

State of Vermont

AGENCY OF HUMAN SERVICES

**Department for Children and Families
Economic Services Division
OFFICE of HOME HEATING FUEL ASSISTANCE**
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To: Senator Ann Cummings, Chairperson Joint Fiscal Committee

From: Richard Moffi, Fuel Assistance Program Chief

Copy: Dave Yacovone, Commissioner of DCF

Subject: AA-1 Request for Limited Service Positions
Green Mountain Power (GMP) Energy Assistance Program (EAP)
Economic Services Division (ESD) Consumer Eligibility Determination

Date: September 18, 2012

The Department for Children and Families (DCF) will enter into a contract with Green Mountain Power (GMP) to provide eligibility determination services for their low-income Energy Assistance Program (EAP). Income eligible households will receive a discount off their monthly electric service, and in the first 90 days of the EAP will also be eligible for a one-time arrearage forgiveness.

The Vermont Public Service Board, under Docket #7535 begun in June 2009, requires GMP to establish a low-income EAP for the estimated 70 percent of Vermont's residential electric accounts served by the company. In April the Administration agreed to enter into a contract with GMP for DCF's Economic Services Division to determine income eligibility and coordinate program outreach.

GMP, with funds approved under PSB Docket #7535, will compensate DCF for services and associated costs including reimbursables. In the seven-month first term of the contract (Dec 2012 to June 30 2013) the working estimate for fixed cost compensation (including one-time start/fit-up costs and not including reimbursables) is \$413,447. In the first full year of the contract the working estimate for fixed cost compensation is \$543,656.

An AA-I request for eight limited service positions to staff this project is being processed internally.

GMP Energy Assistance Program (EAP)

- Residential accounts only
- Income eligibility maximum 150% federal poverty by household size
- Ongoing discount of 25% regardless of income
- Average electric bill: \$84/month = average savings \$21/month (\$252/year)
- One Time arrearage forgiveness (only available in the program's first 90 days)
- Clients do not have to be LIHEAP recipients or have electric heat to qualify

EAP Services Provided by DCF/ESD

- Development and printing of program documents
- Application distribution (mail or web) and acceptance (initially mail only)
- Consumer Outreach – including outreach agreements with CAPs and AAAs
- Initial determination of program eligibility and annual eligibility reviews
- Primary contact and source of information for consumers
- Secure data transfer of eligibility determinations to GMP
- Eligibility database management and reporting
- Program Oversight by the Fuel Program Chief

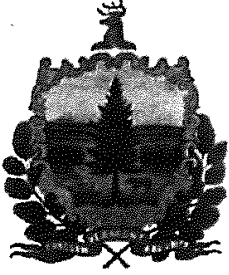
Reduction of Energy Cost Burden for Low-Income Vermonters

- The March 1, 2012 *LIHEAP Sustainability* report proposed investigating the expansion of the GMP rate discount to all regulated utilities to address the energy cost burden of low-income households. (The utility component of the recommendation is included below.)
- DCF's partnership with GMP establishes a model that can be followed, replicated and implemented by the Public Service Board (PSB), the Department for Public Service (DPS) and the regulated utilities.
- Legislation passed in 2012 requires VTGas to implement a discount program for low-income consumers with incomes up to 200% of poverty and establishes DCF as the entity to be compensated for eligibility determination services.

Reduce the energy cost burden for low-income Vermonters for natural gas (VT Gas), electricity, and home heating fuels.

DCF will work with Vermont's regulated utilities and the Department of Public Service (DPS) to determine whether or not the recently-established low-income electric support program in Central Vermont Public Service (CVPS) and Green Mountain Power (GMP) territory can be expanded statewide, including the investigation of the program mechanics and costs (including costs to ratepayers) required to implement a Tiered Income Discount Plan with Vermont Gas (VT Gas) and all electric companies for households with gross incomes up to 200% of poverty.

A "Tiered Income Discount Plan" can be as simple as taking a fixed 25% discount and establishing three discount tiers: households in the upper third of the income range receive a 15% discount, those in the middle a 25% discount, and those in the lowest third a 35% discount.



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MEMORANDUM

To: HEAT Force and Other Interested Parties
From: Richard Moffi, Fuel Assistance Program Chief
Subject: Seasonal Fuel Assistance FINAL Statistics 20110-2012
Date: September 14, 2012

Numbers with * are New Records for the Fuel Program
Here are the FINAL statistics for Seasonal Fuel Assistance 2011-2012

Applications Received & Processed: 47,669* (as of April 13, 2012)

Table with 4 columns: Benefit Group, Households, Average Benefit, Total Benefits. Rows include Fuel Liability, Heated Renter, Roomer, and Public Housing.

Total Households Assisted to Date: 38,939*
Total Seasonal Benefits Issued or Scheduled: \$21,891,609

\$3 for 3SqsVT benefits by 9-30-12 9,999 households \$31,800

Table with 4 columns: 2010-2011, Households, Average Benefit, Total Issued. Rows include Fuel Liability, Heated Renter, Roomer, and Public Housing.

Total Households Assisted: 36,538
Total Seasonal Benefits Issued: \$22,837,214

All On-Time Applications Received & Processed: 40,484

Please, if you have questions or desire more information, call Richard at 802-769-6448.

9/19/12

DCF/ESD/Fuel Office
R. Moffi, Fuel Chief

LIHEAP Update

Joint Fiscal Committee – September 19, 2012

Fuel Assistance Funding

- Level Funded LIHAP Block Grant Highly Anticipated
 - Senate \$3.5 Billion national funding
 - House & President \$3.2 Billion national funding
 - Vermont Grant \$19.5 Million @ level funding
 - Issue/Impact of Possible Funding Sequestration
 - “May” delay or reduce first quarter grant allocation

- Two-Year Vermont Funding Comparison

	FFY 2013	FFY 2012
LIHEAP Grant	\$19,529,000	\$19,529,000
LIHEAP Contingency	\$ -0-	\$ -0-
Carry Over	\$1,350,000	\$4,005,000
State	\$ -0-	\$5,050,000
Wx (ARA)	\$ -0-	\$1,050,000
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TOTAL	\$20,879,000	\$29,634,000

Fuel Assistance Benefit

- Seasonal Fuel Assistance – 5 categories of (1) fuel liability and (4) heated renters

	FFY 2013	FFY 2012
Total Funds Grants	\$19,529,000	\$19,529,000
Total HHs Assisted	45,000	43,500
Total “Fuel Liability” HHs	28,500	27,400
Avg. Full-Fuel-Liability		
Benefit	\$543	\$900 (inc. ‘bonus’)
Avg. Gallons Purchased	150 gals.	249 gals.
Avg. %age of Winter Heat	20%	33%

LIHEAP Stats Compilation

R. Moffi ESD/Fuel Sept 7, 2012

FFY	LIHEAP		State Funds	TOTAL FUNDS	Fuel Liability Households	Full Season		Nov-Apr		Purchase Power Gallons / %age (3)	FFY
	Total	LIHEAP Carry-Over (1)				Fuel Liability	Avg. Benefit	Fuel Liability	Avg cost oil/gal (2)		
2013	\$19,529,000	\$1,300,000	\$0	\$20,829,000	28,500	\$543	\$3.61	150	20%	2013	
FFY2013 data assumed or estimated											
2012	\$19,529,156	\$4,005,000	\$6,100,000	\$29,634,156	27,100	\$900	\$3.61	248	33%	2012	
2011	\$27,557,850	\$6,687,000	\$0	\$34,244,850	26,546	\$866	\$3.31	262	34%	2011	
2010	\$27,341,881	\$5,447,000	\$0	\$32,788,881	20,399	\$1,064	\$2.68	397	52%	2010	
2009	\$38,642,377	\$363,000	\$0	\$39,005,377	19,227	\$1,718	\$2.62	656	86%	2009	
2008	\$16,883,723	N/A	\$5,898,032	\$22,781,755 (4)	15,369	\$1,362	\$3.24	420	55%	2008	
2007	\$11,612,664	N/A	\$590,769	\$12,203,433	15,124	\$1,368	\$2.51	545	71%	2007	
2006	\$14,319,230	N/A	\$10,200,000	\$24,519,230	14,893	\$1,364	\$2.50	546	71%	2006	
2005	\$13,751,056	N/A	\$1,000,000	\$14,751,056 (5)	14,252	\$902	\$2.05	441	58%	2005	

(1) The carry-over amounts are as of June 30 and not September 30

(2) Price after required discount from FFY2009 forward

(3) Assumes average winter consumption of 764 gallons for a delivered petro fuel (oil/propane/kerosene)

(4) \$1 Million returned to the State on June 30

(5) No state funds were contributed to LIHEAP prior to FFY2005

2012 - 2013 Monthly Income Maximums

HH Size	<u>Seasonal Fuel</u>	<u>Crisis Fuel</u>
	185% Poverty Gross Income/Month	200% Gross Gross Income/Month
1	\$1,722	\$1,862
2	\$2,333	\$2,522
3	\$2,944	\$3,182
4	\$3,554	\$3,842
5	\$4,165	\$4,502
Add per person	\$611	\$660

Aug 24, 2012

R. Moffi ESD/Fuel Office