

To: Honorable Public Utilities Board

Submitted by: _____/s/_____

Rebecca Irwin
AGM – Customer Resources

From: Rebecca Irwin
AGM – Customer Resources

Approved by: _____/s/_____

Nicolas Procos
General Manager

Subject: Approve Modifications to Alameda Municipal Power’s Rider EA - Energy Assistance Program Rate Schedule and Amend Budget by \$50,000, and Approve Modifications to the Project EASE Program and Amend Budget by \$2,000

RECOMMENDATION

By Resolution, approve modifications to Alameda Municipal Power’s (AMP) Rider EA – Energy Assistance program rate schedule and by motion (1) amend budget by \$50,000, and (2) approve changes to the Project EASE program and (3) amend budget by \$2,000.

BACKGROUND

In its ongoing mission to provide valuable services to the Alameda community, Alameda Municipal Power provides financial assistance to residential customers who are experiencing difficulty in paying their electric bill. Governed by California Assembly Bill (AB) 1890, and administered through the utility’s public purpose fund, AMP offers two financial assistance programs for qualifying low-income customers.

Since 1998, AMP has provided customers with short-term emergency relief through its Project Energy Assistance through Supportive Efforts (Project EASE) program. In 2000, the Energy Assistance Program (EAP) was added to provide ongoing financial assistance to qualifying low-income customers. Both programs are funded by AMP and administered by AMP staff.

Project EASE provides short-term emergency assistance to residential customers who cannot pay their electric bill and have no alternative source of assistance. The maximum disbursement under this program for each customer is \$200 over a three-year period, and is provided as a match to payment made by the customer. EAP provides ongoing assistance to qualifying low-income customers with the application of a 25 percent discount on their electric bills.

Eligibility for AMP’s low-income programs is based on the customer’s gross-income level. Customers qualify for either program if their annual income is no more than 150 percent above federal poverty guidelines issued by the U.S. Department of Health & Human Services (HHS). The federal poverty guidelines at the 150 percent level are shown in Table 1.

Table 1 – U.S. Department of Health & Human Services Federal Poverty Guidelines

Household Size	150% of HHS Poverty Level
1	\$17,820
2	\$24,036
3	\$30,240
4	\$36,456
5	\$42,660
6	\$48,876
7	\$55,092
8	\$61,332

Annual income is calculated for all adults in the household and includes sources such as employment, social security, disability benefits, Cal Works, unemployment benefits, pensions, spousal/child support, worker’s compensation, and general assistance. Most customers must provide bi-annual proof of eligibility to AMP to remain in the program; customers who are seniors or on permanent disability must provide proof of eligibility every four years.

As of May 31, 2017, there were 558 residential customers receiving the 25 percent discount under the Energy Assistance Program. In FY 2017 Project Ease provided temporary assistance to 79 customers.

While AMP has relied on the federal poverty guidelines since the inception of both of its low-income programs, the gross-income levels used to determine eligibility are not in step with the high costs of the Bay Area and the City of Alameda, in particular. Consequently, hundreds of families and seniors do not qualify for AMP’s low-income programs, which means they are more likely to fall behind on their electric bills, leading to service disconnection and more fees to reconnect.

DISCUSSION

Staff recommends replacing the use of the Department of Health & Human Services’ federal poverty guidelines with those developed by the U.S. Department of Housing and Urban Development (HUD) and used by the City of Alameda to determine eligibility for the Utility Users’ Tax exemption. The HUD poverty guidelines appear in Table 2.

Table 2 – U.S. Department of Housing and Urban Development Poverty Guidelines

Household Size	HUD/City of Alameda
1	\$36,550
2	\$41,750
3	\$46,950
4	\$52,150
5	\$56,350
6	\$60,500
7	\$64,700
8	\$68,850

Currently, there are approximately 637 families and seniors participating in AMP's low-income programs. According to the Alameda Food Bank, which provides services to low-income families using similar income guidelines, more than 800 families and seniors qualify for their assistance. Using this as an approximation, AMP could expect an additional 300 applicants for its low-income programs if it follows the HUD/City of Alameda income guidelines.

FINANCIAL IMPACT

AMP's low-income programs are financed through the mandated Public Purpose Fund regulatory requirement per AB 1890. AB 1890 requires utilities to set aside 2.85 percent of net revenues for four categories: (1) cost-effective demand-side management services to promote energy efficiency and energy conservation; (2) new investment in renewable energy resources; (3) research, development and demonstration projects; and (4) services provided for low-income electricity customers.

In the approved FY 2018 budget, AMP allocated \$85,000 for EAP and \$9,000 for Project EASE. With the recommended change to qualifying income levels, AMP requests an additional \$50,000 for allocation to the EAP program and an additional \$2,000 for allocation to Project EASE.

NEXT STEPS

Upon Board approval, the rate schedules and program applications will be updated. Additionally, staff will reach out to those customers who were outside of income-eligibility guidelines in FY 2017 and invite them to resubmit their applications.

Staff will also review annual changes to the HUD/City of Alameda income guidelines and adjust AMP's accordingly.

LINKS TO STRATEGIC PLAN AND METRICS

KRA 1: Goal 1.1: Ensure that customers have a positive experience

KRA 1: Goal 1.5: Increase community engagement and good will.

EXHIBIT

- A. Resolution
- B. Rider EA Energy Assistance Program
- C. Proposed Modifications to AMP's Low Income Programs and Budgets Presentation

CITY OF ALAMEDA
ALAMEDA MUNICIPAL POWER

RESOLUTION NO.

APPROVING RIDER EA, ENERGY ASSISTANCE PROGRAM, RATE SCHEDULE

WHEREAS, on September 18, 2000, the Public Utilities Board (Board) voted to provide ongoing financial assistance to qualifying low-income customers; and

WHEREAS, qualifying incomes levels would be based on 150 percent of the U.S. Department of Health & Human Services poverty guidelines; and

WHEREAS, the approved poverty guidelines were out of step with Bay Area costs and those used by the City of Alameda to determine eligibility for the Utility Users' Tax exemption ; and

WHEREAS, Alameda Municipal Power will now use U.S. Department of Housing and Urban Development poverty guidelines to determine eligibility for its low-income customers; and

WHEREAS, Alameda Municipal Power is proud to continue to offer low-income assistance to customers;

NOW, THEREFORE, BE IT RESOLVED by the Public Utilities Board of the City of Alameda that the proposed Rider EA, Energy Assistance Program, Rate Schedule as set forth in the attachments hereto, be approved and adopted for use effective as of the dates specified.

Approved as to Form

By: _____/s/_____
Alan M. Cohen
Assistant City Attorney

AGENDA ITEM NO: 6.A
MEETING DATE: 07/17/2017
EXHIBIT A

ELECTRIC RATE SCHEDULES



**ALAMEDA
MUNICIPAL POWER**

A Department of the City of Alameda

RIDER EA ENERGY ASSISTANCE PROGRAM

PURPOSE

This rate rider implements the bill assistance component of Alameda Municipal Power's (AMP) Energy Assistance Program. The Energy Assistance Program was instituted to lessen the energy costs of Alameda's low income residents and includes, in addition to this discount on energy bills, such energy efficiency measures as the installation of energy efficient light bulbs and energy efficient refrigerators at no cost to the customer.

APPLICABILITY

This discount is applicable to all residential customers served under Schedule D-1 who are participating in the Energy Assistance Program.

Program participants must qualify per the annual low-income guidelines set by the U.S. Department of Housing and Urban Development (HUD). AMP will determine the customer's eligibility for participation in this program.

Customers who are receiving this discount are not eligible for the Medical Discount (see Rider MD).

Customers who receive the Energy Assistance discount are exempt from Rider PV charges.

DISCOUNT

A 25 percent discount will be applied to all monthly charges before adding state and local taxes.

ADOPTED: April 21, 2014
RESOLUTION NO. 5039
(Superseding Rider EA Effective July 1, 2012)

Effective: July 1, 2014

Proposed Modifications to AMP's Low Income Programs and Budgets

July 17, 2017

AMP's Low Income Programs: Background

- Energy Assistance Program (EAP)
 - Since 2000
 - 25% discount on electric bill for 2 or 4 years
 - In FY 2017, 558 customers enrolled
- Project EASE (Energy Assistance through Supportive Efforts)
 - Since 1998
 - Short-term emergency relief
 - \$200 over 3-year period
 - In FY 2017, 79 customers enrolled

AMP's Low Income Programs: Background

- Current Eligibility Guidelines for EASE/EAP:

Household Size	150% of HHS Poverty Level
1	\$17,820
2	\$24,036
3	\$30,240
4	\$36,456
5	\$42,660
6	\$48,876
7	\$55,092
8	\$61,332

- Based on 150% of U.S. Department of Health & Human Services Poverty Guidelines
- Annual income includes: employment, social security, disability benefits, Cal Works, unemployment benefits, pensions, spousal/child support, worker's compensation, and general assistance

Overview of Proposed Changes

- Replace use of US Health & Human Services federal guidelines with those of US Department of Housing & Urban Development (HUD) and used by City of Alameda

Household Size	HUD/City of Alameda
1	\$36,550
2	\$41,750
3	\$46,950
4	\$52,150
5	\$56,350
6	\$60,500
7	\$64,700
8	\$68,850

- Increase low-income program budgets to accommodate ~300 more low-income families and seniors
 - EAP: Increase \$50,000 to total \$135,000
 - EASE: Increase \$2,000 to total \$9,000

Next Steps

- Modify Rider EA – Energy Assistance Program Rate Schedule
- Update applications
- Reach out to FY 2017 rejected low-income applicants and invite them to resubmit application
- Community outreach to seniors, Alameda Housing Authority, Alameda Food Bank, etc.
- Review income guidelines annually and update as needed

Questions?

- Questions?
- Contact Information:
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