

Attachment 1



RE: DE 22-043
Electric Assistance Program
Concerns Regarding Order No. 27,031

Greetings Commissioners,

I want to take this opportunity to express our gratitude for your ongoing support of the Electric Assistance Program (EAP). This vital program, a testament to our collective efforts, has provided approximately 30,000 NH low-income households the ability to manage and afford their electricity. The successful delivery of these critical services is a result of our partnership with the Department of Energy, the four electric utilities, and the five Community Action Agencies (CAA) across New Hampshire.

After a thorough review and careful consideration of the potential changes recommended by the PUC in Order No. 27,031, I feel it is imperative to share our concerns. The changes to Tier 2 income eligibility will not only significantly impact our operational processes and staff, but, more importantly, they will have a devastating effect on the most vulnerable residents of New Hampshire.

Unintended Client Impacts Statewide:

- There are currently 5,900 households on Tier 2 statewide that are above 200% FPG and would now be ineligible for the program. This represents approximately 46% of all current Tier 2 clients
- This change most impacts vulnerable residents of NH. The Tier 2 population statewide includes the following statistics:
 - 62% of all Tier 2 clients are over age 60
 - 36% are over the age of 75. Approximately 3,743 senior citizens over age 75 who live on a fixed income would be deemed “over income” – a term discouraging the elderly from returning for any of our services as they perceive others need our assistance more.
 - 18% of all Tier 2 households include a child under age 5; approximately 1,908 of these families would no longer be eligible for assistance. Most of these are working families trying to work their way out of poverty; removal from EAP would put them closer to the cliff effect and have the opposite intended impact.
 - 16% of clients that reside within these homes are physically and mentally disabled individuals surviving solely on Social Security benefits.
 - Approximately 1,763 of these vulnerable, disabled clients would no longer be eligible for assistance and would likely need to seek additional State Welfare.
- The most common income sources among Tier 2 households highlight the two primary populations that typically benefit from this discount.
 - Social security and pensions are the most common income sources found in elderly households. Approximately 63% of households receive this income source, indicating that this population cannot easily improve their financial circumstances.

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- One salary as the sole income source for a two-parent household is the second most common income arrangement reported. This scenario is particularly prevalent in working families where one parent is unable to work due to childcare responsibilities. These vulnerable families do have some income, but it is insufficient to cover all their expenses. Losing the EAP discount would exacerbate the financial strain on these households.
- Clients above 200% FPG are the exact population on the edge of the cliff effect and often may not qualify for other forms of assistance, such as SNAP, rental subsidies, or Medicaid. With various forms of COVID assistance no longer available and inflation higher than ever, removing one last few forms of assistance, they do receive could be putting them further along the path of poverty rather than the intended goal of households moving forward into financial stability and self-sufficiency.

Program Savings vs Additional Program Costs:

- Removing some Tier 2 households may potentially generate reduced benefits paid over the next few years. However, the actual costs to implement this change and the client impacts are worth weighing more heavily in this efficiency issue.
- The volume of EAP Recertification varies as many clients have an income evaluation every 12 months, but with the majority of EAP Tier 2 clients being elderly, it may be a 24-month period before they are reviewed. Some clients experience changes in income which prompt reapplying, or they may be reassessed early when applying during FAP season.
- We estimate the average monthly benefit of a Tier 2 household to be \$6.52 or an annual benefit of \$78.24 per household. There are currently 5900 households on Tier 2 statewide that are above 200% FPG that would become ineligible for the program, yielding a potential annual total savings of **\$461,631.46** within the next couple of years.
- The CAAs aim to provide a preliminary estimate of the projected costs as soon as possible. This estimate will include a breakdown of all anticipated expenses, ensuring a comprehensive understanding of the financial requirements. However, we believe this change will increase costs as described below.

NH Community Actions Estimation of Additional Agency Staffing Costs:

Through research and consultation with the CAAs, it was determined that the changes ordered by the PUC would come at an increased cost as the CAA staff work to update documentation, trainings, reference materials, application, communication processes, and more.

Additional Agency Staffing Costs would consider the following items:

- Re-training new and current program staff
 - Retraining existing staff and training new hires will incur significant costs, resources and will delay staff from achieving full productivity. Most CAAs recently hired and trained new staff for the FAP season starting July 1st, and these staff will now require retraining.
 - The FAP and EAP programs are complex, extensive staff training is required to achieve maximum production. It generally takes a full Fuel season for an intake specialist to be fully trained, competent and operating at an efficient pace.
 - De-escalation training may also be necessary in some offices due to the increased stress and potential for negative client interactions. When the Tier 2 percentage dropped from 8% to 5% there were instances of client aggression and concern for staff safety reported by all agencies. CAAs anticipate this will

generate a similar community response given clients' level of desperation in the current economy.

- Processing time for additional calculations to determine income eligibility for current Tier 2 households over 200% FPG
 - The process of reviewing and calculating income in different ways to attempt enrollment when a household is initially deemed over the income guidelines adds an average of 10 minutes in processing time per application.
 - Average application processing times would be extended for EAP households moving forward as all clients are entitled to a thorough income evaluation every time they apply.
- Communicating EAP Denial with households
 - Estimate 80% of clients will respond in person, by phone, mail, or email and will require a detailed explanation of why they no longer qualify for the assistance they previously received.
 - Typical client appointments average 20 minutes long and may require an additional 15/20 minutes for guideline explanations when clients now find themselves unexpectedly “over income.”
 - Denial letters are 3 printed pages compared to enrollment letters, which are single pages; when desperate clients reapply multiple times for assistance, this quickly increases supply budgets.
- Processing EAP applications for those denied who return to reapply
 - Estimate that 50% of clients who are denied will return to reapply. This number will likely be much higher, as most clients always reapply yearly when they apply for FAP.
 - Some elevated cases may require manager intervention for any client appeals.
- Re-training within other CAA programs and outside agencies
 - Local social service agencies, welfare offices, mental health organizations, and all our community partners will need to be provided with training, updated materials, and guidance on how to assist our shared participants

Decreased Processing Efficiencies:

- When the EAP and FAP programs previously operated with differing guidelines in 2018, staff had to process many households as “over income” for EAP but approved for FAP. This created several complications
 - The process of reviewing and calculating applications for “over income” caused additional client communication and multiple calculations and required detailed assessment at the time of certification.
 - When staff would explain the difference in program funding sources, FAP being Federally Funded and EAP being State & Utility funded, it often resulted in clients expressing frustration and disappointment in their local state government office.
 - When new clients come to CAAs seeking assistance for a pending electric disconnect, they could be over income for EAP and denied assistance to their electric bill but be approved for a FAP benefit that would not be available for payment until December. These situations left low-income households without the resources they needed, which is the opposite of what we aim to accomplish with energy burden efficiency.
- When the EAP and FAP guidelines changed to align in 2018, it generated efficiencies on both sides for CAAs and the applicants.
 - Applicants could easily understand their eligibility for both energy assistance programs (FAP and EAP), knowing that if they qualify for one, they also will qualify for the other. Qualification misalignment creates complications for the applicants and CAA staff working to educate prospective and current

applicants.

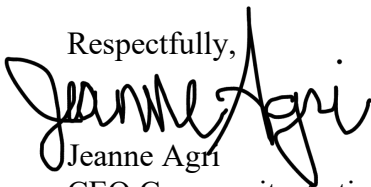
- Households on fixed income became accustomed to receiving this nominal benefit and have financially planned around this assistance for years to reliably afford to stay in their homes.
- Staff could now determine income eligibility for two programs at once and easily communicate “over income” denials for assistance in one clear explanation. Staff quickly became more confident in understanding the income guidelines, resulting in calmer client exchanges and the opportunity to provide resources, redirection, and support.
- The CAAs have already launched training with a new combined FAP, EAP, and WAP statewide application, forms, and major changes to the Fuel Assistance Program operation this year. The application processing time has already been increased as staff adjust to all the current changes at a critical time.
- Matching eligibility guidelines between the two programs has been one of their greatest efficiencies. Diverging guidelines will significantly impact both staff and clients. As staff spend additional hours adapting to these changes, they lose valuable time for outreach, processing applications, and providing in-depth support to clients.
- Families may face confusion about eligibility requirements between the EAP, Federally Funded Weatherization, and Utility Funded Home Energy Assistance Program, potentially losing access to vital weatherization services and increased energy burden relief. Currently, individuals meeting the 60% SMI guideline for FAP/EAP eligibility also meet the income eligibility for the Federally Funded Weatherization Assistance Program and the Utility Funded Home Energy Assistance Program.

Additional Costs to Program - Program Material Update:

- All internal staff at CAAs and utilities, including those responsible for communicating eligibility, must be updated and trained in the new guidelines.
- Edit and re-print EAP brochures for all agencies to reflect the new income guidelines
- Create a separate EAP-only application for agencies to mass-print and distribute
- Update all program advertising and literature, including CAA and State, website and utility materials.
- Design and pay for new media advertising materials instead of using current running creatives.

We appreciate your understanding and support as we navigate these challenges and advocate for the continued effectiveness of the Electric Assistance Program and the well-being of those served.

Respectfully,



Jeanne Agri
CEO Community Action Program Belknap-
Merrimack On behalf of NH Community Action
Association