

ORDER NO. 89215

IN THE MATTER OF THE ELECTRIC	*	BEFORE THE
UNIVERSAL SERVICE PROGRAM	*	PUBLIC SERVICE COMMISSION
	*	OF MARYLAND
	*	_____
	*	CASE NO. 8903
	*	_____

Issued: July 31, 2019

ELECTRIC UNIVERSAL SERVICE PROGRAM FY 2020 ORDER

On May 31, 2019, the Maryland Department of Human Services (“DHS”) Family Investment Administration’s Office of Home Energy Programs (“OHEP”), submitted to the Public Service Commission of Maryland (“Commission”) OHEP’s Proposed Operations Plan for Fiscal Year (“FY”) 2020 (“Proposed Plan”) and FY 2018 Annual Report for the Electric Universal Service Program (“EUSP”).¹ Written comments were filed by the Commission’s Technical Staff (“Staff”) and the Maryland Office of People’s Counsel (“OPC”).² On June 27, 2019, the Commission held a legislative-style hearing on this matter to receive additional input from OHEP and interested parties.³

OHEP’s Proposed Operations Plan for FY 2020

OHEP’s Proposed Plan states that the available funds to support EUSP totals \$128,444,145 for FY 2020. This amount represents \$37,000,000 from EUSP Ratepayer Funds (“Ratepayer Fund”); \$19,942,924 from the Maryland Strategic Energy Investment

¹ ML 225583. The Commission issued a Notice of Hearing and Opportunity to Comment in this matter on June 5, 2019. Written comments were requested by June 20, 2019.

² Ms. Laurel Peltier submitted late-filed written comments on June 26, 2019 (ML 225882).

³ Representatives from Baltimore Gas and Electric (“BGE”) and the Potomac Electric Power Company and Delmarva Power and Light (“the PHI Companies”) also appeared at the hearing but did not provide written comments.

Fund (“MSEIF”), with revenues collected through the Regional Greenhouse Gas Initiative (“RGGI”); \$71,101,221 in federal funding from the Low Income Home Energy Assistance Program (“LIHEAP”), which also administers the Maryland Energy Assistance Program (“MEAP”). The Commission’s statutory oversight and authority extends to the approval of the proposed allocation of the bill assistance and arrearage components of the EUSP. *See* MD. CODE ANN., Public Utilities Article (“PUA”) § 7-512.1. For FY 2020, OHEP proposes to provide arrearage assistance using \$19,942,924 from MSEIF.

With respect to the \$37,000,000 from the Ratepayer Fund, the Proposed Plan allocates \$4,208,302 for administration, \$80,000 for outreach; \$429,783 for OHEP’s data system; and the remaining \$32,281,915 for bill assistance. After hearing from OHEP and the interested parties, the Commission finds OHEP’s proposed allocation of the Ratepayer Fund for FY 2020 EUSP operations reasonable and approves the allocation as proposed. Additionally, the Commission approves OHEP’s Proposed Plan describing the aggregate funding for EUSP in FY 2020.

OHEP noted that its expenditures are used to fund local operations, support technology enhancements, conduct outreach, and ensure program integrity. OHEP further indicated that its administrative expenditures include direct costs of providing program services such as technology for tracking and monitoring the program, salaries and benefits of staff, and customer screenings and assessments.

Other EUSP-Related Matters

OHEP provided an update of the integration of its data system into the Maryland Total Human Services Information Network (“MD THINK”), which the agency described as a high-tech platform, used for accessing the database for the State’s public assistance

benefits programs. The MD THINK platform is expected to streamline and expedite program eligibility determinations, and OHEP's integration onto the platform is designed to reduce administrative costs, simplify the application process and increase participation rates. OHEP indicated that MD THINK would enable OHEP to implement categorical eligibility for its energy assistance programs, where households are determined eligible for EUSP and MEAP based on their eligibility for other assistance programs. OHEP expects to present a consultant report to the Commission in November 2019, detailing the fiscal implications of the changes. According to OHEP, the agency's data system integration into MD THINK should be fully implemented by July 2021.

OHEP also reported that the Advisory Board, which comprises stakeholders from the Commission, OPC, Maryland Department of Housing and Community Development ("MDHCD"), local social service agencies, and utilities, conducted two meetings in FY 2019. The goal of the Advisory Board is to apply the knowledge and expertise of its members to address issues and home energy needs affecting low-income families. OHEP noted that it will continue working with the Advisory Board to facilitate discussions on the effects of streamlined access and limited funding from Regional Greenhouse Gas Initiative ("RGGI").⁴

Additionally, OHEP indicated that it is collecting data regarding the effects of budget billing requirements on EUSP enrollment and will present that information to the Advisory Board in FY 2020 for further review. OHEP reported that the Advisory Board has found that the administrative process of requesting waivers for MEAP and Utility

⁴ Hearing Tr. at 12-14. OHEP indicated that revenues from RGGI have declined "precipitously" in recent years, resulting in less funding for electric arrearages and bill payment assistance.

Service Protection Program (“USPP”) is insufficient. According to OHEP, the Advisory Board will discuss potential recommendations for new regulations under Code of Maryland Regulations (“COMAR”) 20.31.05.08 in FY 2020.

Additional Issues

OHEP noted in its Proposed Operations Plan that the agency’s three-year old pilot Critical Medical Needs Program has been formalized by recently enacted legislation⁵ and will be funded utilizing LIHEAP funds. At the hearing, OHEP indicated that the program will fully launch in 2020 and has—since its inception as a pilot—provided a “streamlined point of access” for customers who cannot participate in the typical application process and who need trained staff to help them apply for energy assistance while they are incapacitated or hospitalized.⁶ OHEP also indicated that it is willing to promote the forthcoming PSC choice shopping website as part of its communications through the new MD THINK process.

OPC’s Request for Additional Information Regarding the Use of Energy Assistance Funds

OPC renewed its requests that the Commission direct Maryland utilities to provide more information to OHEP (and other stakeholders) regarding how energy assistance funding is being applied to customer bills in order to evaluate whether these funds are being utilized effectively.⁷ Specifically, OPC’s requests information regarding: (a) how many EUSP and MEAP customers receive electric and gas supply from a retail supplier for each billing period; (b) the total aggregate amount those customers paid in retail supply charges

⁵ SB 425/HB 1189.

⁶ Hearing Tr. at 19.

⁷ OPC Comments at 14.

for each billing period; (c) the total aggregate usage (in kWh or Therms) appearing on those customers' bills for each billing period; and (d) the total aggregate amount those customers would have paid for default (SOS or SS) service from the utility based on the usage for each billing period.⁸ During the hearing, Ms. Laurel Peltier indicated that in her volunteer efforts at an energy assistance organization, she noticed that suppliers are telling customers they will save money by switching to a retail supplier, and they are offered gift cards totaling \$10-\$15 as incentive.⁹

A number of parties responded to OPC's request. For example, the PHI Companies¹⁰ noted that the information that OPC seeks is already available to OHEP through the PHI Agency Portal.¹¹ In response to OPC's challenge that it is reluctant to utilize the Agency Portal absent clear consent from the companies' customers, the PHI Companies noted the OHEP energy assistance application contains language which states that customers consent to providing access to their billing information to agencies such as OHEP and OPC.¹² The PHI Companies state that any registered agency is able to view customer information, for the preceding 12 months, on a "disaggregated basis."

For aggregate data, the PHI Companies acknowledge that the utilities would have to develop an automated program to run additional queries, which would entail additional costs.¹³ The PHI Companies further commented that they could honor OPC's request for

⁸ ML 225829 (OPC Comments) at 14.

⁹ Hearing Tr. 59-62. She noted that the suppliers are stationed in front of local OHEP and housing offices, and they frequently seek customers by going door-to-door in certain areas of Baltimore City. She further stated that the bills she has seen from retail supply customers reveal "very high" rates. She recommended that the Commission research supplier rate reform efforts that other states have implemented.

¹⁰ Potomac Electric Power Company (Pepco) and Delmarva Power and Light Company (Delmarva).

¹¹ Hearing Tr. at 73.

¹² Hearing Tr. at 77.

¹³ *Id.* at 73-74.

the number of EUSP or MEAP customers that “receive their supply from a retail supplier for the past 24 months” as long as OPC is requesting “a snapshot in time,” meaning the customer information is provided based on a particular date.¹⁴ The companies indicated that they provided similar information to OPC earlier this year. According to the PHI Companies, they cannot provide information on any customer that may have had a retail supplier at any point in a billing period, unless an automated program is developed to run the query, at an additional cost.

BGE also indicated that it had no objection to providing any information in its possession within its own agency portal.¹⁵ The utility indicated that its portal was limited to aggregate information from the preceding 12 months. According to BGE, any information sought beyond those parameters could be accessed, but at some cost.

OPC objects to accessing the utility portals as a solution to their requests for information, noting that the People’s Counsel “would have some qualms about accessing and looking at people’s bills without their permission, even if there is some language on an application saying that that could be a possibility.”¹⁶

RESA also takes issue with OPC’s request, noting that competitive supplier prices and utility SOS rates are not directly comparable; therefore, RESA submits, “the data [requested by OPC] isn’t going to show an accurate picture of . . . what’s happening or an accurate comparison between supplier pricing and utility pricing.”¹⁷ RESA recommended that the Commission not grant OPC’s request but consider providing an opportunity for

¹⁴ *Id.* at 74.

¹⁵ Hearing Tr. at 81-82.

¹⁶ Hearing Tr. at 78.

¹⁷ Hearing Tr. at 64.

broader stakeholder input and suggestions for dealing with the issues of retail choice and pricing in the competitive supplier market.¹⁸

In Order No. 88850 addressing OHEP's FY 2019 Proposed Operations Plan,¹⁹ the Commission found that some of the information requested by OPC is already available either via platforms such as the "agency portal" described by the PHI Companies and BGE, or through a combination of such platforms and the information that is available through the Commission's website. The Commission's finding on this issue with regard to OPC's request remains the same.

The Commission believes that the utilities should continue to provide to OPC the number of EUSP (and MEAP) customers that receive electric or gas supply from a retail supplier. However, the Commission again declines to direct the utilities to provide the total aggregate amounts those customers paid in retail supply charges and the total aggregate amount those customers would have paid for default SOS service from the utility. The Commission finds that stakeholders should continue their discussions on this issue. The Commission directs that Staff provide periodic progress reports with regard to this issue when the Advisory Board reconvenes.

OHEP indicated that it did not have access to the OPC-requested information regarding the amount of funding, bill assistance and MEAP being applied to past due balances.²⁰ However, OHEP committed to providing other requested information pertaining to the timeline and launch of MD THINK, including the anticipated November 2019 report to the Commission. OHEP additionally indicated that it has discussed with

¹⁸ *Id.* at 66-67.

¹⁹ Order No. 88850 at 6.

²⁰ Hearing Tr. at 55.

Commission staff its potential role in educating energy assistance customers on retail rates and would be able to disseminate retail rate information once the Commission develops and launches its retail rate website.²¹

OHEP agreed to provide a description of the circumstances that would merit categorical eligibility, as requested by Commission staff, noting that the information will be contained within the November 2019 report to the Commission.

IT IS, THEREFORE, on this 31st day of July, in the year Two Thousand and Nineteen, by the Public Service Commission of Maryland,

ORDERED: (1) That OHEP's Proposed Operations Plan for FY 2020 is accepted and the allocations for the Ratepayer Fund of \$4,208,302 for administration, \$80,000 for outreach; \$429,783 for OHEP's data system; and the remaining \$32,281,915 for bill assistance, are hereby approved.;

(2) That OHEP, BGE and the PHI Companies provide the information that they agreed to share with OPC and Commission Staff, as described above; and

(3) That Staff is directed to continue to participate as part of any OHEP EUSP-related Advisory Board proceedings and to provide periodic reports to the Commission.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Deputy Executive Secretary

²¹ *Id.* at 56.