

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** August 21, 2020

**AT (OFFICE):** NHPUC

**FROM:** Amanda Noonan 

**SUBJECT:** DE 20-123 Electric Assistance Program

**TO:** Commissioners  
Executive Director

**CC:** Paul Dexter  
Rorie Patterson

### Summary:

The Electric Assistance Program Advisory Board (Advisory Board), comprised of representatives from the four electric utilities, the Office of Strategic Initiatives, the Office of Consumer Advocate, the Community Action Agencies, the New Hampshire Municipal Welfare Directors Association, The Way Home, and Commission Staff, has reviewed the budget for the upcoming Electric Assistance Program (EAP) program year. Based upon the review and recommendation of the Advisory Board, Staff recommends that the Commission approve the EAP budgets for the program year beginning October 1, 2020, as submitted.

### Background:

In accordance with Commission Order 23,980 (May 30, 2002), the Community Action Agencies (CAA) filed its budget for the upcoming EAP year on July 29, 2020. Eversource Energy (Eversource) and the New Hampshire Electric Cooperative (NHEC) filed budgets and sales forecasts for the upcoming EAP year on July 30, 2020; Liberty Utilities (Granite State Electric) dba Liberty (Liberty) filed its budget and sales forecast for the upcoming EAP year on July 31, 2020. On August 3, 2020, Unitil Energy Systems filed its budget and sales forecast, and on August 10, 2020, the Office of Strategic Initiatives filed its budget for the upcoming EAP year.

There are three components to the EAP budget: CAA administrative costs, utility administrative costs, and OSI administrative costs. Costs associated with the Commission's administration of the EAP are not recovered from the EAP fund.

The EAP budgets submitted by the utilities consist of the utilities' incremental costs to administer the EAP and the CAA administrative costs allocated to each utility. Utility incremental costs generally include expenses for the production and printing of educational materials such as posters and brochures, customer service, legal services and IT support, and represent those expenses that would be reasonably incurred as part of the utility's administration of the EAP but would not be incurred absent the EAP. The CAA administrative costs cover

activities such as client outreach and intake, application processing, enrollment of participants, and periodic review of ongoing program eligibility. The CAA also conducts compliance monitoring to ensure program guidelines are being adhered to. Expenses included in the OSI budget relate to OSI’s participation in the EAP advisory board meetings and other EAP-related discussions.

As of August 6, 2020, 30,478 electric utility customers were enrolled in the EAP, and there was no waiting list. The program, as currently designed, is projected to provide benefits to approximately 31,800 customers. The EAP has yet to see a significant change in enrollment levels resulting from the pandemic. However, as income eligible residents, and newly eligible income eligible residents, in the state begin to plan for the upcoming winter heating season and to apply for the federally-funded, low-income home energy assistance program (LIHEAP), the EAP enrollment is expected to increase from its current level. Enrollment will be monitored closely over the next few months to ensure ongoing program sustainability.

**Analysis and Recommendation:**

The proposed budget for the 2020-2021 EAP year and the budget for the prior EAP program year – 2019-2020 – are shown below. Overall, the total 2020-2021 budget is 1.13% higher than the budget for the 2019-2020 program year.

	CAA Costs	Utility Costs	OSI Costs	Total Budget
<b>2020-2021</b>	<b>\$1,952,989</b>	<b>\$10,383</b>	<b>\$7,000</b>	<b>\$1,970,372</b>
<b>2019-2020</b>	<b>\$1,930,954</b>	<b>\$10,383</b>	<b>\$7,000</b>	<b>\$1,948,337</b>
<b>Change over 2019 – 2020</b>	<b>1.14%</b>	<b>-</b>	<b>-</b>	<b>1.13%</b>

Budgets submitted by the utilities and OSI were unchanged from the prior program year. The CAA budget for the 2020 – 2021 program year increased by \$22,035 from the budget for the prior program year. The increase in the CAA budget is due, primarily, to the inclusion of funds to develop a business requirements document for the development of an online application form for EAP. As the form would also be used by the LIHEAP, the addition to the CAA budget represents 50% of the cost of developing the business requirements document for an online application form. The new other addition to the CAA budget is funds for a media campaign to increase awareness of the EAP. The media campaign would be undertaken and funded with the LIHEAP, with the EAP contributing 50% of the cost.

All members of the Advisory Board received the budgets for the 2020-2021 EAP program year. The Advisory Board has reviewed, and had an opportunity to ask questions about, the budgets. No member of the Advisory Board expressed any concerns about the budgets as submitted. The Advisory Board is supportive of the CAAs efforts to provide potentially eligible customers with a method by which to apply for the EAP that does not require an in-person visit and which is more

timely than an application made via the USPS. Following an email poll conducted on August 17, 2020, the Advisory Board unanimously decided to authorize Staff to file a recommendation for the Commission's approval of the budgets as filed.

Staff has reviewed the 2020-2021 budgets and concludes that the expenses comprising the budgets are expenses that would be reasonably incurred in the administration of the EAP. Accordingly, and on behalf of the EAP Advisory Board, Staff recommends the Commission approve the 202-2021 EAP budgets as filed.

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