Developing Partnerships to Measure Performance:
Strategies from State Low Income Home Energy Assistance Programs (LIHEAP)
Panel

- Ms. Leslie Lee, *Moderator* – Delaware Department of Health and Social Services
- Ms. Janet Cesner, *Panelist* – Ohio Department of Development
- Mr. Akm Rahman, *Panelist* – Massachusetts Department of Housing and Community Development
- Mr. Richard Moffi, *Panelist* – Vermont Department for Children and Families
Objective

• Provide best practices for developing partnerships to collect data.
• Discuss partnerships with regulated and unregulated vendors.
• Answer questions; please hold them until the end.
• Complete session survey.
Introduction

• Pressure exists to evaluate performance and demonstrate the impact of LIHEAP services and resources.
• HHS work group is developing recommendations for implementing LIHEAP performance measures.
• Partnerships with stakeholders is vital for collecting household data.
Regulated Vendors: Ohio
Program Overview

Regular HEAP Poverty Ratio Breakdown

- Below 75%: 63,103
- 75% to 100%: 79,663
- 101% to 125%: 48,999
- 126% to 150%: 26,847
- 151% to 175%: 14,606
- 176% to 200%: 209,548
Program Overview (Continued)

Ohio LIHEAP Summary by Fuel Type

- Gas / Natural Gas: 66%
- Propane / Bottle Gas: 22%
- Fuel Oil / Kerosene: 7%
- Coal / Wood: 4%
- Electric: 1%
Program Overview (Continued)

- Ohio Community and Energy Assistance Network (OCEAN)--a centralized web-based data collection system.
- Mail-in applications are accepted and keyed into OCEAN.
- Grants provided to 52 local designated agencies to administer LIHEAP Crisis Program.
Program Overview (Continued)

• Local agencies access OCEAN for processing:
  ▫ LIHEAP Subsidy and Crisis applications
  ▫ Percentage of Income Payment Plan (PIPP) enrollments and re-verifications for customers of regulated utilities.

• Since 1983, state office and local agencies have acquired much of the customer service work for PIPP.
Program Overview (Continued)

- LIHEAP is integrated with PIPP in OCEAN.
- November 1, 2010, PIPP became PIPP Plus, which includes
  - Arrearage crediting component
  - New reporting requirements for companies
  - New responsibilities for state office/local agencies.
Partnerships

- Local LIHEAP Agencies
- Public Utilities Commission of Ohio (PUCO)
- Regulated Utility Companies
Motivating Factors

- New data requirements
  - PIPP Plus rules required electric companies to provide customer level data to get reimbursed.
  - Public Utilities Commission of Ohio required regulated gas companies to provide data.
  - Provision in the file layout required the inclusion of data from clients receiving a LIHEAP benefit within the past 12 months.
Strategies

• **Held collaborative meetings** with PU CO staff during the development stage of the PIPP Plus rules.

• **Aligned, whenever possible**, the Electric PIPP rules and the Gas PIPP rules.

• **Sought input** of local agency staff, regulated utilities and low-income customers, and advocates.
Strategies (continued)

• **Met regularly with utilities** involved to answer questions regarding interpretation and implementation of new rules and data requirements.

• **Allotted time for developing and testing** system updates and new file structures by state office and regulated utilities.
Benefits

• **More detailed data** on customers’ accounts and accurate feedback on outcome of transactions through OCEAN.

• **Verification** of LIHEAP crisis benefit and PIPP Plus enrollment.

• **Correction and resubmission** of rejected data.

• **Notification and tracking** of enrollment and activities related to bill payment and arrearage crediting.
Caveats

• Implementation glitches and reporting issues with some regulated utilities.
• Data not currently collected on LIHEAP clients who are customers of non-regulated utilities (i.e. municipally-owned and co-ops) or bulk fuel vendors (however over 75% of Ohio’s LIHEAP clients are customers of regulated utilities)
Best Practices

• **Creating an information exchange** with utility companies participating in PIPP Plus. Monthly, through the Customer Information file, utilities supply information about a client’s payment and utility usage (examples follow).
Best Practices (Continued)

Electric Billing and Usage Information

**Latest Electric Billing Information**

- **Current Utility:** American Electric Power / Ohio Power
- **Bill Due Date:** 1/21/2011
- **Current Account Number:** 00000000001
- **Number of months since last payment:**
- **Account Balance:** $6,414.15
- **Installment Balance:**
- **Average Bill:** $0.00
- **Last Reverification:** 11/3/2010
- **14 Day Disconnect Notice:** N

**Latest Electric Usage Details**

- **Current Utility:** American Electric Power / Ohio Power
- **Current Account Number:** 00000000001
- **Last 12 Months Usage (kWh):** 13,851.00
- **Average Monthly Usage (kWh):** .00
- **Calendar Year Usage (kWh):** 18,804.00
Best Practices (Continued)

Historical Electric Billing Information

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Utility</th>
<th>Bill Amount</th>
<th>Customer Payment</th>
<th>PIPP Plus Installment</th>
<th>Arrearage Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>2010</td>
<td>American Electric Power /Ohio Power</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Billing Information Detail

- Current Utility: American Electric Power /Ohio Power
- Account Number: 00000000001
- Customer Payment: $0.00
- Other Payment: $0.00
- Crisis Benefit: $0.00
- PIPP Plus Installment: $0.00
- Medical Certification: True
- Bill Amount: $0.00
- Account Adjustment: $0.00
- Cumulative Arrearage: $6,414.15
- Intent Amount: NA
- Bill Amount Paid by PIPP Plus: $0.00
- Debt Credit Applied: $0.00
- Arrearage Credit Adjustment: $0.00
- Arrearage Credit Adjustment Reason: NA

Processed Date: 10/11/2010
Best Practices (Continued)

Historical Electric Usage Information

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Utility</th>
<th>Bill Amount</th>
<th>Monthly Usage (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>2010</td>
<td>American Electric Power /Ohio Power</td>
<td>$0.00</td>
<td>00</td>
</tr>
</tbody>
</table>

Usage Information

- **Current Utility:** American Electric Power /Ohio Power
- **Processed Date:** 10/11/2010
- **Account Number:** 000000000001
- **Bill Amount:** $0.00
- **Monthly Usage (kWh):** 00
- **Service Terminated:** False
- **Heat Type:** Natural Gas
- **Termination Reason:** N/A
- **Read Date:**
- **Read Indicator:** N/A
Best Practices (Continued)

Gas Billing and Usage Information

![Gas Billing and Usage Information](image)
### Best Practices (Continued)

#### Historical Gas Billing Information

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Utility</th>
<th>Bill Amount</th>
<th>Customer Payment</th>
<th>PIPP Plus Installment</th>
<th>Arrearage Credit</th>
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<tbody>
<tr>
<td>October</td>
<td>2010</td>
<td>Columbia Gas</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**Billing Information Detail**

- **Current Utility:** Columbia Gas
- **Account Number:** 0000000001
- **Customer Payment:** $0.00
- **Bill Amount:** $0.00
- **Bill Amount Paid by PIPP Plus:** $0.00
- **Other Payment:** $0.00
- **Medical Certification:** True
- **Crisis Benefit:** $0.00
- **Account Adjustment:** $0.00
- **Arrearage Credit:** $0.00
- **Arrearage Credit Adjustment:** $0.00
- **Arrearage Credit Adjustment Reason:** NA
- **Cumulative Arrearage:** $6,414.15
- **Intent Amount:**
Best Practices (Continued)

Historical Gas Usage Information

<table>
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<tr>
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Usage Information

- Current Utility: Columbia Gas
- Account Number: 00000000001
- Processed Date: 10/11/2010
- Monthly Usage (kWh): 00
- Service Terminated: False
- Termination Reason: N/A
- Heat Type: Natural Gas
- Read Date: 
- Read Indicator: N/A
- Bill Amount: $0.00
Regulated Vendors: Massachusetts
Program Overview

- The MA LIHEAP serves about 200,000 households or 490,000 individuals – a 38% increase since 2008.
- The average household income is $22,000 – 49% of the households are at/below 125% of FPL.
- A $5 billion program helped raise the maximum benefit, change the income limit to 60% of SMI, and serve more clients.
- The maximum benefits in FY 2011 were – $1,090 for deliverables and $915 for utility clients.
- Volatile oil prices significantly increased energy burden of heating oil clients while prices for natural gas and electricity remained reasonably stable.
Program Overview

- It is a highly decentralized program run by 21 non-profits and one City agency.
- There are major investor-owned and municipal utilities.
- Over $92 million in LIHEAP funds were disbursed through utility companies in FY 2010.
- MA has a single application process for LIHEAP and energy efficiency, and utility discount programs.
Partnerships

MA LIHEAP partners with:

• The Arrearage Management Program (AMP) Best Practice Group;
• LIHEAP Advisory Group;
• Low-Income Energy Network;
• Energy Policy Advisory Group;
• Massachusetts Association for Community Action; and
• Many informal and ad-hoc committees.
Motivating Factors - Partnership

For DHCD
- Provides expertise.
- Brings local-level perspective to decision making process.
- Allows DHCD to maintain its data tracking, reporting, and accountability framework.

For the Partners
- Helps leverage resources.
- Allows better advocacy on behalf of low-income households.
- Facilitates arrearage management, improved payments, and better utility services.
- Improves Energy Efficiency.
Strategies

- It is a *win-win situation* for all – DHCD, LAAs, utility companies, and clients.
- LIHEAP is primarily a vendor pay program in MA – *you need the partners*!
- Cooperation within a regulatory framework – Department of Public Utilities, National Consumer Law Center, AMP group, and LAAs.
- Leveraging and REACH grants – many partnerships were formed during program implementation.
Benefits (including Outcomes)

- Low-Income utility discount programs.
- Weatherization leveraged resources.
- Arrearage Management Programs (AMP) at all nine investor-owned utility companies.
- REACh grants not only created partnerships but also helped understand client conditions, payment behavior, & energy self-sufficiency issues.
- Tracking of LIHEAP household consumption data.
Caveats - LIHEAP Performance Measures

- DHCD will need to maintain its current partnerships.
- Performance data will have to come from several different sources: clients, LAAs, utility companies, WAP agencies.
- Many measures are readily available.
- Performance data on disconnection notices, terminations, payment history, and reconnections will not be easy to collect.
Ongoing Lessons Learned

- Performance measurement is a major paradigm shift from “paying bills” to tracking performance.
- Will have to build upon past and current successes.
- Reliable software and electronic file transfer systems can enhance data collection.
- Various components of arrearage management, termination, and reconnection data will be key.
Unregulated Vendors: Vermont
Small is Beautiful

- **Vermont:**
  - 622,000 people – 49th smallest
  - 9,249 sq. miles – 45th smallest
  - 200 oil, propane, kerosene dealers
  - 21 electric companies
  - 1 natural gas company
  - 17 downhill ski areas
  - 150,000 cows
  - 890,000 Gallons Maple Syrup (2010 leads the U.S.!)
Who Gets VT LIHEAP?

- Estimated **60,000** VT households are income eligible for VT LIHEAP

- In FFY 2011 ... **45,500** VT households received a LIHEAP benefit

- Over **75%** of VT’s income eligible population receive a LIHEAP benefit
How Does VT Reach 75%?

- Small is efficient
- 1 State Department – Children & Families
- 1 Fuel Office – in a dingy basement
- 1 Database – for LIHEAP, SNAP, TANF, Medicare and Medicaid eligibility
- Close working relationships with all our private, public and non-profit partners
Awesome Partnerships

- 222 certified fuel dealers
  - 21 electric companies
  - 1 natural gas company
  - 200 oil, propane, kerosene dealers
- 5 Community Action Agencies
- 5 Area Agencies on Aging
- 1 advisory group required by statute
Short VT LIHEAP History

- LIHEAP seasonal fuel assistance has always been in VT DCF
- LIHEAP crisis fuel assistance since 1996 by VT’s five Community Action Agencies – provides one-stop assistance
- Fuel suppliers and utilities certified since 1996 to receive and manage client benefits
Who Heats with What?

Benefits Paid to Certified Fuel Suppliers

- Oil Propane & Kerosene 85%
- Natural Gas 12%
- Electricity 3%

What about Firewood and Pellets?!?!?
Please Forgive Me?!?

• Firewood and Wood Pellets – VT loves wood heat!!!
• 250 certified wood dealers for 500 LIHEAP clients
• The Fuel Office was the firewood police:
  ▫ Dealer won’t delivery my wood
  ▫ Dealer won’t return my calls – phone disconnected
  ▫ Wood is short, long, green, punky, softwood, not a full cord
  ▫ Dealer put wood in wrong place
  ▫ Dealer has left town with my LIHEAP benefit
  ▫ Dealer is dating my daughter
• 2010 VT no longer certifies wood dealers – benefits are paid directly to clients
  • Don’t Be Afraid to Change a Part of Your Program That Doesn’t Provide Excellent Customer Service
Simple Should be Beautiful

• Since 1996 – VT has issued seasonal fuel benefits directly to client’s fuel dealer
• Benefit funds are electronically deposited into dealer bank accounts
• Clients are notified that benefits were paid
• Clients make delivery arrangements with their dealer
• Dealers report use of benefits and refund unused funds in June
Required from Vendors

- Certification agreement
- Discount agreement
- Accept EFT payment prior to delivery
- Complete end of season refund report:
  - Product units – 1 year consumption
  - Cost – 1 year consumption
  - Report discounts
  - Calculate LIHEAP benefit usage
  - Refund unused benefit
  - Do it all by *hand-written entries* on forms provided
VT LIHEAP is Open . . . . .

- Open for Business
- Open for Fraud
- Open for Abuse
- Open for Paper Overload
- Open for Errors
Goal: Simplify & Improve the Secure Management of LIHEAP $
Fuel Dealer Web Portal

- In FFY2009 – VT issued $31+ million into private bank accounts of fuel dealers
- When the heating season ended ... dealers refunded $4+ million in *unused LIHEAP benefits*
- Securely issuing, transferring and accounting for LIHEAP benefit funds is the responsibility of the VT Fuel Office
3 Phase Implementation of Fuel Vendor Secure Web-Portal

- **Phase 1:** FFY2011
  State Statute Change
  Design/Development Collaboration with Fuel Dealers

- **Phase 2:** FFY2012
  Secure Data Exchange and Reporting

- **Phase 3:** FFY2013
  Secure Payment-After-Delivery
Phase 1 - Statute

• Shine a spotlight on the system
  • Required dealer discount
  • One (really) bad apple
  • And a moldy loaf of bread
• Support from Business Office & Auditors
• DCF Proposal to Legislature
• A Level of Self-Denigration
• Support Those Who Stands to Lose
• Collaboration with Partners
  • Fuel Dealers
  • IT Teams
  • Business Office
Phase 2 - Data

- Dealers receive program notices from Fuel Office via the web-portal.
- Fuel Office posts clients’ advance payments (in 2012) or line-of-credit (starting in FFY2013) to each dealer’s web-portal account.
- Dealers download benefit data and manipulate it.
- Fuel Office transfers client accounts.
- Dealers report end-of-year benefit usage, consumption and refund amounts.
- All paper documentation is eliminated.
Phase 3 - Payments

- A line-of-credit is posted for each client in the web-portal with their fuel dealer
- Dealers make deliveries and post required data consumption, cost, discount, etc
- Dealers post daily then hit “submit” by 11:59 p.m.
- System checks information accuracy – accepts or alerts
- Electronic Funds Transfer overnight to dealer’s bank
- Client consumption record is updated and line-of-credit is reduced by payment amount
- Money only moves to the dealer to pay for deliveries
- Refunds are no longer necessary
- Access to funds controlled by the Fuel Office
Performance Measure Benefits

- Limited Financial Exposure
  -- Dealer
  -- State
- Real Time Consumption and Benefit Balance
- Real Time Monitoring of Discount or Price
- Accessible/Manageable Client Data
  -- by Dealer
  -- by Fuel Office
- Reduced Administrative Burden
- Elimination of Refund Reports
- Elimination of Cash Refunds
- Weatherization Targeting
Wx Partnership

• Requirement to accept Wx services
• Mountains of paper data available for annual consumption
• Secure data sharing between Fuel Office and 5 Wx Offices
• The web-portal will provide:
  A sortable data base for Wx Offices to target services to highest consumption households
What’s Down the Road?

- With a **web-portal** for data exchange and payment-after-delivery ...
  - Vermont *could-may-perhaps-might* dramatically improve benefit targeting for:
    - Economic Need
    - Energy Burden Need
  - Vermont *might-perhaps-may-could* issue crisis fuel payments for Community Action Agencies
Discussion
Resources

- Ohio:  
  http://development.ohio.gov/Community/ocs/energyhelp.htm
- Massachusetts:  
  http://www.massresources.org/pages.cfm?contentID=36&pageID=14&Subpages=yes
- Vermont:  
  http://dcf.vermont.gov/esd/fuel_assistance
LIHEAP Performance Measures
Implementation Work Group

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