



Department
of Public Service

NYS Public Service Commission Affordability Proceeding Utility Low-Income Payment Assistance Programs

LIFE 2018 Statewide Conference

May 22, 2018, 11am

Albany Capital Center

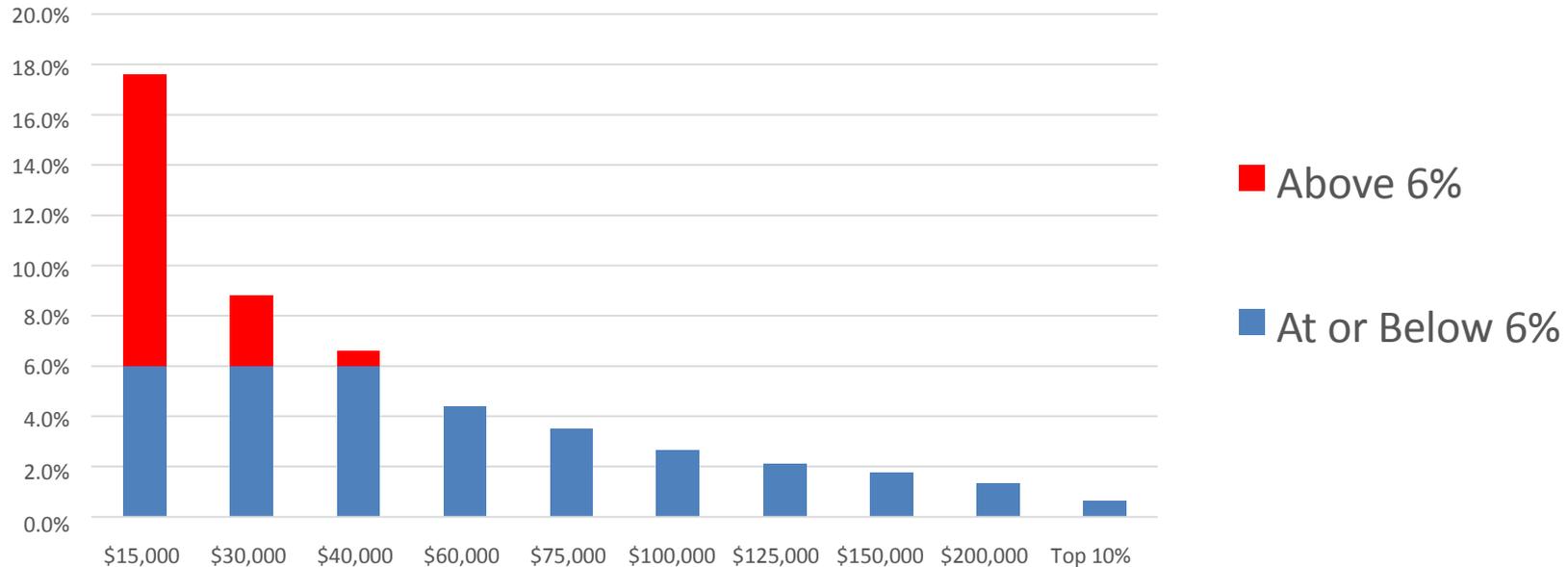
Three-Pronged Strategy for Affordability

- Strong consumer protections against termination of service (Home Energy Fair Practices Act)
- Opportunities for low income households to benefit from cost savings through energy efficiency and distributed energy resources
- Direct financial assistance programs

Will focus this morning on the latter

Energy Bill As a Percentage of Income

Annual Bill of \$2,640



NYS Affordability Policy

- Maintaining universal, affordable service is a key driver of the REV initiative
- Adopts as state policy that an average energy burden of 6% of household income is the target level for all 2.3 million low income households in New York
- Levels of discounts vary based on need (four tiers)
 - Majority of upstate participants receiving Tier 3 (highest tier)
- Discounts based on “affordability block” -- defined as 110% of average bill at each utility
- Participants are enrolled in budget (levelized) billing
- Total budget may not exceed 2% of total electric or gas revenues for sales to end-use customers
 - Costs are allocated fairly evenly between electric and gas (about 1.4% overall)
 - National Fuel and Niagara Mohawk (gas only) reach the 2% budget cap
- Arrearage forgiveness/reconnection fee waiver programs optional

Phased Approach to Optimizing Program Design

- Reaching all 2.3M households below 200% FPL will require new partnerships/new ways to identify eligible low-income customers
 - OTDA now provides lists of non-utility HEAP recipients to the utilities (due to certain federal requirements)
 - Utilities now have the means to automatically enroll all HEAP recipients (all fuel types)
 - Initial file transfers include a limited population of non-utility HEAP recipients (those who directly apply)
 - categorically eligible households (e.g., TA/SNAP recipients) will be included as necessary permissions are obtained
 - will occur as such households recertify (may take a few years)
- Inter-agency Task Force -- reach all eligible households, achieve greater program coordination
 - Can OTDA provide more detailed info (e.g., household income, number of inhabitants)?
 - Possibly leverage Open-NY as a platform for more substantial information sharing
 - Shared database with necessary and appropriate controls
 - contains client/customer information necessary for administration and evaluation of programs
- OTDA HEAP state plan raised the income-based add-on from \$25 to \$26
 - allows it to be distinguished from the household membership-based add-on (remains at \$25)
- Provide other opportunities to achieve affordability, reduce reliance on discounts
 - Energy Efficiency
 - Demand Response
 - Distributed Energy Resources (DER)

Petitions for Rehearing

- Bill discounts extended to direct voucher/utility guarantee customers
 - Added approximately \$12 million to statewide program cost
 - Increased total program cost from \$248 million to \$260 million
- Program costs allocated and recovered from all classes on a delivery revenue basis
 - All except Central Hudson (in pending joint proposal)
- Other minor clarifications

Implementation Plans

- Enrollment expanded to all HEAP recipients (as of December 31, 2017)
 - increased enrollment by more than half, to approximately 1.65 million customers
- Discounts expanded to include all Tier levels by December 31, 2018
 - also implement revised reporting requirements
- Utilities to make an annual filing with updated calculations
 - average bill amounts, discount levels, projected budgets and budget limits
 - utilities expected to use a three-year average of bills as the basis for calculations
 - Year-to-year volatility in usage levels and commodity costs
- Niagara Mohawk, KEDNY, KEDLI and National Fuel treat all Emergency HEAP customers as Tier 1
- Hardship grants through Emergency HEAP, utility fuel funds

Implementation Plan Details

- Central Hudson -- not accepting new EPOP (arrearage reduction) enrollments as of April 2017
- Con Edson – began enrolling Medicaid recipients in electric program January 2017 (~90k added)
 - Digital customer experience (DCX) will present new opportunities for promoting low-income energy literacy
 - Working on separate low-income REV Demo project
- KEDNY began file match (same as Con Edison) – could add 300-400k customers
 - KEDLI also conducting a file match with HRA (covers a very small portion of KEDLI's service territory)
 - positive initial step toward conducting file matches with Nassau/Suffolk County DSS
 - KEDLI implementing a new low-income energy efficiency program to replace the EmPower-NY program on LI
 - Both KEDNY/KEDLI discontinued On-Track (arrearage reduction) enrollments January 2017
- National Fuel -- Rate Order required implementation of tiered levels of discounts by December 31, 2018
 - Eliminate arrears forgiveness
 - Continue LIURP/CIP programs
- NYSEG/RG&E -- continuing previous arrearage reduction programs
- Orange and Rockland – proposes (in pending rate case) to fund discounts through rate design
 - Low income programs are revenue neutral -- transfer payment from nonparticipants to participants
 - Energy efficiency program expansion (not approved)

Example: Niagara Mohawk

Income Level	Electric Heating Previous	Electric Heating Now	Electric Non-Heat Previous	Electric Non-Heat Now	Gas Heating Previous	Gas Heating Now	Gas Non-Heat Previous	Gas Non-Heat Now
Tier 1	\$15	\$11	\$5	\$11	\$11	\$3	\$11	\$3
Tier 2	\$15	\$29	\$5	\$29	\$11	\$10	\$11	\$3
Tier 3	\$15	\$47	\$5	\$47	\$11	\$29	\$11	\$3
Tier 4	\$15	\$31	\$5	\$31	\$11	\$12	\$11	\$3

UTILITY LOW-INCOME DISCOUNT PROGRAM BUDGETS*

Company	Budget	Pct. of Revenue
Central Hudson	\$ 12,800,000	1.29%
Con Edison	\$ 67,800,000	0.55%
National Fuel	\$ 13,400,000	1.99%
KEDLI	\$ 7,900,000	0.79%
KEDNY	\$ 27,000,000	1.70%
Niagara Mohawk	\$ 71,500,000	1.80%
NYSEG	\$ 24,600,000	1.24%
Orange and Rockland	\$ 14,700,000	1.61%
RG&E	\$ 20,000,000	1.65%
Total	\$ 259,700,000	1.40%

*Rate discounts only (not incl. arrearage, reconnection fee waivers)

Questions?

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