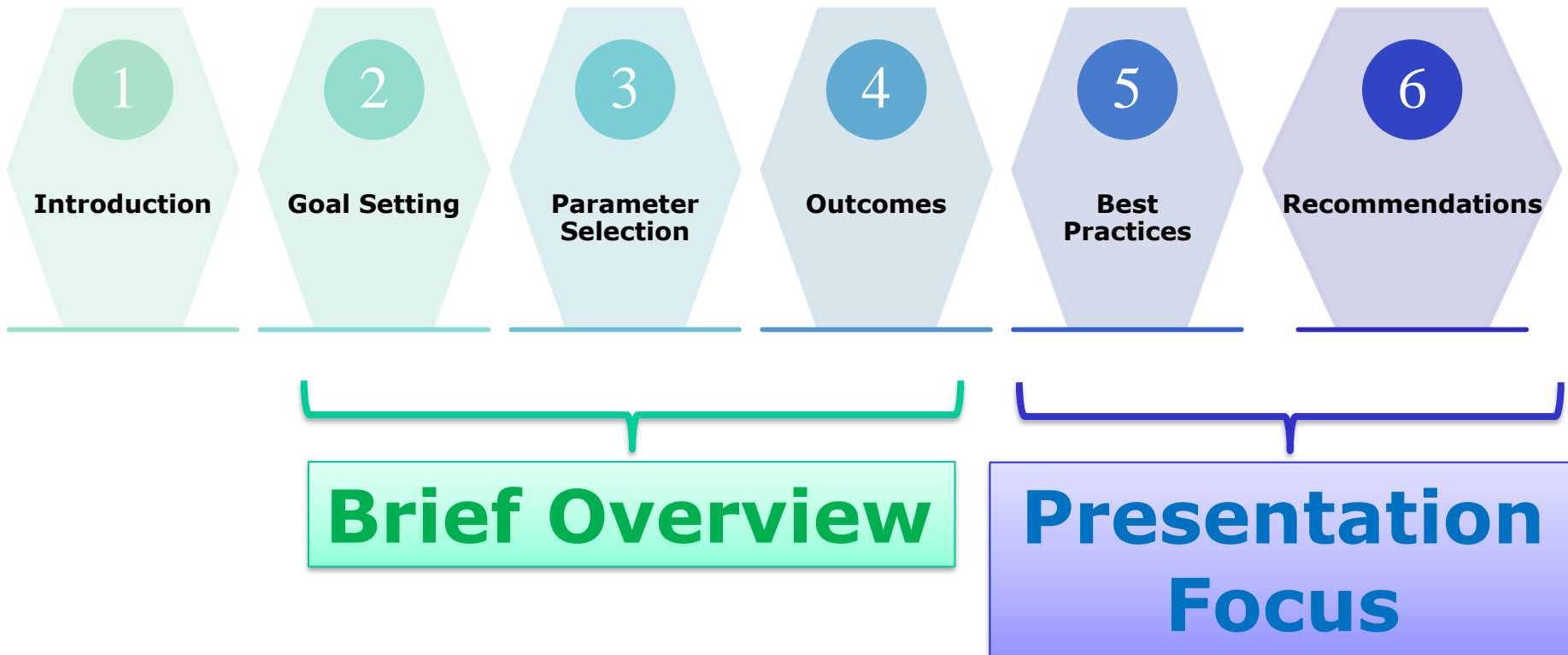


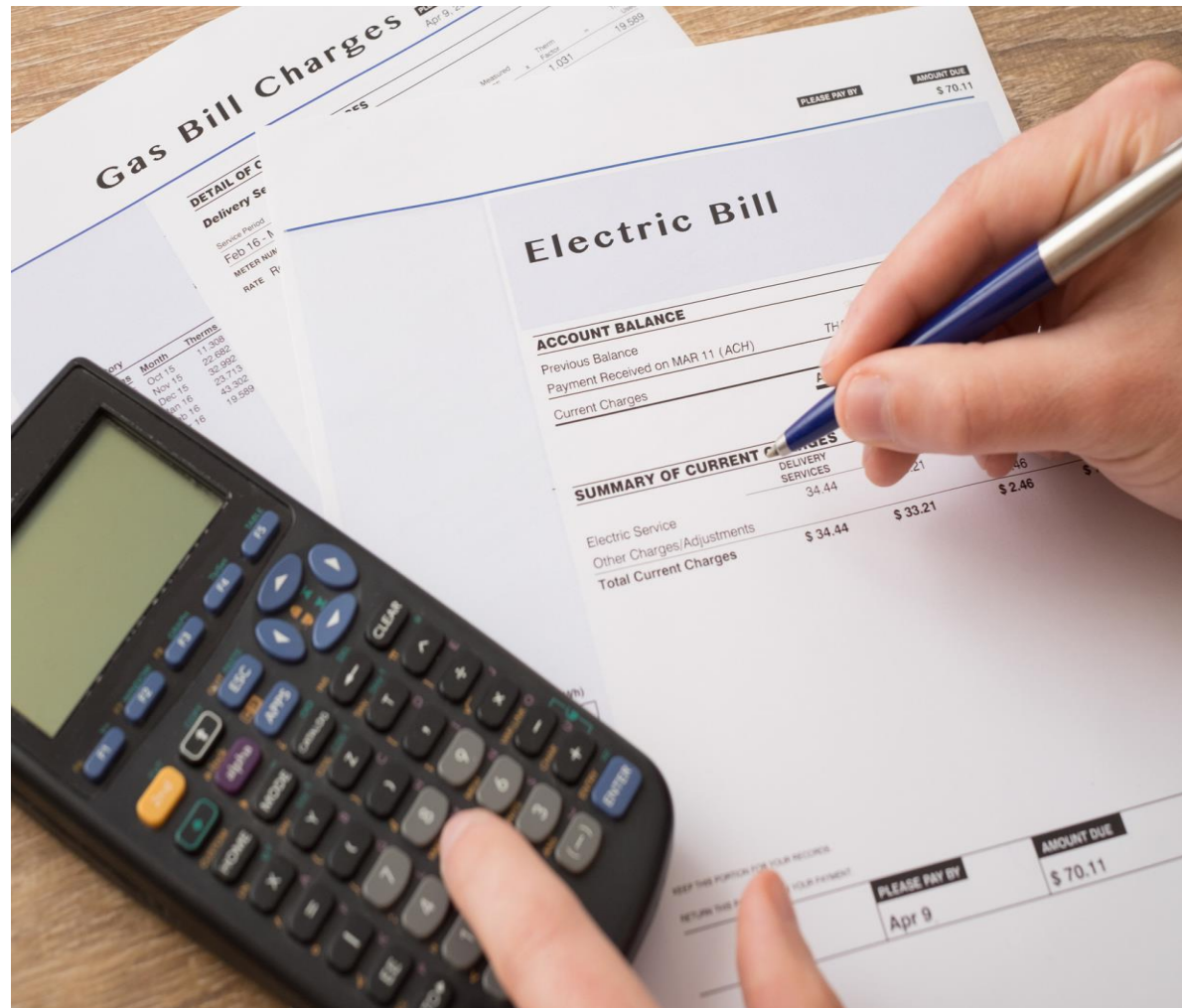
# Ameren 2020 Keeping Current Design Study

Jackie Berger  
March 5, 2021

# Overview



# Intro



# Keeping Current Program

## Program Objectives

- Improve affordability
- Improve health and safety
- Work with agencies that serve low-income households
- Provide linkages to LIHEAP and weatherization

## Eligibility

- Heating:  $\leq 150\%$  of poverty level
- Cooling:
  - $\leq 100\%$  of poverty level, or
  - $\leq 150\%$  of poverty level, use electric for cooling, and have vulnerable household member

## Benefits

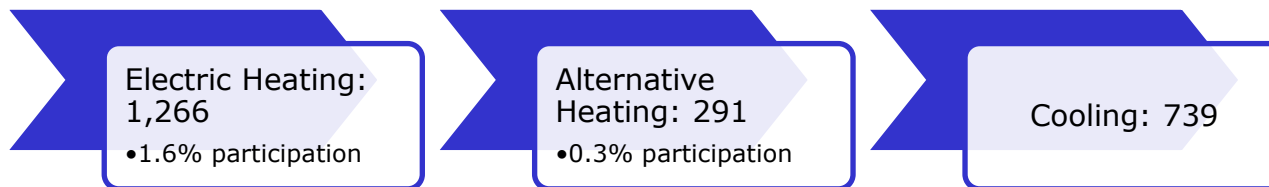
- **Monthly Bill Credits:** cover part of the electric bill each month
- **Budget Billing:** provides predictable monthly bill
- **Arrearage Forgiveness:** reduces debt with each on-time payment

# Keeping Current Program

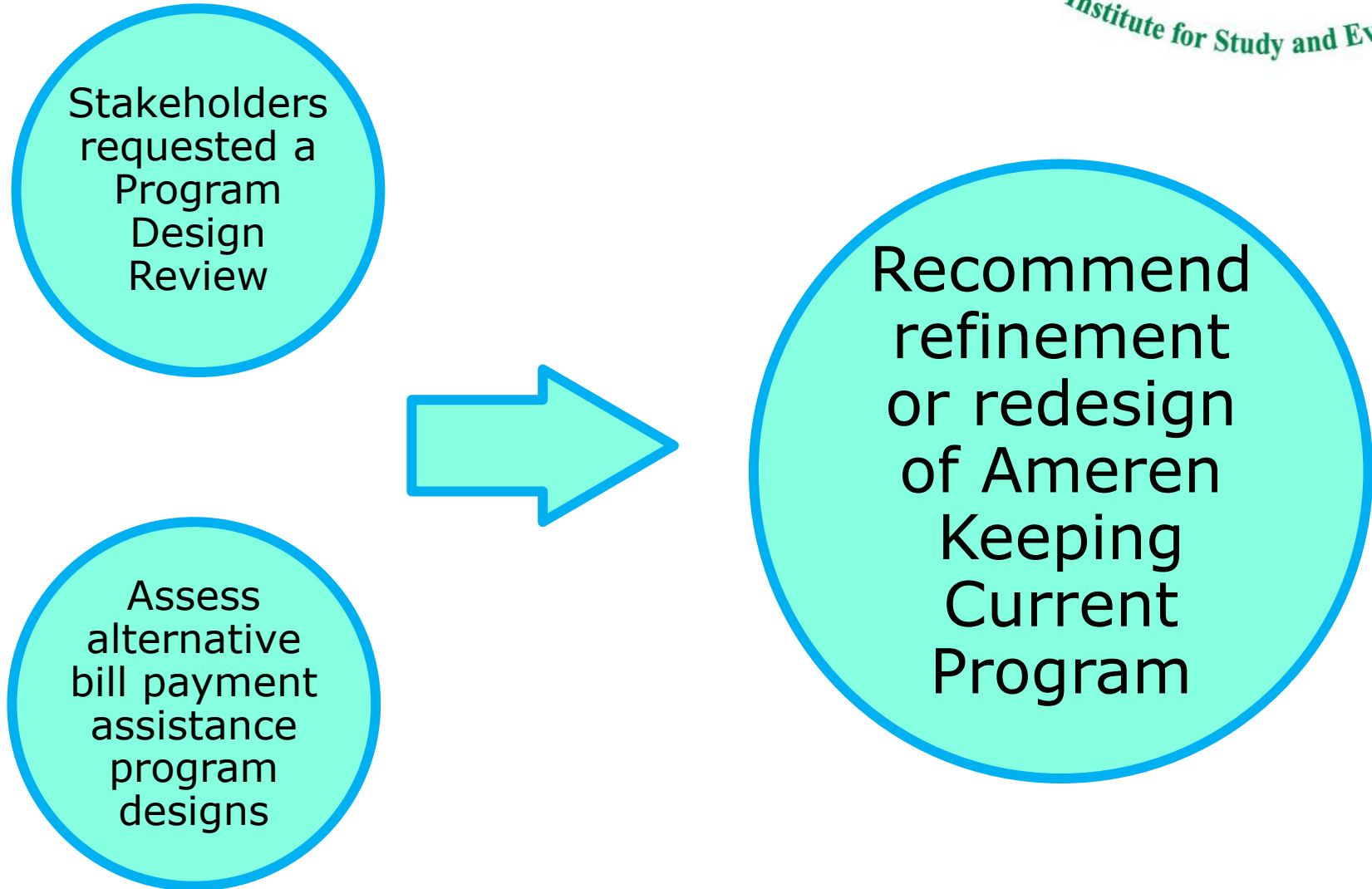
Poverty Level	Year Round Monthly Bill Credit					
	Electric Heating			Alternative Heating		
	Pilot	Revised Phase II	Continues April 2017	Pilot	Revised Phase II	Revised April 2017
≤25%	\$55	\$90	\$90	\$20	\$30	\$40
26% - 50%	\$40	\$90	\$90	\$15	\$30	\$40
51% - 75%	\$25	\$60	\$60	\$10	\$25	\$35
76% - 100%	\$10	\$60	\$60	\$5	\$25	\$35
101% - 125%	--	\$60	\$60	--	\$25	\$35
126% - 150%	--	--	\$60	--	--	\$35

Keeping Cooling bill credit of \$25/month in June, July, and August

## Participants as of July 2020



# 2020 Design Study



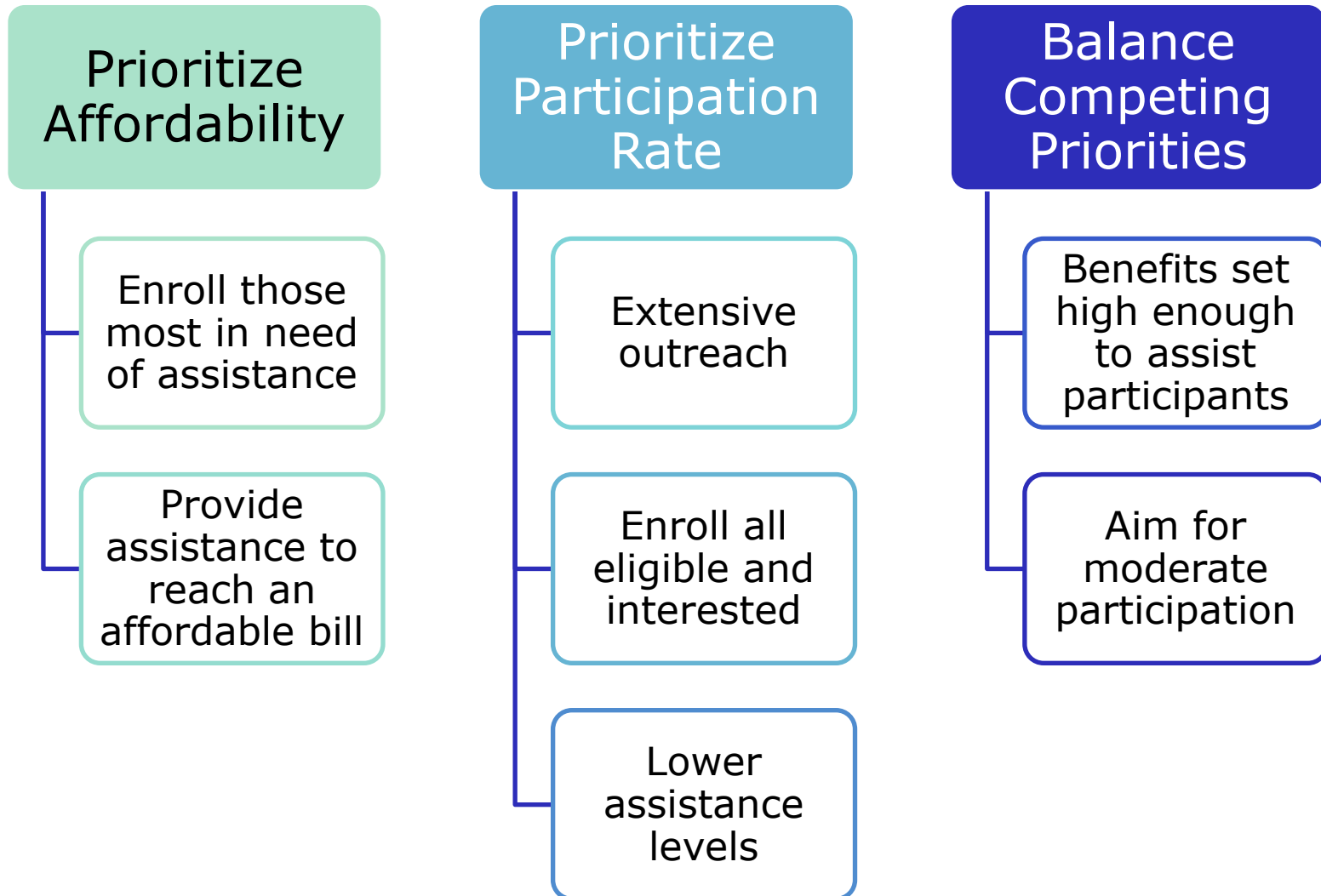
# Goal Setting






# Program Goals

## Participation





# Program Goals Retention



Specified Duration	<ul style="list-style-type: none"><li>• Fixed program length (1-2 years)</li></ul>
Arrearage Removal	<ul style="list-style-type: none"><li>• Remove when arrearages are eliminated</li></ul>
Full Bill Affordability	<ul style="list-style-type: none"><li>• Remove when bill is affordable without subsidy</li></ul>
Income-Eligible	<ul style="list-style-type: none"><li>• Remove when no longer income-eligible</li></ul>
Program Compliant	<ul style="list-style-type: none"><li>• Remove when customer misses payments</li></ul>

# Program Goals

## Energy Burden

### – Fixed Benefit

Poverty Level	Income	Pre-Benefit		Benefit	Post-Benefit	
		Bill	Burden		Bill	Burden
<=50%	\$10,000	\$2,000	20.0%	\$700	\$1,300	13.0%
51%-100%	\$20,000	\$2,000	10.0%	\$700	\$1,300	6.5%
101%-150%	\$35,000	\$2,000	5.7%	\$700	\$1,300	3.7%

### – Fixed Burden

Poverty Level	Income	Pre-Benefit		Benefit	Post-Benefit	
		Bill	Burden		Bill	Burden
<=50%	\$10,000	\$2,000	20.0%	\$1,400	\$600	6.0%
51%-100%	\$20,000	\$2,000	10.0%	\$800	\$1,200	6.0%
101%-150%	\$35,000	\$2,000	5.7%	\$0	\$2,000	5.7%

### – Burden by Poverty Level

Poverty Level	Income	Pre-Benefit		Burden Target	Benefit	Post-Benefit	
		Bill	Burden			Bill	Burden
<=50%	\$10,000	\$2,000	20.0%	4.0%	\$1,600	\$400	4.0%
51%-100%	\$20,000	\$2,000	10.0%	6.0%	\$800	\$1,200	6.0%
101%-150%	\$35,000	\$2,000	5.7%	8.0%	\$0	\$2,000	5.7%

# Program Goals

## Equity

### – Benefit Equality

Poverty Level	Income	Pre-Benefit		Benefit	Post-Benefit	
		Bill	Burden		Bill	Burden
<=50%	\$3,000	\$2,000	66.7%	\$1,000	\$1,000	33.3%
<=50%	\$8,000	\$2,000	25.0%	\$1,000	\$1,000	12.5%
<=50%	\$13,000	\$2,000	15.4%	\$1,000	\$1,000	7.7%

### – Energy Burden Equality

Poverty Level	Income	Pre-Benefit		Benefit	Post-Benefit	
		Bill	Burden		Bill	Burden
<=50%	\$3,000	\$2,000	66.7%	\$1,820	\$180	6.0%
<=50%	\$8,000	\$2,000	25.0%	\$1,520	\$480	6.0%
<=50%	\$13,000	\$2,000	15.4%	\$1,220	\$780	6.0%

# Program Goals

## Arrearages, Other Needs

### Arrearages

- Arrearage Accumulation
  - Focus on current bill
- Arrearage Elimination
  - Also aim to reduce pre-program arrearages

### Other Needs

- Other Household Expenses
  - Holistic case management or referral
- Comfort, Health, and Safety
  - Energy efficiency
  - Home repair

# Program Goals Incentives

## Bill Payment

- Regular and timely bill payment
- Often through arrearage reduction

## Usage Stabilization

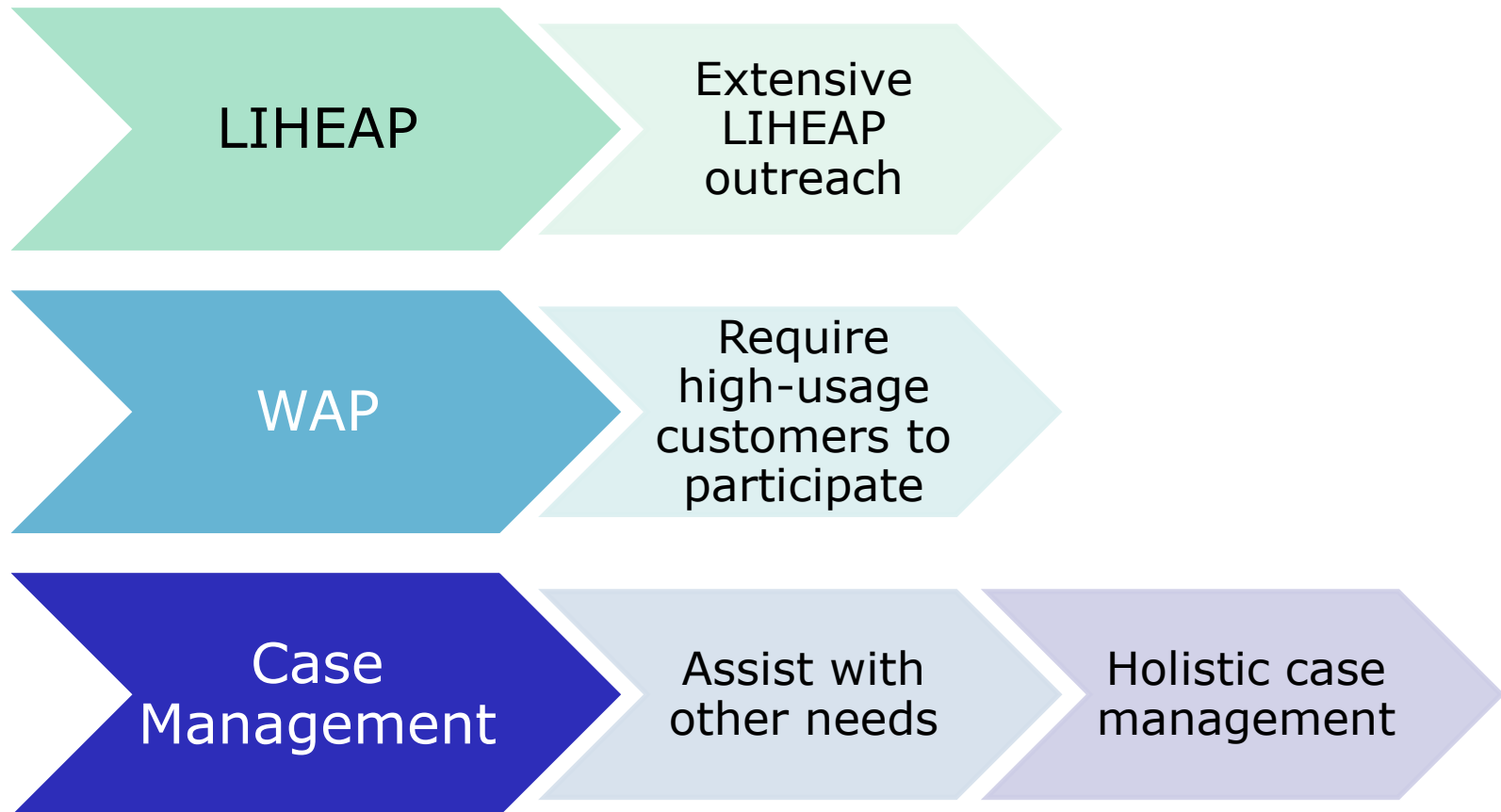
- Maintain ties between bill and usage

## Usage Reduction

- Conservation incentive bonus
- Requirement for energy efficiency participation

# Program Goals

## Other Benefits



# Program Goals Summary

- Participation: Affordability, participation, or balance
- Retention: Specified duration, arrearage removal, full bill affordability, or while eligible
- Energy Burden: Fixed benefit or burden
- Equity: Equal benefits or equal post-benefit burdens
- Arrearages: Forgiveness provided or not
- Other Needs: Only energy bill or other services or referrals
- Incentives: Improve bill payment or reduce usage
- Other Benefits: Receipt of LIHEAP, WAP, or other



# Parameter Selection



# Parameter Selection Summary

## Program Administrator

- Utility
- State
- Local Agencies

## Budget # Participants

## Outreach Methods

- Website
- Agencies
- CSRs
- Community Events
- Bill Inserts

## Intake Options

- In person
- Online
- Mail
- Email
- Telephone

## Income Eligibility

- 125%-200% FPL
- 60% State Median Income
- LIHEAP eligibility

## Other Eligibility Requirements

- LIHEAP Application
- LI EE Participation
- Budget Billing
- Payment-Troubled

## Targeting

- Energy Burden
- Poverty Level
- Elderly, Disabled, Children

## Benefit Determination

- PIPP
- Fixed Credit
- % Discount
- Rate Discount
- Monthly/Annual Subsidy

## Minimum Payment Maximum Credit

## Bill Consistency

- PIPP
- Budget Billing
- Variable

## Arrearage Forgiveness Parameters

- # Months
- Monthly Co-Pay
- Required customer payment
- Make-up forgiveness

## LIHEAP Coordination

## Program Removal

- Missed Payments
- Arrearages Paid Off
- Fixed Time Period

## Holistic Service Delivery

# Parameter Selection

## Other Challenges

- COVID-19 Moratoriums
  - 23 states had shutoff moratoriums
  - Moratorium end dates:
    - May 2020 to March 2021
  - Utilities introduced many new payment-related programs

# Outcomes



# Outcomes Summary

Participation:  
2,515-359,655  
2 Years – 4.6 Years

Full Year  
Participation:  
46%-86%

Recertification:  
43%-72%

% Below Poverty:  
64%-87%

Elderly: 6%-36%  
Child: 16%-62%

Employed:  
20%-49%  
Disability Income:  
1%-35%

Discount:  
\$191-\$1,054

Energy Burden:  
-2% to -9%

Total Coverage  
Rate: +1% to  
+45%

Shortfall:  
-\$6 to -\$922

Arrearage  
Forgiveness:  
\$40-\$365

Collections Cost:  
-\$118 to no  
change

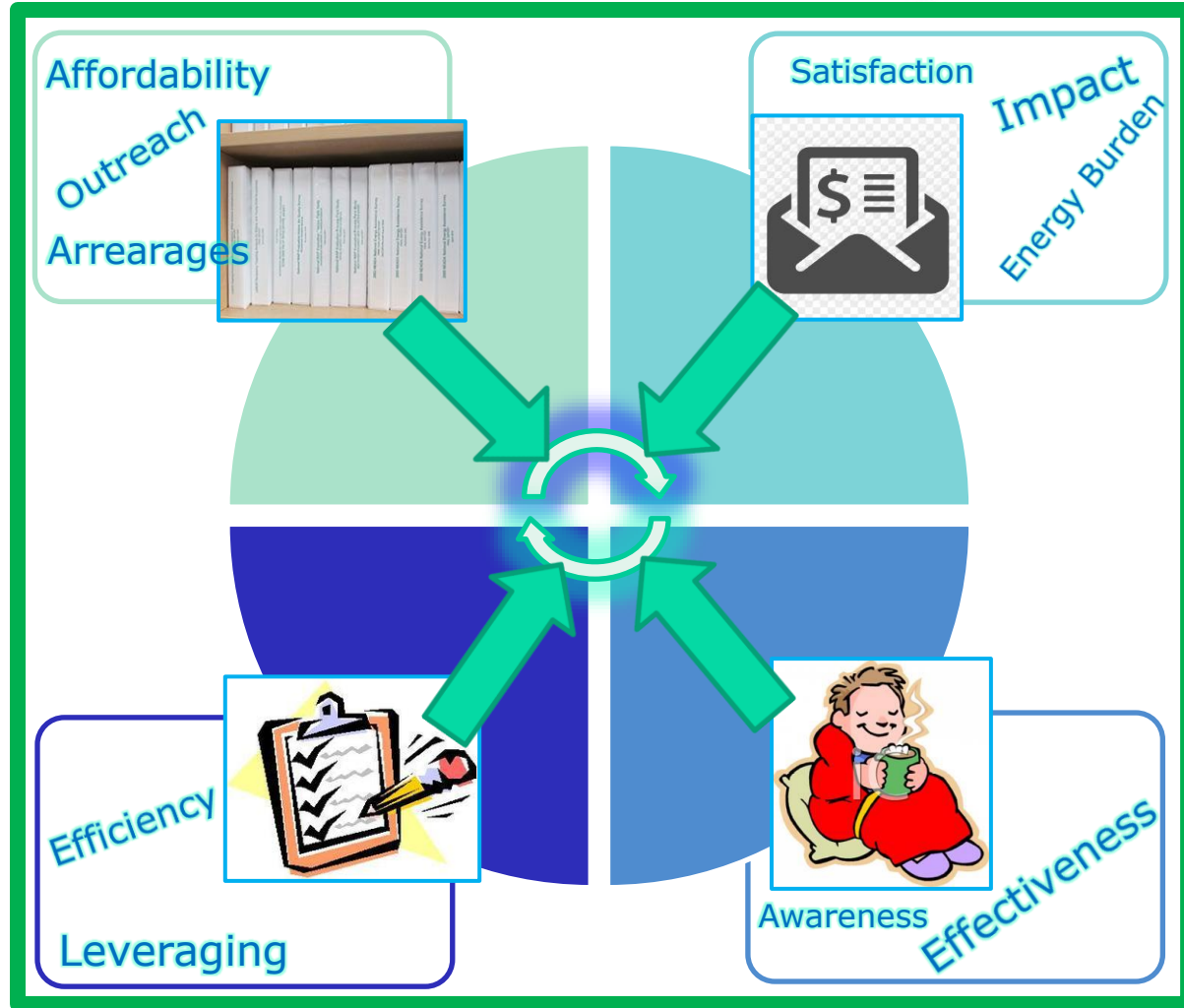
LIHEAP Receipt:  
-56% to +66%

Other Issues:  
Help with food,  
medical, other  
expenses

Very Satisfied:  
69% - 100%

Very Important:  
75%-93%

# Best Practices





# Best Practices

## Outreach

- Employ a variety of outreach techniques
  - Reach customers with various characteristics
- Partner with trusted organizations
- Formerly homeless need assistance
  - Additional flexibility needed

## Intake

- Methods should vary to accommodate participants with various characteristics
- Programs should offer several options



# Best Practices

## Income Eligibility

- Set to ensure
  - Customers in need are served
  - At a level of benefits that impact energy affordability

## Other Eligibility Requirements

- Consider requirements that incentivize other program participation
- Avoid requirements that pose barriers
- Programs that require payment trouble provide adverse incentives and miss some in need

# Best Practices

## Enrollment Level

### Balance enrollment and benefit levels

- Significantly impact participants
- Do not adversely impact ratepayers

## Bill Subsidy Determination

### Percent of Income Programs (PIPP)

- More equitable benefits based on energy burden
- Result in fixed monthly payments
- Serve lower-income households
- Have greater impacts on energy burden

# Best Practices

## Energy Burden Target

- Customers most likely to receive benefits in proportion to their need for assistance

## Bill Consistency

- Customer preference
- Greater opportunity for bill management

# Best Practices

## Arrearage Forgiveness

Customers unlikely to afford discounted bill if they are required to pay off past arrearages

Educate customers to incentivize bill payment

## LIHEAP Coordination

Can increase benefit receipt

Provides additional potential for customers to succeed

# Best Practices

## Energy Efficiency

- Target to high-use payment program participants
- Additional funding to remediate conditions that prevent measure installation
- Outreach to landlords

## Program Removal

- Allow customer to remain on program until service termination
- Provides another opportunity for customers to make up bills at lower payment rate

# Best Practices

## Recertification

Ensures customers remain eligible

Should not be too burdensome

## Other Challenges

Shutoff moratoriums provide customers with time to make payments

Lead to reduced need for assistance

Require application for assistance to leverage those funds

# Recommendations





# Recommendations

## Administration

- Ameren should continue admin
- Agency assistance on outreach, intake, data management
- Assess whether 13% admin cost is sufficient

## Outreach

- Additional outreach through agencies and Ameren call center
- Educate agencies - program not only for extreme circumstances
- Agencies should develop outreach plans & increase methods
- Ameren should reassess agency compensation

## Intake

- Office intake provides education, referrals, and other assistance
- Flexibility needed for homebound, working, or with transportation or childcare issues

## Additional Populations

- Consider enhanced benefits for formerly homeless
- Help pay off past balances and open new Ameren account

# Recommendations

## Income Eligibility

- Maintain 150% of FPL
- Use one month of income
- Ensure recently unemployed are eligible

## Other Eligibility Requirements

- Continue current requirements
- Weatherization application
- LIHEAP application
- LIHEAP benefits to Ameren for heating customers (new).
- Consistent bill through budget billing or PIPP

## Recertification

- Continue to require every two years
- Especially important for PIPP

## Enrollment Level

- Provide additional outreach
- Reach more customers who need assistance

# Recommendations

## Bill Subsidy Determination

- Consider moving to a PIPP
- Provide fixed energy burden at an affordable level

## Target Energy Burden

- 3% for alternative heat
- 6% for electric heat
- Somewhat higher would reduce costs

## Min Payment & Max Credit

- Consider using these parameters to limit subsidy costs
- Target max credit customers for weatherization

## Arrearage Forgiveness

- Continue 1/12 forgiveness per month
- Provide forgiveness for bills made up after due date
- Educate participants to understand the benefit

# Recommendations

## LIHEAP

- Additional education & outreach to increase participation
- Remind Keeping Current participants to reapply for LIHEAP
- Emphasize eligibility for both concurrently

## Energy Efficiency

- Prioritize high usage Keeping Current participants
- Educate landlords and encourage authorization

## Program Removal

- Keep participants on program as long as they are not terminated for nonpayment
- Provide monthly credits for made up past due monthly bills

# PIPP Cost Projection

Credit Cost per Participant for Keeping Current and PIPP

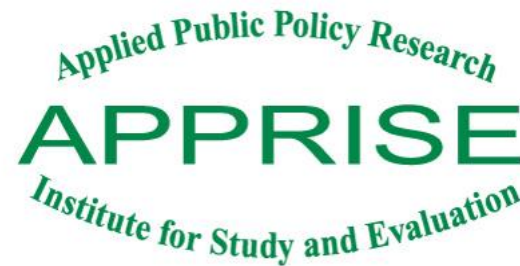
	Mean Discount					
	≤ 50% FPL		51% - 100% FPL		101% - 150% FPL	
	Electric Heat	Alt Heat	Electric Heat	Alt Heat	Electric Heat	Alt Heat
<b>Keeping Current (2019 Evaluation)</b>	\$575	\$199	\$445	\$217	\$443	\$219
<b>PIPP (6% Electric Heat Burden, 3% Alternative Heat Burden)</b>						
<b>No Min Payment or Max Credit</b>	\$1,843	\$1,658	\$1,248	\$1,207	\$761	\$907
<b>With Min Payment &amp; Max Credit</b>	\$1,484	\$1,313	\$1,114	\$1,071	\$730	\$890
<b>PIPP (10% Electric Heat Burden, 6% Alternative Heat Burden)</b>						
<b>No Min Payment or Max Credit</b>	\$1,622	\$1,472	\$789	\$826	\$315	\$396
<b>With Min Payment &amp; Max Credit</b>	\$1,332	\$1,248	\$723	\$776	\$304	\$396

# PIPP Cost Projection

## Projected Subsidy Cost - July 2020 Participation Level

	Projected Costs for Program by Poverty Level Group							
	≤ 50% FPL		51% - 100% FPL		101% - 150% FPL		Total Cost	
	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat
<b># of Participants</b>	443	99	582	137	241	55	1,266	291
<b>Keeping Current</b>	\$254,725	\$19,701	\$258,990	\$29,729	\$106,763	\$12,045	\$620,478	\$61,475
<b>PIPP (6% Electric Heat Burden, 3% Alternative Heat Burden)</b>								
<b>No Min Pay/Max Cred</b>	\$816,449	\$164,142	\$726,336	\$165,359	\$183,401	\$49,885	\$1,726,186	\$379,386
<b>Min Pay &amp; Max Cred</b>	\$657,412	\$129,987	\$648,348	\$146,727	\$175,930	\$48,950	\$1,481,690	\$325,664
<b>PIPP (10% Electric Heat Burden, 6% Alternative Heat Burden)</b>								
<b>No Min Pay / Max Cred</b>	\$718,546	\$145,728	\$459,198	\$113,162	\$75,915	\$21,780	\$1,253,659	\$280,670
<b>Min Pay &amp; Max Cred</b>	\$590,076	\$123,552	\$420,786	\$106,312	\$73,264	\$21,780	\$1,084,126	\$251,644

# PIPP Cost Projection



## Projected Subsidy Cost - 10% Participation Level

	Projected Costs for Program by Poverty Level Group							
	≤ 50% FPL		51% - 100% FPL		101% - 150% FPL		Total Cost	
	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat	Electric Heat	Alt. Heat
<b># of Participants</b>	1,907	2,312	2,657	3,777	3,274	4,965	7,838	11,054
<b>Keeping Current</b>	\$1,096,468	\$460,168	\$1,182,365	\$819,566	\$1,450,205	\$1,087,423	\$3,729,038	\$2,367,157
<b>PIPP (6% Electric Heat Burden, 3% Alternative Heat Burden)</b>								
<b>No Min / Max Cred</b>	\$3,514,417	\$3,833,959	\$3,315,936	\$4,558,598	\$2,491,210	\$4,503,618	\$9,321,563	\$12,896,175
<b>Min Pay &amp; Max Cred</b>	\$2,829,840	\$3,036,181	\$2,959,898	\$4,044,953	\$2,389,728	\$4,419,206	\$8,179,466	\$11,500,340
<b>PIPP (10% Electric Heat Burden, 6% Alternative Heat Burden)</b>								
<b>No Min / Max Cred</b>	\$3,092,992	\$3,403,853	\$2,096,373	\$3,119,637	\$1,031,184	\$1,966,298	\$6,220,549	\$8,489,788
<b>Min Pay &amp; Max Cred</b>	\$2,539,991	\$2,885,875	\$1,921,011	\$2,930,797	\$995,174	\$1,966,298	\$5,456,176	\$7,782,970

---

Jackie Berger

---

APPRISE

---

32 Nassau Street, Suite 200

---

Princeton, NJ 08542

---

609-252-8009

---

[jackie-berger@appriseinc.org](mailto:jackie-berger@appriseinc.org)

---

[www.appriseinc.org](http://www.appriseinc.org)