



**Docket No. 24-05-01 Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review)**

Submitted by Mike Turaj, Policy & Public Affairs Associate

**I. Background:**

Operation Fuel appreciates the opportunity to file written comments in response to the Public Utilities Regulatory Authority’s (PURA’s or the Authority’s) Notice of Request For Written Comments issued on July 22nd, 2024 in Docket No. 24-05-01 Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review).

**II. Comments:**

1. *The Companies’ Customer Communication Proposal, including but not limited to, discussion of the following items: a. Accessibility of materials for the target audience; and b. Clarity of language. Please note that additional discovery will be propounded regarding the process and development of program communications moving forward. For purposes of the instant request for written comments, please limit comments specifically to the pending Customer Communication Proposal filed by the Companies regarding the Voluntary AFP Cessation Proposal.*

As Operation Fuel continues to review the ongoing discovery, we are concerned that tens of thousands of customers currently rely on the Companies’ Arrearage Forgiveness Programs, (AFPs) which may soon disappear. Before ceasing the voluntary AFPs, Operation Fuel recommends that the Companies and the Authority provide a replacement option that will suit the needs of each customer – and, that the Companies communicate this transition process clearly through multiple channels. We have not seen these materials yet and therefore do not have confidence that ceasing the voluntary AFPs is the right decision this year. We appreciate the Companies’ proposals and believe the idea is worth discussing in future proceedings. However, at this time, we oppose the full cessation of the Companies’ AFPs and recommend communication materials similar to the New Matching Payment Program (New MPP) communications.

Both Companies have stated the difficulty of communicating and administering both AFP and New MPP. UI suggests that the elimination of the Bill Forgiveness Program (BFP) would “allow for simplified training of the program and less confusion for CSRs and customers advocates when explaining the programs, and simple customers communications.”<sup>1</sup> Operation Fuel sympathizes with this argument and recognizes that simplifying the messaging and administration of programs can reduce costs and enhance customer experience.

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<sup>1</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf)



The Companies response to CAE’s interrogatory regarding the number of customers enrolled in an AFP, UI states that as of July 8, 2024, approximately 26,700 customers are still enrolled in BFP<sup>2</sup>. For Eversource, as of July 9, 2024, there are approximately 50,000 customers on New Start<sup>3</sup> and the number will only increase following the recent elimination of the moratorium protection for financial hardship customers. Even if the AFPs were to cease customers could continue on these programs until completion or failure. **However, it is critical to have a well-developed plan and materials to communicate this significant change to thousands of customers.** This includes materials that are accessible so customers do not have to look hard to find programs that could help with affordable payment plans. It also needs language that is clear to a diverse set of customers. To transition thousands of customers from a program that might have worked well for them onto a new program presents challenges.

Operation Fuel does support Eversource’s recommendation<sup>4</sup> to replace their 12-page fact sheet “AFP and Payment Plans,”<sup>5</sup> that has had low customer engagement, with the customer-tested, stakeholder-approved, one page “Programs to Help.”<sup>6</sup> We believe that the 12-page fact sheet is full of dense material that might overwhelm a customer. Operation Fuel recommends that the multi-paged fact sheet should be sent out to customers when they receive hardship verification and generally once to twice per year. Better informed customers can utilize the array of programs offered to them to help make affordable payments, maintain service and reduce arrearages. Providing this information in digital format both through email and website would enable the Company to add a table of contents that readers could quickly link through (like PURA decisions) to find the details they need. Operation Fuel notes that on page 1 of ES Attachment 03\_ AFP and Payment Fact Sheet<sup>7</sup>, under “Can I work directly with Eversource to qualify and enroll in a balance forgiveness program?”, the Company moves up the option to contact the local Community Action Agencies (CAAs) to be listed first, adding that CEAP awards may be available. We see the reasoning behind this approach – to help the customer get additional

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<sup>2</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/\\$FILE/CAE-005%20CNG-SCG-UI%20%2324-05-01.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/$FILE/CAE-005%20CNG-SCG-UI%20%2324-05-01.pdf)

<sup>3</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/f11bf13e5c379ec185258b550073a2b6/\\$FILE/PURA\\_01\\_CAE\\_005\\_0\\_Answer.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/f11bf13e5c379ec185258b550073a2b6/$FILE/PURA_01_CAE_005_0_Answer.pdf)

<sup>4</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/ES%20Comms%20Attachment%2001\\_Comms%20Plan%20Overview.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/ES%20Comms%20Attachment%2001_Comms%20Plan%20Overview.pdf)

<sup>5</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/ES%20Comms%20Attachment%2003\\_AFP%20and%20Payment%20Plans%20Fact%20Sheet.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/ES%20Comms%20Attachment%2003_AFP%20and%20Payment%20Plans%20Fact%20Sheet.pdf)

<sup>6</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/ES%20Comms%20Attachment%2002\\_Programs%20to%20Help.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/ES%20Comms%20Attachment%2002_Programs%20to%20Help.pdf)

<sup>7</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/ES%20Comms%20Attachment%2003\\_AFP%20and%20Payment%20Plans%20Fact%20Sheet.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/ES%20Comms%20Attachment%2003_AFP%20and%20Payment%20Plans%20Fact%20Sheet.pdf)



benefits they qualify for, and to reduce the workload of Eversource customer service representatives. However, we also caution that the CAAs have limited staff resources, and the fees provided by the Companies to enroll customers in hardship programs, likely don't cover the expense incurred in doing so. If the Authority should consider increasing the volume of customers directed to the CAAs by the Companies, then it also requires increasing the agencies' funding capacity to help.

Overall, Operation Fuel requests to see more from the Companies regarding direct communication plans and materials sent to customers on the potential cessation of the AFPs. **Customers will accept the change more easily if they are provided a better option than what is currently available.** We suggest that the Companies draft a Frequently Asked Questions 1 page document, including but not limited to: Why is the program being ceased? What will happen to customers already enrolled on the program, will they need to complete follow up or next steps? If the Authority decides to eliminate the AFPs, we advocate that the Companies communicate this to customers in a clear, detailed, and timely manner, outlining benefits to the customer from the change.

2. *The Companies' Voluntary AFP Cessation Proposal to phase out offering voluntary AFPs to customers (i.e., Eversource's New Start program and UI's Bill Forgiveness Program).*

Operation Fuel believes that the AFPs can benefit certain populations of customers in managing monthly balances and helping to reduce arrears in an accelerated time frame. Maintaining the AFPs will help drive down the rising past due balances for both Companies, as Eversource's have tripled since 2019 to \$343M and UI's have grown to \$124M.

Offering more programs aimed at ensuring customers have affordable monthly payments can limit the number of service disconnections and reduce arrearages. We are concerned that fully ceasing New Start and Bill Forgiveness reduces options for ratepayers struggling with bill payments. At this time, we have not seen enough evidence demonstrating that the voluntary AFPs should be eliminated as they can provide value for certain groups of customers, particularly those with higher incomes and lower arrearages.

The voluntary AFPs tend not to be the best option for Operation Fuel clients, the majority of whom report incomes below 60% SMI. For ratepayers who move regularly, the usage on their bill may be tracked as the previous resident's instead of their own household usage. Many of our New Start clients express that they can't afford the higher payments, and that they don't trust the methodology for how the amounts are derived. One client whose financial circumstances changed called one of the Companies to express that and request a lower payment amount. After reviewing the case, the customer service agent offered a monthly payment at the same unaffordable level. Many clients report a lack of trust in the Companies based on how they determine monthly payment amounts.



That said, for a client with higher income and who has a lower arrearage, the voluntary AFPs may be an effective approach. We recommend that the Companies market them to higher income, lower arrearage customers. New Start and Bill Forgiveness Plan may also be worth marketing more specifically to customers with high medical arrearages (to a point) and incomes. During the 2024 CT legislative session, the Companies pursued legislation that would make it more difficult for sick and dying ratepayers to access termination protections. Operation Fuel opposed this bill as it would harm the most vulnerable residents in the state. We encourage the Companies to explore more targeted approaches for different customer segments, including developing teams of customer service agents and payment programs designed for ratepayers.

Operation Fuel recognizes the challenges of training, administering, and communicating on multiple arrearage forgiveness programs, well-articulated by UI. At the same time, we do not yet see enough evidence that the Companies have a clear transition plan for voluntary AFP clients, nor a communications plan that would effectively reach them. We do not believe the programs should be ceased this year. However, we appreciate the discussion and the efforts the Companies are making to rethink the current approaches. We look forward to continuing this conversation through the docket and further proceedings.

3. *Differences in the Companies' approaches to implementing the New Matching Payment Program (MPP), including: a. The methodology by which energy assistance funds (e.g., Connecticut Energy Assistance Program) are applied to a customer's account; b. The Companies' respective proposed policies for re-enrollment in New MPP after missing a payment; and c. The Companies' respective proposed policies for auto-enrollment in New MPP.*

**Above all, Operation Fuel believes that the New MPP should be the same for both Companies.** This will help reduce the amount of learning, training, and explaining that the Companies, CAAs and other social service agencies will need to conduct with eligible customers. It also will help customers avoid confusion about different parameters in the programs when moving between service territories. Operation Fuel's brief comments on the following items hinge on the ongoing discovery filed (especially with regards to OCC's interrogatories #49-55 to both Companies issued on 7/24/2024).

As we noted in our first set of comments submitted 7/10/24, we caution against overreliance on CEAP awards as a lasting solution for energy affordability. Many more clients are income qualified for CEAP than actually receive it. Of those who apply for and receive CEAP benefits, a significant number are applying for delivered fuel, and not utility assistance. As both Companies note, federal funding for CEAP has now declined back to pre-pandemic levels, when both energy costs and assistance demand were lower than today. The volatility of federal and state funding for energy assistance provides uncertain benefit levels year to year, that ratepayers can't



effectively plan around. While CEAP is a lifeline to CT families who can access the program, we caution the Companies and the Authority against overreliance on CEAP to solve the affordability crisis in CT. CEAP can be part of the solution for some clients, but CEAP alone is not a sustainable or holistic approach to ensuring affordability.

While Operation Fuel believes applying CEAP benefits to monthly payments will help customers in the short-term position, we would like to point out that LIHEAP funds are unpredictable. In Joint Attachment 1, the Companies have stated “the maximum CEAP amount awarded per customer decreased 12% in 2023 compared to 2022, or \$600 down to \$530.”<sup>8</sup> Operation Fuel believes that lifting the award requirement for CEAP to enroll in the MPP helps increase customer participation. CEAP benefits could be a solution for customers with small amount arrearage, but for those with significant arrearage cost, there needs to be a more in-depth approach.

- A. Operation Fuel believes there are advantages in how both Companies apply CEAP to customers’ accounts. In Eversource’s interrogatory response (CAE-012)<sup>9</sup>, CEAP is not included in determining a customer’s monthly payment under New MPP, but when a customer receives this award, it will revise “the customer’s next required monthly payment by pre-paying it in the amount of their CEAP award after first applying to the current month’s MPP required payment amount.” As understood, this would simplify payments and award eligible customers a break. UI’s interrogatory response (CAE-012)<sup>10</sup>, when the CEAP award amount is known it will be included in the calculation of a customer’s MPP monthly payment amount. When an award is received, UI’s system will process a recalculation and will only “decrease the monthly budget amount if the budget is determined to be less than the current monthly budget amount,” the monthly budget amount will not be increased. This could reduce the overall payment when recalculating with a CEAP award, when dividing a payment by 12 months. However, while it lowers the monthly payment this could change (as many customers receive more than one CEAP payment per winter season), this could be confusing for the customer. Either way, Operation Fuel believes that the Companies taking the same approach is especially important.
  
- B. The Companies taking the same approach regarding re-enrollment is beneficial, as it makes administering the program easier and clearer for customer understanding. Year-round availability and expanding eligibility for clients beyond only those with CEAP

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<sup>8</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf)

<sup>9</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/13b813f51e50cd6085258b560064ef50/\\$FILE/PURA\\_01\\_CAE\\_012\\_0\\_Answer.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/13b813f51e50cd6085258b560064ef50/$FILE/PURA_01_CAE_012_0_Answer.pdf)

<sup>10</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/\\$FILE/CAE-012%20CNG-SCG-UI%20%2324-05-01.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/$FILE/CAE-012%20CNG-SCG-UI%20%2324-05-01.pdf)



award letters are positive changes. However, Operation Fuel has concerns about the proposed policies for customers making up missed payments to re-enroll in the New MPP. There is value in allowing customers to re-enroll in the New MPP twice in a calendar year (increasing this number could be a future conversation with stakeholders), yet this comes with a caveat of requiring the customer to make up their missed bill payments. For many low-income customers, it's unrealistic for them to make up missed payments all at once, given their monthly New MPP payment was not affordable. It is not reasonable to expect that they would then be able to pay double the next month to get back on the program. Instead of a punitive collections strategy, we favor a customer service based approach. Further conversations need to be included on the plan for customers who fall off and can't get back on the New MPP.

- C. Expanding the enrollment period for New MPP eligible customers to year-round, combined with an effective communications strategy will help increase the number of customers on the program. Auto-enrolling eligible customers who have not taken action may help some, but we stress the importance of communicating the change with customers beforehand. Communicating to customers via only letters is a strategy that may confuse ratepayers, who may not be aware of this program. **Auto-enrolling customers helps increase customer participation, but does not in itself lead to success for the ratepayer.** As discussed at the first technical meeting on 7/16/24, it is important to ensure that when enrolling ratepayers in a payment plan, the Companies communicate clearly to the customer what the terms of the agreement are.

In UI's interrogatory response to CAE-002<sup>11</sup>, they state that "auto enrollment removes the need for the customer to call and request enrollment in MPP." Additionally, auto-enrollment will no longer be based on the receipt of CEAP but will be based on the new account criteria of \$100 or more greater than 60 days. Operation Fuel supports this change, which increases program eligibility and accessibility. Easier entry will help enroll customers before they get too far behind on their bills. For timeline purposes, UI proposed that between November 1st-3rd all eligible customers for the New MPP, except those actively participating in BFP, will be auto-enrolled and or reinstated on MPP. For this to be successful, payments need to be affordable and the Company needs to have a communications strategy in place to work with these customers. One recommendation is having special attention from CSRs who will work with both new enrollees and those coming back on the program to maintain successful completion.

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<sup>11</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/\\$FILE/CAE-002%20CNG-SCG-UI%20%2324-05-01.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7e755ec470c3705385258b54005881f8/$FILE/CAE-002%20CNG-SCG-UI%20%2324-05-01.pdf)



Eversource proposes that starting in October 2024, they will automatically enroll all eligible customers in New Start, who are not enrolled on the program at the moment.<sup>12</sup> Then, by November 4, 2024, they plan to cease offering New Start for new enrollments. We believe auto-enrollment in New Start poses significant concerns, as customers often can't afford the monthly payments. This may be the reason why customers are not enrolled, is that the monthly payments are unaffordable. While we appreciate the intent behind auto enrollment, it is not clear that this approach will benefit these clients. Those who are confused by the plan or can't afford their bill, are likely to increase call volume for the Companies and their local CAAs. To determine whether auto enrollment is the best approach, it would be helpful to understand the reasons customers have not yet enrolled on their own.

### **III. Conclusion:**

Operation Fuel appreciates the opportunity to comment on the implementation and communications materials of the Companies' plans for arrearage forgiveness programs. At this time, we do not recommend a full cessation of the Companies voluntary AFPs. We appreciate the Companies raising the idea, but would like more time and data to develop effective transition plans and communications around this significant change. We note that while CEAP awards can be part of the energy affordability solution, this federal funding is also volatile and shrinking, and we caution against overreliance on this device to make electricity bills affordable. Regarding both CEAP awards and auto-enrollment approaches, the most important priority for ratepayers is that the approach is consistent across the state. Finally, Operation Fuel believes it is important for stakeholders to understand the reasons that customers are not enrolling in certain programs, to better determine whether auto-enrollment is the best approach.

We want to thank the Authority for the consideration of our comments and for the support of ratepayers across Connecticut.

Sincerely,

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<sup>12</sup>[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/\\$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/79868520003250ae85258b310042167b/$FILE/40458014.pdf/Joint%20Att%201%20EA%20Assistance%20AMP%20Plan.pdf)