

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 22-043

Low Income Electric Assistance Program

Technical Statement of Amanda O. Noonan
New Hampshire Department of Energy

March 6, 2024

I. Background and Summary

On July 17, 2023, the New Hampshire Public Utilities Commission (Commission) issued a supplemental order of notice in Docket No. DE 22-043 to review the design and administration of the statewide low-income electric assistance program (EAP), as established by statute and by prior orders of the Commission. On August 22, 2023, the Commission issued a Prehearing Order in which it identified seven scoping areas. The Department addresses each scoping area below. The Department's position relies upon the Colton Report¹, attachments thereto, and the position of the EAP Advisory Board, as memorialized in its own submission. *See also* Parties' Joint Comments Regarding Scoping Matters (September 22, 2023); *Parties' Letter and Joint Filing of Consultant Report and Electric Assistance Program Advisory Board Recommendations* (October 3, 2022); September 27, 2022 Letter from DOE Commissioner Jared S. Chicoine (among other things, notifying Commission that on September 15, 2022 new legislation made an additional \$7 million dollars available to the EAP program to support the continued payment of benefits); August 1, 2023 Letter from DOE Commissioner Jared S. Chicoine (courtesy notification of software expenditure).

II. Department Analysis

The Department's positions on the scoping areas identified by the Commission in the August 2023 Prehearing Order are discussed below. For the convenience of the Commission, the scoping areas, as described by the Commission, appear in italics. *See Prehearing Order* (August 22, 2023) (citing July 17, 2023 Supplemental Order of Notice); *see also* Parties' Joint Comments Regarding Scoping Matters (September 22, 2023); *Parties' Letter and Joint Filing of Consultant Report and Electric Assistance Program Advisory Board Recommendations* (October 3, 2022).

¹ The *Colton Report* was filed on October 3, 2022 in this docket at Tab 15 with the then-support of all parties, and of the EAP Advisory Board as summarized in DOE's cover letter filed that date with the *Colton Report*. *See also* Colton Report Bates 92-102 (internal summary of Roger Colton's recommendations).

Scoping Area 1. Whether the Commission should approve implementation of the Colton Report/EAP Advisory Board Recommendations 5, 6, and 7 for the 2024-2025 EAP program year, and beyond.

The Colton Report contains a number of recommendations that the Department supported in the October 3, 2022 Joint filing of Consultant Report & Electric Assistance Program Advisory Board Recommendation. Recommendation 5 states:

The New Hampshire EAP should seek added EAP funding to incorporate an Arrearage Management Program (AMP) into its program design.

The EAP Advisory Board in its 2022 recommendations regarding the Colton Report stated, “The Advisory Board recognizes the Eversource currently has an AMP for its customers. The Advisory Board supports Mr. Colton’s recommendation and recommends a generic investigation be opened to consider an AMP, either as part of the EAP or a separate program for all electric utilities.”

As the benefits² of an AMP are utility specific, the Department clarifies and refines its position with regard to AMPs and supports utility specific AMPs, funded through utility rates, rather than the incorporation of an AMP into the EAP design. Funds for the EAP are provided through a 1.5 mill per kWh charge on the bills of utility customers, and the SBC for the EAP is capped at that level by RSA 374-F:4, VIII (c). Thus, the Commission would be unable to provide additional funds to incorporate an AMP in the EAP program design without legislative approval.

Recommendation 6 of the Colton Report states:

New Hampshire’s EAP should seek the aid of the New Hampshire Department of Health and Human Services (DHHS) to enroll participants in the Supplemental Nutrition Assistance Program (SNAP) as well as the state’s various Cash Assistance programs in EAP.”

Recommendation 7 is similar:

New Hampshire’s EAP should seek expanded assistance in identifying and enrolling income-qualified customers into EAP. Assistance from the Department of Health and Human Services (DHHS) in identifying Medicaid recipient households, and with local Public Housing Authorities in identifying public housing residents, would be of priority importance.

Partnering with other agencies, such as DHHS and public housing authorities, to identify those New Hampshire residents that may be eligible for EAP and who are not currently enrolled would increase awareness of the EAP and may provide assistance to New Hampshire’s vulnerable households. The Department supports the sharing of data between the Community Action Agencies and the state DHHS or local housing authorities. The Department recommends the

² Arrearage management programs benefit all utility customers through reduced collection costs, reduced uncollectibles, and potential improvement in the lag between bill and payment. See Dkt. No. De 19-057 Prefiled Testimony of Amanda O. Noonan (December 20, 2019) at 5-6 (benefits of AMPs).

Commission support any efforts by the Community Action Agencies (CAAs) to explore data sharing between the CAAs and DHHS or local housing authorities to identify and enroll the most vulnerable households while recognizing that the Commission cannot mandate such sharing of data. The Department notes, however, that the sharing of information between the CAAs and DHHS or local housing authorities raises potential issues regarding client confidentiality. There may also be differences in what is included in the calculation of income for eligibility determination for EAP, which follows the guidelines for the federally funded Fuel Assistance Program, and for assistance programs available through DHHS. Finally, some public housing authorities include utilities in the rent; thus, those residents would not be eligible for EAP as they would not receive an electric bill.

Scoping Area 2. Whether further efficiencies can be gained by adjusting the number of tiers and/or modifying tiers, and/or by adjusting the kilowatt hour (kWh) limit for the number of people in the household, to allow greater lower-income assistance, beyond what was contemplated in the Colton Report.

The Department cannot identify any analysis that contradicts the Colton Report analysis. The Department believes that the recommendations made by Mr. Colton are comprehensive and thoughtful and suggests that the EAP should continue in its present form.

Scoping Area 3. Whether economies of scale through cross-regional, or Statewide, processing of EAP benefit applications by the CAAs can be leveraged.

As noted in the Colton Report³, the EAP is a fundamentally sound program. None of the recommendations in the Colton Report suggest that there are economies of scale of which the EAP is not currently taking advantage. The five CAAs serve New Hampshire's eleven counties, providing statewide processing of EAP applications. The processing of EAP applications is done in conjunction with applications for the federally funded Fuel Assistance Program (FAP),⁴ providing for reduced program administrative costs for both programs as well as an improved experience for the applicant.

Scoping Area 4. Whether more streamlined re-enrollment of EAP recipients, especially older citizens and the disabled, subject to conditions, would be feasible or beneficial.

Currently those EAP households 60 and older are re-certified for the program every two years rather than every year. The Department does not recommend increasing the years between recertification for those households as changes in household size do occur, making it advisable for those households to recertify every 24 months. As households under 60 are more likely to have changes in income, economic circumstances, and household size, it is prudent to review eligibility for the program and the assigned discount tier on an annual basis.

³ See page 93 of the Colton Report filed with the Commission in DE 22-043 on October 3, 2022.

⁴ With the exception of May and June, months when the program is not accepting applications, an EAP application is done in conjunction with an application for the FAP.

Scoping Area 5. Any other useful efficiencies and modifications that can be developed to maximize benefit to EAP recipients in greatest need and minimize overhead.

The Department believes the EAP currently operates efficiently and does not have any recommended modifications. The tiered discount design of the EAP ensures that those households with the greatest need receive the largest benefit. The tiered discount design was adopted by the Commission after consideration of other program designs as it maximized the benefit to those most vulnerable households while minimizing overhead.⁵ The Department has no suggestions regarding maximizing EAP benefits to those most in need beyond the changes recommended by Mr. Colton and already adopted by the Commission.

Scoping Area 6. What safeguards can be implemented to ensure that EAP beneficiaries (customers on both default service offered by the NH Electric Utilities and competitive suppliers, including Community Aggregators) do not receive more monthly credit than the actual monthly expenditure on energy supply.

The Commission approved the extension of the EAP discount to the energy position of bills of income eligible participants who elect to procure energy from a competitive supplier in Order No. 26,132 in Docket No. DE 18-057, Statewide Low-Income Electric Assistance Program, issued May 4, 2018. In approving the extension of the EAP discount to those customers, the Commission agreed with the EAP Advisory Board that the change resolved an inadvertent disadvantage to income-eligible customers who choose a competitive supplier but were precluded from receiving the EAP discount on the energy component of their electricity bill and noted that it also provided benefits to a broader category of income-eligible customers. Further, the Commission, although recognizing the potential for disparity between the utility default service rate and competitive supply rates, found the use of the utility default service rate as a proxy for the competitive supply rate to be a reasonable resolution to the various billing complexities presented by tens and perhaps hundreds of different competitive supply rates. As reflected in the record in this docket, utility billing systems cannot calculate the discount for competitive supply rates without additional and significant expense and delay. See Joint Technical Statement of Unitil Energy Systems, Inc.; Public Service Company of New Hampshire d/b/a Eversource Energy; the New Hampshire Electric Co-operative; and Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (March 6, 2024) at 2-5.

Since 2018, the average price for utility provided default energy supply has been lower than or roughly equal to the average price offered by competitive suppliers in the corresponding utility service area. See Attachment AON-1 for 6 month competitive supply rates for the period 2018 through 2022.

⁵ See Order No. 23,980 in DE 02-034, Statewide Low-Income Electric Assistance Program, issued May 30, 2002.

DOE Summary of Competitive Supply and Default Service Rates 2018-2022

	Eversource Avg DS Rate	Avg 6 Month Rate Offered by All CEPS	Liberty Avg DS Rate	Avg 6 Month Rate Offered by All CEPS	NHEC Avg DS Rate	Avg 6 Month Rate Offered by All CEPS	Utilit Avg DS Rate	Avg 6 Month Rate Offered by All CEPS
2018	\$0.09369	\$0.09795	\$0.08644	\$0.08589	\$0.08281	\$0.10586	\$0.09274	\$0.10314
2019	\$0.09454	\$0.10427	\$0.08054	\$0.10390	\$0.08610	\$0.10373	\$0.09588	\$0.10546
2020	\$0.07833	\$0.08254	\$0.07083	\$0.08307	\$0.07191	\$0.08190	\$0.08574	\$0.08889
2021	\$0.07580	\$0.09483	\$0.07280	\$0.09073	\$0.07122	\$0.08820	\$0.08887	\$0.10133
2022	\$0.15473	\$0.13368	\$0.15521	\$0.11965	\$0.12748	-	\$0.14518	\$0.14759

The Department appreciates the issue raised by the Commission in Scoping Area 6. Based on the table above, however, in the opinion of the Department 2022 was an anomaly. With the exception of 2022, EAP participants who have chosen a competitive supplier for energy supply have, on average, received an overall bill discount lower than the EAP discount percentage for which they are eligible.

Since the extension of the EAP discount to the energy position of bills of income eligible participants who elect to procure energy from a competitive supplier in 2018, the audit report conducted by the Department's (formerly the Commission's) Audit Division for the EAP program year October 1, 2021 through September 1, 2022 is the only report in which the Audit Division noted credit balances on invoices reviewed. See Department's Final Audit Report (June 1, 2023) (Audit Issue #9) (filed in this docket at Tab 63). Accordingly, the Department suggests that no safeguards are necessary to ensure EAP beneficiaries do not receive more monthly credit than the actual monthly expenditure on energy supply. The Department continues to support the *status quo* because use of the default service rate as a proxy for the many different third-party supplier rates is administratively efficient. See Order No. 26,132 (May 4, 2018) at 3, 6.

Scoping Area 7. The current status of the EAP Triennial Process Evaluations (under the auspices of the DOE, available here, under the tab "EAP Advisory Board Reports, Statutes, and Orders": <https://www.energy.nh.gov/consumers/help-energy-andutility-bills/electric-assistance-program>), and any improvements that could be made to these Evaluations.

The Office of Strategic Initiatives (OSI) staff responsible for the triennial process evaluation were staff in the planning division within OSI and not involved with the EAP. Staff at the Department of Energy who would have the requisite skills and experience to perform such an evaluation are not independent from or unininvolved with the EAP. The importance of an independent review cannot be ignored, and the 2019 Triennial Process Evaluation (TPE) recommends that the TPE be performed by an independent organization going forward. See Recommendation 4.6 of the NH Electric Assistance Program Triennial Process Evaluation –June 3, 2019 Revision. In the opinion of the Department, as explained below, the 2022 Colton Report served many of the functions an independent evaluation would have otherwise served.

The Department respectfully suggests that the Colton Report serve as the triennial process evaluation that would have been done in 2022 as the objectives of the triennial process evaluation – to review 1) whether the EAP has met the level of need, within the limits of the available system benefit charge funds; 2) whether the EAP conforms to program design guidelines; and 3) whether

the EAP operates efficiently – were addressed in the Colton Report. Further, the Department believes that the EAP Advisory Board is the appropriate forum for the development of a new proposal for undertaking the triennial process evaluation.

III. Department Recommendations

With respect to Colton Report recommendations identified in the Commission’s Scoping Area 1, the Department recommends the Commission consider utility specific arrears management programs (AMPs), funded through utility rates, rather than the incorporation of an AMP into the EAP design. As Eversource has an existing AMP and the Commission does not regulate the rates of New Hampshire Electric Cooperative, the Department recommends the investigation be limited to Unitil and Liberty and consideration of an AMP be part of a rate case. The Department also recommends that the Commission support in any way it can the efforts of the CAAs to explore data sharing with DHHS and local housing authorities to identify and enroll the most vulnerable households in EAP.

Regarding Scoping Areas 2 through 5, the Department cannot identify any analysis that contradicts the Colton Report analysis. The Department notes that the Colton Report is fewer than two years old and was procured at the request of the EAP Board and to further answer Commission questions with the Commission’s input and approval. See Dkt. No. DE 21-133, Order No. 26,593 (March 16, 2022) (Commission approved Electric Assistance Program Advisory Board’s recommendation to retain a consultant to review and evaluate the EAP). The Department believes that the recommendations made by Mr. Colton remain comprehensive and thoughtful and recommends that the EAP continue in its present form.

With regard to Scoping Area 6, the global conditions and economic factors that contributed to the high utility default service rates in 2022 are, in the Department’s opinion, an anomaly, a view that is supported by the analysis of the average 6 month energy supply rate offered by competitive suppliers as compared to the average utility default service rate for 12 month period. See Table, “DOE Summary of Competitive Supply and Default Service Rates 2018-2022” above.

Accordingly, the Department does not believe it is necessary to adopt, and is not recommending adoption of, safeguards to ensure EAP beneficiaries do not receive more monthly credit than the actual monthly expenditure on energy supply.

Finally, regarding the Triennial Process Evaluation (TPE), the Department recommends the Colton Report, conducted in 2022, serve as a proxy for the TPE, and the Commission task the EAP Advisory Board with developing an alternative proposal for future TPEs.