

EAP Advisory Board
Recommendations Regarding Consultant Report
September 28, 2022

In Docket DE 21-133, the Commission approved the Electric Assistance Program Advisory Board's (Advisory Board) recommendation to retain a consultant to review and evaluate the Electric Assistance Program (EAP) and directed the Advisory Board to provide its recommendations regarding the consultant's report. On August 11, 2022, the Commission directed the parties to file the Advisory Board's recommendation in Docket DE 22-043. The Advisory Board's recommendations are provided below.

Background

The EAP provides bill assistance to low-income electric customers through a discount on electric bills. The Commission oversees the electric utilities' administration of the EAP with the support of the Advisory Board. Members of the Advisory Board include representatives of the Department of Energy, the Office of the Consumer Advocate, the four electric utilities (Eversource Energy, Liberty Utilities, NH Electric Cooperative, and Unitil Energy Systems), the Community Action Agencies, the New Hampshire Local Welfare Administrators Associations, and New Hampshire Legal Assistance. The diverse nature of the Advisory Board ensures that all interests are well represented when program changes are proposed.

In June 2021, the Advisory Board recommended the Commission approve the retention of an independent consultant to undertake a comprehensive review of the EAP to review, analyze, and evaluate the existing program design and to develop recommendations for improving the effectiveness and efficiency of the EAP.

In March 2022, the Commission approved the Advisory Board's recommendation to retain an independent consultant. The Commission also asked that the consultant: collect data on the demographics of the participants, as to age, employment status, family size, ages of children, and disabilities; explore improved low-income targeting, shifting benefit away from the top income category to better serve the lowest income group enrolled in the EAP; and to consider the option of returning excess funding to ratepayers. The Commission further requested the consultant conduct a comparative analysis of New Hampshire's EAP to other EAP programs in New England. Following a competitive bid solicitation, Roger Colton of Fisher, Sheehan & Colton was selected as the consultant.

RFP Scope of Work

The scope of work for the RFP included the following:

- 1) The consultant will review the underlying goal of the EAP, which is to provide bill discounts that reduce, on average, participant electric bills to between 4% and 5% of the average income for the discount tier and provide a recommendation regarding those targets. The consultant should quantify the program participants whose electric bills fall outside the targeted 4% - 5% of income range used for eligibility. Included in this review would be consideration of the appropriateness and feasibility of expanding existing tiers or adding one or more additional tiers.

- 2) As part of the review, the consultant shall also explore possibilities for improved low- income targeting, shifting benefit away from the top income category to better serve the lowest income households.
- 3) The consultant will review and analyze usage patterns for EAP participants and provide a recommendation relative to the 750 kWh cap on usage to which the EAP discount applies.
- 4) The consultant will provide recommendations to improve the overall effectiveness of the EAP in meeting the needs of the low-income population
- 5) The consultant will also provide recommendations to improve reporting to better manage the program.
- 6) To the extent such information is publicly available and accessible, the consultant's report should include the demographic data for EAP participants requested by the Commission - age, employment status, family size, ages of children, and disabilities.
- 7) The consultant will also undertake a comparative analysis of New Hampshire's EAP to other EAP programs in New England.
- 8) The consultant will include in the report the financial impact of implementing each recommendation and the anticipated timeframe for spending down the balance in the EAP fund.

Consultant Report and Recommendations

In his report, Mr. Colton finds that the EAP is a fundamentally sound program. While noting that there are some modifications that could be made, Mr. Colton comments that none of the modifications would change the fundamental design and operation of the program.

Mr. Colton makes the following eight recommendations in his report:

- 1) The New Hampshire EAP should retain the 750 limit on the usage which the EAP discount(s) are applied against.
- 2) The New Hampshire EAP should identify participants with seasonal usage exceeding 1,000 kWh or with annual usage exceeding 9,000 kWh and refer those participants to the State's low-income energy efficiency program.
- 3) The discounts offered through the New Hampshire EAP's five Tiers should be modified to provide greater assistance to the lower income Tiers (Tier 5, Tier 6) and lesser assistance to the higher income Tiers (Tier 3, Tier 2). The recommended modified discounts are as follows:

EAP Tier	Proposed Discount
Tier 2	5%
Tier 3	19%
Tier 4	36%
Tier 5	54%
Tier 6	86%

- 4) The New Hampshire EAP should retain its five existing income Tiers.
- 5) The New Hampshire EAP should seek added EAP funding to incorporate an Arrearage Management Program (AMP) into its program design.

- 6) New Hampshire's EAP should seek the aid of the New Hampshire Department of Health and Human Services (DHHS) to enroll participants in the State's various Cash Assistance programs in EAP.
- 7) 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.
- 8) The New Hampshire EAP should seek legislative authorization to index EAP's funding stream to the price of electricity in the State, total program participations, or other cost-driving factors.

Advisory Board Recommendations

The Advisory Board has reviewed Mr. Colton's report and recommendations. Broadly, the Advisory Board supports all of the recommendations put forth by Mr. Colton in his report. The Advisory Board finds that the report also identifies an opportunity for better targeting of households in the lowest income bracket served by the EAP and encourages the Community Action Agencies to explore data sharing between the state Department of Health and Human Services and the Community Action Agencies to identify and enroll these most vulnerable households. Specific comments on each recommendation are provided below.

Recommendation 1: The New Hampshire EAP should retain the 750 limit on the usage which the EAP discount(s) are applied against.

Response: The limit on the usage to which the EAP discount applies is a long-standing component of the EAP. Mr. Colton's finding that approximately 80% of EAP households have usage below the 750 cap supports this program component.

Recommendation 2: The New Hampshire EAP should identify participants with seasonal usage exceeding 1,000 kWh or with annual usage exceeding 9,000 kWh and refer those participants to the State's low-income energy efficiency program.

Response: The Community Action Agencies regularly identify EAP households with high usage and refer those households to the low-income weatherization program.

Recommendation 3: The discounts offered through the New Hampshire EAP's five Tiers should be modified to provide greater assistance to the lower income Tiers (Tier 5, Tier 6) and lesser assistance to the higher income Tiers (Tier 3, Tier 2).

Response: The Advisory Board is fully supportive of the recommended adjustment to the EAP tiers to better align the bill burdens of each tier with the stated program objective of reducing bills, on average, to between 4% and 5% of income.

Recommendation 4: The New Hampshire EAP should retain its five existing income Tiers.

Response: The Advisory Board supports the retention of the five existing tiers. The income eligibility threshold for the EAP is aligned with that of the federal Low-Income Home Energy Assistance Program. Aligning eligibility for the two programs reduces customer confusion. In addition, the potential adverse impact on the CAA administrative costs if the EAP eligibility level were to be changed is of concern to the Advisory Board.

Recommendation 5: The New Hampshire EAP should seek added EAP funding to incorporate an Arrearage Management Program (AMP) into its program design.

Response: 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.

Recommendation 6 and 7: New Hampshire's EAP should seek the aid of the New Hampshire Department of Health and Human Services (DHHS) to enroll participants in the State's various Cash Assistance programs in EAP.

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.

Response: As mentioned previously, the Advisory Board supports the sharing of data between the Community Action Agencies and the state Department of Health and Human Services. The Advisory Board encourages the Community Action Agencies to explore data sharing between the two agencies to identify and enroll these most vulnerable households. To the extent the Advisory Board and its members can assist in making introductions between the two agencies to facilitate the start of those conversations it commits to doing so.

Recommendation 8: The New Hampshire EAP should seek legislative authorization to index EAP's funding stream to the price of electricity in the State, total program participations, or other cost-driving factors.

Response: The Advisory Board would be supportive of any legislation that would index the funding for the EAP to avoid future emergency actions such as the one undertaken by the NH Legislature on September 15, 2022.