

**EAP Vendor Summit  
PY2020  
October 22, 2019**

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# AGENDA

1. Introductions and Opening Remarks
2. Overview of Vendor Guide and MOA
3. Moratorium  
**15-minute Break**
4. Transmittal Process
5. Vendor Monitoring  
**90-minute Lunch**
6. Performance Measures
7. Contact Protocols  
**15-minute Break**
8. Fuel Funds and Special Programs
9. National Energy and Utility Affordability Coalition
10. Closing remarks

# INTRODUCTION AND OPENING REMARKS



# LEGISLATIVE UPDATE

- Congress has not completed action on appropriations for 2020 budget.
- Continuing resolution passed House on September 19, passed Senate on September 26, and was signed by President on September 27.
- House and Senate are currently working on two different formulae to determine allocations of LIHEAP budget.

# LEGISLATIVE UPDATE

- National Energy Assistance Directors Association (NEADA) sent HHS Secretary Azar a letter on September 30 urging release of 90% of the block grant no later than October 15.
- Senators Jack Reed and Susan Collins circulated a letter in Senate to be sent to Secretary Azar requesting release of LIHEAP funds “as quickly and at as high of a level as possible.” The letter was signed by at least 26 senators.
- LIHEAP funds may not be released by November 1.
- This may impact transmittals.

# OVERVIEW OF VENDOR GUIDE AND MOA



# VENDOR GUIDE

The IHEDA EAP Vendor Guide is a new resource intended to be a convenient reference for the information you are likely to need most frequently as an EAP utility vendor.

The Vendor Guide will be updated periodically to always reflect current information, policies and procedures. It will be posted on the IHEDA partner site at <https://www.in.gov/myiheda/eap.htm>.

Vendors are encouraged to consult the Vendor Guide first when they have a question about policy or procedure.

# MEMORANDUM OF AGREEMENT

MOAs continue to be issued for a two year term instead of annually, to reduce administrative burden. The current MOAs took effect on October 01, 2019 and will expire on September 30, 2021.

ACH Authorization or Waivers will continue to be required annually.

MOAs and ACH forms are issued electronically in Adobe Sign. In order to reduce paperwork and expedite the process, we require that all vendors complete, digitally sign, and submit documents in Adobe Sign unless they lack the technology to do so.

# MOA REQUIREMENTS

## Agreement #3: Vendor Responsibility for other location(s)

- Only the parent company needs to complete an MOA and ACH form if the deposit and W-9 information for other locations matches the parent.
- All locations must be listed on MOA Attachment B if they handle their own transmittals.
- In order to streamline the management of vendors, we are seeking to reduce the number of distinct MOAs and ACH Authorizations where possible.
- In cases where payment goes to the same bank account, the locations should be grouped under the same parent organization for MOA purposes.
- If a certain person at a certain office needs to be contacted for pledges or transmittals, that is an issue to be addressed with the LSPs that does not impact the MOA.

# MOA REQUIREMENTS

## Agreement #5: Cooperation

- By signing the MOA, the vendor agrees to cooperate with IHCDA and Local Service Provider (LSP) with regards to sharing information about EAP applicant accounts, including energy consumption and cost, payments, disconnection prevention and restoration of service, arrearage amounts, account status, and other data related to EAP.
- IHCDA has obtained consent from all applicants to collect this data.
- Collection of this data is federally mandated.

# MOA REQUIREMENTS

## Agreement #10: Acceptance of Payment

- In accordance with state code, all payments must be made by electronic funds transfer (EFT).
- In order to be paid by check, the vendor must meet both of these conditions:
  - The vendor does not have and is unable to establish a savings or checking account with a financial institution within the business's geographic area without payment of a service fee.
  - The vendor is able to provide a written statement from its financial institution confirming the inability to establish such an account without paying a fee.
- Claim approval and payment notifications will be sent via e-mail from [reset@ihcda.in.gov](mailto:reset@ihcda.in.gov).

# MOA REQUIREMENTS

## Agreement #12: Unallowable Expenses

- EAP funds may not be applied to deposits, commercial accounts, garbage collection or disposal, water or sewer, cable, service plans, repayment of fraud or theft losses, setting an LP tank, or any expenses not directly related to residential energy consumption or delivery.
- EAP funds must provide continuing service. Therefore, a vendor may not accept EAP funds for a closed or inactive account and apply them to an outstanding amount owed, unless the account will be restored.

## Agreements #13 and #14: Refunds and Overpayments

- Refunds and overpayments are to be issued on separate checks.
- Refunds must be accompanied by name of LSP, client's name, client's account number, and transmittal number. Overpayments must be accompanied by overpayment remittance sheet and the original transmittal number.

# MOA REQUIREMENTS

## Agreement #16: Equal Treatment

- Vendor shall not treat any household adversely because of EAP assistance.
- Adverse treatment includes charging different or additional rates, fees, costs, or other charges on the basis of a household receiving EAP benefits.

## Agreement #22: Record Keeping

- The vendor agrees to maintain an adequate accounting system to allow verification and auditing of the amount of service delivered to eligible households. This includes documentation that LIHEAP funds were not applied to unallowable costs and that refunds and overpayments were remitted to IHCD rather than to the customer.
- Records must be maintained for a period of three years following the close of a program year (e.g., PY2019 records must be maintained until September 30, 2022).

# MOA REQUIREMENTS

- We will touch on Agreements #7, #8, #9, #14, and #17 later during this meeting.
- Discussion and questions

# MORATORIUM



# MORATORIUM

- Indiana Code 8-1-2-121
- Enacted by the Indiana General Assembly in 1983
- Last amended in 2006
- Ensures that electric and/or gas utility service is continued while eligibility is being determined for persons applying for LIHEAP assistance.

# MORATORIUM

- Effective from December 1 through March 15 of any year.
- Applies to utility vendors who supply electricity or gas service.
- Applies to vendors that are municipally owned, privately owned, or cooperatively owned.
- Does not compel deliverable bulk fuel vendors to make a delivery prior to benefit determination.

# MORATORIUM

- Requires electricity and gas utility vendors to provide the opportunity for customers with delinquent accounts to enter into a payment agreement for the delinquent amount. The agreement must give the customer adequate opportunity to apply for and receive LIHEAP benefits, and is subject to amendment if the customer's financial circumstances change.
- Allows the utility vendor to levy a reasonable rate of interest on the unpaid balance of a customer's delinquent bill.

# MORATORIUM

- Allows for termination of services under the following circumstances:
  - Upon request of the customer of record.
  - If a condition dangerous or hazardous to life, physical safety, or property exists.
  - Upon order by any court, the IURC, or other duly authorized public authority.
  - If fraudulent or unauthorized use is detected and the utility has reasonable grounds to believe the customer is responsible for such use.
  - If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe the customer is responsible for such tampering.

# MORATORIUM

Utility vendors and LSPs will need to have good communication practices and foster productive relationships in order to comply effectively with the moratorium requirements.

- LSPs should only be contacting the vendor to extend moratorium protection prior to benefit determination in cases where they reasonably believe they cannot determine eligibility prior to the disconnection date.
- When LSPs contact the vendor to extend moratorium protection prior to benefit determination, LSPs should be providing a projected date by which they believe eligibility will have been determined.
- LSPs have 10 business days to complete application processing for in-person appointments, and 55 calendar days to complete application processing for other application methods.

# MORATORIUM

- LSPs should notify the vendor when eligibility has been determined so that a pledge can be entered or moratorium protection can be terminated.
- Vendors may contact the LSP to inquire about the status of an application that had been placed under moratorium protection while eligibility was being determined, especially if more than 10 days have elapsed since projected determination date.
- Some vendors extend this protection at the beginning of the EAP season; while the law does not require this, IHCD appreciates the compassion and the commitment to working with us in providing assistance to the low-income population of Indiana.

# MORATORIUM

- Discussion and questions

**BREAK**



# TRANSMITTAL PROCESS



# TRANSMITTAL PROCESS

- Transmittals will serve as the official record of the benefit for which a client has been approved.
  - If there is a discrepancy between the pledge received via LSP contact and the amount on the transmittal, the transmittal amount will be considered correct.
  - Transmittals are not valid for payment until they have been signed by both a representative of the LSP and a representative from the vendor. Any changes made to the transmittal need to be made prior to execution.
- All LSPs have been instructed to ensure that transmittals are generated and sent on at least a weekly basis.

# TRANSMITTAL PROCESS

- It is the vendor's responsibility to fully review the transmittal before signing it. This review should include ensuring that the client is a customer of the utility; that the name, service address, and account number is correct; and that the account is currently active and is not scheduled for disconnection at the customer's request.
- If there are any errors or any accounts that need to be removed, it is the vendor's responsibility to mark these changes directly onto the transmittal report and adjust the total amount if necessary before signing and returning the transmittal report to the LSP.
- Failure to review the transmittal and provide corrections is a violation of Agreement 9 in the MOA.

# TRANSMITTAL PROCESS

- Once an LSP has received a signed application back from the vendor, the LSP has 5 days to submit the transmittal to IHEDA for payment.
- The vendor must apply the benefit credit to the customer's account upon approval of the transmittal, not upon receipt of actual funds.
- If an LSP discovers an error has been made in benefit or eligibility determination, the LSP may award the client additional funds or submit a negative transmittal accompanied by an overpayment remittance.
- The LSP may award additional funds at any time. Overpayment remittances must be submitted within 60 days of initial approval.
- If an overpayment remittance is received more than 60 days following initial approval, you may inform the LSP that the window to request overpayment remittance has lapsed.

# TRANSMITTAL PROCESS

- When a vendor receives a negative transmittal, they are to follow the same procedure as above.
- After returning the signed negative transmittal to the LSP, the vendor will also sign the overpayment remittance.
- The signed overpayment remittance is to be sent with a check to IHCD to be reinvested in the program.
- An overpayment occurs because an applicant was accidentally awarded more funds than they were actually eligible for under the program rules, or they were approved for benefits when they were in fact not eligible. Therefore, any delinquency caused by the removal of an overpayment from the customer's account becomes the customer's responsibility to pay.

# TRANSMITTAL PROCESS

- In order to keep payments on time and not negatively impact customers/clients, we are asking all vendors to return signed transmittals to LSPs within one week of receipt.
- In compliance with Agreement 22, all vendors must maintain records of all transmittal reports.
- Claim notification e-mails will note which transmittals have been approved for payment and the total of each transmittal. Please use these e-mails in conjunction with the transmittal reports for the purposes of correctly distributing funds and reconciling claims.
- Please remember that no LIHEAP funds are ever to be released back to the customer. All unused funds are to be sent back to IHCD within 60 days of account closing.

# TRANSMITTAL PROCESS

- Discussion and questions

# VENDOR MONITORING



# VENDOR MONITORING

- The purpose of vendor monitoring is to ensure compliance with the LIHEAP program by the utility vendor.

# VENDOR MONITORING

- Vendor monitoring is a federally-mandated component of the LIHEAP Statute as indicated on the MOA.
- All vendors that participate in the State of Indiana's LIHEAP are subject to vendor monitoring.
- Monitoring will be conducted as a desktop review.
- Vendors will be sent a 30-day letter notifying them of when the session is to begin.
- Vendors will be required to submit requested documentation prior to the start of the monitoring session.
- Vendors will be required to complete an Energy Utility Supplier Survey.

# VENDOR MONITORING

- A sampling of approved accounts found on an EAP transmittal from the program year will be randomly chosen for review.
- Unregulated utility vendors will be required to supply fuel delivery dates and fuel types along with the requested account information.
- All vendors are to comply with any request for additional information or documentation as a part of vendor monitoring as stated in the MOA.
- All vendors being monitored will receive an Assessment Completion Report within 30 days of IHCDA completing the desktop review.

# VENDOR MONITORING BEST PRACTICE RECOMMENDATIONS

- All vendors should create written processes to promote consistency and program integrity. In turn those processes can be submitted at time of monitoring to show the utility's processes and program compliance.
- All vendors should perform internal quality assurance audits on EAP customer accounts.
- All vendors should create a system to ensure that unallowable expenses are not being paid using EAP funds.
- All vendors should create a three (3) year record retention and destruction policy for all EAP documentation including electronic documentation.
- All vendors should strive to meet all reporting deadlines. This allows IHCD to fulfill Federal Reporting requirements and make effective program changes.

# VENDOR MONITORING BEST PRACTICE RECOMMENDATIONS

- Vendors should develop outreach strategies. Outreach is an important aspect of the Energy Assistance Program. It helps fill in the gaps in services, so low-income households keep warm during the winter.

# VENDOR MONITORING

- Discussion and questions

# LUNCH

- We will reconvene at 1:30pm.



# PERFORMANCE MEASURES

$A = \pi r^2$   
 $C = 2\pi r$

$V = \frac{1}{3} \pi r^2 h$

$V = \pi r^2 h$

	30°	45°	60°
sin	$\frac{1}{2}$	$\frac{\sqrt{2}}{2}$	$\frac{\sqrt{3}}{2}$
cos	$\frac{\sqrt{3}}{2}$	$\frac{\sqrt{2}}{2}$	$\frac{1}{2}$
tan	$\frac{1}{\sqrt{3}}$	1	$\sqrt{3}$

$\int \sin x dx = -\cos x + C$   
 $\int \frac{dx}{\cos^2 x} = \tan x + C$   
 $\int \tan x dx = -\ln|\cos x| + C$   
 $\int \frac{dx}{\sin x} = \ln\left|\frac{x}{2}\right| + C$   
 $\int \frac{dx}{a^2 + x^2} = \frac{1}{a} \arctan \frac{x}{a} + C$   
 $\int \frac{dx}{x^2 - a^2} = \frac{1}{2a} \ln\left|\frac{x-a}{x+a}\right| + C$

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$2x$   
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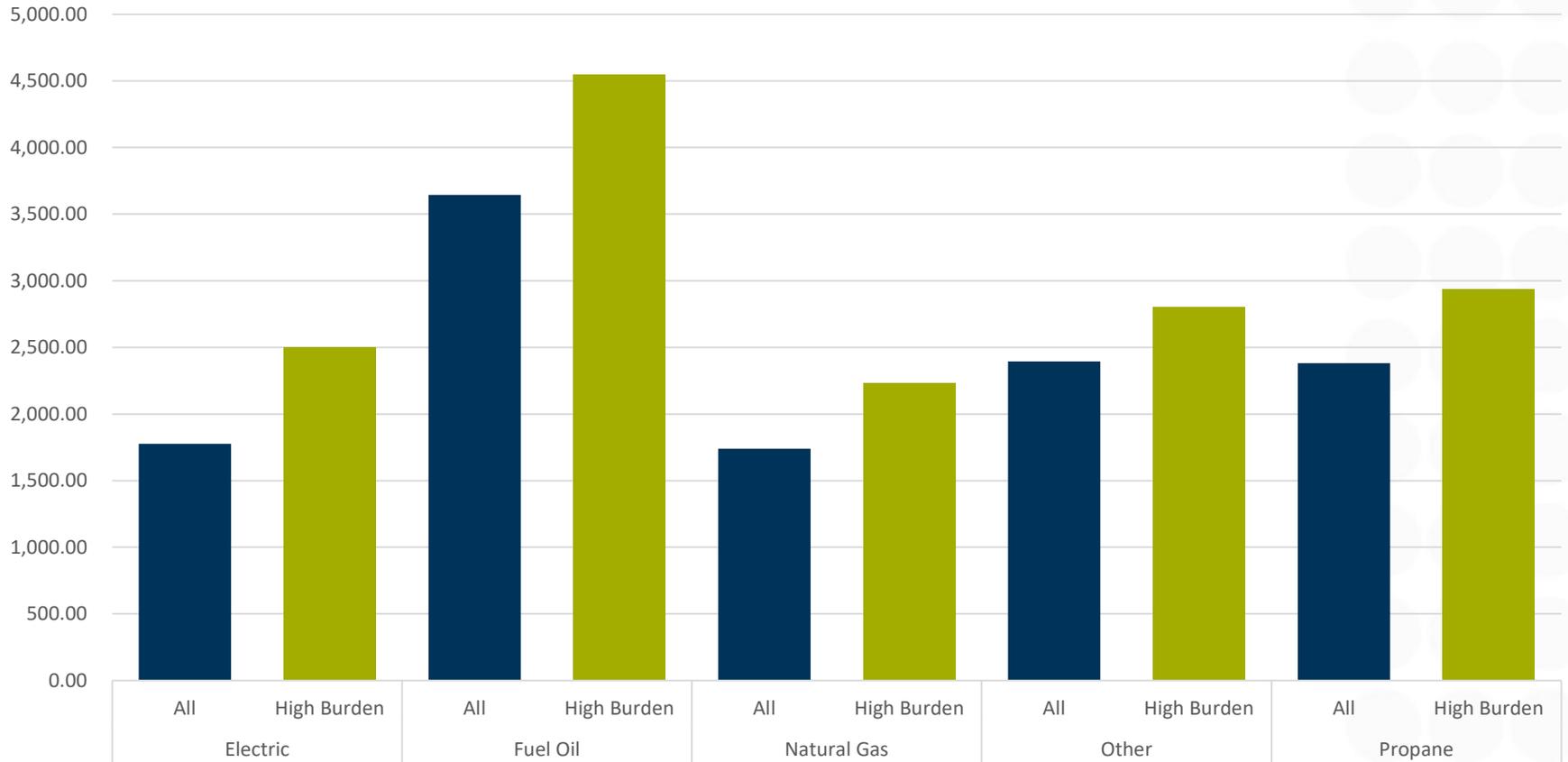
$ax^2 + bx + c = 0$   
 $a(x^2 + \frac{b}{a}x + \frac{c}{a}) = 0$   
 $x^2 + 2\frac{b}{2a}x + (\frac{b}{2a})^2 - (\frac{b}{2a})^2 + \frac{c}{a} = 0$   
 $(x + \frac{b}{2a})^2 - \frac{b^2 - 4ac}{4a^2} = 0$

# PERFORMANCE MEASURES

- Collection of performance measures data is mandated by the LIHEAP statute.
- The purpose of performance measures data is to demonstrate reduction of energy burden, and to assist us in crafting our policy to target the highest benefits to the households with the highest energy burdens.
- Every year, we ask several vendors to submit performance measures data, which includes annual energy usage and cost for all customers who have received LIHEAP benefits, and cross-reference this data with our annual income calculations.
- What follows is preliminary data from PY2018.

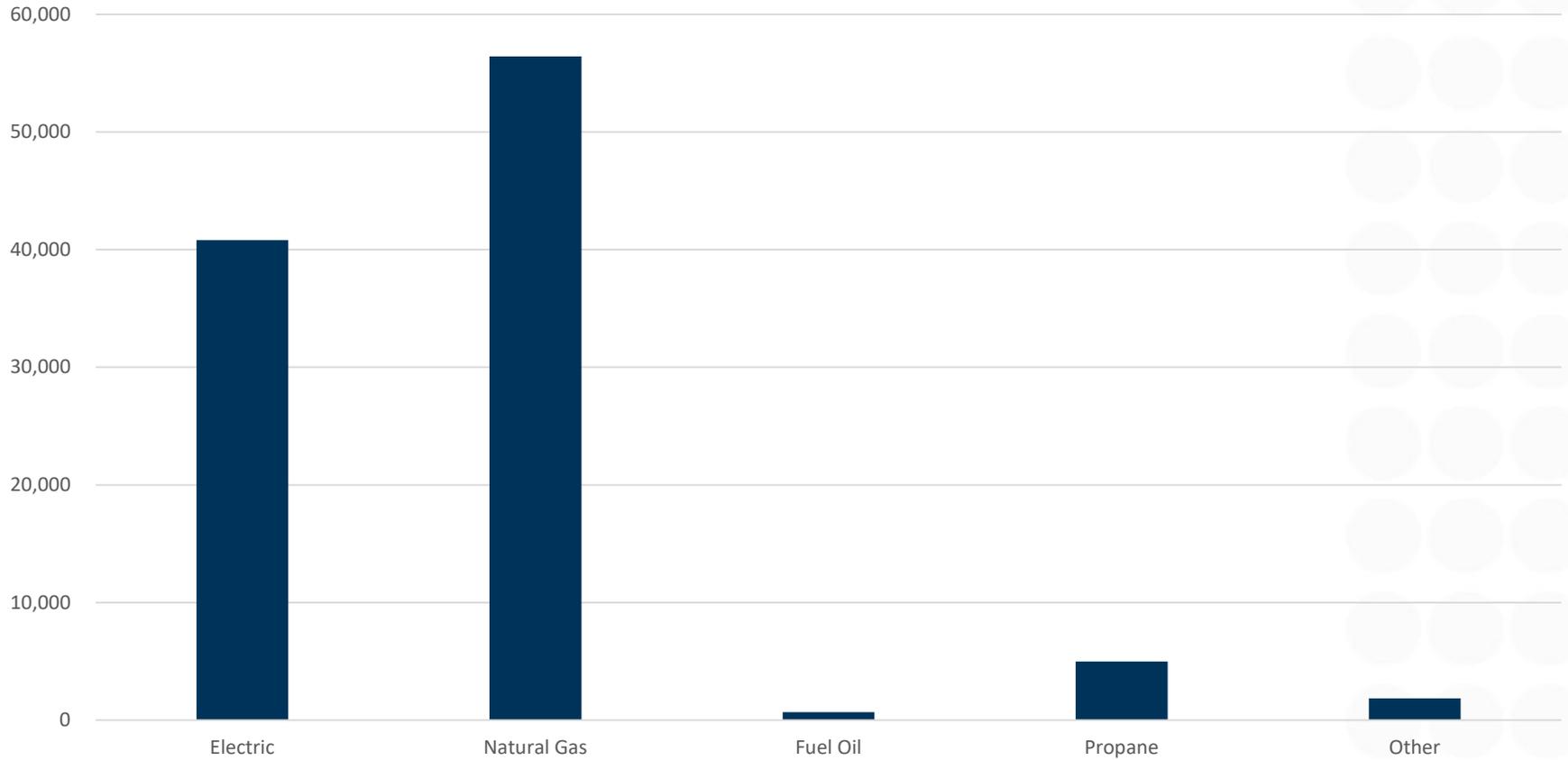
# PERFORMANCE MEASURES

Annual Total Energy Bill by Fuel Type



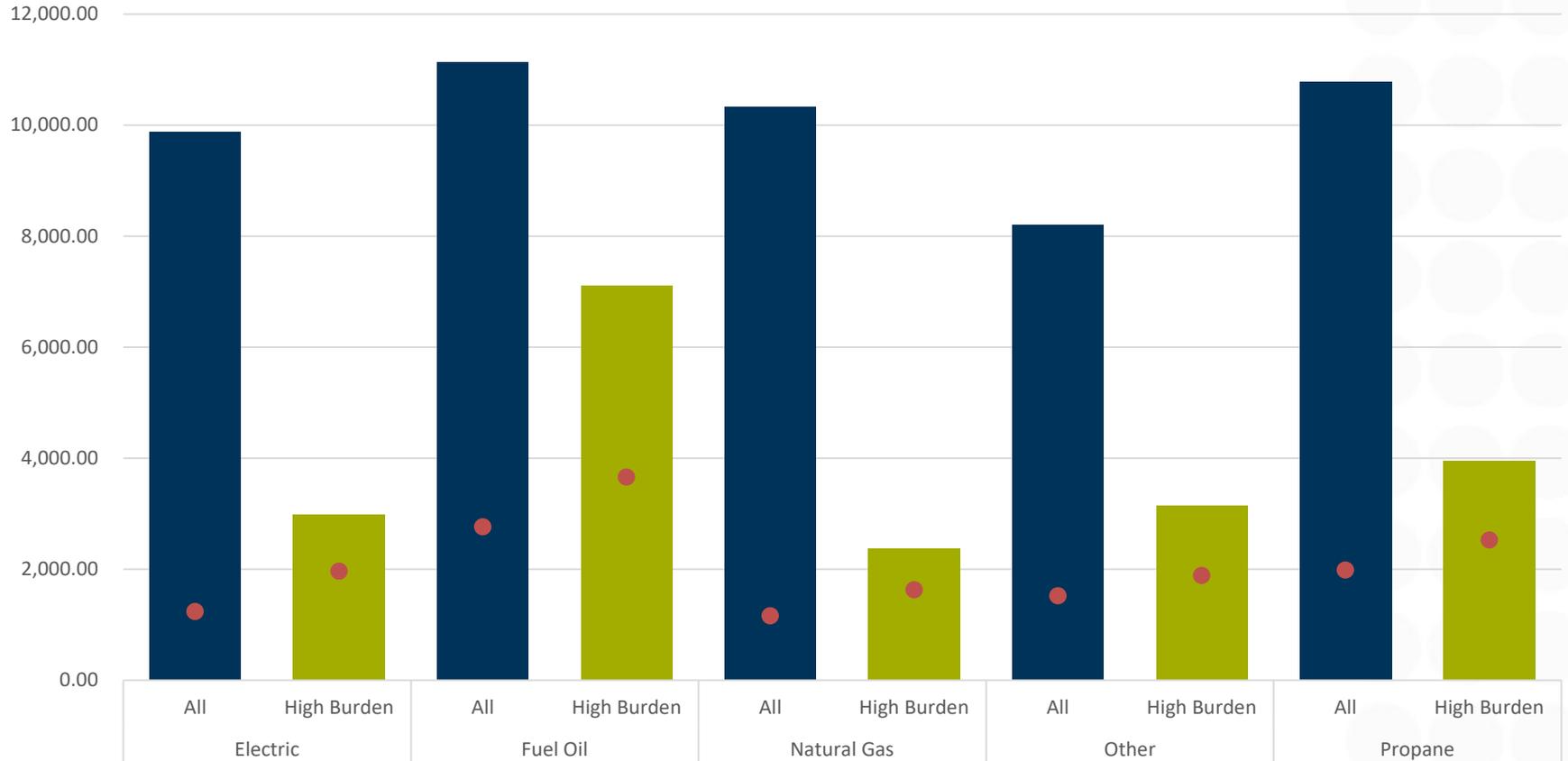
# PERFORMANCE MEASURES

Households Served



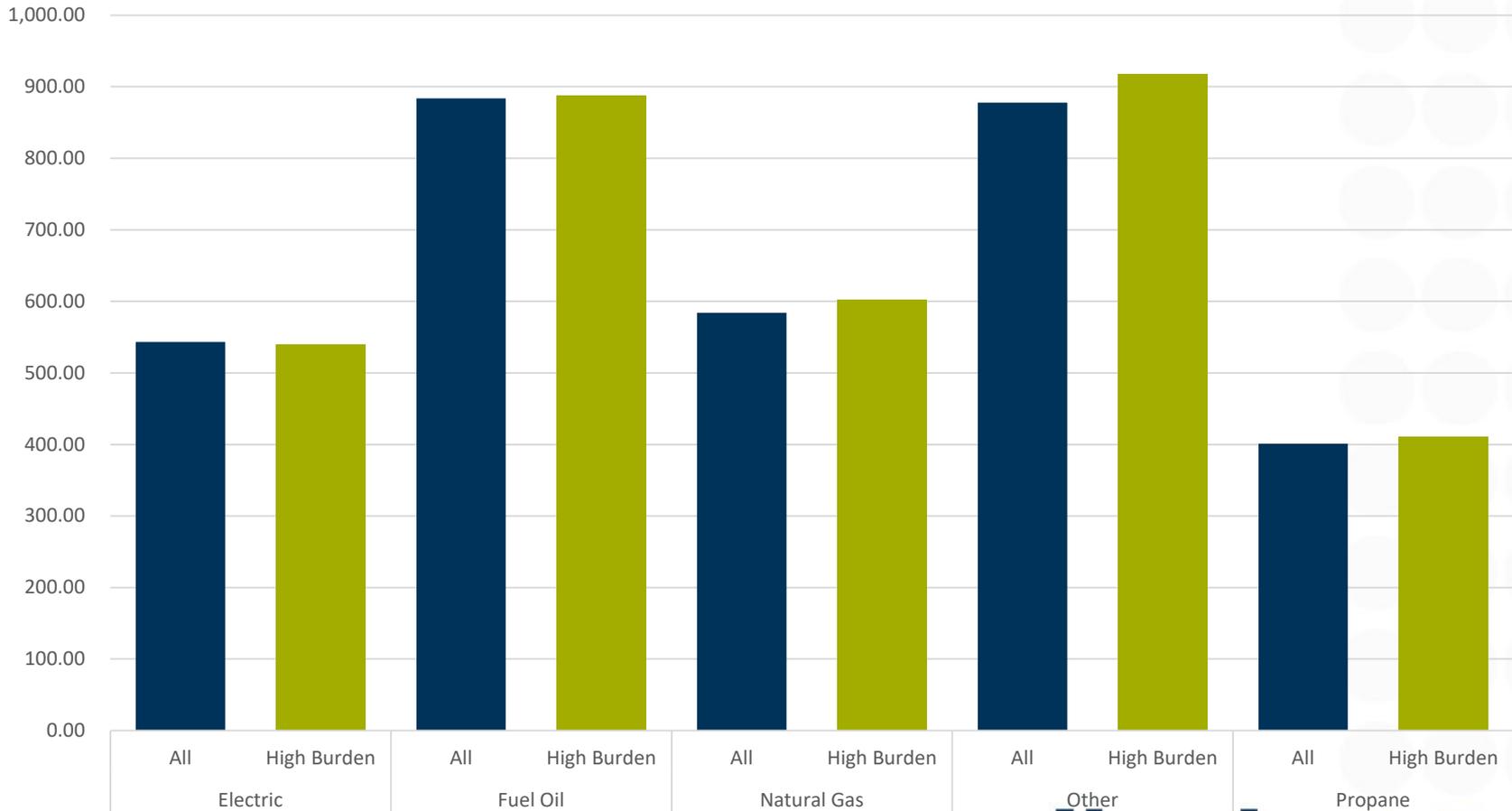
# PERFORMANCE MEASURES

Average Income and Energy Burden After LIHEAP by Fuel Type



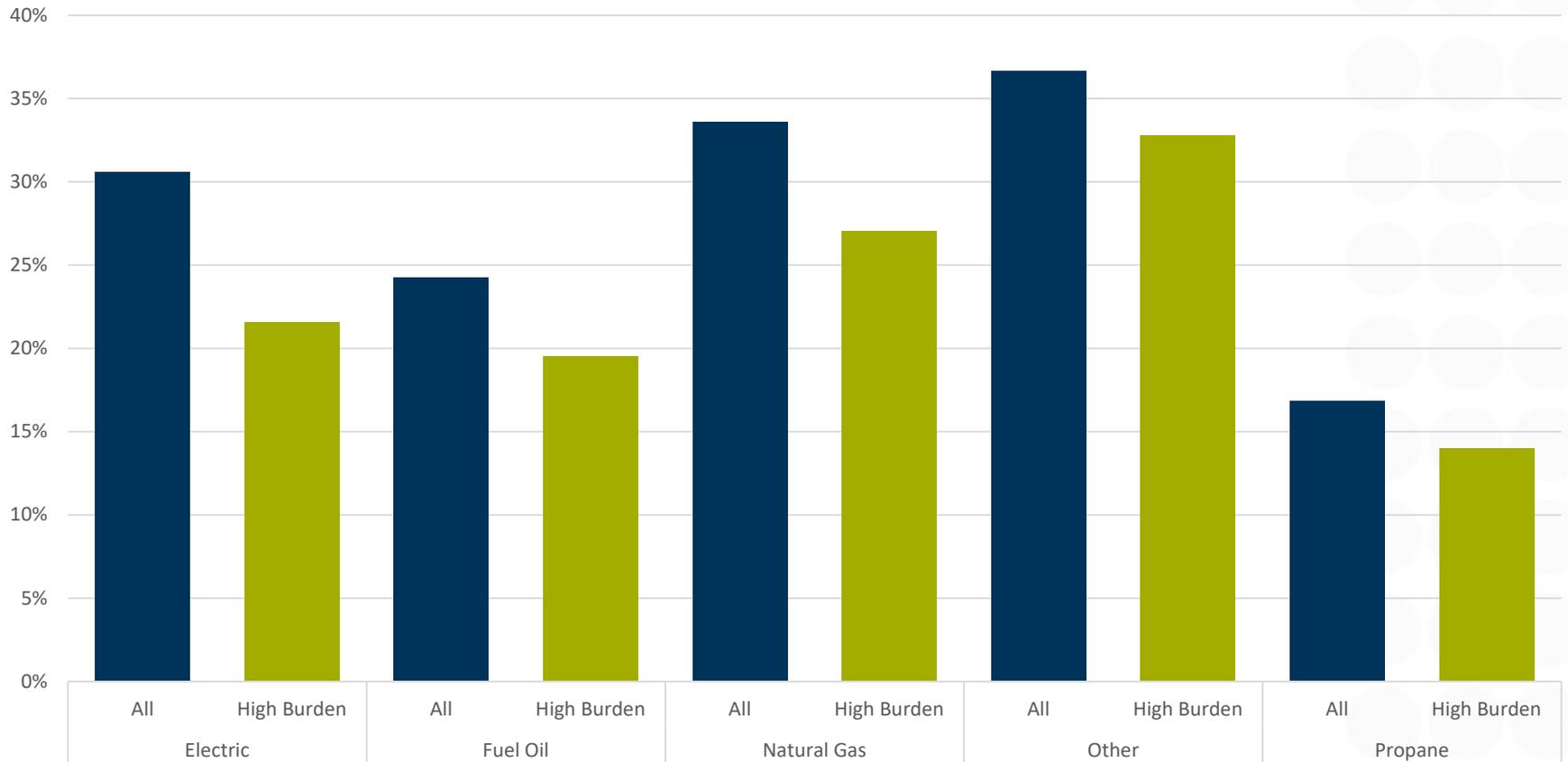
# PERFORMANCE MEASURES

Average Benefit by Fuel Type



# PERFORMANCE MEASURES

% Reduction in Energy Burden by Fuel Type



# PERFORMANCE MEASURES

- Discussion and questions

# CONTACT PROTOCOLS



# CONTACT PROTOCOLS

- To help reduce confusion and streamline communication, you should ensure you are always communicating with the appropriate entity.
- In most cases, the LSP will be your primary point of contact.
  - Questions about a specific client/household
  - Questions about a benefit
  - Questions about submission of transmittal
  - Confirming application status
  - Notification of suspected customer meter tampering or unauthorized use when the customer is an EAP client or applicant

# CONTACT PROTOCOLS

- In some cases, IHCDCA may be your primary point of contact.
  - Questions about payment that you are unable to answer after review of your transmittals and claim approval e-mails
  - Questions about moratorium or MOA terms
  - Problems getting information from LSPs
  - Follow-up on a refund or Energy Benefit Transfer
  - Suspicion of fraud/misconduct at LSP level

# CONTACT PROTOCOLS

- IHCD is not the primary point of contact for clients/EAP recipients.
- No vendor or vendor representative should ever provide any IHCD contact information directly to any customers, whether they are EAP recipients or not.
- All referrals to LIHEAP from the vendors should be made to the appropriate LSP, or to the Connect2Help referral hotline.
  - 317-926-4357 or <http://connect2help.org> in Marion County
  - 2-1-1 or <http://in211.communityos.org> outside Marion County
  - Customers may be referred to <http://eap.ihcda.in.gov> for more detailed information or to apply online.

# CONTACT PROTOCOLS

- To contact LSP or refer customers to the appropriate LSP, please refer to Vendor Guide for LSP contact information.
- To contact IHCD, please use [liheap@ihcda.in.gov](mailto:liheap@ihcda.in.gov).
  - This is a shared mailbox that the entire department can access.
  - It ensures that your message can be read and addressed regardless of absences.
  - Fiscal department is separate from EAP and does not have access to this mailbox.

# CONTACT PROTOCOLS

- Discussion and questions

# BREAK



# FUEL FUNDS AND SPECIAL PROGRAMS



# FUEL FUNDS AND SPECIAL PROGRAMS

Some vendors have established private funds or other programs to offer additional assistance.

IHCDA encourages utility vendors to continue to look for innovative ways of offering additional benefits or programs to low-income customers. These can be developed independently or in collaboration with LSPs or other organizations.

If you would like to develop a special program or fuel fund, IHCDA encourages you to coordinate with INCAA or any LSPs that you work with for feedback or ideas.

# FUEL FUNDS AND SPECIAL PROGRAMS

- Citizens Energy offers a Universal Service Program (USP), in which all approved applicants are automatically enrolled from the later of December or the receipt of a transmittal documenting customer qualification until May 31.
- Citizens Energy's USP offers a monthly discount of 10%-32% on a customer's gas charges.



# FUEL FUNDS AND SPECIAL PROGRAMS

- Duke Energy's Helping Hand program
- Customers are invited to donate to the program when they pay their monthly energy bill.
- Duke employees and shareholders also contribute to the fund.
- Every winter, the funds are disbursed to the Indiana Community Action Association (INCAA).
- INCAA distributes the funds to LSPs within Duke's service area.
- LSPs may award Duke customers who qualify for EAP an additional one-time benefit of \$100-\$300.



# FUEL FUNDS AND SPECIAL PROGRAMS

- I&M offers an assistance program known as the Neighbor to Neighbor Fund as a two-year pilot program.
- Neighbor to Neighbor Fund is administered by Dollar Energy Fund, a growing fuel fund headquartered in Pennsylvania.
- I&M has contributed \$50,000 to fund non-administrative costs.
- I&M also offers an assistance program called Energy Share, through which eligible customers may receive a one-time additional benefit of up to \$250.
- Energy Share is available to customers who are within 200% of poverty guidelines and have applied for LIHEAP.



# FUEL FUNDS AND SPECIAL PROGRAMS

- IPL currently offers two different programs as a three-year pilot: Low Income Arrearage Forgiveness and Power of Change.
- Low Income Arrearage Forgiveness pilot has a budget of \$650,000.
- Participating customers must pay a budget bill on time for twelve consecutive months; with each payment, 1/12 of the arrearage will be written down up to maximum on \$100 per month, \$1,200 per account.
- Power of Change allows customers the opportunity to donate to an assistance fund through rounding up their bill, monthly recurring donation, or one-time donation. IPL donated \$100,000 to this fund.
- Qualified applicants may receive one-time credit of up to \$240.



# FUEL FUNDS AND SPECIAL PROGRAMS

- Jackson County REMC offers a program called Share-A-Watt.
- Share-A-Watt is open to elderly and disabled Jackson County REMC members who meet 100% of current poverty level income guidelines and are approved for LIHEAP assistance.
- Share-A-Watt offers a \$100.00 bill credit directly to the account of qualified members.



# FUEL FUNDS AND SPECIAL PROGRAMS

- NIPSCO's USP is called the Customer Assistance for Residential Energy (CARE) Program.
- CARE runs from December 1 (or on the first billing cycle after confirmation of eligibility if a household's eligibility is determined after December 1) through May 31.
- CARE provides bill reductions ranging from 11% to 26%.

The NIPSCO logo is displayed in white text on a dark blue square background. The word "NIPSCO" is in a bold, sans-serif font, with a registered trademark symbol (®) to its right. A small, stylized sunburst or starburst graphic is positioned to the right of the registered trademark symbol.

# FUEL FUNDS AND SPECIAL PROGRAMS

- Vectren offers several additional programs and benefits
- Share the Warmth is a Weatherization Program in which Vectren matches public donations up to an annual total of \$225,000.
- Vectren also offers a USP. Program participants receive a monthly discount of 15%-32% on their gas charges.
- Vectren offers a reduced deposit fee for customers who qualify for LIHEAP.
- Vectren also offer Spring Keep-On and Fall Turn-On programs to help low-income customers maintain their gas service during the warm weather months or get it turned back on ahead of the cold weather months.



# FUEL FUNDS AND SPECIAL PROGRAMS

- Discussion and questions
- Does anybody operate any special programs we didn't mention?

# NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION (NEUAC)

neuac

NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION



Indiana Housing & Community Development Authority

# NEUAC

- 501 (c) (3) nonprofit organization
- Broad-based coalition of diverse member organizations and individuals dedicated to heightening awareness of energy needs to low-income energy consumers, fostering public-private partnerships, and engaging in other activities to help address these needs.
- Membership includes governmental bodies, utility and fuel vendors, nonprofit organizations, and individuals.
- Headquartered in Washington, DC.

# NEUAC

## Goals of NEUAC:

- To increase awareness and understanding of the nature and magnitude of low-income energy problems among the various publics.
- To formulate and advance low-income energy policy through compilation, analysis, and dissemination of data and information.
- To provide information and technical assistance in the creation and development of fuel funds.
- To promote the development of statewide and regional fuel funds.

# NEUAC

- Annual conference usually held in June.
- 2020 conference will be held in Washington, DC June 29 – July 1.
- Sessions include tracks geared toward utility and fuel vendors
- IHCD A encourages vendors to join us at NEUAC 2020!

# NEUAC

- Discussion and questions

# CLOSING REMARKS

