Agenda

- The affordability challenge
- Our research on utility low- and moderate-income (LMI) program:
  - Participant income thresholds
  - Eligibility criteria
  - Eligibility verification strategies, including self-attestation
  - Alternative strategies to increase customer enrollment
- Discussion on using these strategies to boost enrollment in income-qualified programs

The affordability challenge

3

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Mission and challenge statement

The Low Income Energy Issues Forum's mission is to conduct research on utility bill affordability, share information, and identify solutions among a diverse group of professionals.

Created in 2013, we adopted this challenge statement:

Propose innovative and integrated policies and approaches that help close the widening gap between what vulnerable energy consumers can pay and their current utility bills

LIEIF is a unique group of professionals focused on energy affordability. The members work for utilities (both municipal and investor-owned), state regulatory agencies, social service agencies, research institutes, consumer organizations, national associations and other non-profit organizations, and creative, analytical, and software businesses.

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The challenge

Utility bill affordability is an ongoing and pressing issue.

We must lower the energy burden, get people out of debt, and keep them out of debt.

We must establish policies and practices—and offer innovative price options, payment choices, programs, and services—that best serve the needs of struggling households.

- *What are the "quick wins" and practical solutions from the utility's perspective?*

- *Which new options will help consumers manage costs, stay out of debt, and satisfy household preferences?*

Energy insecurity

U.S. household energy insecurity measures (2015 and 2020)
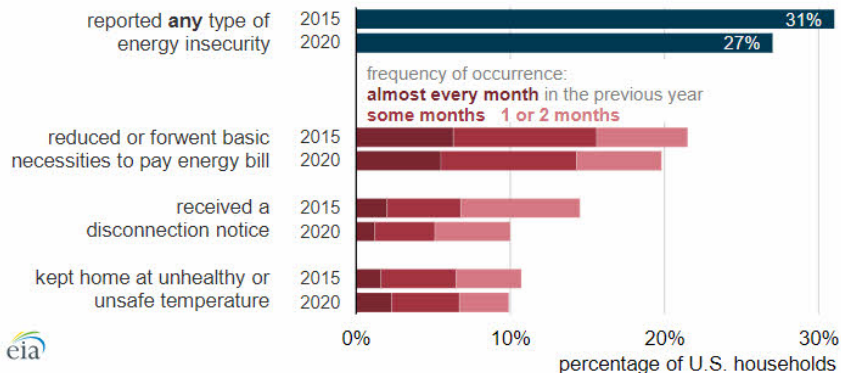
Source: *Residential Energy Consumption Survey*, US Energy Information Administration

- "More than 60% of low-income households in the U.S. face a high energy burden, with some paying more than 20% of their income on utility bills."

- "High energy burdens can lead households to make sacrifices: 27% of all households reported some sort of energy insecurity, leading them to forego other necessities to pay an energy bill or to maintain their home at an unsafe temperature."

- Demand-side management (DSM) programs for LMI customers are reaching just a small fraction (5%) of households that need assistance.
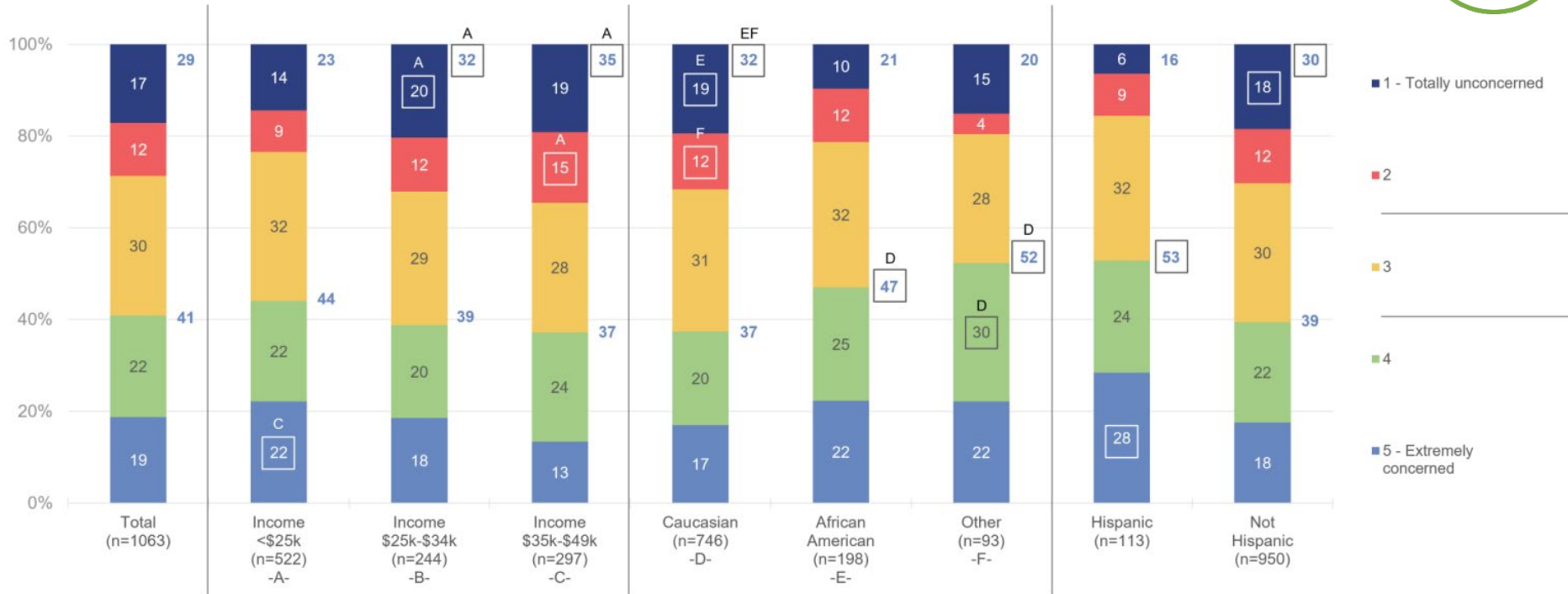
Source: Energy Efficiency Impact Report, American Council for an Energy-Efficient Economy

Trouble paying electric/heating bills

© E Source. **Base:** Total respondents. **Question_H6:** Do you have trouble paying your electric or heating bills?
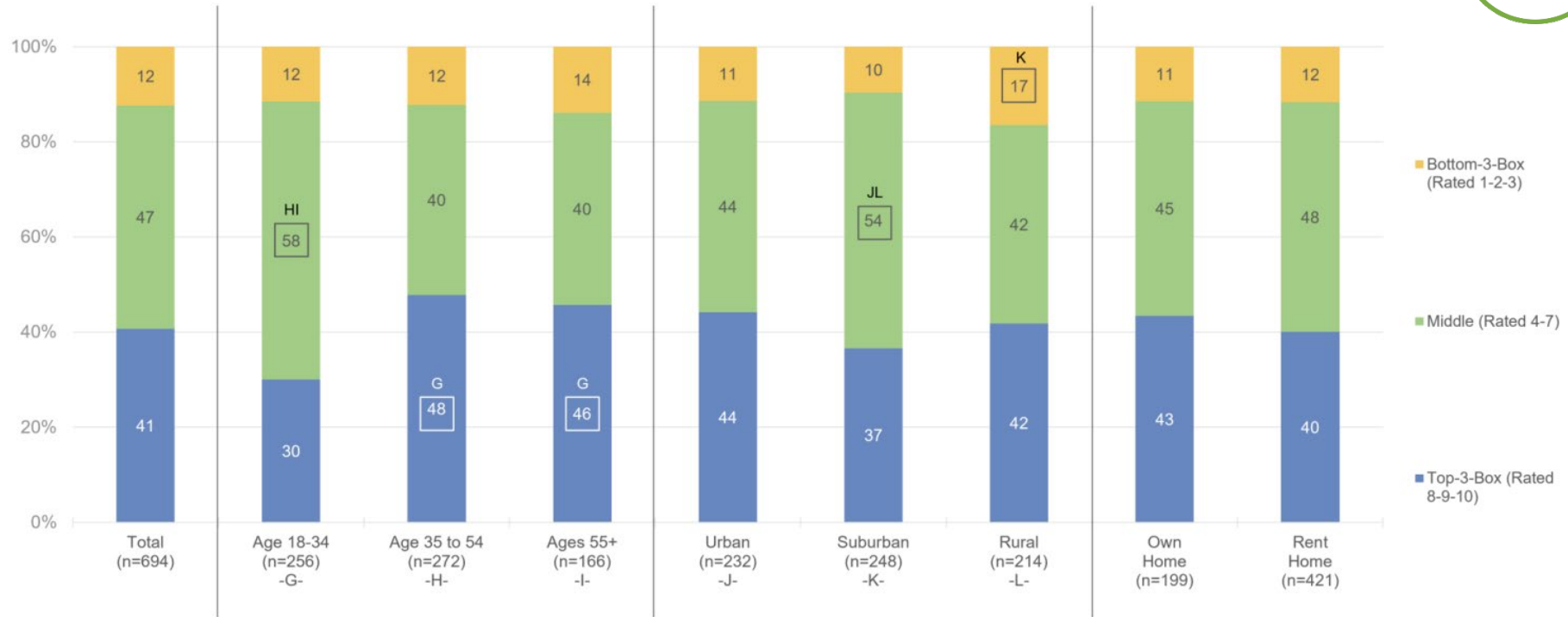
Concern with staying current on utility bills

© E Source. **Base:** Total respondents. **Question_H8:** Rate your level of concern for your ability to stay current on your utility bills over the next year.

Experience with applying for assistance

© E Source. **Base:** Total applied for/received utility bill assistance. **Question_H11:** If you've ever applied for or received utility bill assistance, how would you rate the experience of applying for or receiving utility bill assistance?
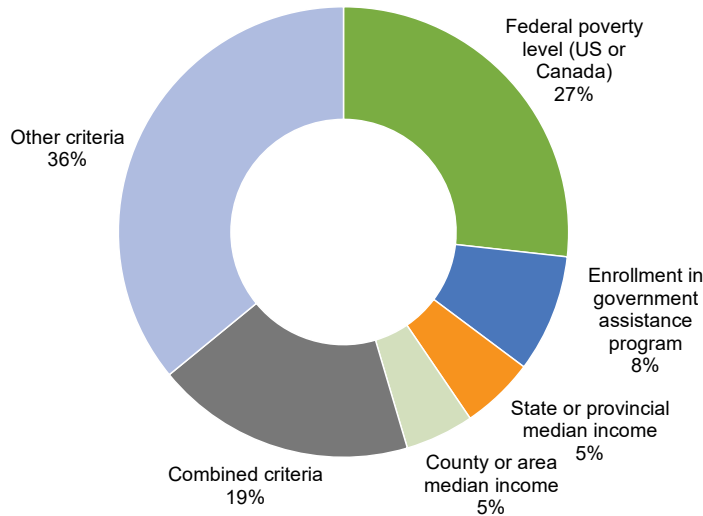
What are we trying to achieve?

- **Greater engagement** of customers and communities

- **Greater program participation** to maximize energy assistance

- **Increased customer satisfaction** through convenient, flexible services that help people manage their utility bills

- **Increased operational efficiency and lower costs** through self-service options, improved awareness of programs, and reduced burdens on contact centers

- **Reduced customer debt and energy burden** through increased end-use energy efficiency and better arrearage management

The current state of LMI program eligibility requirements

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LMI program eligibility criteria

Federal poverty level (US or Canada)
27%

Other criteria
36%

Enrollment in government assistance program
8%

State or provincial median income
5%

County or area median income
5%

Combined criteria
19%

© E Source (DSMdat). **Base:** n = 284 income-qualified programs.

- Some utilities qualify customers based on their participation in government assistance programs or multiple combined criteria, including:

  - General income qualifications based on federal poverty level or state, provincial, county, or area median income
  - Enrollment in a government assistance program

- Many programs use other eligibility criteria, including income levels without clear rationales, customer housing or organization type, and other generalized customer classifications

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

Federal poverty thresholds
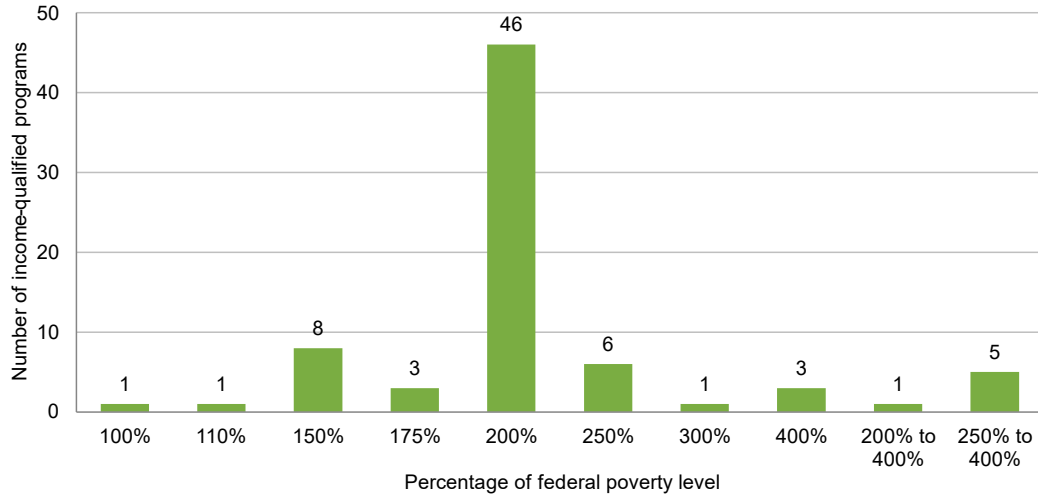
© E Source (DSMdat). **Base:** n = 75 income-qualified programs that use federal poverty level as eligibility criteria.

We found that 80% of income-qualified programs expanded their income eligibility requirements from 2021 to 2022. The federal government sets these thresholds, which increase yearly to match inflation rates.

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

Local and regional income thresholds

© E Source (DSMdat). **Base:** n = 29 income-qualified programs that use median income as eligibility criteria .

[Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy](#) , E Source (2023)
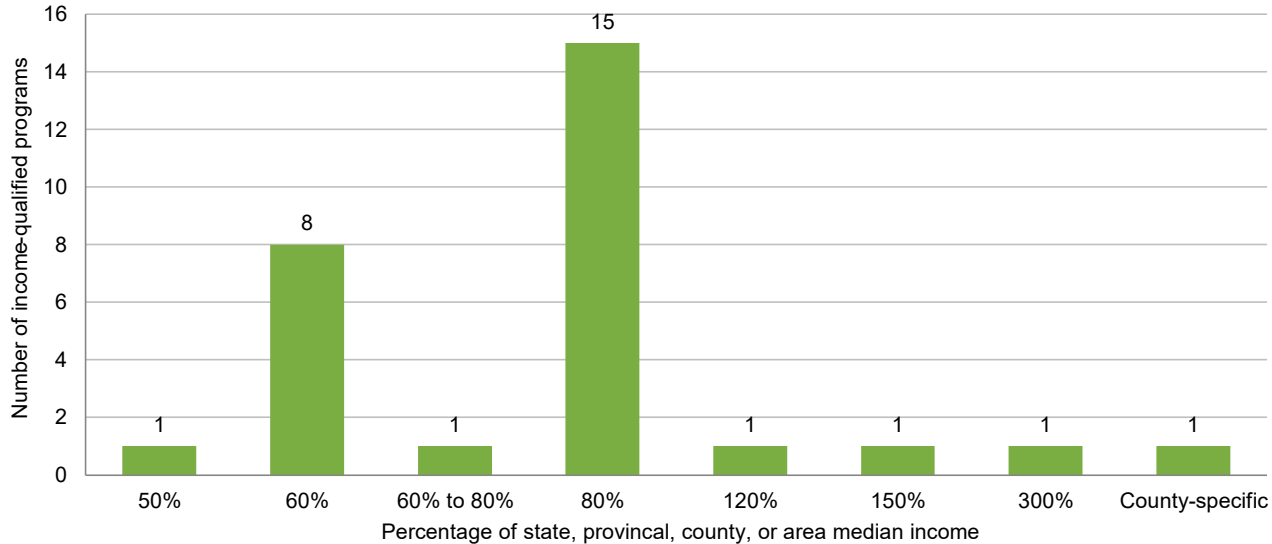
Participation in government assistance programs

Some income-eligible programs qualify customers for program participation based on their participation in these government assistance programs:

- LIHEAP
- Women, Infants, and Children (WIC)
- Supplemental Nutrition Assistance Program (SNAP) (also called food stamps)
- Temporary Assistance for Needy Families (TANF) and Tribal TANF
- Head Start Income Eligible (tribal only)
- Supplemental Security Income
- National School Lunch Program

- Bureau of Indian Affairs General Assistance
- Medicaid
- Lifeline
- Pharmaceutical Assistance to the Aged and Disabled
- Section 8 Housing
- Universal Service Fund
- General Assistance
- Weatherization Assistance Program (WAP)

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

LIHEAP eligibility

- *Income requirement.* The federal government permits states to choose an income guideline of either 150% of the US Federal Poverty Guideline or 60% of the state's median income. According to the National Energy Assistance Directors Association, Hawaii, Idaho, New Jersey, and Tennessee are making adjustments to broaden eligibility.

- *Disconnect notice requirement.* To access LIHEAP crisis funds, customers often need utility disconnect notices. We saw states end this requirement in the wake of widespread moratoriums on utility disconnects.

- *Forward-looking income requirements.* In response to sudden job loss, states like Iowa and South Dakota are now determining eligibility based on future income rather than past.

Help your customers get LIHEAP benefits during COVID-19, E Source (2020)

Landscape of bill discount program eligibility

Connecticut's [Utility Rate Discounts for Low-Income Customers in Other States](#) (PDF) summarizes 11 states' low-income discount rate programs, including:

- Fixed billing credits
- Fixed percentage discounts
- Billing caps based on a percentage of the customer's income

Programs typically limit eligibility to households with an income below a certain threshold (for example, a percentage of the federal poverty level or the state's median income) and may require customers to meet additional criteria, such as receiving benefits from other programs.

Minnesota discounted utility rates for low-income customers

Utility	Eligibility Requirements	Discount
CenterPoint Energy	Receiving LIHEAP assistance and agrees to be placed on a levelized payment plan and payment schedule Participation is limited to first come first served, up to a $5 million program cap	Customers receive a monthly bill credit determined as one-twelfth of the difference between an estimate of the customer's annual gas bill and 4% of the customer's household income
Minnesota Energy Resources	Receiving LIHEAP assistance Participation is limited to first come first served, up to a $750,000 program cap	Customers receive a monthly bill credit determined as one-twelfth of the difference between an estimate of the customer's annual gas bill and 6% of the customer's household income
Minnesota Power	LIHEAP qualified	Discounts range from 22.2% to 27.8% depending on monthly electricity usage
Xcel Energy (p. 119)	Receiving LIHEAP assistance (50% state median income) and using more than 3% of annual household income for electric use	The company offers customers with the lowest income and history of using more than 750 kWh per month an "affordable" monthly bill if they agree to "affordable" monthly payments (see also: http://energycents.org/affordability-programs/xcel-energy-customers/)

New Hampshire discounted utility rates for low-income customers

Utility	Eligibility Requirements	Discount
Electric Assistance Program (applies to Eversource, Liberty Utilities, New Hampshire Electric Cooperative, and Unitil)	Maximum household income of 200% FPL	Discount rate is based on household income: 151%-200% FPL: 8% discount 126%-150% FPL: 22% discount 101%-125% FPL: 36% discount 7%-100% FPL: 52% discount 0%-75% FPL: 76% discount Discount applies to first 750 kWh used per month
Liberty Utilities (p. 57)	Eligible for LIHEAP benefits (200% FPL) or benefits from certain other programs	60% discount on gas delivery charges
Northern Utilities (p. 85)	Eligible for LIHEAP benefits or benefits from certain other programs	60% discount on gas delivery charges

Qualification and enrollment strategies

Key recommendations

- Allow self-certification

- Accept documents from other income-qualified programs

- Tailor your outreach

- Partner with community action agencies

- Expand program eligibility thresholds

- Automatically enroll qualified customers

- Adopt community-based enrollment strategies

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

Self-certification

- Allow customers to self-report their eligibility. Don't require proof of income when customers apply.

- Determine eligibility based on customer participation in public assistance programs or meeting income guidelines.

- Reserve the right to choose customers to participate in a post-enrollment verification process.

- Those customers must provide proof of their income to continue receiving the monthly discount.

- To reduce fraud, work with customer assistance agencies to identify and enroll customers who qualify based on income.

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

Accept documents from other income-qualified programs

Some income-eligible programs qualify customers for program participation based on their participation in government assistance programs.

Categorical eligibility:

- LIHEAP
- Weatherization Assistance Program (WAP)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid

Tailor your outreach

- Use easily available data, such as census or billing data, to identify customers and neighborhoods with specific incomes.

- This approach eliminates the need for customers to provide pay stubs or other proof of income.

- Removing extra steps makes the application process easier for the customer.

- And it reduces the amount of internal paperwork and administrative requirements for the utility.

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

Partner with community action agencies

- Local community action agencies have existing relationships with eligible residents via various assistance programs and the Weatherization Assistance Program.

- The partner agencies can manage the income verification and application process, which helps reduce costs for the utility.

- Build a network of community agencies to collaborate with to help community members in need. Connect customers to additional resources such as rental and food assistance programs.

- Give direct referrals, so customers don't need to fill out multiple applications for different community assistance programs.

Make financial assistance a seamless, customer-centric experience, E Source (2022)

Expand program eligibility thresholds

- Our research shows that the most common income eligibility threshold for moderate-income programs is between 200% and 400% of the federal poverty level.

- Moderate-income programs that use state or area median income to qualify typically use 80% to 120% of state or area median income. And some program ranges go up to as much as 220%.

- See the E Source report Engaging your residential moderate-income customers with the right program strategy, which describes how several moderate-income programs use more-relaxed eligibility requirements based on self-reported income, pay stubs, or zip code.

Automatically enroll qualified customers

- Auto enroll customers who participate in other assistance programs to fast-track their application for bill credits.

- Work with other agencies to identify income-eligible customers and auto enroll qualified customers in bill assistance programs.

Increase income-qualified DSM program uptake by improving your customer enrollment and verification strategy , E Source (2023)

# Streamline program applications and simplify how customers can enroll

- Allow customers to apply for multiple utility assistance programs at once.

- Make eligibility requirements clear and give customers a checklist of any documentation or personal information that's needed before they begin the application.

- Include the ability to take pictures of and submit documents with a mobile phone.

- Provide a confirmation communication to all applicants that includes information on next steps, when they'll hear back, if any more action is required on their part, etc.

- Offer the option for customers to fill out applications through the secure My Account feature so some of the information is prefilled.

Make financial assistance a seamless, customer-centric experience, E Source (2022)

Adopt community-based enrollment strategies

- California's Energy Equity Indicators map uses census tract–level GIS mapping and environmental, health, and socioeconomic data to identify disadvantaged communities that are targeted through utility programs.

- The US Department of Energy's Justice40 Initiative defines disadvantaged communities by 36 burden indicators collected at the census tract level and mapped through the Disadvantaged Communities Reporter.

- The New York Climate Justice Working Group identified 45 indicators based on income, race, employment, homeownership, pollutants and health, and potential climate risks.
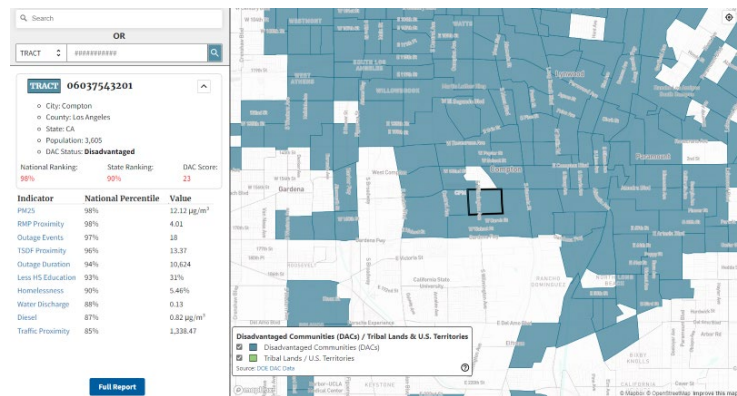
Source: Disadvantaged Communities Reporter, US Department of Energy

Software solutions

- Launch a one-stop shop to reduce barriers for LMI households to access assistance and incentive programs.

- Develop a centralized application and income-verification portal that allows applicants to determine eligibility and verify income for a range of programs via a single process.

- Offer applicants a variety of income verification pathways—including tax transcripts, pay stubs, and even self-attestation forms—and use a third-party records-checker to verify them against government databases.

Frictionless Income Verification Methods for the Electrification Rebates (PDF), Rewiring America

Data sources

E Source energy equity and affordability database

A database of energy equity and affordability programs across the US and Canada catalogs **800+** initiatives, programs, pilots, and plans offered by utilities, nonprofits, and state, local, and provincial governments in support of energy equity and affordability.

Filterable and searchable by:
- Administrator
- State or province
- Administrator type
- Program purpose
- Program type
- Fuel type
- Sectors served
- Equity metrics

Legend: Number of programs
1–10 | 11–20 | 21–30 | 31–40 | 41+
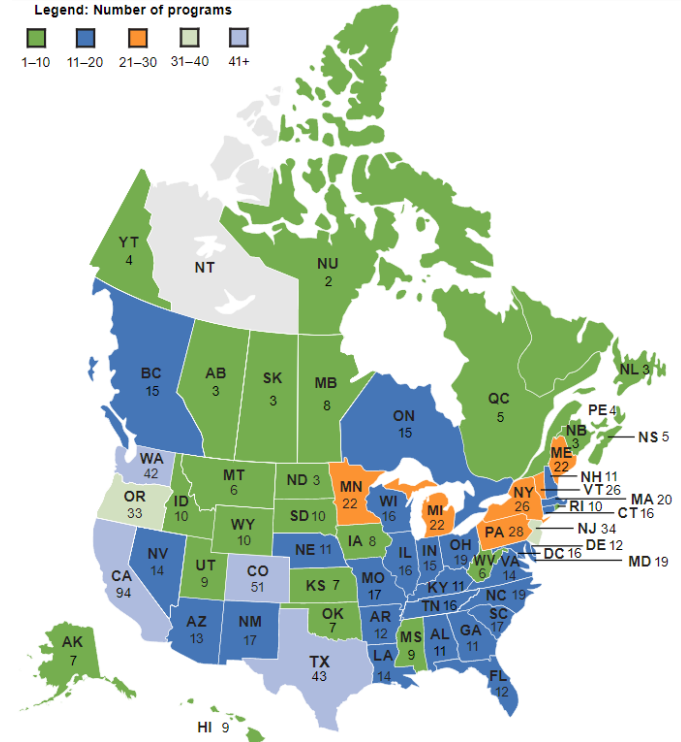
© E Source; data from program websites and E Source DSMdat. **Note:** Some programs serve more than one state or province.

Other E Source [data tools](#)

Program info

E Source [DSMdat](#), our database of more than 6,000 DSM programs from across the US and Canada, contains 288 current, active income-qualified DSM programs and includes program details, eligibility, and incentives.

Program data

E Source [DSM Insights](#), our tool containing data on DSM program goals, budgets, spending, and savings from DSM regulatory filings, contains 285 income-qualified DSM programs' data from the past three years.

Program evaluations

E Source [DSM Evaluation Library](#), our searchable database with more than 1,500 DSM program evaluations from across the US and Canada, contains 353 income-qualified DSM program evaluations from past 20 years.

Customer insights

The E Source [Residential Customer Insights Center](#) can help you better understand your LMI customers' energy-use patterns and trends, behavior, attitudes toward conservation, program needs, and channel preferences. And the [DER Insights Center](#) will help you better understand LMI customers' perceptions of and behaviors around electrification, EVs, battery storage, and more.

Discussion

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Discussion questions

- What are your eligibility requirements and how did you set them?

  - What are your participant income thresholds (federal poverty level, area median income, etc.)? What about for moderate-income customers?
  - Are you using other eligibility criteria, like participation in other assistance programs?
  - What's considered income? Does payment support from family or friends count?

- How are you verifying a customer's eligibility to participate?

  - Are you using self-attestation? What documentation is required as proof of income?
  - How are applications accepted? Are you using automated solutions to qualify customers?

- What strategies are you using to increase customer enrollment?

  - What's working? What's not working?
  - And how can we reduce administrative burdens of customers and community partner organizations?

The LIEIF-DSM offering

LIEIF-DSM mission and challenge statement

With its acquisition of DEFG, E Source is doubling down on its commitment to affordability and equity. We believe our most vulnerable customers require comprehensive and complementary solutions to reduce energy costs and consumption. To best support and serve LMI customers holistically, utilities need to better integrate and collaborate across all departments and operations that serve them, including DSM and bill payment assistance programs.

Challenge statement:

Propose innovative and integrated policies and approaches to reduce energy consumption and increase participation in utility DSM offerings focused on LMI energy consumers.

LIEIF-DSM is a unique group of professionals focused on energy affordability and efficiency for LMI customers. The members work for utilities (both municipal and investor-owned) and vendors, all focused on DSM program administration and support for LMI customers.

LIEIF-DSM scope of work

The LIEIF-DSM focus area is an optional add-on for current utility members of the E Source Demand-Side Management Service. It offers participating utility staff focused on serving LMI customers the opportunity to receive LMI-focused DSM research *and* participate in LIEIF, which focuses more broadly on low-income customer issues and utility service. LIEIF-DSM work will focus on:

- LMI program design, including weatherization/energy efficiency, LMI financing for energy efficiency and clean energy upgrades, and other DSM incentive programs

- Engagement and messaging around DSM programs for LMI customers

- New LMI customer research, including customer segmentation, analytics, and LMI customer survey data

- Ongoing engagement with peer utilities participating in LIEIF, including staff focused on DSM, bill payment assistance, communications and marketing, and more

- All other LIEIF deliverables

Resources:

- *LMI program–focused utility research.* Access E Source's extensive research on utility DSM and distributed energy resource programs for low-income customers.
- *LIEIF low-income program database.* Gather and assess low-income customer programs across the US and Canada for benchmarking, research, and ideation.
- *Audience of One.* Combine data-driven low-income customer cohort creation, ethnographic market research, and collaborative design-thinking to better understand, segment, and serve low-income customers.
- *Messages and content.* Coordinate to identify the messages, channels, and practices that increase customer awareness and education and facilitate DSM program enrollment.
- *Innovative approaches and tools.* Assess and highlight innovative approaches and tools stakeholders are using to meaningfully reduce energy affordability challenges.

2023 core offering and deliverables

- Full participation in LIEIF

- Peer-to-peer networking (member roundtables and an annual meeting)

- Consumer surveys with reports and cross-tabulations

- Member surveys, interviews, and data requests with report summaries

- Research with webinar slides and links to recordings

- Opportunities for collaborative and multiclient research initiatives

  - In-depth analysis, findings, and workshop or webinar reporting
  - Customer focus groups and interviews with video recordings
  - Customer journey mapping, segmentation, and data analytics

- Leveraging LIEIF-DSM program database

  - Identification of best practices and trends

2023 LIEIF-DSM research priorities

Weatherization, energy efficiency, and clean energy

- Making LMI programs cost-effective through new, high-savings measures
- Exploring more-holistic, whole-home approaches that are right-sized for customers, including multifamily/renters
- Optimizing and expanding neighborhood blitz weatherization programs
- Training contact centers to connect LMI customers to DSM and other assistance resources
- Developing holistic approaches to move LMI customers ahead in electrification and the clean energy transition

Program design

- Benchmarking income-qualified DSM programs' customer eligibility criteria and thresholds
- Deploying self-attestation to determine eligibility and qualify customers to participate in income-qualified DSM programs
- Exploring automated solutions, optimizing online program application processes for LMI customers, supporting them better in the digital space, and keeping track of customer journeys
- Integrating utility LMI solutions, including weatherization, energy efficiency, clean energy, bill payment, contact centers, and assistance partnerships

Partnerships and funding

- Partnering with local community action agencies, local government, and community-based organizations to layer cost-effective DSM, assistance services, incentives, and education for LMI customers
- Sharing data with third-party vendors in LMI DSM programs.
- Leveraging IRA funding for LMI customers.

Customer research

- Using LMI customer segmentation and data analytics to increase DSM program enrollment.
- Using survey data and ethnographic research on how impactful DSM and other programs are for LMI customers.
- Investigating the disproportionate impact of rising fuel rates, inflation, current economic conditions on energy burdens and LMI customers.

Policy and regulatory issues

- Advocating for LMI customers and DSM programs at the state level.
- Incorporating non-energy benefits into LMI-DSM program valuations.

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Commitments and pricing

2023 annual membership fee: $15,000 per utility or vendor

- The membership fee covers everything in the prospectus (all deliverables and interactions).
- Pro bono membership in 2023 for current LIEIF members.
- There is an expectation that everyone—paying or not—will actively participate.

Interactions

- An annual in-person meeting is conducted in the offices of a host organization. Each utility should plan to send two people. There's no additional workshop fee for anyone, and meals are included. Members are responsible for their own travel, hotel, and incidental expenses.
- Utility members have access to leadership meetings, topical summits, and the annual E Source Forum.
- Webinars are conducted every 6 to 10 weeks. There are no restrictions on the number of participants.

Research and access to information

- Utilities participate in research, including occasional interviews, data requests, and/or surveys.
- All members have access to the deliverables, annual meeting, and webinars.

New members

- New members receive past research materials (on request). E Source will schedule an introductory session.

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