

Hawaii State Low-Income Home Energy Assistance Program (LIHEAP) Working Group

Meeting #3

November 15th, 2022

Hosted by the Hawaii Public Utilities Commission and the Division of
Consumer Advocacy



WebEx Meeting Instructions

- Please identify yourself and your organization when speaking.
- Participants will be muted. Please remain muted unless speaking.
- For questions and comments, please use the “raise hand” or chat functions and the host will call on you.
- We encourage you to turn your video on to facilitate dialogue and interaction amongst attendees.
- We will record the meeting only for future Working Group reference.
- If you are experiencing technical difficulties, please contact peter.b.polonsky@hawaii.gov.

Meeting Norms

- Encourage idea development and creativity
- Create an environment of trust and collaboration
- Keep confidences via Chatham House Rules (do not attribute work or statements to either people or organizations without permission)

Meeting Agenda

- Introductions by organization
- Presentation by Katrina Metzler on State Utility Assistance Program Options
- Sub-groups meet for final presentation preparations
- Group presentations
 - Funding models
 - Program administration
 - Eligibility and applications
 - Pathways to program implementation
- Next steps for Legislative report drafting & 12/6 meeting



Meeting Objectives

1. Group learning from the National Energy & Utility Affordability Coalition (NEUAC)
2. Hear about refined sub-group proposals and continue proposal development
3. Discuss the process for drafting Legislative report & next meeting's objectives



Introductions by Organization



Presentation Preparation

- Format
 - 5 minutes for preparation
 - 5-minute presentation
 - 8 minutes for questions and discussion
- Presentation
 - What are the range of options?
 - Which is the best option and why? Are there examples and/or best practices?
 - What would your second-best choice be and why? Are there examples and/or best practices?
 - Are there any potential issues?
 - What remaining questions do you have?



Aligning on Program Objectives

- Given the interdependence amongst sub-group topics, the Working Group will aim to align on overall objectives for state LIHEAP, if possible
- This discussion should surface major questions for the larger group
- Sub-groups have already identified some questions for other groups:
 - What are the “policy targets” of the program / what type of program are we funding?
 - What modifications may be possible to pursue related to the Federal program?
 - How much funding may be available to work with & how far can that take us?
 - What data are available to inform decisions?



During discussion, seek clarity and provide feedback in the form of questions

Clarifying Questions

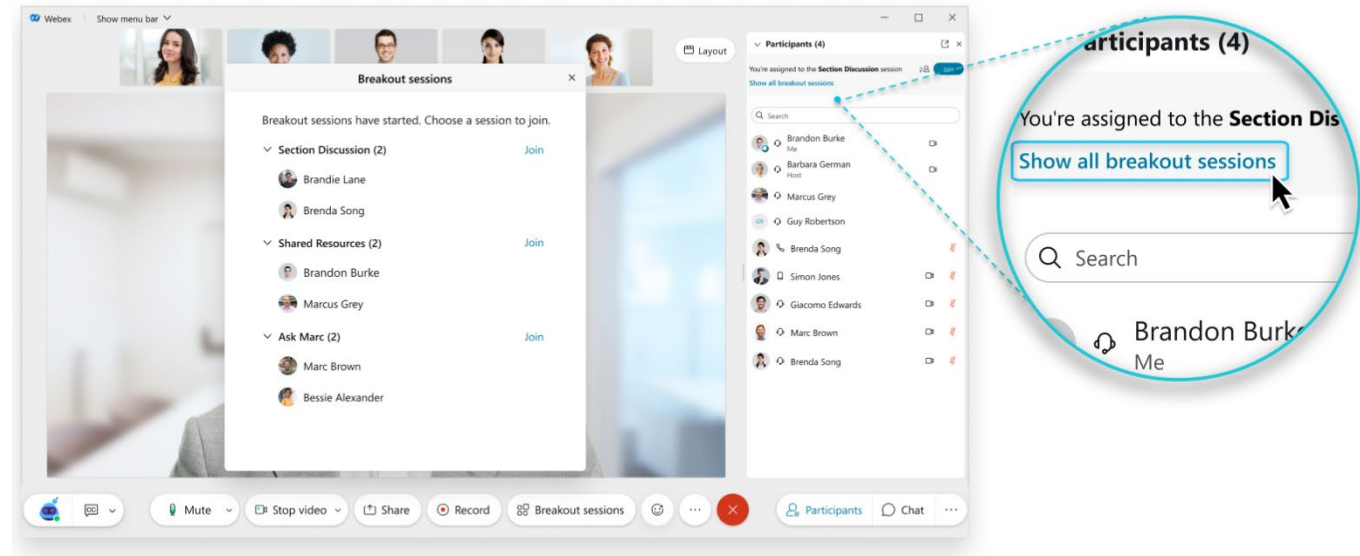
- Goal:
 - To increase and improve individual and communal understanding about an idea or concept.
- Sample clarifying questions:
 - “Can you please explain...?”
 - “What informed your thinking on ...?”
 - “How do you envision ...?”
 - “What alternatives to ____ did you consider?”

Coaching Questions

- Goal:
 - Foster increased understanding of an idea or concept
 - Provide supportive feedback that will be helpful to refine an idea or concept
 - Goal is not to "poke holes" in or dismiss an idea or concept.
- Sample coaching questions:
 - “Have you considered...?”
 - “Is there a plan for...?”
 - “What would you do differently if...?”

Breakout Groups

- To join a breakout group:
 - Locate the “Participants” button on the right side of your panel
 - Click “Show all breakout sessions”
 - Click “Join” on the far right to join the breakout session of your choice
- Alternatively, you can locate the “Breakout Sessions” tab in the menu at the top of your panel



Drafting the Legislative Report

- PUC will collect any relevant information from the sub-groups & create an initial draft
- PUC will circulate a draft the week of Thanksgiving
- Assigning a Reader:
 - Each organization should assign a lead Report Reader by November 18
 - Email grace.e.elf@hawaii.gov
 - This Reader will collect organizational feedback and provide input on the initial draft between the end of November and December 2



Final Meeting

- Proposed 12/6 meeting activities:
 - PUC Staff will provide a detailed overview of the report and the feedback received from Readers
 - The Working Group will aim to reach alignment on questions that need to be answered by the full group (i.e. align on objectives for the state LIHEAP mechanism)
 - The Working Group will discuss how to move forward as a group
- Are there other objectives you have for the 12/6 meeting? How can this time best be used?



Next Steps

Staff Proposal

- PUC collects information from the sub-group and creates an initial report draft
- PUC circulates draft the week of Thanksgiving
- Working Group Readers provide input by 12/2

Final Meeting

- 12/6/22 (10:30 am – 12:30 pm)
 - Review of Legislative report and findings



Mahalo!



Appendix Slides



Questions for Groups (Coaching Questions)

- What do you think the most valuable thing you learned was?
- Where is there still uncertainty for your group?
- What challenges do you see going forward for your group's topic?
- **Where does your group's decision depend on the decisions of other groups?**



neuaac

NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION

Katrina Metzler,
Executive Director

State Utility Assistance Program Options
Prepared for Hawaii Working Group
November 15, 2022

neuac

“We rise by lifting others.”

NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION

Improve awareness and understanding of the nature and magnitude of limited-income energy and utility challenges

Formulate and advance limited-income energy policy through compilation, analysis, and dissemination of data

Provide technical assistance in the creation and development of fuel funds and promote the development of statewide and regional fuel funds

Currently located in the **DuPont Circle neighborhood of Washington D.C.**, NEUAC staff work with our committed members to advance our mission.

FY 23 Funding: **TBA**

FY 22 Funding: **\$3.89 billion**

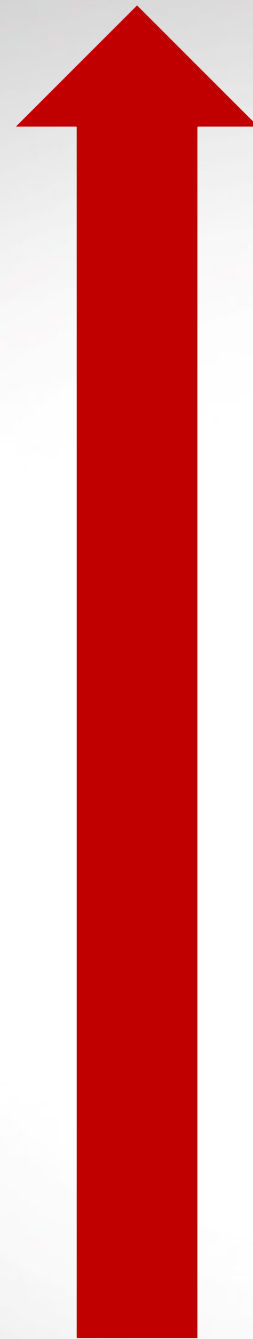
FY21 Funding: **\$3.75 billion**

FY20 Funding: **\$3.74 billion**

FY19 Funding: **\$3.65 billion**

FY18 Funding: **\$3.64 billion**

FY17 Funding: **\$3.39 billion**



% of Combined	State
9.92%	New York
5.33%	Pennsylvania
5.31%	California
4.65%	Texas
4.56%	Illinois
4.30%	Michigan
4.17%	Ohio
3.58%	Massachusetts
3.36%	New Jersey
3.10%	Minnesota
2.92%	North Carolina
2.79%	Florida
2.79%	Wisconsin
2.65%	Virginia
2.23%	Missouri
2.21%	Georgia
2.06%	Maryland
2.05%	Indiana
1.96%	Tennessee
1.95%	Connecticut
1.75%	Washington
1.71%	Alabama
1.59%	Colorado
1.53%	Kentucky
1.49%	Louisiana

1.45%	Iowa
1.40%	South Carolina
1.29%	Oklahoma
1.06%	Maine
1.02%	Oregon
0.99%	Mississippi
0.97%	Kansas
0.88%	Arkansas
0.87%	Nebraska
0.85%	Arizona
0.85%	West Virginia
0.75%	North Dakota
0.75%	New Hampshire
0.70%	Utah
0.69%	Montana
0.65%	Rhode Island
0.61%	South Dakota
0.59%	Idaho
0.58%	New Mexico
0.56%	Vermont
0.52%	Alaska
0.40%	Nevada
0.36%	Delaware
0.31%	DC
0.28%	Wyoming
0.14%	Hawaii

Percentages of FY 22 LIHEAP Funds (Regular and Infrastructure) by State*

**estimated*

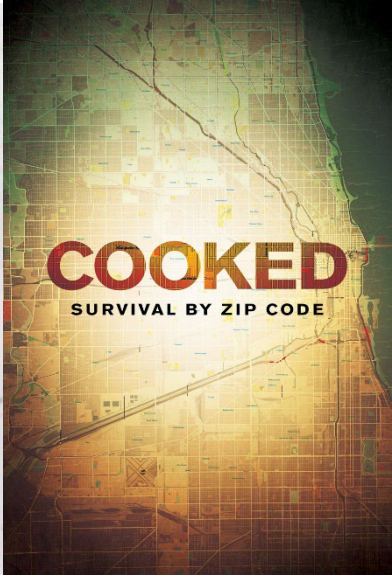
Annual parameters that affect the formula

- 1984 formula required updated data
- Typically use data on total low income households from the American Community Survey and energy costs and consumption by the U.S. Energy Information Administration.
 - Total Residential Energy Consumption by state
 - Temperature Variation by state
 - Total Residential Heating and Cooling Consumption by state
 - Low-Income Household Heating and Cooling Consumption by state
 - Total Spending on Heating and Cooling by state

Detailed History of Federal Energy Assistance

1973-1974	OPEC Oil Embargo
1973	Project Fuel is initiated, State of Maine
1975-1978	U.S. Emergency Energy Conservation Program <ul style="list-style-type: none">▪ Modeled on Project Fuel▪ Focused on weatherization
1979	Program began administering direct bill assistance
1980	Low Income Energy Assistance Program
1981	Low Income Home Energy Assistance Program
1984	The Human Services Reauthorization Act added a new goal to provide funds for cooling costs . Congress required use of more recent population and energy data in formula, funding cooling states

Historical events that shaped energy assistance



Great Blizzard of '78



**1979 Maine
Snowstorm**



**Summer 1980
Heatwave, Missouri**



**1995 Chicago
Heatwave**

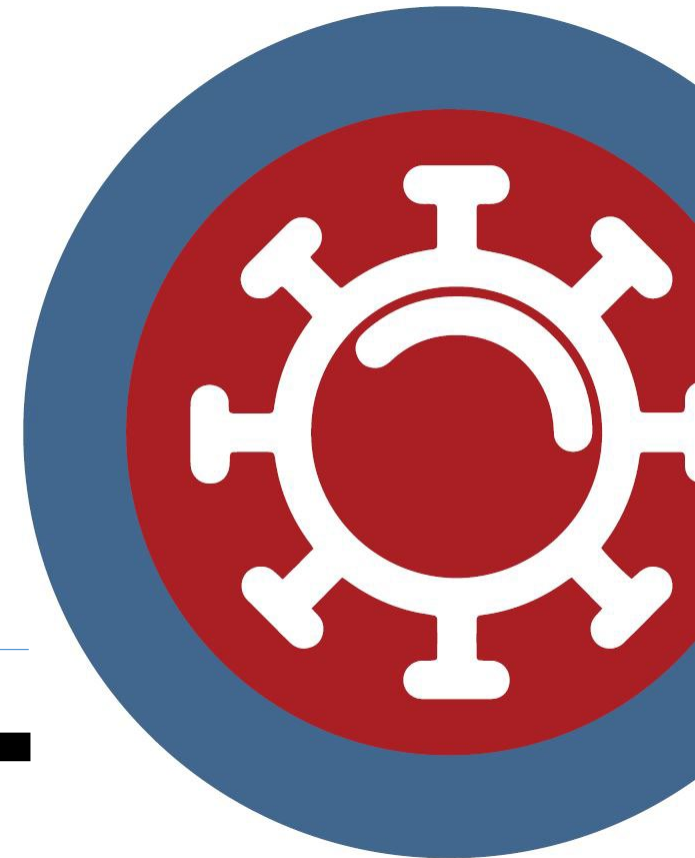


Today...

FY 20 LIHEAP preliminary data
[The LIHEAP Data Warehouse](#)



- Grantees provided LIHEAP assistance to an estimated **5.6 million households**
- Grantees provided an estimated **\$2.02 billion in heating assistance** to serve approximately 4.8 million households
- Grantees provided an estimated **\$464 million in cooling assistance** to serve approximately 820,445 households
- Grantees provided an estimated **\$402 million in assistance for low-cost residential weatherization** or other energy- related home repairs to 50,424 households.
- Grantees provided an estimated **\$916 million for crisis assistance** *Note -- this funding could have been used for heating OR cooling*



PRESENT

Hawaii By the Numbers

The role and reach of LIHEAP

Total FY22: **\$3.85 billion**

Eligible households served: **1/5**

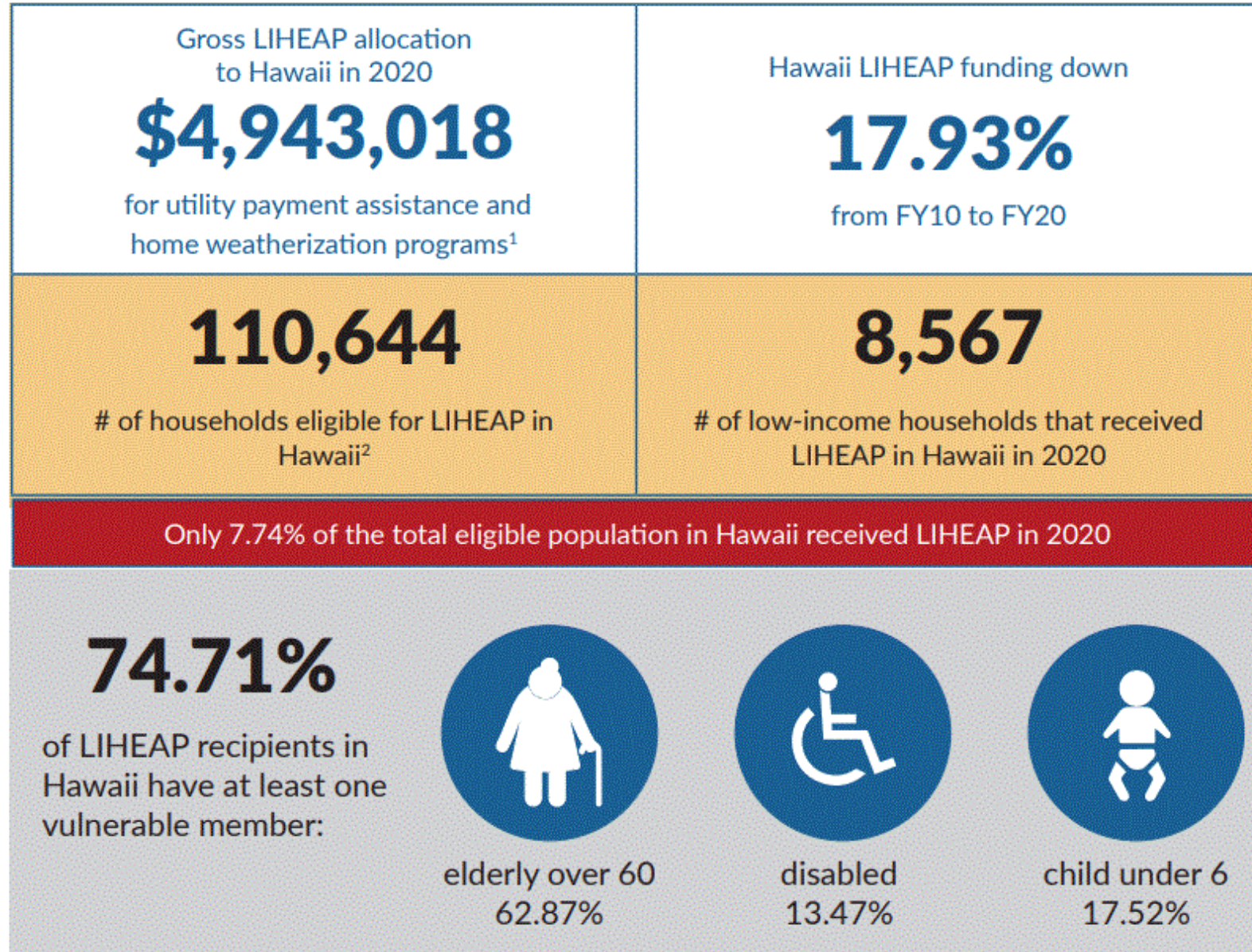
Estimated funding to reach 100% of eligible households:

\$17 billion

Conclusion:

LIHEAP cannot do it alone.

<https://neuac.org/wp-content/uploads/2022/03/Hawaii-State-Sheet-2022.pdf>



What else is being done to address energy poverty?

- Energy efficiency and energy education
- Weatherization
- Low income solar and other renewable options
- Fuel funds and local/state/regional funding
- PIPP
- USF



Who pays?

- Ratepayers – 20-30 states (e.g. CA, NY, PA, MD, MA, NJ, IL)
- Taxpayers – District of Columbia, Massachusetts



Comprehensive Listing of State Programs

<https://liheapch.acf.hhs.gov/leverage/FY2010/10stlvsm.htm>

Examples of Online Applications

<https://development.ohio.gov/individual/energy-assistance/apply-now-energy-assistance-programs>

States with Online Applications

<https://neuac.org/liheap-online-app-available/>

Innovation One-Pager

<https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:b385f55f-1947-3060-97c3-3b139eb7412c>

State Regulatory Solutions

- Universal Services Fund

Setting the standard:

New Jersey's USF was created to help make energy bills more affordable for low income customers. The goal is to ensure that income eligible New Jersey utility customers pay no more than **6%** of their annual income for their natural gas and electric service combined.

Households with income equal to or less than 175% of the Federal Poverty Level are income eligible.

State Regulatory Solutions: Georgia

A Universal Service Fund (USF) was established by the original gas deregulation law and **funded through surcharges on large industrial users**. Initially designed to benefit the gas industry, the law was amended in 2001 and **energy assistance is now the primary recipient of the fund**.

Since December 2001, in response to gas price increases and severe weather, the Georgia Public Service Commission has disbursed about **\$59 million in USF funds**, usually at least once per year, through the LIHEAP grantee, the Department of Human Resources, with a portion aimed at low-income seniors and the remainder for other LIHEAP households. In 2010, \$500,000 was provided as crisis assistance to gas customers. See [utility restructuring legislation](#).

In 1987, the PSC mandated that major gas and electric utilities waive their monthly service charge for customers age 65 or over earning less than \$10,000 per year. Since then, the PSC has made several increases to the income limit and the amount of the service charge waiver. Currently seniors making less than \$14,355 receive a waiver of \$14 per month. Other utilities have smaller discounts.

Around **62,000 seniors** receive the electric discount yearly, and about **36,000 receive the gas discount**, amounting to about \$16.4 million annually.

State Regulatory Solutions

■ Percentage of Income Payment Plan

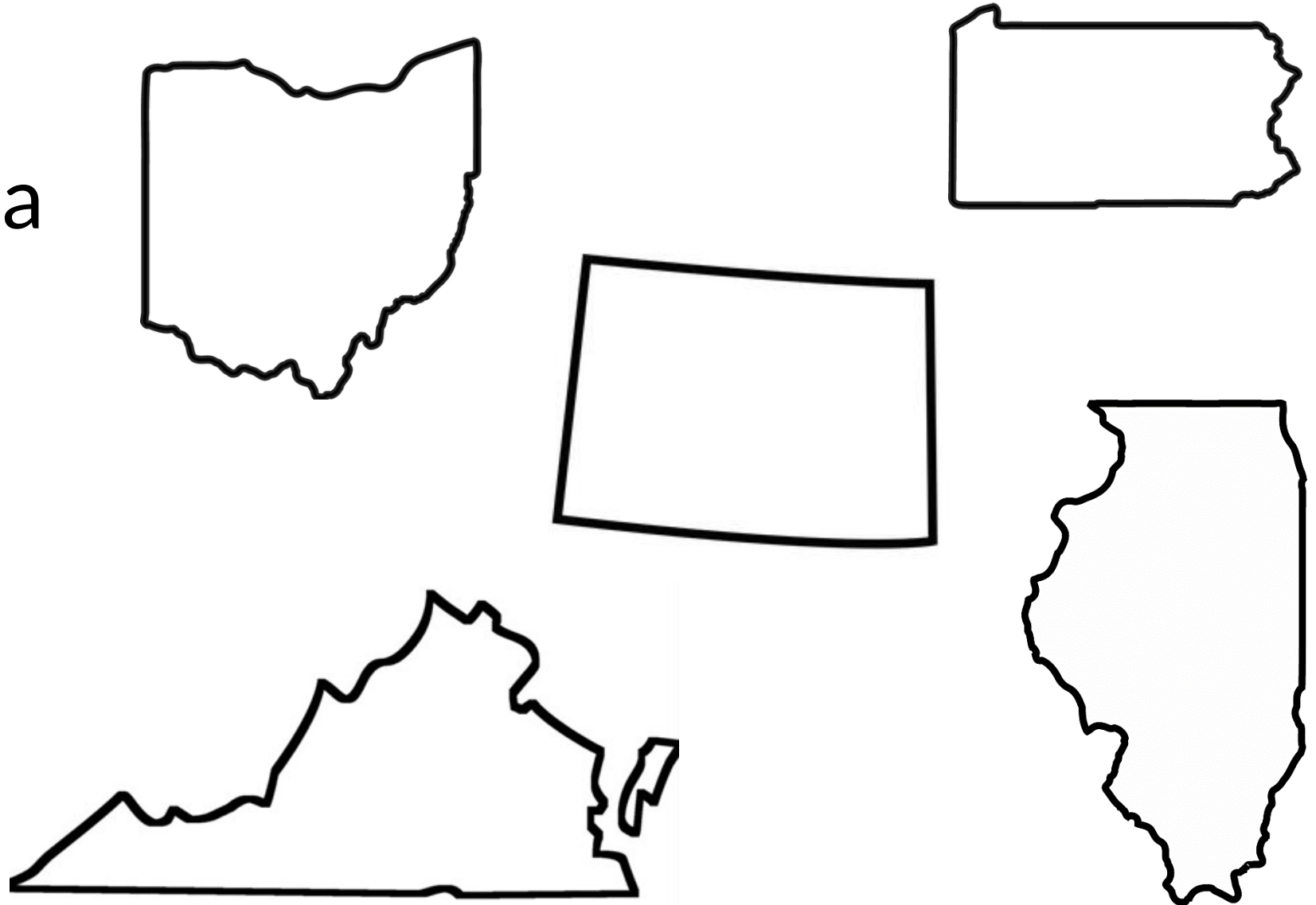
Setting the standard:

Ohio's PIPP helps eligible households manage their energy bills year-round. Payments are based on a percentage of household income and are consistent year-round.

- Customers pay 5% of gross household income for natural gas, and 5% of gross household income for electric.
- If customers heat with electric, the monthly payment is 10% of gross household income.
- The balance of your utility bill is subsidized by the Universal Services Fund.
- Monthly minimum payment - \$10.00.
- If the customer makes 24 on-time PIPP payments, their outstanding balance (arrearages) is eliminated.
- Required to re-verify your income each year.

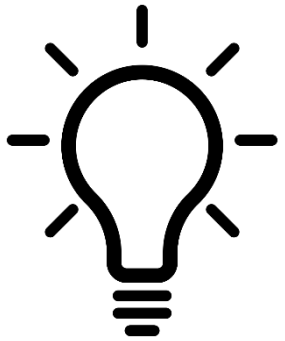
Sampling of states leading with a PIPP

- Ohio
- Pennsylvania
- Colorado
- Illinois
- Virginia



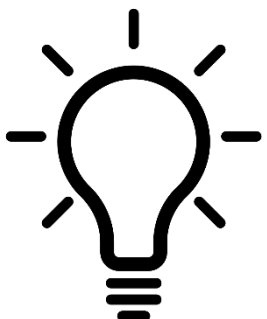
Successful Partnering

- Important to show value to local providers for their contributions to grassroots success



Idea: Consider improving the administrative rate for a state program to ensure resources are available to successfully implement

- It is important to partner not just for service delivery, but to engage providers in the design and decision-making for the program, and ongoing policies



Idea: Create an advisory board to gather input and expertise from stakeholders

Questions to Direct Program Design

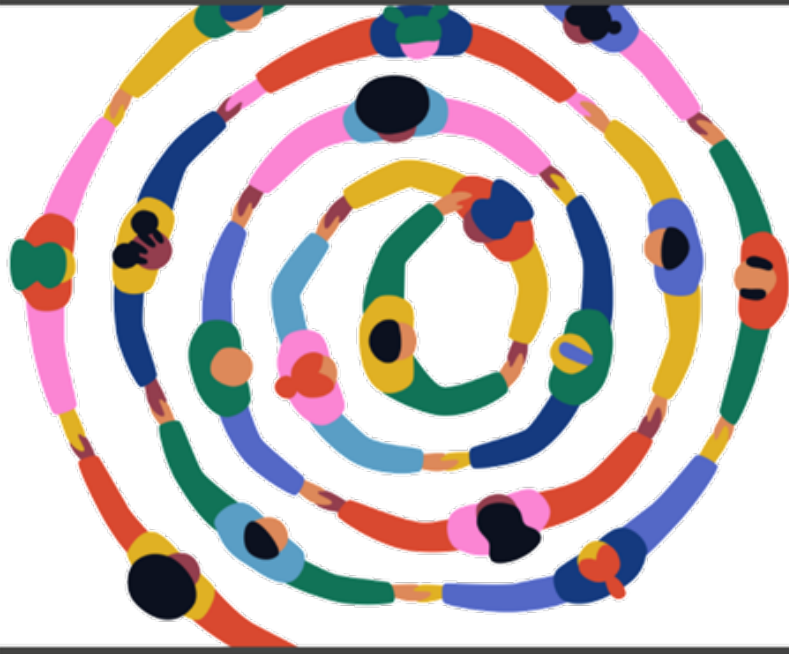
- Who do we want to help?
- What gaps are we trying to fill?
- How will we collect and distribute the funds to operate the program?
- How do we distribute benefits to eligible households?
- How do we define eligibility?
- Do we establish a maximum/minimum benefit?
- How will benefits be proportionate to need?
- How do we define high energy burden?
- How will we track program outcomes, and how often?
- Who will set policies for the program as it progresses?

What other questions are you considering?

All in this together.

It will take all of us to address energy poverty in a comprehensive, specific way appropriate for each household.

It will require a multifaceted approach that includes increasing resources, strengthening the safety net, implementing compassionate practices by utility companies, regulatory proceedings and communication between all partners.



2023 Annual Conference

All Hands on Deck!

Navigating a Sustainable Future

June 12 Preconference
June 13-15 Conference
Sheraton San Diego Hotel and Marina

[Submit your proposal](#)

Questions?

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