

**PUBLIC SERVICE COMMISSION  
OF MARYLAND**

**ELECTRIC UNIVERSAL SERVICE REPORT  
2017 ANNUAL REPORT**

**Pursuant to  
§ 7-512.1(c) of the Public Utilities Article  
*Annotated Code of Maryland***

**Prepared for the General Assembly of Maryland**

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## **ELECTRIC UNIVERSAL SERVICE PROGRAM 2017 ANNUAL REPORT**

### **I. OVERVIEW**

The Electric Universal Service Program (“EUSP”), enacted in the Electric Customer Choice Act of 1999 (“the Act”), was designed by the Maryland General Assembly to assist low-income electric customers to retire utility bill arrearages, make current bill payments, and promote home weatherization following the restructuring of Maryland’s electric companies and electricity supply market. The Act, codified as Section 7-512.1 of the Public Utilities Article, *Annotated Code of Maryland* (“PUA §7-512.1” or “EUSP Legislation”) required the Public Service Commission of Maryland (“Commission”) to establish the program, make it available to low-income electric customers Statewide, and provide oversight of the Office of Home Energy Programs (“OHEP”), within the Department of Human Services (“DHS”), which is responsible for administering the EUSP.

### **II. LEGISLATIVE REQUIREMENTS**

Under the Act, the Commission is required to oversee the EUSP as it is administered by DHS, through OHEP. PUA § 7-512.1(c)(1) requires the Commission to report annually to the General Assembly regarding the following:

- (i)<sup>1</sup> A recommendation on the total amount of funds for the program for the following fiscal year, subject to the amounts that are to be collected under PUA §7-512.1(e) and based on:
  - 1. the level of participation in and the amounts expended on bill assistance and arrearage retirement during the preceding fiscal year;
  - 2. how bill assistance and arrearage retirement payments were calculated during the preceding fiscal year;
  - 3. the projected needs for the bill assistance and the arrearage retirement components for the next fiscal year; and
  - 4. the amount of any bill assistance or arrearage retirement surplus carried over in the electric universal service program fund under PUA § 7-512.1](f)(6)(i).
- (ii) For bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the federal poverty level and the basis for this determination;

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<sup>1</sup> Numbering is as it appears in the Act.

- (iii) The amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding seven fiscal years, and the basis for this determination;
- (iv) The amount of funds needed, as determined by the Commission, for bill assistance and arrearage retirement, respectively, for customers for whom income limitations may be waived under §7-512.1(a)(7) of the PUA, and the basis for each determination;
- (v) The impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) above; and
- (vi) The impact of using other federal poverty level benchmarks on costs and the effectiveness of the electric universal service program.

To assist the Commission in preparing its recommendations, OHEP is required under PUA §7-512.1(c)(2) to report the following information to the Commission each year:

- (1) the number of customers and the amount of distributions made to fuel customers under the Maryland Energy Assistance Program ("MEAP") identified by funding source and fuel source;
- (2) the cost of outreach and educational materials provided by OHEP for the EUSP; and
- (3) the amount of money that DHS receives, and is expected to receive for low-income energy assistance from the Maryland Strategic Energy Investment Fund ("SEIF/RGGI"), the MEAP (for electric customers only), and any other federal, State, local, or private source.

### **III. BASIS FOR FINDINGS AND RECOMMENDATIONS**

The Commission's consideration and review of EUSP operational plans and proposals, workgroup reports, program reports, and filings is docketed in Case No. 8903, *In the Matter of the Electric Universal Service Program*. On June 9, 2017, OHEP filed its EUSP Proposed Operations Plan for Fiscal Year ("FY") 2018.<sup>2</sup> Following receipt of comments from interested parties and a hearing to consider the Proposed Operations Plan on August 10, 2017, the Commission approved OHEP's Operations Plan for FY 2018

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<sup>2</sup> OHEP also filed its *FY 2017 Electric Universal Service Program Annual Report to the Maryland Public Service Commission* ("Annual Report") on June 28, 2018.

and authorized the allocations for ratepayer funding, as provided under PUA § 7-512.1(c).<sup>3</sup>

**Table 1**  
**FY 2018 Allocations Approved by Order No. 88342, issued August 15, 2017**

<b>Allocation</b>	<b>Amount</b>
Arrearage Retirement Assistance	\$0
Bill Payment Assistance	\$30,919,937
Administration	\$4,440,000
Outreach	\$200,000
EUSP Data System	\$1,440,063
Total	\$37,000,000

In Order No. 88342, the Commission noted that OHEP anticipates total funding for the EUSP in FY 2018 to be \$74,000,000 after an addition of \$37,000,000 from the Maryland Strategic Energy Investment Fund (“SEIF”) and the Regional Greenhouse Gas Initiative (“RGGI”).

On June 28, 2018, OHEP filed its *FY 2017 Electric Universal Service Program Annual Report* (“Annual Report”) in compliance with PUA § 7-512.1(c)(2).

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<sup>3</sup> See Order No. 88342, issued August 15, 2017.

## A. OHEP FY 2017 ANNUAL REPORT

In its Annual Report, OHEP provided highlights pertaining to the operation of the EUSP for the July 1, 2016 - June 30, 2017 program year, noting that the average bill assistance benefit awarded per household was \$506<sup>4</sup> and the average arrearage retirement benefit awarded per household was \$912.<sup>5</sup> OHEP provided bill assistance to 96,434 households, 14,888 of which received assistance for arrearage retirement.<sup>6</sup> The total amount expended for EUSP benefits during the program year was \$62.3 million.<sup>7</sup>

During FY 2017, OHEP provided bill assistance to 6.3 percent fewer households than the previous fiscal year.<sup>8</sup> However, OHEP offered a much higher average bill assistance benefit of \$506 in FY 2017 as compared with an average bill assistance benefit of \$394 in the preceding fiscal year.<sup>9</sup> The FY 2017 benefit represented an increase of 28.4 percent, as compared with the benefit offered the previous fiscal year.<sup>10</sup> OHEP declined to project an enrollment figure and bill assistance estimate for FY 2018; however, OHEP noted that it projects sufficient funds to serve all participating households without an increase in funding.<sup>11</sup> In FY 2017, \$30.9 million in ratepayer funds went to fund bill payment assistance. MEAP and SEIF/RGGI also provided assistance for the EUSP's bill payment assistance component.

OHEP's average arrearage retirement assistance grant decreased from \$1,002 for FY 2016 to \$925 for FY 2017.<sup>12</sup> Arrearage retirement was funded by SEIF/RGGI monies. OHEP determines how it allocates arrearage funding according to historic data that reflect the total number of households receiving EUSP assistance in each jurisdiction.<sup>13</sup>

OHEP also administers MEAP, which is federally funded through the Low-Income Home Energy Assistance Program ("LIHEAP"). Because MEAP pays for heating assistance, its grants are not limited to public service companies providing electricity and gas heating service, but also go to vendors of non-regulated fuels such as oil and propane. For customers who heat with electricity, EUSP and MEAP work in tandem, resulting in increased EUSP benefits for electric heating customers because

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<sup>4</sup> *FY 2017 Electric Universal Service Program Annual Report to the Maryland Public Service Commission* ("Annual Report") at p. 3.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at p. 5 [\$48.7 million + \$13.6 million]. It is unclear whether this amount includes any MEAP benefit provided to EUSP participants and, if included, the extent to which this is represented in the average benefit.

<sup>8</sup>  $(102,947 - 96,434)/102,947 = 6.3\%$ .

<sup>9</sup> FY 2017 Annual Report, at p. 5.

<sup>10</sup>  $(\$506 - 394)/\$394 = 28.4\%$ .

<sup>11</sup> Annual Report at p. 16.

<sup>12</sup> *Id.* at p. 5.

<sup>13</sup> *Id.* at p. 12.

MEAP funds are used to cover heating costs. Benefit expenditures for MEAP in FY 2017 totaled \$53.5 million, of which approximately 47 percent went to electricity.<sup>14</sup> OHEP anticipates that approximately \$72 million will be appropriated to Maryland for the MEAP for FY 2018.<sup>15</sup>

OHEP's Annual Report is attached as Appendix A.

**B. How Benefits Were Calculated for FY 2017 and Will Be Calculated for FY 2018**

For bill assistance under the EUSP, OHEP uses a formula to customize the benefit amount to be paid to each participant. The following factors contribute to the size of a participant's EUSP benefit: (1) gross household income; (2) household size; (3) electricity usage; and (4) price of electricity for a given customer. In administering the EUSP, OHEP divides participants into groups based on gross household income using the federal poverty levels ("FPL"), as suggested at PUA §7-512.1(a)(1). The EUSP groups are as follows: (1) Poverty Level 1 (0 to 75 percent FPL); (2) Poverty Level 2 (75 percent to 110 percent FPL); (3) Poverty Level 3 (110 percent to 150 percent FPL); (4) Poverty Level 4 (150 percent to 175 percent FPL); and (5) Poverty Level 5, which is composed of subsidized housing occupants, whose incomes vary and who receive rental subsidies including varying utility service subsidies as well. The lower an EUSP participant's poverty level, the higher is the benefit received by that participant. The FPL income limit varies with household size. OHEP awards participants in Poverty Level 5 a relatively small benefit in recognition of the fact that these participants already receive some energy assistance through a housing subsidy.

The electricity usage of each EUSP participant as certified by the participant's electric company is taken into account up to a set limit, with additional bill assistance provided from MEAP to participants who heat with electricity. A final adjustment is made for the relative cost of electricity for each EUSP participant such that EUSP participants served by an electric company with rates either higher or lower than the average receive a slightly higher or lower benefit. The result of OHEP's formula is that EUSP participants with the lowest incomes and the highest energy usage receive the greatest benefit.

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<sup>14</sup> *Id.* at p. 20.

<sup>15</sup> *Id.* at p. 21.

**Table 2**  
**Distribution of Bill Assistance by Poverty Level during FY 2017** <sup>16</sup>

Poverty Level	Income Level	Number of Participants	Percentage of Distribution
1	0-75%	35,540	36.9%
2	75%-110%	26,755	27.7%
3	110%-150%	24,142	25.0%
4	150%-175%	9,997	10.4%

OHEP uses the poverty levels described above to assess a household’s eligibility for arrearage assistance. For FY 2017, OHEP set a minimum arrearage amount of \$300 for a household to qualify for arrearage assistance from the EUSP; the maximum arrearage benefit allocated from the EUSP for one household is \$2,000. Applicants requiring arrearage assistance beyond the OHEP maximum of \$2,000 or below the \$300 minimum are referred to community-based programs.

In FY 2014, OHEP instituted a new arrearage waiver policy allowing households having a household member over the age of 65 or under the age of 2, or a household member who is medically fragile, to apply for additional funds not to exceed the \$2,000 cap if these households had received \$800 or less in arrearage retirement assistance during the past seven years. Five hundred eighty-two of these households, which are considered vulnerable, received additional benefits totaling \$524,582 in FY 2017.<sup>17</sup>

**C. OHEP Projections for Funds to Be Expended in FY 2018**

OHEP makes no projections regarding EUSP participation in FY 2018. However, OHEP provided a list of factors that might trigger a need to reexamine EUSP funding levels including enrollment trends. Based on current conditions, OHEP predicts that a minimum of \$72.2 million for bill assistance and arrearage benefit assistance is required to serve all households that apply at the previous year’s benefit levels.<sup>18</sup>

**IV. FINDINGS AND RECOMMENDATIONS**

**A. Total Amount of Funding Recommended for FY 2018**

Under the current funding structures and eligibility criteria, the Commission recommends minimum EUSP funding levels for FY 2018 as outlined in Table 3 below, based on the current participation levels. In FY 2017, OHEP served 96,434 total EUSP participants, of whom 14,681 also received arrearage retirement assistance. As noted, OHEP makes no projection for participation in FY 2018.<sup>19</sup> OHEP’s method for

<sup>16</sup> Annual Report Table 4 at p. 11.

<sup>17</sup> *Id.* at p. 11.

<sup>18</sup> *Id.* at p. 12.

<sup>19</sup> *Id.*



calculating bill payment assistance and awarding arrearage retirement assistance, as discussed above, will remain unchanged.

The Commission supports OHEP's practice for the past several years of using SEIF/RGGI funds for arrearage retirement because this allows more ratepayer funding to be used for bill assistance while simultaneously covering more EUSP participants in need of arrearage retirement assistance. While the Commission notes that OHEP did not offer a specific projection regarding the size of its bill assistance benefit in FY 2018, the Commission supports the continuation of an average OHEP bill assistance grant of at least \$500. The Commission also recommends that 12 percent of ratepayer money be set aside for Administration and supports the continuation of outreach at its traditional level of \$200,000. To further support the success of the EUSP, the Commission recommends that, to the extent funds become available, some SEIF/RGGI funds be used for bill assistance.

**B. Total Amount of Need for Bill Assistance (Electric Customers with Annual Incomes at or below 175% of the Federal Poverty Level and the Basis for this Determination)**

Under PUA § 7-512.1(a)(1), EUSP eligibility extends to 175 percent of the federal poverty level. OHEP has not offered an estimate of ratepayer households in Maryland that qualify for EUSP. Also, as noted above, OHEP makes no projection as to the number of participants or the size of its average benefit during FY 2018. Although the numbers of actual participants have decreased in recent years, the Commission believes that the EUSP will have at least the same number of participants and therefore require at least the same amount of funding in FY 2018 as it expended in 2017.

The EUSP statutory mandate is to assist qualifying electric customers through bill assistance, arrearage retirement, and weatherization. OHEP's Report projects that a minimum of \$72.2 million will be needed to fund the bill assistance and the arrearage retirement components of the EUSP during FY 2018.<sup>20</sup> OHEP's estimated need for FY 2018 can be met with existing funding as shown in Table 3 below.

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<sup>20</sup> *Id.* at p. 17.

**Table 3**  
**Projected Funds Available for FY 2018 from All Sources**

Source	Amount
Ratepayer Statutory Collection	\$37,000,000
Allocation from RGGI Auctions	\$37,000,000 <sup>21</sup>
MEAP funding for EUSP Participants	\$33,840,000 <sup>22</sup>
<b>Total</b>	<b>\$107,840,000</b>

To the extent it is not already the case, the Commission recommends that EUSP participants who heat with electricity be given the equivalent of a full MEAP grant. The Commission considers this a matter of equity for customers served by combined gas and electric companies.

In light of the EUSP's statutory mandate and OHEP's historic participation levels, the Commission supports a minimum EUSP budget of \$72.2 million, inclusive of SEIF/RGGI funds. The Commission notes that the average benefit should continue to be weighted towards FPL 1 and 2 participants, where the need is greatest.

**C. Arrearage Retirement Assistance Funding**

The Electric Customer Choice Act limits arrearage retirement assistance for EUSP participants to once every seven years. The total amount of ratepayer funds that may be spent on arrearage assistance is limited by statute to \$1.5 million. OHEP has allocated approximately \$15 million of non-ratepayer funds for EUSP arrearage retirement for FY 2018. It is the Commission's long-standing position that the EUSP should fund current bills over past arrearages. Due to funding provided by SEIF/ RGGI, OHEP may expend non-ratepayer funds for this purpose, and the Commission supports this expenditure.

**D. Income Limitation Waivers**

Under PUA §7-512.1(a)(7), OHEP may waive the income limitations of the EUSP for customers who could qualify for a similar waiver under MEAP. In light of the funding available to OHEP and the use of consistent income limitation structures for both the EUSP and the MEAP, the Commission supports OHEP's ongoing practice of offering no waivers to households above the EUSP statutory limit.

<sup>21</sup> *Id.* at p. 21. Of this amount OHEP projects that it will spend \$16 million on arrearage assistance.

<sup>22</sup> *Id.* at pp. 20-21 (\$72 million x .47).

## **E. Impact on Customers' Rates Including the Allocation among Customer Classes**

By Letter Order, dated December 4, 2013, the Commission lowered the residential rate for EUSP to \$0.36 and also reduced the 24 small commercial to large industrial ("C&I") EUSP rates by 14 percent to more closely align EUSP collections with the statutorily allowed amounts to be collected. All electric utilities were directed to file tariffs in compliance with the Letter Order to be effective February 1, 2014.<sup>23</sup> In its Annual Report, OHEP noted that funds in excess of the statutory limit had been collected during FY 2017. This issue and a proposal for returning these excess collections to ratepayers will be addressed in a separate report.

## **F. The Impact of Using Other Federal Poverty Program Benchmarks**

OHEP uses the federal poverty level to determine eligibility for EUSP assistance. Under the EUSP Legislation, eligibility is capped at 175 percent FPL. The FPLs are based on gross household income and family size and are updated periodically based on various cost of living indices. The FPLs are publicly available and widely used. OHEP uses a consistent eligibility system for the EUSP and the federally-funded MEAP. This similarity facilitates administration of the two programs and, by creating certain synergies, enables OHEP to make more efficient use of its combined federal, State, and ratepayer funding.

The benchmark for determining eligibility for participation in the EUSP is crucial to determining the aggregate funding needed by the EUSP. To the extent that aggregate funding affects the amount of individual benefits, these benchmarks and the manner in which they are applied affect the success and effectiveness of the EUSP. The Commission does not recommend changing the existing OHEP benchmarks.

## **V. CONCLUSION**

Based on the OHEP FY 2017 Annual Report, the Commission recommends that the total amount of funds for the EUSP for FY 2018 be at least \$72.2 million and be increased if additional funding becomes available.<sup>24</sup> For the reasons stated herein, the Commission believes that this amount of funding is necessary to protect low-income electric customers in Maryland.

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<sup>23</sup> Currently, residential customers pay \$0.36 per month to fund the EUSP. Non-residential customers, from C&I classes, are allocated charges based on annual utility billings according to a 24-tier matrix. During the first quarter of each year, the electric companies are required to review the revenue received during the previous year and to reallocate EUSP charges to non-residential customers as necessary. Growth in the number of residential customers and changes in the amount of revenues from non-residential customers cause fluctuation in the amounts collected.

<sup>24</sup> This recommendation is exclusive of any MEAP funds.

**APPENDIX A**



**FY 2017 ELECTRIC UNIVERSAL SERVICE PROGRAM  
ANNUAL REPORT  
TO THE  
MARYLAND PUBLIC SERVICE COMMISSION**

MARYLAND DEPARTMENT OF HUMAN SERVICES  
FAMILY INVESTMENT ADMINISTRATION  
OFFICE OF HOME ENERGY PROGRAMS

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## **Introduction**

The Deregulation Act of 1999, codified in Md. Code Ann., Public Utilities §7-512.1 established the Electric Universal Service Program (EUSP) for the purpose of assisting electric customers with annual incomes at or below 175% of the federal poverty level. The Department of Human Services (DHS) Family Investment Administration (FIA) Office of Home Energy Programs (OHEP) administers EUSP, and oversees the 20 local administering agencies (LAAs) located throughout Maryland, where applications for assistance are accepted and processed.

EUSP also features Arrearage Retirement Assistance funded through the Maryland Strategic Energy Investment Fund/Regional Greenhouse Gas Initiative (SEIF/RGGI). EUSP, along with the Federal Low Income Home Energy Assistance Program (LIHEAP) operated as the Maryland Energy Assistance Program (MEAP), provide benefits to low-income Marylanders that make electricity and heating for their homes more affordable. The programs administered by OHEP are integrated and share a common application to streamline the energy assistance application process for Maryland families.

Md. Code Ann., Public Utilities § 7-512.1(c) requires that OHEP file an Annual Report with the Public Service Commission. This report provides a summary of the 2016 program year and responds to legislatively mandated questions outlined in the statute. This report also contains estimates of future trends and planning recommendations for the next program year.

## **Program Highlights**

- In FY 2017 OHEP received a total of 144,750 applications from customers seeking heating and electric assistance from OHEP administered programs.
- In FY 2017 \$48.8 million in EUSP Bill Payment Assistance benefits was issued to 96,434 households.
  - In FY 2017 the average Bill Payment Assistance benefit was \$506, an increase from the average Bill Payment Assistance benefit in FY 2016 of \$394.
- In FY 2017 \$13.6 million in EUSP Arrearage Retirement Assistance benefits was issued to 14,888 households.
  - The average Arrearage Retirement Assistance benefit was \$912.

## Program Data

- Table 1 provides information on the number of households receiving EUSP Bill Payment Assistance and Arrearage Retirement Assistance benefits. It includes data since FY 2007, showing trends over time in the number of households served and expenditures.
- Table 2 displays summary data on the MEAP program, which is federally funded by LIHEAP funds.
- Table 3 provides information for EUSP administrative expenditures.
- Table 4 provides distribution of EUSP recipients' by poverty level.



**Table 1. EUSP Summary Data FY 2007-2017**

Program and Year	Applicants Served	Average Grant	Ratepayer Funds (millions)	Other Funds (millions)	Total Benefit Expenditures (millions)
<b>Bill Assistance</b>					
2017	96,434	\$506	\$30.9	\$17.8	\$48.7
2016	102,947	\$394	\$30.7	\$9.8	\$40.5
2015	109,095	\$351	\$33.9	\$4.4	\$38.3
2014	115,664	\$357	\$35.4	\$5.8	\$41.2
2013	111,288	\$325	\$34.5	\$1.6	\$36.1
2012	120,739	\$334	\$38.8	\$5.5	\$44.3
2011	132,504	\$446	\$38.5	\$20.7	\$59.2
2010	129,670	\$612	\$37.0	\$42.5	\$79.5
2009	116,136	\$688	\$30.8	\$49.3	\$80.1
2008	100,670	\$601	\$30.8	\$27.8	\$58.6
2007	93,323	\$510	\$30.5	\$16.1	\$46.6
<b>Arrearage</b>					
2017	14,681	\$925	-	\$13.6	\$13.6
2016	16,321	\$1,002	-	\$16.3	\$16.3
2015	17,815	\$954	-	\$17.0	\$17.0
2014	22,384	\$944	-	\$21.1	\$21.1
2013	16,423	\$969	-	\$15.9	\$15.9
2012	14,011	\$929	-	\$13.0	\$13.0
2011	19,243	\$931	-	\$17.9	\$17.9
2010	30,078	\$1,025	-	\$30.8	\$30.8
2009	22,295	\$936	\$1.5	\$19.4	\$20.9
2008	7,957	\$801	\$1.5	\$4.9	\$6.4
2007	10,486	\$486	\$1.5	\$3.6	\$5.1

**Source:** Maryland Department of Human Services, Family Investment Administration, Office of Home Energy Programs

Note 1: The benefit expenditures for FY2017 are net expenditures and exclude any adjustments made thereafter in the State Financial Management Information System (FMIS). The households served data are from the OHEP Data System. The data may not be final and are for information purposes only.

Note 3: Benefit expenditures for the years prior to FY 2014 include supplemental benefit payments. Average benefit calculation does not include the supplemental amount.

Note 5: SB1 made corporate tax funds available that OHEP used for the payment of arrearages beyond the \$1.5 million limit on ratepayer funds. A FY 2007 supplemental appropriation was available to pay for costs incurred beyond the available ratepayer funds.

**Table 2. MEAP Summary Data FY 2003-2017**

<b>Program and Year</b>	<b>Applicants Served</b>	<b>Average Grant</b>	<b>Benefit Expenditures</b>
2017	98,938	\$541	\$53.5 million
2016	104,491	\$566	\$59.1 million
2015	111,365	\$518	\$57.7 million
2014	118,107	\$511	\$60.3 million
2013	113,787	\$512	\$58.2 million
2012	123,868	\$474	\$57.6 million
2011	132,789	\$451	\$60.3 million
2010	134,691	\$309	\$44.6 million
2009	122,254	\$553	\$67.2 million
2008	93,147	\$450	\$41.9 million
2007	99,982	\$422	\$42.1 million
2006	89,108	\$366	\$32.6 million
2005	82,688	\$329	\$27.2 million
2004	80,509	\$269	\$21.6 million
2003	77,828	\$406	\$31.6 million

**Source:** Maryland Department of Human Services, Family Investment Administration, Office of Home Energy Programs

Note 1: In FY2012, a MEAP supplemental benefit of \$18.9 million was issued to 93,265 households.

Note 2: In FY2013, a MEAP supplemental benefit of \$13.8 million was issued to 81,761 households.

Note 3: In FY2014, a MEAP supplemental benefit of \$8.3 million was issued to 87,125 households.

Note 4: In FY2017, a MEAP supplemental benefit of \$18 million was issued to 88,752 households.

Note 5: The MEAP benefit expenditures for FY2017 is net expenditures and excludes any adjustment made thereafter in FMIS. The households served data are from OHIEP Data System. The data may not be final and are for information purposes only.

## Administrative Operations

### **OHEP & Local Administering Agency Office Operations**

Twenty local administering agencies (LAAs) throughout Maryland receive and process EUSP applications. Applications are received by the LAAs through the mail, e-mail or fax, drop-offs, in-person face-to-face interviews, outreach events, and online through the myDHR website.

LAAs perform all of the necessary functions to provide EUSP benefits. These functions include:

- Conducting outreach to the target population to increase awareness of the program
- Receiving applications, which includes reviewing, processing, and verifying the supporting documentation provided, and in some cases, includes conducting in-person interviews
- Responding to crisis situations (termination notice or off-service) by initiating contact with a utility company to prevent or restore terminated service
- Determining eligibility for OHEP and designating benefit amounts
- Generating the required Energy Delivery Statement (EDS) for payment
- Processing bulk fuel payments
- Facilitating requests for additional assistance when required by referring applicants to other agencies or organizations which provide energy assistance

The state OHEP office performs the following functions:

- Program planning and budgeting
- Policy and procedure development
- Outreach support
- Training
- Procurement
- Monitoring and quality control
- Processing utility payments
- Development and implementation of technology systems

The state OHEP office processes payments to utilities for the applications approved by the LAAs. OHEP generates payment transmittal documents that serve as requests for payment. The payment transmittals are sent to the DHS Fiscal Office (Accounts Payable) which then enters the requests into the State's Financial Management Information System (FMIS). The Office of the Comptroller processes the requests for the issuance of payments, either by check or electronic transfer of funds.

The state OHEP office processes payment requests for each utility on a weekly basis beginning in August. For the major utilities, benefit data is transferred electronically through the use of a Secure File Transfer Protocol (SFTP). DHS and its contractor use FTP as a secure method for transferring confidential data, providing each utility with a username and password to log in weekly to retrieve their data.

Outreach is a key area of focus for both OHEP and the LAAs. A wide range of activities took place during FY 2017 designed to increase public awareness of energy programs and encourage eligible citizens to apply. The Outreach section of this report presents additional information on outreach activities.

Frequent communication between OHEP, the LAAs, utilities, and stakeholders is essential to support the effort to provide timely and accurate dissemination of policy updates and facilitate prompt resolution of policy concerns and operational issues. Communication is conducted through the following means:

- OHEP Data System screen messages to announce changes to the system and provide important alerts
- Regular LAA conference calls run by OHEP to keep LAAs informed of new program developments and to identify policy and operational concerns
- Annual Meeting and Training held each May with LAAs to communicate important program information and provide opportunities for networking and sharing of best practices
- Attendance at BGE quarterly partnership meetings with OHEP, LAAs, fuel funds, and other stakeholders
- Attendance by OHEP and/or LAAs at annual meetings with Delmarva Power, Potomac Edison, PEPCO and Southern Maryland Electric Cooperative

Table 3 displays the history of administrative expenditures for EUSP. OHEP Administrative expenses are funded through both EUSP ratepayer funds and LIHEAP funds. Certain restrictions apply to both sources. LIHEAP funds restrict administrative expenditures to a maximum of 10 percent of the final LIHEAP allocation. EUSP ratepayer funds are limited to 12 percent of the allocation by Commission Order. Detailed administrative allocations by county are provided in **Attachment F**.

**Table 3. EUSP Administrative Expenditures FY 2007-2017**

Fiscal Year	EUSP Administrative Expenditures
2017	\$4,382,692
2016	\$4,428,502
2015	\$4,440,000
2014	\$4,284,029
2013	\$3,990,577
2012	\$4,769,195
2011	\$4,625,792
2010	\$4,423,559
2009	\$3,606,818
2008	\$3,355,617
2007	\$3,282,598

*Source:* Maryland Department of Human Services, Family Investment Administration, Office of Home Energy Programs

## **OHEP Data System**

All OHEP applications are processed through the centralized OHEP Data System. The Data System is a statewide database and incorporates all the functions necessary for processing applications. DHS maintains a contract for system hosting in order to assure continuous access and functionality. A software maintenance and enhancement contract ensures that the system software is updated and enhanced to accommodate new policy requirements and changing user needs. Constant monitoring and maintenance of the system ensures system availability around the clock.

Access to the OHEP Data System is secure through either the DHS network, or through DHS's Virtual Private Network (VPN). The VPN system allows application intake to be done at off-site locations.

In FY 2014-15, OHEP established a web link to give the general public the ability to check their application status on-line at <https://myohepstatus.org/>.

## **myDHR**

myDHR is DHS's on-line application system (<https://mydhrbenefits.dhr.state.md.us/>) and allows the public to apply for the following programs:

- Food Supplement Program (FSP, formerly known as Food Stamps)
- Office of Home Energy Programs (OHEP)
- Temporary Cash Assistance (TCA)
- Temporary Disability Assistance Program (TDAP)
- Medical Assistance Long Term Care (LTC)
- Child Care Subsidy Program (CCSP)

Applications received through myDHR for energy assistance are imported directly into the OHEP Data System by staff on a daily basis. In FY 2017, OHEP received 35,900 applications through myDHR.

## Program Summary

### Bill Payment Assistance

In FY 2017, OHEP received 132,026 EUSP Bill Payment Assistance applications, issued benefits to 96,434 households, and had a total benefit expenditure of \$48.8 million from EUSP Ratepayer and RGGI/SEIF funds.

Table 4 shows the distribution by poverty level for Bill Payment Assistance recipients. The data demonstrates that EUSP is successfully serving the neediest applicants by providing the largest percentage of benefits to households in the two lowest poverty levels.

**Table 4. Distribution of EUSP Recipients by Poverty Level**

% of Federal Poverty Level Recipients	Poverty Levels				Total
	0-75%	Over 75%-110%	Over 110%-150%	Over 150%-175%	
	1	2	3	4	
FY2017	35,540	26,755	24,142	9,997	96,434
FY 2016	40,498	27,156	25,114	10,179	102,947
FY 2015	42,138	29,652	26,481	10,824	109,095
FY 2014	44,398	32,028	28,149	11,089	115,664
FY 2013	42,664	30,688	27,237	10,699	111,288
FY 2012	46,102	32,888	29,586	12,163	120,739
FY 2011	50,751	34,667	32,514	14,105	132,037
FY 2010	48,242	34,091	32,678	14,480	129,671
FY 2009	42,328	31,898	28,878	13,038	116,142
FY 2008	37,709	27,765	24,746	10,222	100,442
<b>% of Distribution</b>					
FY 2017	36.9%	27.7%	25.0%	10.4%	100.0%
FY 2016	39.3%	26.4%	24.4%	9.9%	100.0%
FY 2015	38.6%	27.2%	24.3%	9.9%	100.0%
FY 2014	38.4%	27.7%	24.3%	9.6%	100.0%
FY 2013	38.4%	27.5%	24.4%	9.7%	100.0%
FY 2012	38.2%	27.2%	24.5%	10.1%	100.0%
FY 2011	38.4%	26.3%	24.6%	10.7%	100.0%
FY 2010	37.3%	26.3%	25.2%	11.2%	100.0%
FY 2009	36.4%	27.5%	24.9%	10.2%	100.0%
FY 2008	37.5%	27.6%	24.6%	11.2%	100.0%

**Source:** Maryland Department of Human Services, Family Investment Administration, Office of Home Energy Programs  
 Note 1: Attachment A displays historical application data and recipient data for each jurisdiction.

## Arrearages

Historically, arrearage benefits were allowed only once in a lifetime. This restriction was modified in FY 2010 to allow for additional benefits after a period of seven years following the receipt of Arrearage Retirement Assistance, pursuant to Md. Code Ann., Public Utilities § 7-512.1(a)(2).

To be eligible for an Arrearage Retirement Assistance benefit, a household must have a past due electric account balance of \$300 or more. Customers with past due amounts less than \$300 were referred to other sources of support, including Emergency Assistance to Families with Children or the Fuel Fund of Maryland. In FY 2009 OHEP implemented an arrearage waiver policy allowing households that previously received an arrearage benefit of less than \$300, to receive an additional benefit prior to the standard seven-year window. However the maximum benefit over a seven-year period is still capped at \$2,000. Applicants requiring additional assistance over the \$2,000 EUSP cap are referred to community-based programs for assistance.

In FY 2014, OHEP instituted a new arrearage waiver policy allowing ‘vulnerable households’ who received \$800 or less in Arrearage Retirement Assistance during the past seven years to apply for additional funds, not to exceed the \$2,000 cap. Vulnerable households are those with a member over the age of 65, under the age of 2, or medically fragile. In FY 2017 a total of 582 waivers were granted providing benefits totaling \$524,582.

OHEP allocates EUSP Arrearage funds to LAAs based on historic data on the number of households receiving EUSP assistance in each jurisdiction.

### Applications Denied Due to 7-Year Rule

ALLEGANY COUNTY HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.	317
ANNE ARUNDEL COUNTY COMMUNITY ACTION AGENCY INC	295
BALTIMORE CITY MOHS	383
BALTIMORE COUNTY DEPT OF SOCIAL SERVICES	271
CAROLINE COUNTY DEPT OF SOCIAL SERVICES	425
CECIL COUNTY DEPT OF SOCIAL SERVICES	42
COMMUNITY ACTION COUNCIL OF HOWARD COUNTY, MD, INC.	6
DORCHESTER COUNTY DEPT OF SOCIAL SERVICES	28
FREDERICK COMMUNITY ACTION AGENCY	55
GARRETT COUNTY, MARYLAND, COMMUNITY ACTION COMMITTEE, INC.	4
HARFORD COMMUNITY ACTION AGENCY, INC.	47
HUMAN SERVICE PROGRAMS OF CARROLL COUNTY INC	21
KENT COUNTY DEPT OF SOCIAL SERVICES	254
MONTGOMERY COUNTY DEPT OF HEALTH AND HUMAN SERVICES	24
NEIGHBORHOOD SERVICE CENTER, INC.	7
PRINCE GEORGE'S COUNTY DEPT OF SOCIAL SERVICES	90
QUEEN ANNE'S CO DEPT OF SOCIAL SERVICES	15



SHORE UP! INC	45
SOUTHERN MARYLAND TRI-COUNTY COMMUNITY ACTION COMMITTEE INC	153
WASHINGTON COUNTY CAC	39
<b>Report Total :</b>	<b>2,521</b>

## **Outreach, Education and Customer Service**

In FY 2017 outreach activities conducted by the LAAs reached customers using a variety of methods which included: mass mailing of applications and brochures to customers who applied the previous year, presentation of the program at various events and organizations, table displays of program information at fairs, community events, businesses, schools, faith-based organizations, disability agencies, senior centers/housing, and visits to homebound or disabled applicants.

OHEP approved a total of \$184,976 for LAA expenditures on a variety of outreach activities including booth rental fees, promotional items, and media advertisements. Those expenditures do not include staff and overtime hours for extended outreach events, which are charged to the LAA's administrative budget.

In FY 2017 OHEP released a 60 second promotional video to raise awareness of the program and how to apply for benefits. This video has been posted on LAA websites, social media, and shared with elected officials.

### **Partnerships**

In FY 2017 OHEP continued to collaborate with utility companies. OHEP attended the Delmarva Energy Summit, multiple BGE Partnership meetings, and the Potomac Edison Annual Energy Assistance Meeting, where information about program funding and customer participation issues was shared among partners, including the Fuel Fund of Central Maryland. OHEP continues to work closely with the Maryland Public Service Commission (PSC), Office of External Relations to help customers negotiate payments and work towards service restoration and to handle rule violations. In addition, OHEP partners with the Office of People's Council, United Way of Central Maryland, The Fuel Fund of Maryland, the Maryland Department of Housing and Community Development Weatherization Program, and the Maryland Department of Aging/Disabilities.

In FY 2016 OHEP formed a new partnership with Benefits Data Trust (BDT). BDT assists OHEP customers by completing an online application for energy assistance through myDHR. BDT completes the myDHR application over the phone with each applicant and collects all supporting documentation needed for each application before forwarding it on to the LAA. In FY 2017, BDT submitted 2,137 applications for EUSP on behalf of OHEP customers.

### **Major Public Events**

Local OHEP agencies conducted outreach at various statewide events throughout FY 2017 including: the Community Block Party, the Total Health Fair, Maryland State Fairs, African-American cultural festivals, the Hispanic/Latino Festivals, the Casa de Maryland Services Fair, the Ethnic Affairs Committee, Meals on Wheels of Central Maryland, the Refugees with Disabilities Orientation, the 20th Annual Health Fairs, the Maryland Food Bank, the MCASA 7th Annual Statewide Prevention Conference, the Respite Awareness Conference, the Caribbean Carnival Festival, Maryland Hunger Solutions, the Maryland Association of Counties (MACO), the Goodwill Thanksgiving Day Dinner, the Welfare Advocate Conference, and the Maryland Association for Families and Youth.

In FY 2017, a Latino radio show, RadioAmerica, hosted representatives from OHEP and two of its local agencies, Montgomery and Prince George's Counties, to outreach to the Latino community. Topics covered included how to apply, what documentation is needed, income eligibility requirements, and other relevant topics to the Latino community.

**Customer Service**

The vast majority of customer calls in FY 2017 were received directly by local OHEP agencies. In FY 2016, DHS implemented a new revamped central Call Center as the point of entry for customers inquiring about energy assistance services. The Call Center has a sophisticated IVR (Interactive Voice Response System) that provides application status information similar to that available on MyOHEPStatus.org. Customer service representatives are trained and given access to the OHEP database to relay information to customers and connect them to their local office as needed. The Call Center continues to improve customer service, provide better oversight and tracking of responses, and allows local agencies to focus time on processing applications.

**Education**

In FY 2017 OHEP continued to encourage customers to conserve energy to reduce their energy costs. OHEP Local Administering Agencies are contractually obligated to distribute information regarding bill savings opportunities. Local Administering Agencies inform all customers about energy efficiency services and OHEP makes referrals to the Maryland Department of Housing and Community Development for weatherization and furnace repair and replacement.

## Responses to Statutory Questions

Md. Code Ann., Public Utilities § 7-512.1(c) (1) requires that the Commission shall report to the General Assembly on the Electric Universal Service Program. Below are the statutory requests (*in bold italics*) and OHEP's responses and recommendations.

***(i) subject to subsection (d) of this section, a recommendation on the total amount of funds for the program for the following fiscal year based on:***

***1. the level of participation in and the amounts expended from the universal service program during the preceding fiscal year;***

### **RESPONSE:**

In FY 2017, applications for EUSP Bill Payment Assistance decreased by 2.2% from the previous year. This decrease in EUSP applications comes at a time when MEAP applications increased by 0.6%. The continued increase in the difference in applications between the programs appears to be the result of customers choosing not to apply for EUSP as a result of the Budget Billing requirement.

Despite the decrease in applications, an increase in benefit levels resulted in increased expenditures. FY 2017 EUSP Bill payment benefit expenditures totaled \$48.8 million with funding from the following sources:

- \$30.9 million from Electric Ratepayer Funds
- \$ 17.8 million from SEIF/RGGI Funds

Since FY 2009, EUSP has received funding from the Maryland Strategic Energy Investment Fund (SEIF), which is funded by proceeds from Maryland's participation in the Regional Greenhouse Gas Initiative (RGGI). The initial statute addressing the distribution of SEIF funds allocated at least 50% of the revenues generated through RGGI to support EUSP. In FY 2014, the General Assembly enacted a revision to that statute that continues the at least 50% allocation for EUSP through 2015 and beyond. The decline in revenue generated from RGGI auctions since 2017 will result in reduced funding availability in the coming years.

### **OHEP RECOMMENDATION:**

The number of households that can be served in FY 2018 will depend on the total resources available from electric ratepayers, SEIF/RGGI, and federal LIHEAP funds. Based on current projections, we predict that there will be sufficient funds available to serve all households without an increase in funding. OHEP will continue to closely monitor program intake to identify any potential funding shortfalls.

***2. How bill assistance and arrearage retirement payment to customers were calculated during the preceding fiscal year;***

### **RESPONSE:**

Benefits are calculated based on a formula developed by OHEP to equitably distribute benefits. The formula uses a customer's total household income and electric usage to calculate the benefit level, ensuring that households with the lowest income and highest usage receive the greatest benefit. Benefit levels vary according

to the poverty level of the recipient. There are four benefit levels based on four levels of poverty: 0-75 percent, 76-110 percent 111-150 percent, and 151-175 percent. A fifth benefit level was established for those living in subsidized housing. Subsidized housing households receive the lowest benefit, based on the assumption that the housing subsidy provides some degree of assistance with energy costs.

Electric usage data is collected from the utility for each customer upon application. The electric usage data for the applicant and the cost of electricity per kilowatt-hour are used to calculate an estimated annual cost of electricity for the applicant. Recognizing that there are cost variations for electricity among utilities, the cost calculation is adjusted based on the customer's electric supplier. The annual cost of electricity and the household's poverty level or subsidized housing status if applicable, are the factors used to calculate the benefit. This methodology of calculating benefits ensures that program funding is distributed equitably to those with the most pressing needs, based on income and usage.

**OHEP RECOMMENDATION:**

OHEP recommends continuing to use the current methodology for calculating benefits. The current methodology customizes the benefit to the needs of the individual recipient, allows for equitable distribution of funds, and allows for the integration of a MEAP benefit without duplication.

***3. The projected needs for the bill assistance and the arrearage retirement components of the universal service program for the next fiscal year; and***

**RESPONSE:**

OHEP will closely monitor the following factors that could trigger the need to reexamine EUSP funding levels:

- Enrollment trends;
- Changes in the number of families experiencing poverty;
- Market-based electric rates;
- Higher demand for electricity resulting from an increasing number of products that require electricity;
- Potential higher demand based on the possibility of a colder than normal winter;
- Capacity of administrative units to handle the flow of growing numbers of applications;
- Fluctuating fuel costs; and
- Economic factors such as the loss of employment and reduction in income.

**OHEP RECOMMENDATION:**

OHEP projects that a minimum of \$72.2 million for bill assistance and arrearage benefit assistance is required to meet the EUSP need for FY 2018. Based on current projections, it is likely that OHEP will maintain the current service level to serve all households at the previous year's benefits levels. OHEP will continue to monitor the funding outlook to identify any potential funding shortfalls.

***4. The amount of any bill assistance or arrearage retirement surplus carried over in the electric universal service program fund under subsection (f) (6) (i) of this section;***

**RESPONSE:**

During the fiscal year 2017, the collection of ratepayer funds for EUSP has exceeded the appropriated amount. OHEP EUSP expenditures are limited by the amount of ratepayer funding appropriated to the program, so the over collection has resulted in a surplus of funds in the EUSP account:

	<u>Total Collection</u>	<u>Statutory Limit</u>	<u>Excess Collection</u>
FY2017	\$40,428,667	\$37,000,000	\$3,428,667

EUSP Fund Balance Carry Forward	\$ 11,446,019
EUSP Fund Balance FY2017	\$ 3,428,667
<b>Total EUSP Fund Balance</b>	<b>\$14,874,686</b>

**OHEP RECOMMENDATION:**

OHEP is not authorized to spend excess fund balance and will not do so. OHEP will work cooperatively with the PSC, based off their direction, on a resolution to return the excess fund balance to ratepayers.

*(ii) for bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the federal poverty level and the basis for this determination;*

**RESPONSE:**

The U.S. Department of Health and Human Services' Home Energy Notebook is the source for estimates on the target population.

**OHEP RECOMMENDATION:**

The target population at or below 175% of the federal poverty level in Maryland is approximately 360,751 households.

*(iii) the amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding 7 fiscal years and the basis for this determination;*

**RESPONSE:**

Demand for Arrearage Retirement Assistance remains constant.

**OHEP RECOMMENDATION**

OHEP recommends that a minimum of \$16 million of MSEIF (RGGI) funding be made available to support the EUSP Arrearage Retirement Assistance program in FY 2018.

*(iv) the amount of funds needed, as determined by the commission, for bill assistance and arrearage retirement, respectively, for customers for whom income limitations may be waived under subsection (a) (7)*

*of this section, and the basis for each determination;*

**RESPONSE**

Waivers are subject to specific guidelines developed by the Office of Home Energy Programs and apply to determinations made for the Maryland Energy Assistance Program with the continuation of income guidelines at the 175% level.

**OHEP RECOMMENDATION:**

OHEP recommends maintaining the current policy. No funds are required for this purpose.

*(v) the impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph;*

**RESPONSE:**

The ratepayer funds collected for EUSP, combined with SEIF/RGGI funding, have been sufficient to cover the EUSP annual budget.

**OHEP RECOMMENDATION:**

OHEP will continue to monitor the funding outlook to identify any potential funding shortfalls.

*(vi) the impact of using other federal poverty level benchmarks on costs and the effectiveness of the Electric Universal Service Program.*

**RESPONSE:**

The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant legislation sets income eligibility at a maximum of 150% of federal poverty level or 60% of state median income, whichever is higher. Maryland sets maximum income eligibility at 175% of federal poverty level for MEAP, which is lower than the state's 60% state median income level. The income eligibility maximum was set at 175% of poverty level for MEAP to match the EUSP guidelines and to streamline the application process for the programs. A change in the funding and/or income eligibility guidelines for MEAP would impact EUSP since the application is combined and the benefits are integrated with one another. However, no significant changes are expected to guidelines or funding levels for MEAP, and the programs have worked well together to date, allowing Maryland to serve more customers and provide more assistance.

**OHEP RECOMMENDATION:**

We do not recommend an increase in the income eligibility criteria at this time.

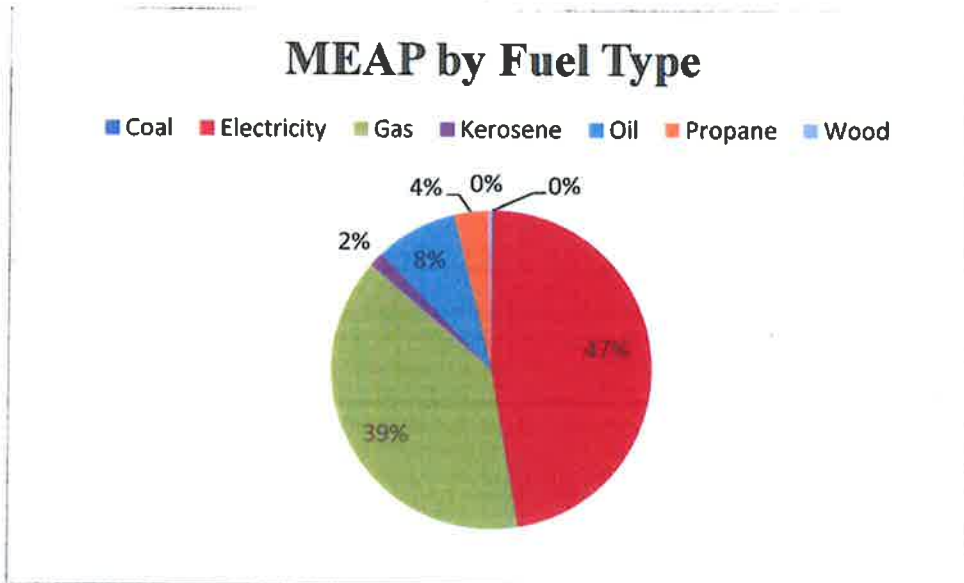
Md. Code Ann., Public Utilities § 7-512.1(c)(2) requires that the Office of Home Energy Program shall annually report to the Commission the following information.

*1. the number of customers and the amount of distributions made to fuel customers under the Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human Services Article, identified by funding source and fuel source;*

**RESPONSE:**

The source of MEAP funding is the federal Low-Income Home Energy Assistance Program (LIHEAP) Block Grant. 98,939 customers received assistance through MEAP in FY 2017. FY 2017 benefit expenditures for MEAP totaled to \$53.5 million. Recipients broken down by fuel type:

Coal	70
Electricity	46,655
Gas	38,696
Kerosene	1,573
Oil	8,145
Propane	3,421
Wood	379
<b>Total</b>	<b>98,939</b>



**OHEP RECOMMENDATION:**

None required.

***2. the cost of outreach and education materials provided by the Office of Home Energy Programs for the electric universal service program;***

**RESPONSE:**

The OHEP State Office partners with the Local Administering Agencies (LAAs) and with other various organizations, to conduct a broad range of outreach activities.

OHEP has reserved \$200,000 in 2018 budget to conduct various outreach activities. Any additional outreach costs will be absorbed within other administrative expenditures.



**OHEP RECOMMENDATION:**

Outreach efforts will continue to ensure that all eligible households are aware of the availability of energy assistance. OHEP will continue to utilize new outreach strategies that were established in FY 2017 to reach customers beginning in FY 2018. These include new targeted mailings and energy assistance specific videos released through appropriate channels.

***3. the amount of money that the Department of Human Services receives, and is projected to receive, for low-income energy assistance from:***

- A. the Maryland Strategic Energy Investment Fund under §9-20B-05 of the State Government Article;***
- B. with respect to electric customers only, the Maryland Energy Assistance Program; and***
- C. any other federal, state, local or private source.***

**RESPONSE:**

For FY 2018 OHEP expects to receive the following amounts of funding:

- Maryland Strategic Energy Investment Fund – Funds were appropriated at \$37.0 million for FY 2017.
- Low Income Home Energy Program/Maryland Energy Assistance Program – As in past years, Congress has funded LIHEAP through a Continuing Resolution. For FY 2017, the expected LIHEAP allocation to Maryland is approximately \$72 million.
- Other Federal, State, Local or Private Source – There are no other sources of funds expected at this time.

***(ii) The Office of Home Energy Programs may satisfy the reporting requirement of subparagraph (i)1 of this paragraph by providing the commission with a copy of material that contains the required information and that the Office of Home Energy Programs submits to a unit of the federal government.***

**RESPONSE:**

***Attachment G*** is the LIHEAP Households Report for FY2017 submitted to the federal government. Please note that the majority of the households included in the counts under LIHEAP also received benefits under EUSP.

**OHEP RECOMMENDATION:**

OHEP recommends a re-evaluation of budget billing and the Utility Service Protection Plan (USPP) and their impact to energy assistance customers be performed. It has become clear that customer concerns about budget billing, both real and perceived, are discouraging some customers from accessing EUSP. OHEP is willing to work with the Public Service Commission and other stakeholders to explore solutions.

## Attachment A – Annual Intake and Approved Applications by County

FY2017 (7/1/2016-6/30/2017)

COUNTY	Total Applications	MEAP		EUSP Bill Payment		EUSP Arrearage		USPP
		Applied	Approved	Applied	Approved	Applied	Approved	
Allegany	5,487	5,177	3,703	5,242	3,803	1,536	317	2,159
Anne Arundel	8,627	8,399	4,644	7,392	4,328	3,085	842	3,714
Baltimore City	29,600	29,327	22,092	26,456	20,759	6,943	3,708	12,045
Baltimore County	23,803	22,966	13,087	20,188	12,685	6,588	2,815	7,627
Calvert	1,296	1,285	953	1,228	939	287	188	910
Caroline	1,916	1,913	1,434	1,829	1,382	895	167	723
Carroll	3,113	3,057	2,147	2,898	2,097	384	215	1,442
Cecil	3,504	3,445	2,761	3,290	2,685	672	517	1,374
Charles	2,988	2,965	2,294	2,849	2,294	618	431	2,240
Dorchester	2,611	2,509	2,217	2,527	2,242	154	134	1,928
Frederick	4,023	4,010	2,904	3,983	2,874	413	352	1,913
Garrett	2,464	2,460	2,241	2,356	2,163	69	50	8
Harford	6,353	6,030	4,238	5,462	4,123	1,288	799	4,496
Howard	5,095	5,038	3,274	4,895	3,195	448	355	1,962
Kent	1,093	1,087	952	1,037	909	425	98	970
Montgomery	10,981	10,759	7,271	10,153	6,924	1,859	836	3,871
Prince George's	14,512	13,588	8,337	13,746	8,769	3,188	1,544	6,254
Queen Anne's	1,145	1,141	893	1,092	855	156	106	955
St. Mary's	2,691	2,682	2,130	2,541	2,053	499	385	2,003
Somerset	1,471	1,463	1,348	1,418	1,323	164	136	1,352
Talbot	1,208	1,206	1,128	1,183	1,112	45	25	176
Washington	4,207	4,073	3,146	3,974	3,169	482	263	2,335
Wicomico	4,779	4,644	4,157	4,585	4,196	623	469	4,050
Worcester	1,783	1,759	1,587	1,702	1,555	187	136	1,384
<b>TOTAL</b>	<b>144,750</b>	<b>140,983</b>	<b>98,938</b>	<b>132,026</b>	<b>96,434</b>	<b>31,008</b>	<b>14,888</b>	<b>65,891</b>

**Attachment B – Distribution of Annual Kilowatt Usage by EUSP Recipients**

<b>KWH Range</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Level 5</b>	<b>Total</b>
0 - 6000	4,547	4,164	4,291	1,697	9,384	24,198
6001 - 7000	1,452	1,365	1,394	627	2,431	7,294
7001 - 8000	1,478	1,297	1,445	611	2,312	7,156
8001 - 9000	1,392	1,198	1,326	579	1,960	6,466
9001 - 10000	1,371	1,198	1,279	565	1,651	6,076
10001 - 11000	1,300	1,044	1,151	523	1,443	5,471
11001 - 12000	1,215	1,031	1,048	489	1,237	5,024
12001 - 13000	1,155	937	933	466	1,044	4,537
13001 - 14000	1,087	837	911	418	920	4,175
14001 - Above	7,145	5,392	5,749	2,703	5,039	26,039
<b>Total</b>	<b>22,142</b>	<b>18,463</b>	<b>19,527</b>	<b>8,678</b>	<b>27,421</b>	<b>96,436</b>

**Attachment C– EUSP Monthly Income Eligibility**

2018-2019 Income Eligibility Guidelines for OHEP  
(Based on 175% of the Federal Poverty Level)

HOUSEHOLD SIZE	MAXIMUM MONTHLY INCOME STANDARDS
1	\$ 1,770
2	\$ 2,400
3	\$ 3,030
4	\$ 3,660
5	\$ 4,290
6	\$ 4,920
7	\$ 5,550
8	\$ 6,180
FOR EACH ADDITIONAL PERSON, ADD	\$ 630

**Attachment D – Arrearage Assistance by Local Agency**

<b>Agency</b>	<b>Benefit Expenditures</b>	<b>Applications Certified</b>	<b>Percent</b>	<b>Average</b>
ALLEGANY COUNTY	\$204,047	294	1.5%	\$694
ANNE ARUNDEL	\$712,303	767	5.2%	\$928
BALTIMORE CITY	\$2,732,511	3,435	20.1%	\$796
BALTIMORE COUNTY	\$1,635,948	2,194	12.0%	\$746
CALVERT	\$100,661	149	0.7%	\$674
CAROLINE	\$217,800	285	1.6%	\$763
CARROLL	\$210,678	235	1.6%	\$895
CECIL	\$889,029	802	6.5%	\$1,109
CHARLES	\$195,093	291	1.4%	\$671
DORCHESTER	\$432,506	332	3.2%	\$1,303
FREDERICK	\$222,320	293	1.6%	\$758
GARRETT	\$26,191	32	0.2%	\$829
HARFORD	\$396,507	364	2.9%	\$1,088
HOWARD	\$268,366	336	2.0%	\$798
KENT	\$134,386	154	1.0%	\$875
MONTGOMERY	\$1,327,594	1,169	9.8%	\$1,136
PRINCE GEORGE'S	\$2,045,450	1,956	15.1%	\$1,046
QUEEN ANNE'S	\$138,637	145	1.0%	\$957
ST MARY'S	\$233,250	258	1.7%	\$904
SOMERSET	\$275,538	184	2.0%	\$1,494
TALBOT	\$48,176	52	0.4%	\$930
WASHINGTON	\$190,776	270	1.4%	\$708
WICOMICO	\$735,178	659	5.4%	\$1,116
WORCESTER	\$208,030	231	1.5%	\$901
<b>Totals:</b>	<b>\$13,580,975</b>	<b>14,888</b>	<b>100.0%</b>	<b>\$912</b>

**Attachment E – Living Arrangements by Poverty Level**

<b>Type of Income</b>	<b>Poverty Level 1</b>	<b>Poverty Level 2</b>	<b>Poverty Level 3</b>	<b>Poverty Level 4</b>	<b>Total</b>
HOMEOWNER	7,314	7,770	9,129	3,843	28,056
PUBLIC / SUBSIDIZED	13,294	8,214	4,570	1,302	27,380
RENTER	14,767	10,618	10,340	4,804	40,529
SUBMETERED	42	47	43	29	161
SUBSIDIZED SUBMETERED	122	107	62	19	310
<b>County Totals for: ALL</b>	<b>35,539</b>	<b>26,756</b>	<b>24,144</b>	<b>9,997</b>	<b>96,436</b>

## Attachment F – OHEP Administrative Costs

Headquarters Administrative Expenditures			\$ 662,614
Local Administrative Agency Expenditures			\$ 11,349,254
		<b>Total</b>	<b>\$ 12,011,868</b>

EUSP Share of Administration		40%	\$ 3,617,185
MEAP Share of Administration		60%	\$ 5,231,997
EUSP Direct Program			\$ 987,562
MEAP Direct Program			\$ 1,975,124
EUSP Outreach			\$ 200,000
EUSP Share of OHEP Data System			\$ 1,423,162
MEAP Share of OHEP Data System			\$ 1,523,676
Total Data System			\$ 2,946,838

### Local Administrative Agency (LAA) Expenditures

LAA	Expenditures	Intake	% of State
Allegany	\$458,223	5,487	4.0%
Anne Arundel	\$542,605	8,627	4.8%
Baltimore City	\$2,139,501	29,600	18.9%
Baltimore County*	\$1,225,315	23,803	10.8%
Caroline*	\$305,290	1,916	2.7%
Carroll	\$298,220	3,113	2.6%
Cecil*	\$249,681	3,504	2.2%
Dorchester*	\$321,925	2,611	2.8%
Frederick*	\$331,265	4,023	2.9%
Garrett	\$342,827	2,464	3.0%
Harford	\$442,899	6,353	3.9%
Howard	\$378,758	5,095	3.3%
Kent*	\$164,801	1,093	1.5%
Montgomery*	\$945,713	10,981	8.3%
Prince George's*	\$1,006,078	14,512	8.9%
Queen Anne's*	\$260,018	1,145	2.3%
<u>Shore Up!</u>			
Somerset	\$153,818	1,471	1.4%
Wicomico	\$315,078	4,779	2.8%

Worcester	\$172,098	1,783	1.5%
So. Md.			
Calvert	\$144,644	1,296	1.3%
Charles	\$255,752	2,988	2.3%
St. Mary's	\$255,752	2,691	2.3%
Talbot -NSC	\$204,381	1,208	1.8%
Washington	\$434,612	4,207	3.8%
TOTAL	\$11,349,254	144,750	100.0%

\* Denotes Local Department of Social Services offices.



## Attachment G – LIHEAP Household Report

### Assisted Households

<u>Assistance Type</u>	<u>Total Assisted Households</u>	<u>Under 75% Poverty</u>	<u>75%-100% Poverty</u>	<u>101%-125% Poverty</u>	<u>126%-150% Poverty</u>	<u>Over 150% Poverty</u>
Heating	98,939	36,335	20,019	17,380	14,846	10,359
Crisis	10,149	4,122	1,792	1,617	1,454	1,164
<b>Total:</b>	109,088					

### Applicant Households

<u>Assistance Type</u>	<u>Application Total</u>	<u>Under 75% Poverty</u>	<u>75%-100% Poverty</u>	<u>101%-125% Poverty</u>	<u>126%-150% Poverty</u>	<u>Over 150% Poverty</u>	<u>No Income</u>
Heating	131,093	57,296	21,224	18,817	16,110	17,646	14,747
Crisis	10,436	4,259	1,803	1,623	1,467	1,284	86

### At Least One Member

<u>Assistance Type</u>	<u>60 and Older</u>	<u>Disabled</u>	<u>Age 5 and Under</u>	<u>Age 2 and Under</u>	<u>Age 3 Through 5</u>	<u>60 and Older/ Disabled/Age 5 and Under</u>
Heating	34,131	34,562	20,283	11,181	13,002	69,244
Crisis	1,766	3,314	2,884	1,606	1,812	6,432
<b>Total:</b>	35,897	37,876	23,167	12,787	14,814	75,676

**Attachment H - Households and Benefit Level Report**

**BENEFITS PAID BY BENEFIT LEVEL – FY 2017 YTD 06/30/17**  
**Program : MD ENERGY ASSISTANCE PROGRAM**

Jun-17

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	22,927	\$15,020,614.97	\$655
2	>75-110%	18,964	\$12,454,965.32	\$657
3	>110-150%	20,043	\$12,683,954.95	\$633
4	>150-175%	8,894	\$5,077,281.29	\$571
5	Subsidized	26,548	\$7,511,881.21	\$283
6	Rent w/heat	895	\$599,318.02	\$670
7	Roomer/Boarder	102	\$15,463.50	\$152
8	Submetered	348	\$71,933.00	\$207
9	Subsidized Submetered	217	\$77,510.00	\$357
	<b>Total</b>	<b>98,938</b>	<b>\$53,512,922.26</b>	<b>\$541</b>

NOTE: MEAP benefits are not paid until Federal LIHEAP funds are available

\$1,377

**BENEFITS PAID BY BENEFIT LEVEL – FY 2017 YTD 06/30/17**  
**Program : BILL PAYMENT**

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	22,142	\$15,975,590.00	\$722
2	>75-110%	18,462	\$11,427,848.64	\$619
3	>110-150%	19,527	\$10,204,844.00	\$523
4	>150-175%	8,678	\$3,326,956.00	\$383
5	Subsidized	27,420	\$7,741,490.41	\$282
6	Rent w/heat	205	\$77,076.00	\$376
	<b>Total</b>	<b>96,434</b>	<b>\$48,753,805.05</b>	<b>\$506</b>

**BENEFITS PAID BY BENEFIT LEVEL – FY 2016 YTD 06/30/16**  
**Program : MD ENERGY ASSISTANCE PROGRAM**

Jun-16

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	26,427	\$17,751,428.66	\$672
2	>75-110%	19,496	\$13,346,662.37	\$685
3	>110-150%	20,793	\$13,639,331.34	\$656
4	>150-175%	9,019	\$5,470,629.56	\$607
5	Subsidized	27,109	\$8,187,990.39	\$302
6	Rent w/heat	893	\$608,890.29	\$682
7	Roomer/Boarder	122	\$19,709.30	\$162
8	Submetered	257	\$61,930.00	\$241
9	Subsidized Submetered	375	\$79,568.00	\$212
	<b>Total</b>	<b>104,491</b>	<b>\$59,166,139.91</b>	<b>\$566</b>

NOTE: MEAP benefits are not paid until Federal LIHEAP funds are available

**BENEFITS PAID BY BENEFIT LEVEL – FY 2016 YTD 06/30/16**  
**Program : BILL PAYMENT**

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	26,104	\$14,230,927.78	\$545
2	>75-110%	19,089	\$9,029,338.13	\$473
3	>110-150%	20,414	\$8,379,484.00	\$410
4	>150-175%	8,828	\$2,690,772.00	\$305
5	Subsidized	28,294	\$6,136,374.00	\$217
6	Rent w/heat	218	\$69,192.00	\$317
	<b>Total</b>	<b>102,947</b>	<b>\$40,536,087.91</b>	<b>\$394</b>

**BENEFITS PAID BY BENEFIT LEVEL – FY 2017 YTD 06/30/17**  
**Program : ARREARAGE ASSISTANCE PROGRAM**

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	4,478	\$4,128,604.57	\$922
2	>75-110%	2,596	\$2,491,537.90	\$960
3	>110-150%	2,853	\$2,634,953.22	\$924
4	>150-175%	1,582	\$1,444,089.55	\$913
5	Subsidized	3,359	\$2,866,470.50	\$853
6	Rent w/heat	20	\$15,319.48	\$766
	<b>Total</b>	<b>14,888</b>	<b>\$13,580,975.22</b>	<b>\$912</b>

**BENEFITS PAID BY BENEFIT LEVEL – FY 2016 YTD 06/30/16**  
**Program : ARREARAGE ASSISTANCE PROGRAM**

Benefit Level	Category	Households	Benefits	Avg. Benefit
1	0-75%	5,287	\$5,337,053.81	\$1,009
2	>75-110%	2,888	\$2,933,984.73	\$1,016
3	>110-150%	3,137	\$3,234,180.75	\$1,031
4	>150-175%	1,691	\$1,756,448.43	\$1,039
5	Subsidized	3,261	\$3,031,916.24	\$930
6	Rent w/heat	57	\$54,579.99	\$958
	<b>Total</b>	<b>16,321</b>	<b>\$16,348,163.95</b>	<b>\$1,002</b>

Source:

Maryland Department of Human Services  
 Office of Home Energy Programs  
 Report - Dollars and Households Served by Benefit Level