

Our Model Energy Affordability Policy: Percentage of Income Payment Plans (PIPP)

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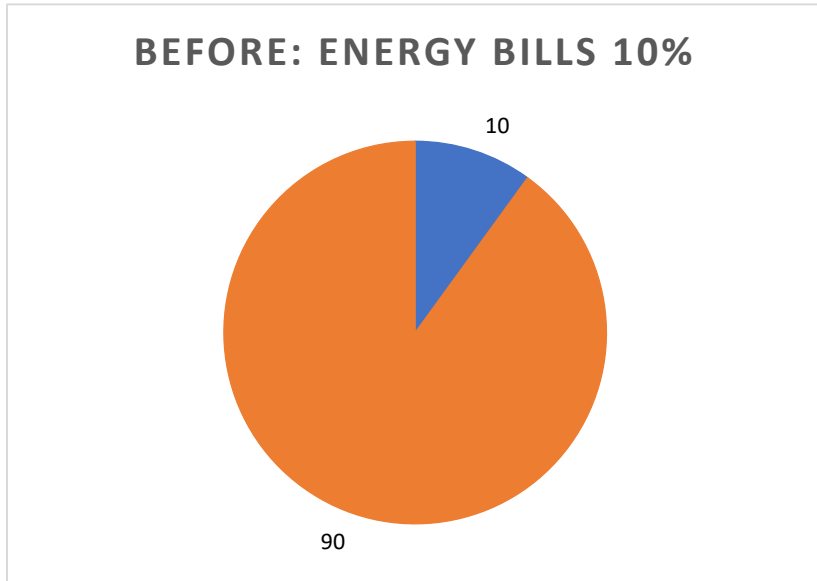
Senior Advisor
Community Action
Partnership



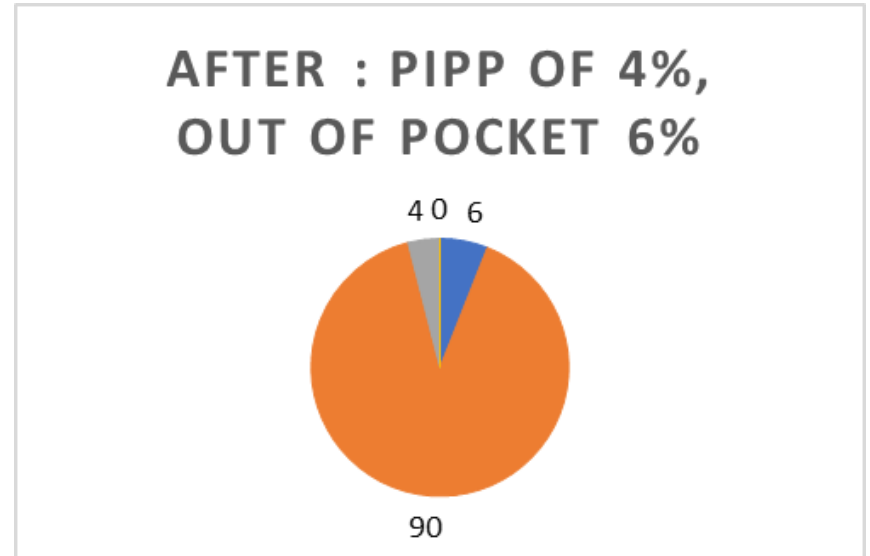
INTRO: The PIPP IDEAL

When the Problem is Energy Burden: Lower It

Before

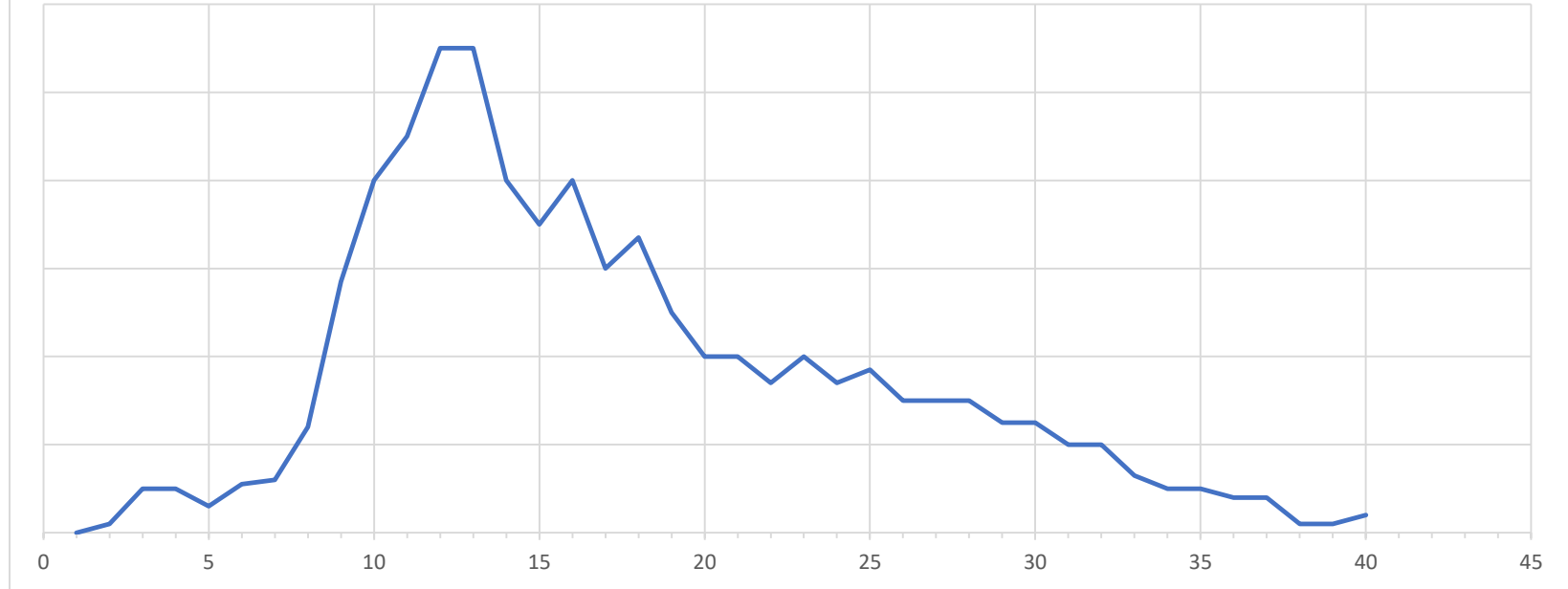


After



When the Problem is Energy Burden: Lower It

DISTRIBUTION OF BURDEN, LOWER-INCOME HH



CRAZY? Or

- BEDROCK OF ONE MAJOR US POLICY SECTOR ?

- (Does 33% Ring a bell?)

Past 25 Years Tests and Some Triumphs

- OH
- PA
- NJ
- NV
- NH
- NY
- CO
- IL

HUGE BENEFITS

- Substantial help
- Targeted (v. Discount, tiered benefits et. Al.)
- Change consumer history, debt
- Focus for multi-services

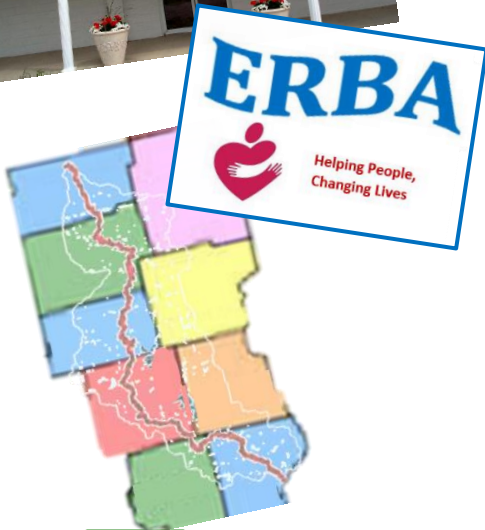
HUGE ISSUE\$\$

- Is it a statewide policy or per utility? Which utility?
- However much it takes per enrollee?
- However much it takes per program?
 - If it's capped, is it a PIPP?
- Target Burden?
 - State average or median?
 - Non-lowIncome average or median?
- Does Burden or income determine eligibility?

HUGE..CONT'D

- Arrears treated how?
- Failure to pay out-of-pocket share treated how?
- Penalty for failure?
- Penalty for dropping out?
- CLIFF Penalty (for getting a living wage etc)?

About Embarras River Basin Agency:



**Embarras River Basin Agency is a
Community Action agency in
South Central Illinois:**

- **9 Counties**
- **4,067 square miles**
- **14,362 Families served 2018**
- **6,279 Families served through EA**
- **788 Families on PIPP**

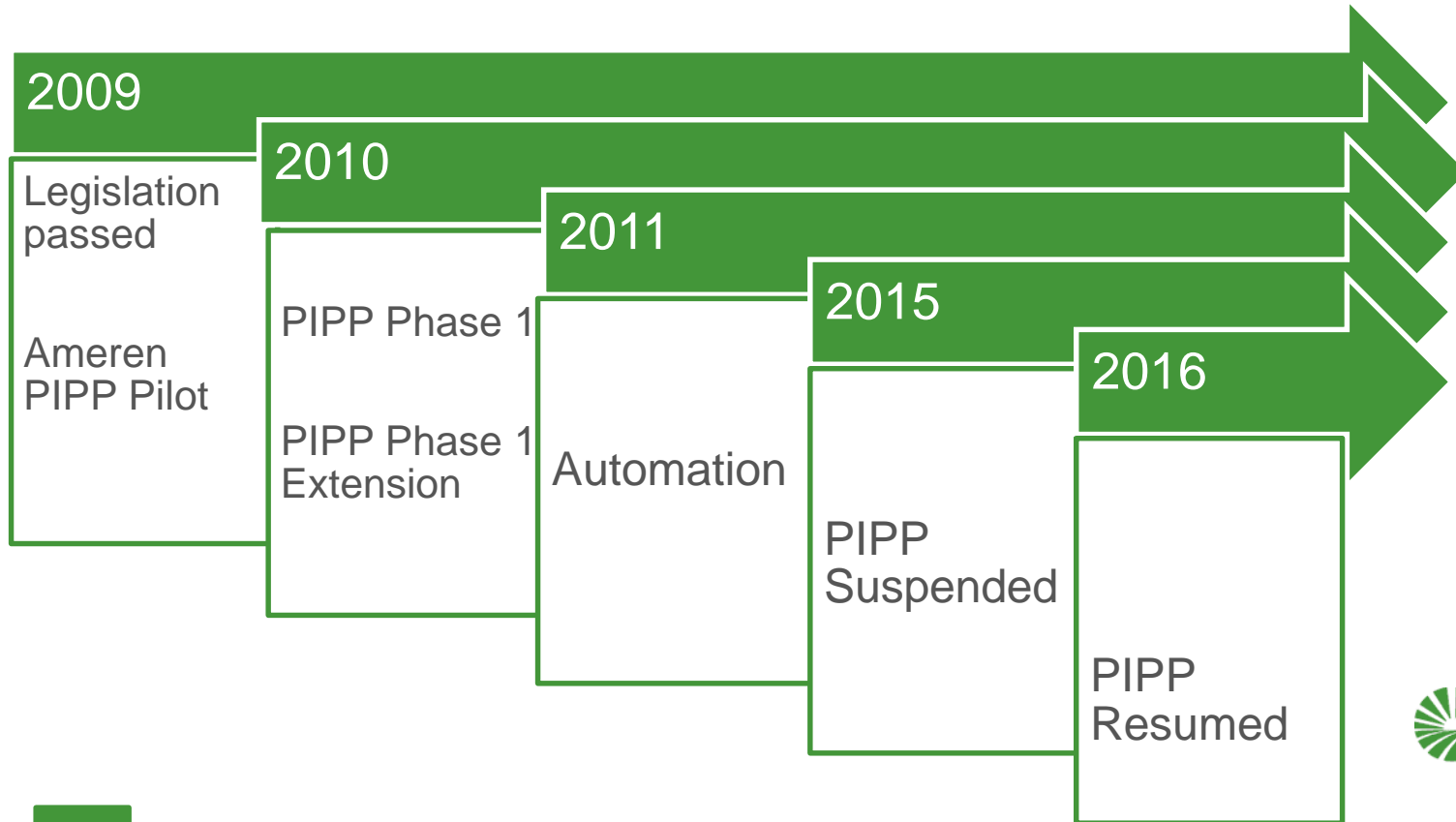
About Ameren Illinois



Ameren Illinois is an energy delivery company serving a vast territory:

- 43,700 square miles
- 1.2 million electric customers
- 820,000 natural gas customers
- 1200+ communities served
- Partially deregulated (electric choice)

History of PIPP in Illinois



Components of PIPP

Customer
Required
Payment

+

State
Benefit

=

Budget
Billing

Arrearage Reduction Program

Components of PIPP

Customer
Required
Payment

+

State
Benefit

=

Budget
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Arrearage Reduction Program

Components of PIPP

Customer
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Payment

$$+$$

State
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Budget
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Arrearage Reduction Program

Components of PIPP

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Arrearage Reduction Program

Components of PIPP

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+

State
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=

Budget
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Arrearage Reduction Program

Lifecycle of a PIPP Customer

THE CHOICE

LIHEAP

vs.

PIPP

Lifecycle of a PIPP Customer

COMPARING BENEFITS

	Primary	
	Monthly	Program Year
Budget Bill Amount	\$184.00	
Minimum CPR	\$68.00	
Full CPR With NSR Charges	\$68.00	
Non-Service Related Charges at Enrollment	\$0.00	
Additional Client Responsibility	\$0.00	
Pre-program Balance Reduction	\$27.03	\$324.36
Full Client Payment Responsibility	\$68.00	\$816.00
State Benefit Amount	\$116.00	\$1,392.00
Total Benefit	\$143.03	\$1,716.36

Lifecycle of a PIPP Customer

ENROLLMENT

At the point of Customer choice being PIPP:

- Customer Agreement
- Customer Responsibilities
- Agency Responsibilities
- Recertification Information



Lifecycle of a PIPP Customer

INTERVENTION

Because part of the advantage to PIPP is to help our families learn to pay their bills on time, we have an intervention system that lets us know when someone has fallen behind.

This allows us to reach out to see what can be done to get them caught up.



Lifecycle of a PIPP Customer

EDUCATION

Energy Efficiency education is also a component of our PIPP, so while our customers are learning to pay their bills on time, they are also learning to save energy.

- Counseling at time of enrollment
- Counseling at any interventions



CHALLENGES

Agency Pain Points

- **Funding**
- **Weather**
- **Alternative Retail Suppliers**
- **Are we reaching target audience?**



Utility Pain Points

- **State government issues**
- **Budget Bill Calculations**
- **Late (but not too late) payments**
- **Technology**



SUCCESSSES

Utility Successes

- **Arrearage Forgiveness**
- **Timely payment – even through the winter**
- **Great opportunity for collaboration**
 - **Community Action Agencies**
 - **Consumer Advocates**
 - **State Agencies**
 - **Utilities**
 - **Legislators**



Agency Successes

- **Approximately 22,000 Illinois households on PIPP**
- **Automated System that works much smoother**
- **Experience to know what is a good fit**
- **Impacting lives-great stories right here!**



Building on Success

Agency Plans

- Reach more working families
- Increase education activities

Utility Plans

- Pilot an Arrearage Reduction Program for LIHEAP recipients
- Pilot a Pre-Pay Program

Questions?





CAP's Energy Partnerships Project

- Individualized Assistance
- Webinars and Trainings
- Connections to Experts
- Tools and Templates

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