*
- *AARP*
- *BROC Community Action*

The workshop was structured with three phases. In the first phase, GDS provided an overview of the GMP program and various preliminary observations that had emerged from the evaluation effort to-date. The goal was to provide workshop participants with a common set of information from a shared understanding would help shape subsequent activities. The information provided in the first phase is presented as part of the program summary section of this evaluation report. In the second phase, workshop participants were separated into three small break-out groups and tasked with developing a description of the need for the GMP EAP – the value it provides as well as perspectives on the eligible population the program has and hasn't served to the present time. Each break-out group reported back to the larger set of workshop participants. In the third phase, participants again separated into their break-out groups and tasked with developing their own set of ideas on how the EAP could increase enrollment. In reporting back to the larger set of workshop attendees, ideas were shared and discussed.

Below, we describe the results of each break-out group session, describing the ideas that workshop attendees developed for describing the need for EAP and then their ideas for increasing enrollment. These ideas were used to inform the larger set of evaluation results and recommendations.

### 4.2 DISCUSSION OF NEED

As preparation for the break-out sessions to discuss the need for the EAP, GDS presented information about Vermont's energy burden for low-income households, as well as an estimate of the current program penetration among GMP's customers eligible for the program. These details are presented in the Affordability section of the evaluation report. Additionally, GDS presented perspectives on the proportion of renters using electricity, the context of household budget energy burdens combustion heating fuels

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compared to electric heating, reminding workshop participants that affordability issues exist outside of just electricity expenses, and that LIHEAP serves only a portion of Vermont's low-income population.

With the perspective on affordability and program information, workshop participants separated into three break-out groups to have a discussion on their views of the need the program is meeting as well as gaps that may indicate an opportunity for expanding enrollment. Summarized below, the workshop participants identified the following key considerations as it relates to EAP need.

### ***How is the EAP currently meeting the needs of GMP's low-income population?***

***Creating stability for household budgets.*** With limited household income, participants are better able to afford electricity and direct their remaining budget to other key priorities – medical care, food, transportation, and housing.

***Helping households in crisis.*** Participants often enter the program after accruing substantial arrearages to GMP. The arrearages are often a symptom that emerges due to other critical needs, such as a medical emergency, emergency car repair, or other sudden expenses that absorb a substantial portion of a household budget. Eliminating arrears removes a substantial source of household stress with the discounted rate reducing the ongoing stress of keeping up with household expenses.

***Creating confidence in households as they experience challenges.*** With arrearage forgiveness, making regular utility payments builds confidence in a household that it can meet its needs. Developing a habit of making regular utility payments leads to household stability and the potential for it to manage day-to-day living expenses. By creating a more affordable monthly bill, the program reduces the ongoing pressures a low-income household has in keeping up with the total set of household expenses.

### ***What are the needs that the EAP has not met?***

***A substantial portion of the eligible population is not enrolled in the program.*** At the workshop GDS provided an estimate that 30 percent of the eligible GMP population was enrolled in the program. There was general agreement that there was a large percent of eligible GMP customers who weren't being reached by the program and were not benefiting from the affordability benefit offered by the rate discount, even if they had no arrears.

***At-need households are not currently eligible for the GMP EAP due to income requirements.*** Workshop participants identified households between 150 percent and 185 percent of the federal poverty level as "low-income" and at-need, with the current eligibility threshold eliminating low-income households in this income category. Additionally, by capping eligibility at 150 percent of the federal policy level, there was a misalignment with other programs that served low-income households up to 185 percent of poverty, with the existence of those programs and income thresholds demonstrating an explicit need and low-income status, notwithstanding the statutory definition for GMP EAP program eligibility.

***Gaps may exist for outreach and enrollment with certain groups of eligible GMP customers.*** While workshop participants did not define the specific cause of a gap, workshop participants indicated that there were characteristics that defined groups that may not be enrolled in the program (later in the workshop, participants identified outreach ideas to help reduce this gap). Workshop

## EAP WORKSHOP

participants felt that there may be gaps in enrolling senior citizens, households with disabled individuals, non-English speakers/readers, and people living in remote areas. Workshop participants felt that although there were outreach efforts to enroll people with these characteristics, their experiences in observing who did enroll suggested there may be opportunity to drive enrollment to households with these characteristics.

***The program may not be reaching those households not already in crisis.*** Workshop participants felt that the program was doing well to enroll households experiencing arrearages or other symptoms of a crisis. However, outreach to those not already experiencing a crisis or otherwise within the larger social support network that supports the GMP EAP (GMP, DCF, CAAs, and affiliated organizations) is a gap that means eligible households in need of and eligible for general affordability assistance did not have a clear and easy path to becoming aware of the program or ultimately enrolling in the program.

### 4.3 DISCUSSION OF WAYS TO INCREASE ENROLLMENT

Following the break-out session associated with discussing and identifying needs for the EAP and possible gaps the program could fill, workshop participants shifted their attention to identifying ways the EAP could increase enrollment. Three groups again formed to have their own break-out sessions to identify their ideas on how to increase enrollment in the EAP. A rich set of concepts, from broad approaches to very specific ideas, emerged to identify ways to increase enrollment and fill the gaps identified in the prior breakout session are summarized below.

***Expand the program to include those with household incomes between 150 and 185 percent of the federal poverty level.*** While such a change may require legislative changes, workshop participants identified several benefits that this expanded eligibility would have, going beyond increasing enrollment:

- Enlarging the pool of eligible GMP customers will lead to greater numbers of enrollment opportunities amongst the households being served by DCF, CAAs, and other social service organizations
- Create alignment with other Vermont social support programs, such as LIHEAP, 3Square, or the Vermont Gas EAP, all which utilize 185 percent of the federal poverty level as a core element of eligibility. Doing so will speed application processing by allowing a single review of eligibility criteria. Further, if a household is already enrolled in programs that set eligibility at 185 percent of the federal poverty level, a simple “categorical” review can be used in lieu of a GMP application and the gathering and review of associated household data.
- Communications and understanding amongst social service agencies and GMP customers will be easier to explain across a range of programs, rather than just being focused on the EAP with its unique income eligibility criteria.

***Expand program outreach and materials to include new communication channels and provide guidance to organizations that support or otherwise engage with potentially eligible EAP customers.*** Workshop attendees developed a list of at-risk groups who may represent opportunities for increasing enrollment. Ideas on how to reach those groups or their affiliated organizations included:

- Providing program materials and applications in multiple languages to assist non-English speakers
- Market the program to medical supply companies and provide materials to help the medical supply companies promote the program to those with disabilities or experiencing a medical crisis.
- Market to Medicaid recipients or those currently participating in other social support programs.
- Market the program to renters via landlords or other organizations that regularly engage with households that rent their living space.

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- For those organizations affiliated with supporting a target market for enrollment, provide a script and detailed instructions on how to guide potentially eligible GMP customers through the application process. For example, 2-1-1 phone staff were cited as being able to benefit low-income households more if detailed instructions were provided, rather than the current practice of referral to DCF. Doing so will help GMP customers move through the application process with less risk of dropping themselves from the process.
- Consider opportunities to leverage social media or public service announcements to promote the EAP. Consider messaging targeting particular groups and associated positive marketing messaging.
- Update the GMP website to elevate the visibility of the program and its associated application materials or options.

***Increase the benefit level for the discounted rate.*** Workshop participants suggested that a higher discount on the electricity and customer charge would help increase the affordability of electricity bills, avoid future arrearage challenges for program participants, and help maintain enrollment levels. Additionally, a higher discount was viewed as being more attractive to induce eligible participants to complete the application process due to greater financial value. Workshop participants also suggested that a tiered discount, in which those with the lowest incomes received a deeper discount, may help meet affordability needs. Workshop participants also suggested considering other electricity bill charges for discounting or elimination for EAP participants.

***Streamline the application process.*** Workshop participants felt that the application process could be streamlined, reducing the steps required by applicants and program administrative staff, with the effect being that with more completed applications, enrollments would increase. Several suggested approaches emerged from this theme, summarized below. Workshop participants also recognized that some of these ideas may require or be enhanced by the EAP aligning income eligibility requirements with other programs supporting the low-income population.

- Develop approaches to “automatically” enroll eligible GMP customers, though allow eligible customers the option to decline enrollment. Approaches to automatic enrollment identified in the workshop included:
  - Utilize the fuel assistance application process to verify income and automatically enroll eligible customers
  - Provide a means (such as via online account access) for GMP customers to self-enroll for the discounted rate, with income documentation provided within 60 days of enrollment.
  - Enable agencies that verify income for other programs to provide an online or similar means of enrolling customers, utilizing those trusted agencies’ income verification to complete eligibility
- Remove the requirement that the customer provide a recent GMP bill (this has already been done on an informal basis). This step would remove a hurdle and potential need for a second visit to complete an application.
- Develop an online application. The current application can be downloaded from GMP’s website and DCF’s website but requires printing and completing in written form. Enabling an online application to directly reach DCF or GMP with applicant information and uploads of required documentation was viewed as being beneficial to applicants or those who may assist applicants through the application process.

***Adjust the re-enrollment process to reduce the re-enrollment burden.*** The current program policy is to require that EAP participants re-enroll on an annual basis, using the same application process required for new enrollments. Although not currently enforced, the re-application requirement was viewed as creating confusion and risk for eligible participants to remain on the program. Particularly

## EAP WORKSHOP

for elderly or disabled individuals, the burden of re-applying each year was viewed as creating a hurdle. Alternatives that were suggested included:

- Change the time-frame for re-enrollment to two or three years, with notice and guidance provided well in advance (the current two-month advance notice timing was not mentioned as problematic).
- Allow a re-certification process to simplify renewal in the program. In this process, customers would verify that they are still eligible for the program (i.e. self certifying). Mechanisms that align with any updates to the application process should be leveraged, though a simplified mail-based response may also be useful to include as an option.
- Utilize participation in other social support programs to confirm ongoing eligibility would avoid the need for a positive response from participants. Such a process could also be handled internally within the program, reducing the need for separately reaching out to each participant.

***Consider changing the approach to arrearage forgiveness to reinforce developing a practice of regular bill payment by program participants.*** Workshop participants suggested that GMP consider revising the program's approach to arrearage forgiveness. The current approach is to forgive all arrearage balances with successful enrollment into the program. An alternative approach is to provide for periodic arrearage forgiveness based on a program participant's successful payment of their current (with the EAP discounted rate) bill. In this approach, the arrearages prior to enrollment are frozen, with a portion forgiven over time, such as a percentage of the frozen total forgiven each month over a 12-month period. In this regard, the approach links arrearage forgiveness with ongoing bill payment. Workshop participants also suggested that in the event an EAP participant falls behind in their electricity bill payments (with the EAP discounted rate), the frozen amount should not suddenly become unfrozen, with EAP participants able to continue to pay down the balance of their frozen arrears after catching up with their current arrears.

***Consider a goal of enrolling 60 to 70 percent of the EAP's currently eligible households.*** Workshop participants were enthusiastic in their desire to see the GMP EAP expand enrollment and participation. All acknowledged that enrolling 100 percent of eligible households was unrealistic.<sup>8</sup> The stakeholders also envisioned their own roles in helping make this goal happen, captured in discussion related to outreach, marketing activities, and the facilitation of enrollments.

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<sup>8</sup> GDS notes that in the detailed reviews of six existing programs, the only programs achieving such high market penetration were those that restricted eligibility by requiring a receipt of LIHEAP benefits. The EAP's eligibility criteria does not require LIHEAP, broadening the technical definition of eligibility and thus increasing and pool of eligible customers and thus lowering the percent-of-eligible participation rate. For a program that does not require LIHEAP participation, Eversource Massachusetts has the highest market penetration rate estimated by the evaluation, at possibly 45 percent of low-income customers.

## 5 Evaluation Research & Findings

As part of its evaluation of the GMP EAP, GDS was tasked with researching existing literature and investigating utilities with similar programs in order to inform a comparative analysis of the GMP EAP relative to other programs. Existing literature was reviewed to inform best practices and contribute to the comparative program analysis. During the course of conducting interviews with stakeholders, GDS was also asked to investigate the question of affordability as it relates to EAP. GDS reviewed affordability metrics for Vermont, the historical perspective of affordability related to the need for the EAP, and analyzed census data to understand the penetration of the EAP within GMP's eligible population. To complete the comparative program analysis, GDS gathered information on 28 utilities across ten states. These utilities offer rate discounts or arrearage forgiveness, with some combining these components into one program or separating the components into two or more programs. From this list of 28, eight were selected for more in-depth research, of which six were able to provide useful in-depth information. Emerging from the literature review and utility research are program best practices which can be compared to GMP's current program practices.

Below we describe the result of the evaluation research on the topic of affordability and the results of comparative program analysis. Starting with the discussion of affordability, the best practices research and results are described, followed by the comparative analysis with other similar utility programs.

### 5.1 NEED AND AFFORDABILITY

In the Order enabling GMP to establish its EAP, the Public Service Board (the Board) noted the necessity of electricity.<sup>9</sup> The Order notes "to lose electricity at a residence means to lose the light and heat of home." In its findings, the Board identified that "electricity is a necessity that is unaffordable for a significant segment of Vermonters..." As such, electricity affordability is a foundation of the GMP EAP.

In terms of expanding enrollment (the underlying driver of this evaluation), GDS investigated the current status of program enrollments and the eligible population that could be enrolled. While the evaluation effort did not attempt to conduct an exhaustive study of affordability and eligibility, an investigation into the potential number of households eligible for the GMP EAP under the current program design or other scenarios helps to estimate the potential for enrollment growth and indicates how the current program is helping meet the challenge of affordability. Should efforts be made to increase the number of enrollments, this estimate can also help inform potential implications for program costs.

GDS estimates that the GMP EAP currently has enrolled **between 25 and 30 percent** of its eligible residential customer base. To arrive at that estimate, GDS conducted two analyses using statewide metrics regarding poverty in Vermont as well as a more detailed zip-code level analysis. The statewide metrics also describe the general state of need for energy affordability in Vermont. The approaches and results of each are described below.

#### 5.1.1 Affordability

Fisher, Sheehan, and Colton provide periodic research summaries on the topic of the "home energy affordability gap."<sup>10</sup> Below, we summarize the 2018 Vermont data compiled by Fisher, Sheehan, and Colton (FSC). While FSC focus on the overall energy burden that lower-income households face, a consideration of the population's energy burden is useful and provides context to the role that electricity

<sup>9</sup> Vermont Public Service Board Docket No. 7535 Final Order

<sup>10</sup> <http://www.homeenergyaffordabilitygap.com/>

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plays in that burden. The FSC data includes information on Vermont’s population up to 200 percent of the federal poverty level (FPL) as a general metric often used to categorize households as low-income. This higher percent of the FPL exceeds the current statutory language defining low-income customers of electric utilities as 150 percent or less of the FPL, providing consideration should the eligibility cap be raised.

The energy burden of Vermont’s low-income households is high. Fisher, Sheehan, and Colton (2019) provide summary statistics based on Vermont’s demographics and home energy burdens.<sup>11</sup> Table 5-1 summarizes FSC’s analysis of the home energy burden for Vermont’s low-income households.

**TABLE 5-1 VERMONT HOUSEHOLDS AND ENERGY BURDENS, 2018**

Percent of Federal Poverty Level	Home Energy Burden	Number of VT Households
Below 50%	51%	12,950
50 to 100%	28%	16,557
100% to 125%	18%	10,959
125% to 150%	15%	10,340
150% to 185%	12%	16,198
185% to 200%	11%	6,484
<b>Total</b>		<b>73,488</b>

In general, an affordable home energy burden is considered to be six percent of a household’s budget.<sup>12</sup> Indeed, the six percent figure is noted in Docket 7535 in discussion regarding the formation of the GMP EAP. As Table 5-1 shows, home energy burdens far exceed that affordability level, with electricity, natural gas, or home heating fuels competing with food, health care, and other critical household budgetary necessities. With all homes typically requiring electricity, in addition to either natural gas or a delivered fuel (fuel oil or propane), electricity expenditures are only one portion of a home’s energy burden. While the GMP EAP can influence a household’s energy burden, it will be an incremental effect and cannot be expected to address all energy affordability needs.

### 5.1.2 Estimate of EAP Participation Rate Based on Statewide Data

GDS combined the statewide demographic information with data from the Energy Information Administration to estimate the percent of GMP’s EAP-eligible customers that are participating in the program. According to the Energy Information Administration, in 2017 Vermont had 313,670 residential electricity customers. That same data indicates that GMP had 221,420 residential electricity customers, or approximately 70.6 percent of the State’s residential electricity customers. Assuming that an individual household equates to an individual residential customer, and that the proportion of lower-income customers is the same for GMP as for the state, the data from Fisher, Sheehan, and Colton suggest that GMP has approximately 35,869 residential electricity customers with an annual household income less than 150 percent of the federal poverty level (70.6 percent of 50,806 households). With 10,560 customers participating in the EAP as of May 31, 2019, the implication is that GMP has approximately **30 percent** of its income-eligible customers participating in the EAP. Extending further, the conclusion can also be drawn that there are another 70 percent of eligible customers who *could* be on the program, or approximately 25,300 more. These 25,300 households can be expected to have home energy burdens of between 15 and 51 percent, based on the results presented in Table 5-2.

<sup>11</sup> Vermont HEAG2018 XL Detail.pdf from <http://www.homeenergyaffordabilitygap.com/> The data are unclear as to whether fuel assistance or energy assistance programs are included in their energy burden factors.

<sup>12</sup> This estimate is based on an assumption that shelter should not take more than 30 percent of a household’s income with 20 percent representing median energy costs for a low-income household’s shelter costs. Hence, 20 percent of 30 percent = six percent of income.

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While potentially requiring statutory changes, should the EAP raise the income threshold of eligibility, more customers would become eligible for the program. With a threshold at 185 percent of the federal poverty level, approximately 11,400 more customers would become eligible (70.6 percent of 16,198 VT households between 150 and 185 percent of the FPL). Raising the threshold to 200 percent of the federal policy level would add approximately 4,600 customers to the program-eligible pool of GMP customers. These results are summarized in Table 5-2 below.

**TABLE 5-2 ESTIMATES OF LOW-INCOME GMP CUSTOMERS USING STATEWIDE DATA**

Percent of Federal Poverty Level	Estimated Count of GMP Customers
<150%	35,689
150% to 184%	11,435
185% to 200%	4,578
Total <200% FPL	51,702

### 5.1.3 Estimate of EAP Participation Rate Based on Zip Code Data

Using statewide data to estimate current program penetration assumes that Vermont's statewide poverty data reflects the same condition in GMP's service territory. With GMP serving approximately 71 percent of Vermont households, this assumption may be reasonable. However, there exists the possibility that poverty statistics in GMP's customer base is proportionally different from the State as a whole. To test the sensitivity of the estimated statewide results and inform a general range of *possible* program penetration rates, GDS conducted an analysis using census data at the zip code level.

GMP provided GDS with a list of zip codes that are served by GMP. GDS then analyzed and aggregated the zip code-level poverty data from the Census Bureau's American Community Survey (ACS) 2013-2017 Public Use Microdata Sample (PUMS).<sup>13</sup> GDS received two datasets of census data:

- 1 By Vermont zip code, the count of individuals and their status relative to the federal poverty level
- 2 By Vermont zip code, the number of individual households<sup>14</sup>

GDS removed any duplicate zip codes from the list provided by GMP and matched the list of GMP zip codes to each dataset to isolate on individual count, poverty status, and household count. A total of 212 unique zip codes were identified. GDS found that 11 of the 212 zip codes were not included in the census data results (discussed below). From this data, GDS found that the ACS data counted 545,693 individuals and 235,254 households in the remaining 201 zip codes, resulting in an average household size of 2.32 people per household.

To arrive at the count of households by poverty status, GDS divided the number of individuals in each poverty grouping by 2.32 to arrive at an estimate of the number of households expected at a given poverty level. This approach assumes that the size of low-income households is proportional across the several poverty level groupings. The results for each of the 201 zip codes were then summed to arrive at the total number of households in each poverty level grouping.

<sup>13</sup> <https://www.census.gov/programs-surveys/acs/data/pums.html>

<sup>14</sup> Census data by "family" is available for zip codes with poverty data, however, the definition of "family" excludes households with only one individual. Using "family" data undercounts the number of households. The ACS data does not provide detailed poverty data at the household level.

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This analysis assumes that the zip code poverty data reflects GMP's service territory poverty data. However, the total count of households in the zip codes exceeds the EIA's count of GMP's residential customers. Indeed, for some zip codes, utilities other than GMP likely provide some electric service. To arrive at a count of GMP households and account for zip codes served by multiple utilities and remove the effect of the missing 11 zip codes (described above), GDS utilized a correction factor to adjust the raw counts of households to arrive at a count of GMP households that sums to the 2017 EIA count of GMP residential customers. The 2017 EIA data indicates that GMP has 221,420 residential customers. The zip code analysis identified 235,254 households. An adjustment factor of 0.94 (221,420 divided by 235,254) was applied to each poverty level grouping to arrive at an estimate of GMP's count of households at each poverty level grouping. The summary results are presented in Table 5-3 below.

TABLE 5-3 ESTIMATE OF GMP RESIDENTIAL CUSTOMER COUNTS BY POVERTY LEVELS

FPL Grouping	Raw Count of Households	Adjusted Count (=GMP Count)	Percent of Total	Cumulative GMP Households
Below 50%	11,815	11,120	5%	11,120
50 to 100%	14,415	13,568	6%	24,688
100% to 125%	9,708	9,137	4%	33,825
125% to 150%	9,055	8,522	4%	42,347
150% to 185%	14,601	13,743	6%	56,090
185% to 200%	5,763	5,424	2%	61,514
200% or greater	169,897	159,906	72%	221,420
<b>Total Households</b>	235,254	221,420	100%	221,420

Based on the zip code-level analysis, GDS estimates that 42,347 GMP customers may be currently eligible for the GMP EAP (<150% of FPL). This is higher than the number found using the statewide approach described above and further suggests that the GMP service territory may have a higher percentage of low-income households than the State as a whole. As a result, the estimate of the market penetration is lower than the 30 percent found when assuming that GMP's service territory has the same proportion of poverty as the entire State. With the zip code-level analysis finding 42,347 customers at less than 150 percent of the FPL, with 10,560 current participants, the estimated market penetration is **approximately 25 percent**.

#### 5.1.4 Affordability and Market Penetration Conclusion

Whether utilizing the state-wide approach or zip-code analysis, GDS concludes that there is a large number of *currently eligible* customers not participating in the program relative to the current program population. The analyses suggest that the program has **between 25 and 30 percent** of eligible customers participating. Expanding the program to allow for a cap of 185 percent of the FPL would add approximately 11,000 to 14,000 potential participants, all of which likely have a high home energy burden.

## 5.2 DETAILED UTILITY RESEARCH

GDS provided the Vermont Department of Public Service (PSD) with a brief description of utility programs similar to GMP's program. From this list a subset were selected for further research and potential in-depth interviews with program managers. The selection of the utilities for greater research included considerations related to program design and climates with heating. The purpose of this selection was to understand how program similar to EAP were operating and what elements program managers felt represented best practices or what challenges the programs encountered.

Below we summarize the results for each of the selected utilities, combining research into program details and interviews.

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**DUQUESNE LIGHT COMPANY. Customer Assistance Program**

With service territory in western Pennsylvania, Duquesne Light Company (DLC) serves approximately 524,000 residential households, roughly 70 percent of households within a three-county region.<sup>15</sup> DLC provides their Customer Assistance Program (CAP) to their low-income residential customers. Program eligibility is defined as having a household income of 150 percent or less of the federal poverty level and “have demonstrated or expressed an inability to pay their electric service bill.”<sup>16</sup> According to their 2017-2019 program plan, their eligible population is approximately 136,000 customers, with the program manager estimating that approximately half that amount (60,000 to 70,000) residential customers were eligible for the program. Historical enrollment in the CAP has been approximately 36,000 (2013-2015), with the 2019 enrollment maintain that same level. The program is budget capped by the Public Utility Commission at approximately \$21 million per year.

DLC operates its CAP enrollment through a network of local Community Based Organizations (CBOs). The program manager indicated that Community Action Programs conduct education and enrollment in concert with its network of CBOs, including the YMCA, Salvation Army, agencies on aging, and other charity operations. To support the network and eligible customers, DLC maintains three full-time staff that focus on CAP as well as the other associated universal service programs. These affiliated programs include:

- Customer Assistance Referral and Evaluation Services, a case management and referral program
- Hardship Fund, an emergency winter arrearage payment fund offering grants of up to \$500 with 1,820 expected participants per year
- Smart Comfort, an energy conservation program targeting low-income customers with high average monthly electricity consumption

The enrollment process is operated by Community Action Programs who have access to DLC’s customer database. Applications can be processed in-person or over the phone. An “automatic enrollment” process exists for LIHEAP recipients, with DLC customers receiving LIHEAP grants having the collections process temporarily halted while the CAP application and income verification activities are completed.

The Customer Assistance Program (CAP) provides for a reduced electricity bill based a household’s income as a percent of the federal poverty level. Households pay a percentage of their electricity bill, with the percentage increasing as household income increases. A minimum payment is required as a cost containment measure, regardless of the household income or the electricity bill.

**TABLE 5-4 DUQUESNE LIGHT COMPANY CUSTOMER ASSISTANCE PROGRAM BILL REDUCTIONS**

Income Category as Percent of Federal Poverty Level (FPL)	Electric Heat Percent of Full Payment	No Electric Heat Percent of Full Payment
Up to 50% FPL	45%	30%
51% to 100% FPL	65%	60%
101% to 150% FPL	80%	85%
Minimum Bill	\$40	\$15

Arrearage forgiveness is dependent on a CAP-enrolled household maintaining their account in good standing. Once enrolled in the program, prior arrears are frozen. Each month, 1/24 of the frozen arrears are forgiven so long as the customer makes their CAP-based electricity payment. As a result, past arrears are forgiven in-full over a 24-month time period. If a CAP-enrolled customer falls behind in payments, service termination can result.

<sup>15</sup> Duquesne Light Company Universal Service and Energy Conservation Three Year Plan 2017-2019, May 12, 2017. [http://www.puc.pa.gov/general/pdf/Duquesne\\_Light\\_USP.pdf](http://www.puc.pa.gov/general/pdf/Duquesne_Light_USP.pdf)

<sup>16</sup> Ibid, p. 8

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Based on the interview with the program manager, the program manager feels that enrollment could be increased to about 75 percent of the eligible market (from the current 50 percent). To do so would require that the spending cap be increased and would require additional marketing outreach. GDS estimates that the current program serves about 25 percent of DLC's low-income population, half of which are considered eligible for the program. Increasing enrollment by 25 percent (from 50 percent to 75 percent) of eligible low-income customers would add approximately 18,000 customers, resulting about 40 percent of low-income households being served by the program. With approximately 524,000 households being served by DLC, about 25 percent are considered low-income, with about half of those considered eligible for the program, result in approximately 12.5 percent of DLC's residential customers currently participating in the program.

### **EMERA MAINE. *Low-Income Assistance, Arrearage Management, and Oxygen Pump/Ventilator Programs***

Emera Maine, serving electricity customers in Northeastern and Southeastern Maine, provides two programs that share similarities with GMP's EAP. The Arrearage Management Program (AMP) provides for a one-time arrearage forgiveness. To be eligible for AMP, a customer must qualify for fuel assistance and be in arrears by \$500 or more. Arrears are frozen, with 1/12 of the frozen arrears forgiven with each successful monthly payment of their standard electricity bill. The Low-Income Assistance Program (LIAP) allows for a once per year payment provide to the account, based on the customer's household income. A third program specifically targets low-income customers with medical oxygen or ventilator pumps (OVP Program), providing a monthly discount for eligible customers based on the equipment's expected electricity consumption. In all cases, eligibility is aligned with the State's fuel assistance (LIHEAP) program – 150% or less of the federal poverty level.

The LIAP and AMP programs have relatively low enrollment compared to other utilities compared in this evaluation. As of June 2019, 144 residential customers were enrolled in AMP. LIAP currently supports 665 customers, with enrollment limited due to a requirement that the customer not reside in subsidized housing. Emera Maine indicated that 1,085 customers were enrolled in the OVP Program. With approximately 132,000 residential customers,<sup>17</sup> less than one percent of Emera Maine's customers are participating in any of the three programs. Emera Maine reported that approximately 6,000 of its customers receive LIHEAP.

Emera Maine utilizes Community Action Programs (CAPs) to enroll customers. The program manager credits the use of CAPs as a key success to the program. Marketing is conducted by Emera Maine, which utilizes direct mail to customers, the Emera Maine website, bill inserts, and brochures describing each program. As customers contact Emera Maine to inquire about the programs or discuss their electricity bills, customer service staff are also able to educate customers about the programs.

Emera Maine does not have an estimate of how many households are income-eligible for the programs. GDS developed an estimate using information on the number of households at or below 150 percent of the federal poverty level (FPL) in Maine (122,820<sup>18</sup>) and applying the share of Maine's residential electricity customers (132,858 of 707,792, 18.7 percent)<sup>19</sup> to the statewide count of households at or below 150 percent of the FPL. Assuming the distribution of low-income households is the same proportion

<sup>17</sup> Energy Information Administration, Utility Electricity Sales data

<sup>18</sup> Based on Home Energy Affordability Gap data presented by Fisher, Sheehan, and Cohen for 2018.

<sup>19</sup> Based on EIA 2017 electricity sales data

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in Emera Maine’s service territory as statewide, Emera Maine could be expected to have approximately 23,000 residential customers at 150% or less of the FPL. Of those 23,000 customers, Emera Maine estimates that approximately 6,000 receive LIHEAP, or 26 percent of the estimated count of low-income customers. As of June 2019, program enrollment across Emera Maine’s low-income programs totaled 1,894, though it is possible some customers may be enrolled in more than one low-income program. With 1,894 customers enrolled in their low-income programs, Emera Maine has enrolled a maximum of approximately 32 percent of their eligible customers (those receiving LIHEAP), eight percent of their low-income customers, and approximately 1.4 percent of their residential customers in their low-income programs.

## NEW HAMPSHIRE ELECTRIC ASSISTANCE PROGRAM and NEW HAMPSHIRE ELECTRIC COOPERATIVE

New Hampshire, as part of its utility competition legislation, created the Electric Assistance Program in 2002. A systems benefits charge (SBC) funds a statewide program that provides rate discounts to eligible households, with management oversight provided by the New Hampshire Public Utilities Commission. An association of Community Action Programs (CAPs) administers the programs. The CAPs do all intake for enrollment and eligibility verification. They report to each utility which customers are enrolled in the program, with the utilities then making the necessary adjustments to their billing systems to apply the discounted rate.

Customers are eligible for the program if they are a renter or homeowner and purchasing electricity from any of the New Hampshire utilities participating in the program. Income eligibility is set at a household income of 200 percent or less of the FPL. The Electric Assistance Program (EAP) gives eligible customers a discount for the first 750 kWh on their monthly electric bills. The discount ranges from 8% to 76% depending on gross household income, household size and electricity usage. Table 5-5 below describes the discount relative to household income. NHEC and State program staff note that the discount level, income threshold for each discount tier and amount of kWh eligible for the discount can change to meet annual budget limits.

**TABLE 5-5 NHEAP INCOME LEVEL AND DISCOUNT BENEFIT<sup>20</sup>**

Income Threshold as Percent of Federal Poverty Level	Electricity Bill Discount
75%	77%
100%	53%
125%	37%
150%	23%
200%	9%

Due to statewide program budget caps, enrollment in the program can be limited. Eligible customers may get placed on wait-list. NHEC reports that none of their customers are on a wait-list.

NHEC reported to GDS that as of September 30,2018, 2,505 of their customers were enrolled in the NHEAP, out of a total of about 33,000 households statewide enrolled in the NH EAP. NHEC was not aware of how many households might be eligible for the program in their service territory. GDS developed an

<sup>20</sup> New Hampshire Electric Assistance Program Process Evaluation for Program Years 2013-2015. New Hampshire Office of Energy and Planning. New Hampshire Public Utilities Commission, 2016.

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estimate of program penetration, using estimates that assume NHEC's proportion of eligible low-income households is the same as the statewide proportion. Approximately 110,024 New Hampshire households have an income of 200 percent or less of the federal poverty level.<sup>21</sup> NHEC has approximately 70,470 of the 613,187<sup>22</sup> residential electricity customers in New Hampshire (11.5%). This suggests that NHEC has approximately 8,104 customers with households at 200 percent or less of the federal poverty level. As a result, we conclude that the current NHEAP is serving about 31 percent of NHEC program-eligible population and 3.5 percent of their residential household.

### **EVERSOURCE MASSACHUSETTS. *Discount Rate and New Start Programs***

Eversource Massachusetts operates two low-income affordability programs – the Discount Rate program and New Start program. New Start provides arrearage forgiveness while Discount Rate reduces the monthly utility bill via a discount. Unlike other many other programs, Eversource administers the program in-house. A program manager is dedicated to the program and works with staff to manage eligibility verification as well as enrolling customers. While administering the program themselves, Eversource is highly engaged with the broader set of community-based organizations supporting the low-income population and while also providing customer-by-customer service. Eversource coordinates with local Community Action Programs (CAPs) and engages with the Low Income Energy Affordability Network (LEAN), along with outreach to many other community organizations.

The two programs share the same income eligibility criteria and align with the State's fuel assistance program requirements – households at or below 60 percent of state median income are eligible. This value exceeds 200 percent of the federal poverty level. The Discount Rate program also requires that households receive one of fifteen social service programs, such as LIHEAP, SSI, SNAP, or Head Start. In the application form, permission is given to Eversource for the respective benefits agency to release information to Eversource to confirm program eligibility. The Discount Rate program also provides for an "Automatic Matching" process in which Eversource is required to provide customer information to the Massachusetts Executive Office of Health and Human Services to identify and automatically enroll customers who may be eligible for the Discount Rate program. Additionally, an online application allows applicants to complete an application largely on-line. It needs to be printed and signed. The program manager also described an online application process from the customer's online account, with the application being a self-certification process that allows for 60 days from the date of application for the customer provide the necessary information. Regardless, customers are able to begin receiving the discounted rate from the date the application is received. The program manager spoke highly of the application processes indicating the customers had little difficulty completing an application.

The New Start program freezes arrears at the time of enrollment. Arrears are forgiven each month, with a maximum forgiveness of \$4,500 in one year, with 1/12 forgiven each month. In rare cases with arrears above \$4,500, customer arrears forgiveness would be extended beyond 12 months. Customers must keep up with their electricity bills to receive each installment of forgiveness. If customers fall behind, customers can catch-up and return to receiving arrears forgiveness once the account returns to good standing. The program manager felt that the installment approach helped customers by linking their discounted monthly bills (assuming they are on the Discount Rate program) with arrears forgiveness, reinforcing a goal of making steady payments. Additionally, the installment approach provided an opportunity for Eversource to identify and communicate with customers who may be in crisis, providing referrals to other social programs that may be able to provide assistance.

<sup>21</sup> Based on Home Energy Affordability Gap data presented by Fisher, Sheehan, and Cohen for 2018.

<sup>22</sup> Based on EIA 2017 electricity sales data

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The Eversource Discount Rate program provides a straight discount of 36 percent of the electricity bill and does not vary by household income.

Participation rates in the Discount Rate program totaled 127,598 customers at the end of 2018 across Eversource's eastern and western Massachusetts service territories.<sup>23</sup> The New Start program had 7,587 participants at the end of 2018 for the same service territories. With 1,227,981 residential accounts, approximately 10 percent of Eversource's residential accounts participate in the Discount Rate program with less than one percent participating on the New Start program. Using statewide data, Massachusetts has approximately 616,485 households at or below 200 percent of the FPL.<sup>24</sup> Eversource Massachusetts serves approximately 45 percent of Massachusetts electricity customers.<sup>25</sup> Assuming a proportional share of low-income households, Eversource would expect to 278,110 customers at or below 200 percent of the FPL. This suggests that Eversource has 45 percent of its low-income customers enrolled in the program. This 45 percent estimate may somewhat overstate the participation rate as the threshold for eligibility is 60 percent of the state median income, a higher income threshold than 200 percent of the FPL. At the time of this report, counts for the number of households at or below 60 percent of the state median income were not available. We assume that the share of program-eligible households is less than 45 percent, but still substantial.

### CENTRAL HUDSON GAS AND ELECTRIC

Central Hudson Gas and Electric (Central Hudson) operates its Low-Income Bill Discount Program (LIBDP). This program provides for a dollar discount on monthly electricity bills aligned to the value of benefits received from the New York's Home Energy Assistance Program (HEAP). HEAP participation is required, though it can be either regular or emergency HEAP. The linkage with HEAP is an important administrative element of the Central Hudson LIBDP.

Central Hudson streamlines enrollment with close coordination with HEAP. If a Central Hudson account receives a HEAP benefit, that account is automatically enrolled. If Central Hudson customer receives space heating energy from other sources and is notified by HEAP that the customer is a participant, Central Hudson will automatically enroll the customer. Customers can also be enrolled by providing a copy of the HEAP "Notice of Decision" letter or "HEAP Award" letter and apply via email. As the program eligibility requires mirror those of HEAP, Central Hudson does not need to separately determine income eligibility. A second requirement for applicants is that they enroll in the Budget Billing Program, which allows for a monthly installment payment. Various other payment services are offered by Central Hudson to provide flexibility for payment delays or otherwise assist household in maintaining utility service. Central Hudson offered an arrearage forgiveness program in the past, but has since closed it, with LIBDP taking its place.

The discount for the LIBDP varies based on the HEAP credit but lasts for a 12-month period. Electric accounts receive a discount ranging from \$19 to \$72 per month for bills with electric heat and \$19 to \$56 per month on electric non-heating bills.

Current HEAP income guidelines indicate eligibility for standard HEAP is somewhat over 200 percent of the FPL, ranging from approximately 230 percent for a one-person household down to 210 percent for a

<sup>23</sup> Eversource provided GDS with monthly 2018 Discount Rate and New Start program participation counts, as well as counts of total residential customers.

<sup>24</sup> Based on Home Energy Affordability Gap data presented by Fisher, Sheehan, and Cohen for 2018.

<sup>25</sup> Based on EIA 2017 electricity sales data

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six-person household. Central Hudson reports that approximately 9,484 customers received HEAP and were enrolled in the LIBDP. This includes 8,404 regular HEAP participants and 1,080 emergency HEAP participants. Central Hudson estimates that 11,188 of its customers are receiving HEAP, indicating that approximately 85 percent of HEAP recipients are served by the program. With approximately 257,311<sup>26</sup> residential electricity customers, roughly four percent of electricity customers are served by the LIBDP. New York State has approximately 2,310,081<sup>27</sup> New York State households at less than 200 percent of the FPL. With 7,077,515 total residential electric customers in New York State, approximately 32.6 percent are below 200 percent of the FPL. Assuming a proportional share for Central Hudson, this suggests that 83,986 are at 200 percent or below the FPL and that a substantial number do not receive HEAP, with the LIBRP serving about 11 percent of Central Hudson's low-income population. Some caution is warranted in these assumptions as income distributions may not be proportional for a utility serving only a small percentage of New York State residences.

### XCEL ENERGY MINNESOTA

Xcel Energy (as Northern States Power) operates three programs related to low-income affordability for its electric customers in Minnesota.<sup>28</sup> These include the Discount Program, which provides a flat \$15 monthly discount to customers who declare on their LIHEAP application that they are 62 years of age or older or disabled. The PowerON program provides an affordable bill payment program to households eligible to receive LIHEAP. The Medical Affordability Program serves low-income customers with chronic or severe medical conditions and is modeled after the PowerON program bill payment and eligibility criteria. LIHEAP eligibility criterion uses 50 percent of state median income, a reference for all three Xcel Energy programs.

Xcel Energy administers each program in slightly different, though related ways. For the Discount Program, the Minnesota Department of Commerce notifies Xcel Energy when a LIHEAP recipient is eligible for the program. Once informed, Xcel Energy codes the customer's account to automatically apply the bill discount for the program year.

For the PowerON program, Xcel Energy administers the program in partnership with the Energy CENTS Coalition (ECC), a statewide non-profit organization that promotes affordable utility service for low and fixed-income Minnesotans. Xcel Energy focuses on customer service support and engagement, with ECC focusing on enrollment. After receiving a completed application, ECC combines consumption information provided by Xcel Energy with income information to calculate a customer's potential PowerON benefit, which includes past-due amounts. The PowerON discount is automatically applied to customer accounts that are current on their payment plans. For those customers not current on their payment plans, Xcel Energy customer service provides payment reminders and works with customers to secure payments and directs customers to other resources that may be able to help them get back on track with their payments. The Medical Discount Program enrolls customers on a first-come/first-served basis. Applicants are not required to receive LIHEAP. If program budgets allow, eligibility may be increased from 50 percent of state median income (SMI) to 60 percent of SMI. ECC assists with program enrollment and income verification as with the PowerON program.

Table 5-6 below summarizes the benefits and recent enrollment numbers for each program.

<sup>26</sup> Based on EIA 2017 electricity sales data

<sup>27</sup> Based on Home Energy Affordability Gap data presented by Fisher, Sheehan, and Cohen for 2018.

<sup>28</sup> 2018 Annual Report Electric Low Income Energy Discount Program. Xcel Energy, 2018. Provided to GDS by Xcel Energy. The report's introductory letter references Docket Nos. E002/M-04-1956 and E002/M-10-854.

TABLE 5-6 XCEL ENERGY LOW INCOME PROGRAMS SUMMARY

Program	Enrollment	Benefit
Discount Rate	31,061	\$15 bill discount
PowerON	12,587 (total during PY2018) 10,789 (at end of PY2018)	Maximum bill of 3% of HH income and up to 24 months to pay past arrears
Medical Discount	1,472 (58 at 60% SMI)	Maximum 3% of HH income and 3% cap on arrears repayment

In Xcel Energy's 2018 program report, Xcel Energy notes that participants in any of the programs experience substantially lower arrears, fewer disconnections, and higher rates of collections than LIHEAP recipients not participating in any of the programs.

In 2018, Xcel Energy reported that 55,223 customers received federal LIHEAP. Total enrollment across the three programs came to 45,120 customers, indicating that approximately 82 percent of LIHEAP customers participated in one of the three programs. Xcel Energy serves 1,140,536<sup>29</sup> residential accounts, suggesting that approximately 4 percent of residential households participate in one of the three programs. With 2,357,467 residential accounts in Minnesota, Xcel Energy provides electricity to 48 percent of Minnesota's households. Current LIHEAP benefits in Minnesota are defined as 50 percent of SMI or 110 percent of FPL, whichever is greater. Benefits.gov describes the Minnesota EAP maximum household income levels.<sup>30</sup> In comparing those levels to the 2019 federal poverty guidelines, Minnesota's limits are very close to 200 percent of the FPL. In 2018, approximately 550,899 Minnesota households were at or below 200 percent of the FPL.<sup>31</sup> Assuming Xcel Energy's low-income population is proportional to the Minnesota as a whole, approximately 264,431 Xcel Energy customers would be eligible for LIHEAP. With 45,120 customers having participated in one of the three programs in 2018, Xcel Energy's three programs are serving approximately 17 percent of the low-income population in their service territory.

### 5.3 BEST PRACTICES FOR LOW INCOME AFFORDABILITY PROGRAMS

Based on the estimate of the EAP's current market penetration, GDS concluded that there are a substantial number of customers not currently participating in the program. GDS researched programmatic best practices for low-income energy affordability programs in order to identify those that GMP has already employed in the EAP and to identify opportunities for adjustments that may help increase enrollment. GDS developed the following list and description of best practices for low-income electric bill discounts and arrearage forgiveness programs from a combination of sources. These sources include existing industry literature, the review of utility program materials, and interviews with utilities providing programs similar to EAP. GDS found that the GMP EAP is following many best practices, but that there are opportunities for the GMP to adopt additional best practices for the EAP as a means of increasing program enrollment. We also found that *no programs* meet all the best practices described below.

The literature reviewed to identify best practices for utility affordability programs included:

- Access to Utility Service, sixth edition. National Consumer Law Center, 2018
- Best Practices: Low-Income Rate Affordability Programs. Roger D. Colton, Fisher, Sheehan & Colton, 2007

<sup>29</sup> Based on EIA 2017 electricity sales data

<sup>30</sup> <https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/>

<sup>31</sup> Based on Home Energy Affordability Gap data presented by Fisher, Sheehan, and Cohen for 2018.

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- Helping Low-Income Customers Manage Overdue Bills through Arrearage Management Programs (AMP). Charlie Harak, National Consumer Law Center, 2013
- Lifting the High Energy Burden, American Council for an Energy Efficient Economy, 2016.
- Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs. Evergreen Economics, 2016
- Ratepayer-Funded Low-Income Energy Programs: Performance and Possibilities. APPRISE and Fisher, Sheehan, and Colton, 2007
- LEAN and Green, The Massachusetts Low-Income Energy Affordability Network (LEAN). National Consumer Law Center, 2014.
- Low-Income Assistance Strategy Review. Synapse Energy Economics, 2014

Table 5-7 summarizes the list of 18 best practices identified by GDS that relate to program enrollment.<sup>32</sup> A discussion of each best practice and opportunities for GMP’s EAP follows. In some cases, the best practices can directly increase enrollment (e.g. marketing and outreach can directly increase enrollment), while others may have an indirect effect (e.g. discounted rate or arrearage forgiveness design). Additionally, some best practices are interrelated, with combinations helping drive success.

**TABLE 5-7 BEST PRACTICES FOR ELECTRIC UTILITY AFFORDABILITY PROGRAMS**

Best Practice Number	Best Practice	Status for GMP EAP
<i>Program Design</i>		
1	Issue arrears forgiveness based on successful ongoing payments once enrolled in the discounted rate	Not practiced
2	Allow catch-up provisions for program participants that may miss or delay payments under a program’s discounted rate	Largely met
3	Align program eligibility requirements with other related social service programs	Not practiced
4	Utilize LIHEAP administrators or community action agencies to deliver program enrollments	Met
5	Minimize recertification burdens and risks for program attrition	Not formally practiced
6	Utilize a central program tracking system with complete customer records related to program applications and eligibility criteria, discount level and arrearage forgiveness	Not practiced
7	Coordinate with low-income energy efficiency programs to help customers manage energy consumption	Partially met
8	Design a rate discount based on an ability-to-pay consideration	Partially met

<sup>32</sup> GDS focused its research and identification of best practices on those specifically related to program enrollment. An exhaustive list of best practices related to all aspects of low-income affordability programs is beyond the scope of the evaluation.

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Best Practice Number	Best Practice	Status for GMP EAP
<b>Marketing, Outreach, and Applications</b>		
9	Outreach should make reasonable efforts to ensure that the program is known to low-income residents. This includes renters, people of color, non-primary English speakers, literacy challenged, and seniors	Partially met
10	Application locations and procedures should align with efforts to outreach to the low-income population.	Partially met
11	Provide objective and complete standards for evaluating eligibility to include: 1) The definition of a household 2) What income will be considered to determine eligibility	Largely met
12	Utilize effective but minimally intrusive measures for verifying eligibility	Largely met
13	Process applications within a defined, and short time-frame, with eligibility retroactive to the date of application.	Partially met
14	Implement protections to ensure the confidentiality of applicants	Largely met
15	Provide a notice to customers whose applications are denied	Met
16	Allow automatic enrollment via applications to other social programs using the same documentation expected for the GMP EAP (i.e. categorical eligibility and enrollment).	Not practiced
17	Enable self-certification	Not practiced
18	Enable self-enrollment or assisted enrollment via an online portal	Not practiced

As noted above, GDS found that many aspects of the GMP EAP align with those best practices. GDS also found that there are best practices that the EAP partially meets and some that it does not meet. Some of the unmet best practices will be challenging for GMP to address due to the statutory definition of a low-income electric customer being below 150 percent of the federal poverty level. Below we discuss each best practice (BP) and its implication for the GMP EAP, referencing Table 5-7, noting EAP's current practice and future opportunities.

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## 5.3.1 Program Design Best Practices

**BP 1. Issue arrears forgiveness based on successful ongoing payments once enrolled in the discounted rate**

<b>EAP Practice</b>	The EAP forgives 100% of an eligible customer's arrears at the time of enrollment.
<b>EAP Opportunity</b>	Freezing pre-program enrollment arrears and forgiving a portion for each successful payment of subsequent electricity bills can help a customer develop a steady bill paying habit by linking bill payment to debt forgiveness. Communication of periodic debt forgiveness is essential. Establishing steady bill paying habits helps retain customers in the program.
<b>Discussion</b>	The GMP EAP does not utilize this program design or practice. In interviews with managers of programs similar to EAP, the general view was that 100 percent forgiveness of arrears at the time of enrollment was less ideal than forgiving arrears periodically and based on successful utility bill payments after enrollment. The general view in literature and from the interviews was that a periodic forgiveness helped households establish a habit of payments, with ongoing reinforcement with each bill. A twelve-month forgiveness period was typical, though if frozen arrears exceeded a cap, a maximum forgives per month may be used, extending the forgiveness period. However, no second round of arrears forgiveness are typically used once the pre-enrollment arrears are frozen, as with GMP's past use of the cancelled EAP Power Partners program element.

**BP 2. Allow catch-up provisions for program participants that may miss or delay payments under a program's discounted rate**

<b>EAP Practice</b>	GMP allows customers to remain on the EAP and catch-up if their account goes into arrears
<b>EAP Opportunity</b>	If linked to a periodic debt forgiveness approach, EAP's current practice is aligned with best practices. Frozen pre-program debt forgiveness resumes once the EAP participant returns to having an account in good standing.
<b>Discussion</b>	GMP utilizes this best practice in the context of the current program design. Once enrolled in EAP, a customer continues to receive the discounted rate and is able to catch-up in the event the customer has an account return to arrears. Additionally, if an EAP participant has their electrical service disconnected, GMP keeps them in the program, allowing the customer to receive the discounted rate once electrical service is reestablished.

**BP 3. Align program eligibility requirements with other related social service programs**

<b>EAP Practice</b>	EAP limits enrollment to those households at 150 percent of the FPL or less. This requirement is not in alignment with Vermont's LIHEAP, Vermont Gas's eligibility cap of 185 percent of FPL, or other social support programs.
<b>EAP Opportunity</b>	While GMP is limited in its ability to change the statutorily defined eligibility cap, changing the cap could have several cascading effects that would affect program processes as well as increasing program enrollment. These effects include expanding the pool of low-income households eligible for the program, and simplifying the communications and application processes associated with income verification along with explanations of EAP application acceptance or denial. Sharing the same eligibility requirements with other programs enables categorical eligibility and a single verification of income eligibility, removing the need for the second check of income eligibility conducted by DCF to verify income levels at 150 percent of FPL.
<b>Discussion</b>	In some similar programs, program eligibility is directly tied to application for or receipt of

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**BP 3. Align program eligibility requirements with other related social service programs**

other social support programs (e.g. LIHEAP). Other programs purposefully adjust eligibility criteria to align with the criteria of other programs serving the same target population. For example, Eversource in Massachusetts allows eligibility documentation from other programs as a means of documenting income (while requiring the applicant receive one of 15 listed programs to be eligible for the discounted rate). In general, the EAP’s cap of 150 percent of FPL is more restrictive than others. GMP has an inherent limit on its ability to change the eligibility criteria to a higher percent of FPL and cannot currently adopt this best practice at the present. In interviews with GMP, DCF, and workshop participants, stakeholders noted that there would be multiple administrative benefits while also increasing the population of eligible low-income GMP customers.

**BP 4. Utilize LIHEAP administrators or community action agencies to deliver program enrollments**

<b>EAP Practice</b>	EAP uses DCF to manage enrollments, verify eligibility, and serve as a connection to Vermont community action agencies. Community action agencies (CAAs) provide enrollment and EAP application assistance, including organizing applicant income records for EAP along with their work to support other programs.
<b>EAP Opportunity</b>	Streamlining applications and potentially adjusting roles for income verification that allow DCF or CAAs to speed the application and enrollment process may help increase enrollments.
<b>Discussion</b>	It is not unusual for other similar programs to utilize State agencies and/or CAAs to directly enroll customers. GMP is currently utilizing DCF to administer enrollments, with CAAs facilitating applications. One utility GDS interviewed that did not directly utilize either CAAs or the State said “I wish we could do that,” but is required to administer the program in-house with utility personnel. Utilizing State agencies and CAAs helps align administrative processes with the administration of other programs that serve the same low-income population. GMP is utilizing this best practice, with some opportunity to streamline applications and enrollment. As noted above, full-alignment with other programs is prevented due to the statutory definition of a low-income electric customer.

**BP 5. Minimize recertification burdens and risks for program attrition.**

<b>EAP Practice</b>	EAP requires annual recertification, requiring that participants reapply each year. While GMP does not remove EAP participants due to a lack of re-applying, DCF does not track participants if they fail to reapply. The result creates a mis-match between GMP and DCF records and prevents DCF from automatically re-enrolling participants who provide income records for other DCF administered program.
<b>EAP Opportunity</b>	Reducing re-certification requirements to a two-year or greater period, or allowing for self-recertification would streamline the current requirement. Reducing recertification frequency will avoid incorrectly removing an eligible participant from the program. Additionally, a program database that includes income data from DCF administered programs to automatically re-enroll EAP participants who demonstrate income eligibility (and remove those who do not) would reduce customer burdens. EAP could also allow for customer-driven recertification to confirm eligibility via GMP’s online customer portal and periodically audit self-reported recertifications to verify income. Recertifications via a customer’s online GMP account could also be facilitated by CAAs, using the CAA’s access to income records as a source of recertification verification. This approach would reduce DCF’s administrative burden for managing recertifications and reduce the likelihood that an eligible EAP participant is removed from the EAP due to not recertifying.

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**BP 5. Minimize recertification burdens and risks for program attrition.**

**Discussion**

Program recertifications are a standard feature of programs offering discounted rates. Some require an annual recertification while others use two years. In industry literature, GDS found that there are tradeoffs to the frequency and requirements for recertification. On one hand, programs have a goal of enrolling and retaining eligible customers. On the other hand, there is a concern that without periodic income verification, programs could be including ineligible customers on their rolls. In general, a streamlined approach that is less burdensome than an initial application is viewed as a standard practice. In at least one jurisdiction, a process to automatically recertify using social service program records is used, with participants whose eligibility criteria is not included in State administrative databases receiving direct contact to recertify. This direct contact may include mail, with a follow-up telephone call used if there is no response to mail. In general, caution is used when removing a household from a program to avoid incorrectly removing an eligible participant.

**BP 6. Utilize a central program tracking system with complete customer records related to program applications and eligibility criteria, discount level and arrearage forgiveness**

**EAP Practice**

GMP and DCF have independent tracking systems. DCF provides enrollment updates to GMP and GMP maintains participant information in its customer service system. Program tracking and customer information is spread across the two systems. GMP customers, along with DCF and GMP, may need multiple phone calls or other communications to confirm application or participation status.

**EAP Opportunity**

A unified program tracking system would allow GMP and DCF to populate applicant and participant information so that both organizations have a consistent and complete perspective on an applicant's or existing participant's status. Doing so will allow either party to provide a GMP customer with correct and complete information about their status in the program and reduce the need for multiple people to assist customers with questions regarding their program status. It may also reduce the potential for incorrect information to be conveyed, reducing customer burdens and the risk that a customer may not complete a critical step in the process due to fatigue in working with multiple entities.

**Discussion**

Unified program tracking appears to be a key best practice utilized by other similar programs. In our interviews and utility research, the administrative approaches allow at least one entity to retain a full record of participant data. For utilities that utilize a third-party for administration, the administrator retains the full program information, communicating enrollment status and reconciling records with the utility on a periodic basis. Such a system could be used for the GMP EAP, though State data system protocols may limit rapid development and adoption. GMP could host such a system, but would need to receive full-applicant information to ensure that the tracking system is complete and in alignment with State data system records. One utility GDS interviewed had adopted a new tracking system that integrated all household eligibility data and associated utility account data. The comment from the program manager was "I wish we had done this from the start." This utility administers the program on its own, but identified the benefits of a unified tracking system as helping with customer service management and providing an ability to conduct analyses to understand how the program was performing along with the characteristics of its program applicants and participants.

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**BP 7. Coordinate with low-income energy efficiency programs to help customers manage energy consumption**

<b>EAP Practice</b>	Through the use of CAAs to assist with enrollment, the EAP has a natural connection to Vermont's low-income weatherization program, facilitating EAP participant enrollment in weatherization program services.
<b>EAP Opportunity</b>	Efficiency Vermont operates a low-income program that can provide an in-home assessment and make available energy efficient equipment to the home at no cost to the occupants. Coordinating EAP with Efficiency Vermont for marketing via GMP's and DCF's website, as well as through CAAs may help expand EAP participants' access to energy efficiency and reduce their energy consumption, further lowering energy burdens. Additionally, expanding the program marketing channels may help bring eligible GMP customers into the EAP who would not otherwise interact with DCF or CAAs.
<b>Discussion</b>	Energy efficiency provides an opportunity to reduce the energy consumption in EAP participant households. Not only does this reduce the overall energy expenditures of the household, it also reduces the cost-effect of the discounted rate to the EAP budget. The benefits of energy efficiency are well known, but particularly helpful for low-income households, as found throughout industry literature.

**BP 8. Design a rate discount based on an ability-to-pay consideration**

<b>EAP Practice</b>	EAP participants receive an energy and customer charge 25 percent less than standard residential charge.
<b>EAP Opportunity</b>	The 25 percent discount may not enable GMP's customers with the lowest incomes to pay their electricity bill and maintain an account in good standing. The risk is that without an affordable bill, customers may experience disconnections, potentially drive a need for a household to move, shift income from other critical expenses, and may lead to program attrition. Increasing the discount may help EAP retain participants and avoid program attrition, particularly for those at the lowest income.
<b>Discussion</b>	Some utility programs offer deeper discounts or discounts that scale with household income. In the latter case, those with lower incomes are eligible for deeper discounts. At the same time, many programs have a higher income threshold than GMP's, often as high or higher than 200 percent of the FPL. Xcel Energy offers a percent of income payment-approach (three percent of household income) as an alternative to a simple discount. With GMP's current eligibility cap of 150 percent of FPL, a threshold that some consider to be the "lowest income" with low-income status still present in those households at 200 percent of the FPL or 60 percent of area median income. GMP should avoid reducing the current benefit available to those at 150 percent of FPL or less. Those lowest-income households who do maintain an account in good standard may be doing so at the expense of other critical needs, such as medical needs, making necessary household repairs, transportation needs, or myriad other high priority needs that compete for scarce dollars. Increasing the discount for the lowest income customers may help those customers retain utility service and their participation in the EAP. The value of the discount may also be perceived as more meaningful for these households, increasing their likelihood to apply for the program, which will help those households with other critical financial needs.

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5.3.2 Marketing, Outreach, and Applications

**BP 9. Outreach should make reasonable efforts to ensure that the program is known to low-income residents. This includes renters, people of color, non-primary English speakers, literacy challenged, and seniors**

<b>EAP Practice</b>	Seniors receive outreach through area agencies on aging. Literacy challenged customers are able to get assistance with applications. Vermont 2-1-1 receives guidance on how to make referrals to facilitate program applications. Applications and other program information is only available in English, though program applications are widely spread to community-based programs in GMP’s service territory.
<b>EAP Opportunity</b>	The EAP, through GMP or DCF can provide direct outreach to a wide range of additional community-based or market actor organizations and provide training on how to guide their clients through the application process. For example, landlords and owners of rental housing could receive outreach to drive program awareness and referrals. GMP and DCF can also provide applications and other program information in multiple languages for print and website media. Medical supply houses and care facilities could become a channel for delivering program information. Expanding the social network via outreach, providing training to help community organizations guide (not just refer) clients through the application/recertification process, and providing materials in multiple languages can help increase enrollment.
<b>Discussion</b>	Program outreach to low-income utility customers is essential to maintain and grow program enrollment. The EAP is following this best practice in many aspects, but interviews with program staff, interviews with the managers of similar utility programs, and input from stakeholder organizations during the workshop identified additional opportunities to reach GMP’s program-eligible customers. The current program makes a strong outreach effort to engage with organizations that deliver assistance to households experiencing crises, including difficulty paying their electricity bill. For expanding EAP enrollment, outreach to organizations that may come into contact with low-income GMP customers who may otherwise not come into contact with the existing network will assist in growing program enrollment.

**BP 10. Application locations and procedures should align with efforts to outreach to the low-income population**

<b>EAP Practice</b>	Program applications are made available to community organizations, but these community organizations generally only refer customers to CAAs or DCF for application assistance.
<b>EAP Opportunity</b>	Train and leverage the staff of key community organizations included in outreach to provide application services and facilitate the completion and submission of the application.
<b>Discussion</b>	The EAP workshop identified a desire by some community organizations to have a greater understanding a role in guiding their clients through the EAP application process. Indeed, once an individual has expressed interest in the EAP, the best opportunity to ensure completion is to help them while they are motivated. As an individual can apply for EAP without assistance from a CAA or DCF, there is no reason another third party cannot assist with an application. That said, training on the details of the application and associated required documentation will be needed to capture the opportunity for community organizations to accurately assist their clients with EAP applications. For those organizations that are willing to help clients complete applications, the administrative burden on CAAs and DCF may be reduced, though enrollments may also increase.

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<p><b>BP 11. Provide objective and complete standards for evaluating eligibility to include the definition of a household and what income will be considered to determine eligibility and</b></p> <p><b>BP 12. Utilize effective but minimally intrusive measures for verifying eligibility</b></p>	
<p><b>EAP Practice</b></p>	<p>For BP11, EAP’s use of standard federal definitions of income, and with eligibility based on the percent of federal poverty level establishes a clear and objective definition. For BP12, the EAP application process follows LIHEAP practices and those used for other State programs.</p>
<p><b>EAP Opportunity</b></p>	<p>On the application form and with training and practices used by application facilitators, work to ensure that customers understand what documentation is needed in advance and that those assisting applicants have a consistent understanding of expectations to avoid incomplete or inaccurate applications. Doing so reduces the risk of initial application errors or customers who fail to submit a corrected application.</p>
<p><b>Discussion</b></p>	<p>Quite simply, to enroll in a low-income program, one must complete the application. Uncertainty about definitions or what information/documentation may be needed for proof of eligibility may inhibit individuals from completing an application. When combined with a declaration and signature that includes “under penalty of perjury,” applicants may see risk in completing the application. For those customers who receiving application assistance from a CAA or DCF, these organizations have individuals who can help an applicant navigate the application requirements. For customers who may wish to apply but are unaware, unable, or unwilling to utilize a CAA or DCF for application assistance, the lack of clarity on what may be needed, coupled with concerns over potentially being subject to legal action, the application information may not be in alignment with the best practice. Additionally, other community organizations may be unaware of what is needed and cannot fully facilitate application development. Within GMP, DCF, and the CAAs, the best practice is being met. The concern is for those eligible customers who may not already be engaged with the current program network and for other community organizations that may be trusted by the GMP customer but cannot provide specific information.</p>

<p><b>BP 13. Process applications with in a defined, and short time-frame, with eligibility retroactive to the date of application</b></p>	
<p><b>EAP Practice</b></p>	<p>The discounted rate and arrearage forgiveness begin when GMP receives notice of a completed application for an eligible customer from DCF, with the date of eligibility determination stamped by DCF as the date from which customers receive benefits. The current process limits the ability of GMP to retroactively apply the discount to the date of application. At times of high demand, application processing times can extend, delaying the applicant receiving the rate discount or having arrears be frozen.</p>
<p><b>EAP Opportunity</b></p>	<p>A self-certification or automatic enrollment process would facilitate applying the discounted rate at the time of initial customer engagement, limiting a delay in the application of the discounted rate to their utility bills. This approach can be applied to arrearage forgiveness if the current practice changes. DCF could notify GMP when they receive an application, rather than waiting for full eligibility verification to be completed.</p>
<p><b>Discussion</b></p>	<p>Eligible applicants to the program are low-income and likely have a high energy burden. The process for enrollment, after submitting a complete application, can be one of several days to several weeks. If applications are rejected due to a need for more information, the delay can be longer. The delay means that the standard residential rate is being applied to their consumption and that arrears may continue to climb. In limited cases – those who apply close to a payment deadline to avoid disconnection – utility disconnections may occur. The current application process records a date when a customer is determined as being eligible, which may lead to gap in benefits being received or accounted for. A streamlined process is which one can self-certify eligibility or in which DCF could indicate</p>

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**BP 13. Process applications with in a defined, and short time-frame, with eligibility retroactive to the date of application**

an application had been received would enable GMP to begin charging the discounted rate and freezing arrears as soon as possible, allowing the customer to subsequently provide documentation within a limited time-frame or for DCF to complete eligibility verification, would ensure that eligible customers receive the program benefits as close to the application date as possible. The immediacy of receiving program benefits may encourage greater engagement with EAP and completion of all program enrollment steps. Those who would fail to complete all enrollment steps would be removed from the program, with a loss of the benefits. Close program tracking would be needed to identify and prevent abuse of the system.

**BP 14. Implement protections to ensure the confidentiality of applicants**

<b>EAP Practice</b>	The methods employed by DCF and CAP agencies follow those established for related social support programs, meeting the best practice to maintain confidentiality.
<b>EAP Opportunity</b>	If other additional organizations assist with applications, communication to customers on the uses of and protections to applicant information may help overcome reluctance to provide adequate income and household information.
<b>Discussion</b>	Data protections are essential to safeguard applicant information but also to engender confidence in potential applicants. GMP practices this as a standard part of being a utility, with DCF also safeguarding the information it collects. The current process follows this best practice. In the event processes change, care should be taken to ensure that confidential information is only used for the purposes of the program. The uses and protections of customer-specific information should also be conveyed to applicants.

**BP 15. Provide a notice to customers whose applications are denied**

<b>EAP Practice</b>	Upon denial, applicants receive a letter explaining their reason for denial. If inadequate or incorrection information was provided on the application, a new application is provided with the denial letter. The EAP largely follows this best practice.
<b>EAP Opportunity</b>	Minor modifications to the current process may help customers whose applications are denied but may still be eligible for the program, helping facilitate the ultimate completion of a successful application.
<b>Discussion</b>	The EAP provides a notice to customers when their application is denied. The letter includes a description for the reason for denial and potential remedies, if remedies exist. One possible opportunity to help drive successful applications may be to provide communications of a denial in a language that is understood to an applicant, assisting non-English speakers. To facilitate this, updating the application form to enable an applicant to present their preferred language would help DCF utilize the language most comfortable for the applicant. The application could also give an opportunity to provide a release of application outcome (approved/denied) to a customer-identified support agency. The support agency may be able to assist with re-applying or helping address application deficiencies. In this latter option, care should be taken to avoid releasing confidential information other than the notice of approval or denial.

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**BP 16. Allow automatic enrollment via applications to other social programs using the same documentation expected for the GMP EAP (i.e., categorical eligibility and enrollment)**

<b>EAP Practice</b>	A separate program application is required for enrollment regardless of application to other programs.
<b>EAP Opportunity</b>	Allowing for a default enrollment via application to other Economic Services Division (ESD) programs may lead to greater enrollment and reduce the opportunity for application errors based on misunderstandings related to the program application. One option is to remove the requirement for presenting the GMP account number, substituting address information. GMP would then need to identify the account by address. With the income and household data present for other ESD programs, that data can be leveraged to bypass the current application requirement. DCF will need to be able to view and confirm the percent of federal poverty criteria from household information gathered for the other programs. The process would be streamlined if the EAP has its income eligibility aligned with other related programs (e.g. 185% of FPL for fuel assistance).
<b>Discussion</b>	An automatic enrollment process enables an eligible GMP customer to be enrolled in the EAP discount rate without an application. As a method for increasing enrollment, such an approach should allow a customer to opt-out. A notice would be sent by GMP letting the customer know that they had been enrolled and providing information on how to opt-out of the program. The EAP's tight linkage between GMP and DCF would facilitate such an approach. As a best practice available only to programs that leverage third party administrators delivering other social program applications, this approach was raised during the workshop and is evident in the administration of other utility affordability programs.

**BP 17. Enable self-certification during the application process (closely linked to BP13)**

<b>EAP Practice</b>	GMP customers must complete the paper application and proceed through program enrollment procedures.
<b>EAP Opportunity</b>	Self-certification has the effect of avoiding the application delay to enrolling the customer and may help overcome customer uncertainty regarding their status. GMP and DCF would need to coordinate on the approach to managing self-certifying applicants to avoid conflict or confusion with the current application process. Similar to automatic enrollment, self-certification may decrease the proportion of applicants with accounts in arrears as an eligible customer will be able to receive the rate discount immediately, with income verification occurring after the initial enrollment.
<b>Discussion</b>	Eversource Massachusetts allows customers to fill out an application on-line and then print to application for signature. Customers self-certify that they are eligible and then have 60 days to provide the necessary information to confirm eligibility. Such an approach could be used by GMP but would require an online portal for doing so that includes up-to-date income eligibility requirements and provides guidance on what information is used to calculate eligibility and what the applicant needs to provide to ultimately determine eligibility (see BP11 and BP12).

EVALUATION RESEARCH & FINDINGS

**BP 18. Enable self-enrollment or assisted enrollment via an online portal (linked with multiple best practices)**

<b>EAP Practice</b>	GMP customers must complete the paper application and proceed through program enrollment procedures.
<b>EAP Opportunity</b>	GMP could enable online self-enrollment via a customer’s online account management interface. Electronic access and online account enrollment tools would be needed. Facilitation training for community-based organizations would enable a customer’s trusted social service organization enable an organization to assist a customer the enrollment. This is linked to self-certification and the training of key social service organizations, as well as recertification.
<b>Discussion</b>	There is a single application pathway for the EAP – the paper-based application. Many utilities offer applications via customer account online portals. An online application allows for quick updates to program information (e.g. annual changes to income limits) and guidance on what documentation is needed. Self-certification with post-enrollment verification can all be handled online. Information on other programs, energy efficiency, or other messaging can be facilitated through an online portal. Attention to detail and use of a shared tracking system will be needed to coordinate with DCF and current application procedures and associated information flows between DCF and GMP.

## 6 Conclusions & Recommendations

Based on the information gathered by the evaluation effort, GDS developed a set of findings and recommendations that can be used to help shape efforts at increasing EAP enrollment. While the evaluation found that GMP is following many best practices, there are others to consider within the context of the EAP. Additionally, we note that GMP is somewhat limited in its ability to meet all best practices due to statutory language limiting the definition of a low-income electricity customer, a consideration affects near-term opportunities for the EAP to increase enrollment but should also be kept in mind for additional opportunities should future statutory changes enable greater program flexibility. GDS also notes that no programs reviewed as part of this evaluation use all the best practices identified in the evaluation research. This is not to say that those best practices should be ignored or strived toward. Energy affordability programs are constrained by policies, budgets, and the larger context of those programs within a jurisdiction and the regulatory decisions that may shape programs. GDS has combined the multitude of approaches and practices and converted them to align with Vermont's and GMP's policy, regulatory, and historical context to inform the recommendations as they relate to increasing program enrollment.



**KEY FINDING #1** The Green Mountain Power EAP follows a general administrative best practice – administering the program by or working closely with organizations that broadly serve the low-income population.

Green Mountain Power partners with the Vermont Department of Children and Families (DCF) to administer the EAP. DCF's primary role is to accept applications, determine applicant eligibility, and communicate the enrollment status of applicants to GMP. Community Action Agencies (CAAs) work with DCF to help guide applicants in providing complete applications as part of their larger role in assisting DCF with other social service programs. The EAP engages with a wider network of low-income support agencies to provide referrals to the program, providing a linkage between GMP and the larger set of social programs that support low-income residents. This approach to administration follows a general best practice observed with other similar programs around the country. While not all utilities take this specific approach, a close connection to CAAs and state-administered programs is still evident. Although there are differences from state to state, leveraging agencies and organizations that play a key role in delivering a wide range of income-eligible social support programs is common and considered a best practice.

**RECOMMENDATION #1** *The EAP should continue its core administrative approach to utilizing DCF and CAAs, along with retaining its ongoing engagement with the broader network organizations that support low-income residents of Vermont.*

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**KEY FINDING #2** The statutory definition of a low-income electricity customer limits Green Mountain Power’s ability to follow a key best practice – aligning the program’s eligibility requirements with those other similar programs that serve the same population. The lack of alignment affects who and how the program serves at-need GMP low-income customers and limits some opportunities to streamline administration.

Written into Vermont’s statutes, a low-income electricity customer is defined as households having an income of 150 percent or less of the federal poverty level. While there is little question that those at that income level are low-income, the general view across the U.S. is that the definition of low-income includes those at income levels up to 200 percent of the federal poverty level or even 60 percent of state median income (often higher). Indeed, many of Vermont’s related social support programs utilize an income threshold of 185 percent of federal poverty level, including the State’s fuel assistance program, Vermont Gas’s Low Income Discount Program, 3SquaresVT, and others. DCF utilizes CAAs for intake on many of these programs, with the State’s data system unable to directly confirm GMP EAP eligibility as it is with other programs. This gap necessitates DCF separately calculate eligibility. While changes to the State’s system may occur in the future, driving such changes are beyond the reach of GMP and EAP. Overall, the current program definition of low-income does not encompass the full range of household incomes that are generally considered to be low income. This limitation reduces the ability of GMP to use the EAP to help meet the needs of its low-income customers. Ideally, GMP would have the flexibility to adjust its income-eligibility threshold to align with State programs and the general perspective of what is considered “low-income.”

**RECOMMENDATION #2** *Should the opportunity arise for Green Mountain Power to increase the income-eligibility threshold, it should do so. The current definition is lower than many electric utility affordability programs around the U.S. and lower than other Vermont programs that serve the low-income population. Doing so will increase the pool of income-eligible customers and thereby likely lead to an increase in program enrollment.*



**KEY FINDING #3** The current approach to program applications is functional but only allows for a single pathway into the program. Other programs utilize on-line electronic options which may provide different avenues and options for driving program applications and enrollments.

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The current application aligns with that of Vermont Gas's Low Income Discount program, both of which allow an applicant to indicate their receipt of other programs as a means of streamlining program-eligibility determinations. Applicants can indicate that they receive 3SquaresVT, Essential Person, Fuel Assistance, or Reach Up benefits, enabling DCF to use existing household data to streamline enrollments. Receipt of these benefits is not a guarantee of eligibility. This practice is a good practice and similar to other energy affordability programs' approaches. However, this application can only be completed via a paper application downloaded from GMP or DCF's websites or via a paper copy provided directly to the applicant. The application must be mailed to DCF. Other programs around the U.S. allow for completing an application on-line with electronic submission or even within a utility account holder's online account. Providing these additional approaches can enable multiple application pathways, expanding the ways that the application reaches and is completed by GMP customers. Additionally, electronic approaches may reduce the likelihood that an eligible applicant fails to complete an application and can open pathways to creating an "instant enrollment" with eligibility confirmation follow-up, ensuring that an eligible household begins receiving program benefits immediately (discussed further in Finding #5). Electronic completion and submission can also expand the ability for social organizations trusted by the customer to facilitate application completion and submission, reducing extra steps that may lead to an application not being completed or submitted.

**RECOMMENDATION #3** *Green Mountain Power should investigate and adopt additional application methods, expanding the options to include electronic applications that can be submitted electronically or applications available within a Green Mountain Power customer's online account portal.*



**KEY FINDING #4** Green Mountain Power and the Department of Children and Families have developed a workable approach to managing program enrollments without a unified data tracking system. Other energy affordability programs have a unified tracking system in which all elements of an applicant's or participant's relevant eligibility and program data are contained and accessible over the long term by those with program administrative roles.

In our discussions with GMP and DCF, GDS learned that each organization maintains the participant records it needs to fulfill its role in the program. GMP and DCF have developed a workable approach to sharing the key information that allows DCF to indicate the enrollment status of applicants (including those that re-certify) to GMP. GMP is then able to make the appropriate changes to its billing and customer service systems to complete the process and apply the program's discount or arrearage forgiveness. However, neither party has a complete picture of an enrollee's household data or participation status. DCF does not know if a GMP customer has been disconnected or if an applicant is currently enrolled in the program. Similarly, GMP does not know who has an application in process or a household's eligibility criteria. DCF only retains information related to enrollments and re-enrollments, removing those who fail to re-enroll. The lack of continuity in the data may limit the ability for GMP or DCF to answer the questions an applicant or participant may have regarding their enrollment status. Further, the opportunity for greater pro-active outreach or deeper program analytics may limit enrollment

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or re-enrollment facilitation options, or investigation of opportunities to understand program impacts. The challenge faced by DCF and GMP is that each of their core data systems – GMP’s customer management system and DCF’s benefits system cannot easily share data between the two organizations, with the State’s system not providing a full tracking view of EAP-specific data that may be useful to GMP. GMP’s system not providing information on a customer’s account status. Should additional application pathways be developed, the current enrollment system does not appear to provide the information necessary to manage more than the current application approach, limiting program innovation.

**RECOMMENDATION #4** *GMP and DCF should collaborate on developing a unified data system that would enable both GMP and DCF to have long-term tracking and visibility of EAP applicants and participants. Such a system does not need to be complex, but would be a shared system that tracks an applicant’s status, key eligibility criteria (e.g. household size and income), arrearage status once enrolled, and major events, such as disconnections, reconnections, exits to the program and re-enrollments, and ancillary organizations that have supported the customer (e.g. CAAs, other social support organizations assisting the applicant to apply).*



**KEY FINDING #5** A best practice is to have benefits be either retroactive to the date of application or allow self-certification with eligibility confirmation follow-up. The purpose is to have eligible applicants receive the amount of the benefit as soon as possible from the point of initial program engagement.

The current GMP practice is for eligible applicants to receive their arrearage forgiveness at the point when GMP receives notification of eligibility and makes changes in their billing system. GMP’s current practice is to apply rate discounts and arrearage forgiveness from the date indicated by DCF’s determination of eligibility. Depending on when an applicant first starts the application process and how quickly DCF is able to confirm eligibility and notify GMP, the timing to the receipt of the discounted rate and arrearage forgiveness could stretch to multiple weeks or more than a month. The length of time could be driven by the applicant or the number of personnel DCF has available during peak application times (often in the fall). Applicants run a risk of being disconnected or at least not receiving a discounted rate being applied to which they are otherwise eligible. One approach to applications is to enable “self-certification.” In this approach, applicants are able to indicate, typically via an online portal or electronic submission, that they are eligible for the program. At this point, they begin receiving program benefits and have a limited time (say 60 days) to provide the necessary documentation to prove eligibility. That eligibility could be demonstrated via documentation for other social programs or through a process to providing income and household data similar to the current application approach. This self-certification approach enables “instant enrollment” and may help increase overall program enrollments. For those that do not complete the application process, their benefits are removed and applied to their account (i.e. they must pay back the benefits they received). Such an approach may work best for the EAP for the discounted rate. The current 100 percent arrearage forgiveness would require a large claw-back that may be impossible to obtain or lead to a poor customer service experience.

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**RECOMMENDATION #5** *GMP should consider adopting a self-certification approach that enables customers to immediately receive the discounted rate benefit or consider retroactively applying a discounted rate (as a customer credit) back to the date of application. Self-certification may require an on-line portal or similar streamlined means of receiving such an application. Customers would need a full description of eligibility and application requirements to self-select and avoid misunderstandings. CAAs and DCF may be able to assist those customers that need guidance. The specific approach may depend on how GMP adjusts any application methods, the approach to data tracking, and could evolve or emerge over time as other changes are adopted. This recommendation is only related to the discounted rate offered by the EAP, with a need to consider how to handle accounts with arrears that would be eligible for arrears forgiveness.*



**KEY FINDING #6** The EAP has strong mechanisms for engaging with customers in arrears but may not be attracting or reaching any many customers as possible who are eligible, but otherwise not facing a crisis.

The need for affordability is not governed by the presence of a crisis. Customers not in arrears or facing disconnections may be shifting household expenses from other needs, such as food, shelter, and medical care, to pay their electricity bill. When an electricity account is in arrears or a customer faces a disconnection, GMP has an automatic way of engaging with a customer – the utility bill and subsequent communications provide GMP with an opportunity to discuss the EAP with a customer. CAAs and DCF engage with their clients when a crisis hits a household or needs are otherwise going unmet. This is not to say that the EAP is only enrolling those in crisis, simply that the current approach to applications and awareness tend to favor those households experiencing a crisis and who are willing to reach out to GMP, DCF, CAAs, or other social service organizations. Expanding outreach and providing alternative application methods may help EAP reach households that would only be eligible for the discounted rate but are unaware or engaged with the existing network of organizations that support the EAP. During interviews and at the workshop, EAP stakeholders discussed additional organizations who may be able to help with program referrals and alternative application approaches (discussed previously) to reach those who are eligible for the program. Additional outreach opportunities included medical supply businesses and property management companies, as well as providing training for new and existing organizations to facilitate the application process. Uses of social media to promote the program and expanding the visibility of the program on GMP’s website were also ideas that stakeholders offered. Incremental program enrollment increases may be mostly likely to come from EAP-eligible GMP customers who are not experiencing bill payment challenges, but who may be able to avoid future bill payment challenges or other crises by enrolling in the program.

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**RECOMMENDATION #6** *Expand EAP outreach and awareness outside of the traditional social support network used by the program. Provide application and referral facilitation training to those that indicate an interest in more than being an outlet for static program materials.*



**KEY FINDING #7** The current approach to arrearage forgiveness does not reinforce the practice of making regular payments of the electricity bill.

In reviews of other programs and in discussion with EAP stakeholders at the workshop, the current approach that EAP takes to arrearage forgiveness – 100 percent forgiveness at the time of enrollment – may not be ideal. Other similar affordability programs provide arrearage forgiveness, but often through a payment plan that sets the expectation that program participants maintain an account in good standing. Some flexibility is needed to allow for “catch-up” provisions in which forgiveness may be temporarily halted when a customer falls behind but renews when the account returns to good standing. This approach reinforces the discounted rate with good bill paying practices by showing the customer the reduction in arrears associated with their account over time. The effect on enrollment is one of retention – customers will be motivated to make ongoing payments and derive financial benefit by maintaining their account in good standing.

**RECOMMENDATION #7** *GMP should consider adjusting its arrearage forgiveness approach to one of periodic forgiveness based on maintaining an account in good standing. Doing so will require careful arrearage tracking and a communication method so that participants see the changes to their account statements.*



**KEY FINDING #8** The EAP discount – a 25 percent reduction to the energy charge and customer charge – may be inadequate for many EAP participants.

The past presence of the EAP Power Partners element of the EAP indicates that for some participants, they are unable to maintain an account in good standing. The discount approach used by the EAP is not unusual – a flat discount for any participant – and is practiced by others. This approach has the same proportional effect for those that do and do not heat with electricity and is relatively easy to communicate and administer. In researching other programs, it became apparent that deeper discounts are often offered, sometimes with the discount level tied to household income (e.g. the New Hampshire Electric Assistance Program) or with a maximum bill tied to household income (e.g. Xcel Energy’s PowerON program). Others simply provide a discount greater than 25 percent regardless of household income. In

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consideration that GMP's EAP is eligible only for the lowest-income customers (150 percent of the federal poverty level and less) and not all low-income customers, a deeper discount may help attract and retain additional customers into the program. A deeper discount will improve the affordability-effect of the program and also provides a strong financial incentive to navigate the application process. Future arrearage issues and the ability for participants to maintain their account in good standing will be enhanced.

**RECOMMENDATION #8** *GMP should consider options for increasing the discount for program participants. The specific approach and level of discount may depend on administrative and program cost considerations, though when linked to reduced disconnections and arrears, additional apparent costs may be dampened.*



**KEY FINDING #9** The EAP is reaching a substantial portion of GMP's low-income ratepayers. GDS estimates that between 25 and 30 percent of customers at or below 150 percent of the federal poverty level are enrolled in the program. This level is comparable to other programs. However, there is a large number of existing customers who are eligible and not enrolled, indicating that there is room for program growth within GMP's customer base, regardless of changes to the income-eligibility criteria.

In our research into other programs, GDS found a wide range of program participation rates. Programs with higher participation rates often required participation in other social support programs and offered higher levels of discount. Key drivers tended to be program alignment with other related social support programs, program managers focused on low-income programs, those with payment discounts greater than EAP, and those that had close data sharing within their administrative structures. Specific comparisons to the EAP and GMP's service territory are difficult due to difference in eligibility criteria (income levels, requirements for other program participation), uncertainty regarding differences in demographics, and differences in administrative structures. Most broadly, it appears that the more active programs have between five and 15 percent of their residential customers enrolled in their low-income programs (GMP has approximately five percent of residential customers enrolled in EAP). Regardless, there does not appear to be a near-term limitation to EAP adding a substantial number of customers to its participation rolls. While EAP has increased year-on-year enrollments, participation growth is not rapid – the current approach may not drive substantial increases in participation. Without consideration for what program changes will occur and when they will occur, specific expectations cannot be set at this point, but a growth in enrollment of 25 to 50 percent appears achievable based on the performance of other similar programs, with higher growth over time potentially exceeding that level.

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**RECOMMENDATION #9** *The EAP should consider how changes may affect the growth in program enrollments and participation. While the recommendations in this report provide suggestions on opportunities to drive growth, their selection and timing for adoption is unknown. A stepped approach may be reasonable, with careful tracking on the effects of changes informing the importance of and impact to subsequent changes.*

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