



Agenda Date: 12/15/21
Agenda Item: 9D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE ENERGY ASSISTANCE)
GRANT AS AUTHORIZED UNDER N.J.S.A. 48:2-29.39)
- PAYMENT ASSISTANCE FOR GAS AND ELECTRIC)
PROGRAM)
)
) ORDER AUTHORIZING
CONTRACT
MODIFICATIONS
DOCKET NO. EG20060445

Party of Record:

Randi Moore, CEO, Affordable Housing Alliance

BY THE BOARD:

BACKGROUND/PROCEDURAL HISTORY

N.J.S.A. 48:2-29.39 authorizes the New Jersey Board of Public Utilities (“Board”) to designate an established statewide non-profit energy assistance organization to receive supplemental funding from unclaimed property held by the State’s electric and gas utilities pursuant to N.J.S.A. 46:30B-74. The Payment Assistance for Gas and Electric (“PAGE”) program is an energy assistance program made possible by this funding stream. PAGE provides grants on the gas and electric bills of residential customers. In October 2020, following a competitive bidding process, the Board awarded the contract for administering the PAGE program to the nonprofit organization Affordable Housing Alliance (“AHA”) of Neptune, New Jersey. The current PAGE contract has been in effect since January 2021 and will expire in January 2023, unless extended for a third year by the Board.¹

On September 29, 2021, AHA sent a letter to Board Staff requesting clarifications regarding its PAGE contract due to recent modifications made to the Board’s Universal Service Fund (“USF”) program and the New Jersey Department of Community Affairs’ Low Income Home Energy Assistance Program (“LIHEAP”), which also provide energy assistance benefits to residential electric and gas customers.²

¹ In re the Energy Assistance Grant as Authorized under N.J.S.A. 48:2-29.39 – Payment Assistance for Gas and Electric Program - Order Authorizing Grant Award, BPU Docket No. EG20060445, Order dated October 28, 2020.

² In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 24, 2021.

AHA indicated in its letter that the changes to the income limits for the USF and LIHEAP programs would impact the PAGE program. On October 1, 2021, the USF income ceiling was raised from 185 percent of the Federal Poverty Level (“FPL”) to 400 percent FPL, due to the economic challenges caused by the pandemic.³ Additionally, on October 1, 2021, the LIHEAP income ceiling was raised from 200 percent FPL to 60 percent of the State Median Income.⁴ These changes are shown below:

Energy Assistance Programs: Annual Income Limits before October 1, 2021:

Household Size	USF	LIHEAP	PAGE
1	\$23,606	\$25,520	\$64,183
2	\$31,894	\$34,480	\$83,932
3	\$40,182	\$43,440	\$104,348
4	\$48,170	\$52,400	\$123,430

Energy Assistance Programs: Annual Income Limits effective October 1, 2021:

Household Size	USF	LIHEAP	PAGE
1	\$51,520	\$40,181	\$66,968
2	\$69,680	\$52,545	\$87,575
3	\$87,840	\$64,908	\$108,180
4	\$106,000	\$77,272	\$128,786

The changes to the USF and LIHEAP income limits impact the PAGE program as follows:

- 1) In its contract, AHA defines low-income households as at or below the LIHEAP income limits, which was much lower prior to October 1, 2021 and included all USF households at the time. AHA defines moderate-income households as above the LIHEAP income limit up to New Jersey State Median Income.

AHA indicates the increase to the LIHEAP income ceiling and the USF income ceiling rising above the LIHEAP income ceiling requires clarifications in the definitions of low and moderate income for reporting purposes and because these definitions determine benefit caps for PAGE households.

According to AHA’s contract, AHA applies higher benefit caps to households defined as moderate income, due to the ability of low-income households to access the low-income assistance programs USF and LIHEAP:

Low-Income PAGE Households: Maximum Benefit	Moderate-Income PAGE Households: Maximum Benefit
\$400	\$700

³ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 24, 2021.

⁴ <https://www.nj.gov/dca/divisions/dhcr/offices/hea.html>

Therefore, AHA requested authorization from the Board for those households over the new LIHEAP income ceiling be defined as moderate income and receive the moderate-income benefit cap of \$700. While a portion of these moderate-income customers are income eligible for USF now, they do not have access to the benefits available through the federal LIHEAP program including: LIHEAP heating grants, LIHEAP Emergency grants, and LIHEAP medically necessary cooling grants.

2) Additionally, in its contract AHA proposed PAGE grant dollars be distributed as follows between low- and moderate-income households:

- 60% of PAGE funding be distributed to moderate-income households; and
- 40% of PAGE funding be distributed to low-income households.

In its letter, AHA states it has focused on assisting applicants in need as quickly as possible, regardless of their income level. AHA further stated that it has no control over the income levels of the households seeking utility assistance and does not wish to turn away customers in need when funds are available.

Therefore, while AHA stated it will continue to track and report on PAGE grant distribution by income level, it requested the Board waive the requirement to maintain these percentages of grant dollar distribution. AHA points out that the percentage of funds distribution along income levels may be impacted by numerous factors outside its control including: American Rescue Plan arrearage forgiveness funds; the new USF and LIHEAP income limits; expanded Fresh Start arrearage forgiveness; and the NJ SHARES SMART Program which is anticipated to commence in January 2022.

Finally, in its PAGE grant proposal, AHA proposed that a household should be able to qualify for a PAGE grant once every 24 months as opposed to the 12-month time limit listed in the Board's Notice of Grant Availability, in order to give more customers the opportunity to access assistance. In its October 2020 Order awarding the contract to the AHA, the Board allowed AHA the flexibility to adjust this application window as needed. Nevertheless, in its September 2021 letter to Board Staff, AHA requested authorization to allow PAGE applicants to reapply for PAGE one year after grant award.

RECOMMENDATION

Board Staff supports AHA's request to continue to define low-income households as those households at or below the LIHEAP income ceiling, and define moderate-income households as those households above the LIHEAP income ceiling, which was adjusted effective October 1, 2021. Staff also recommends AHA continue to apply the \$400 PAGE benefit cap for low-income households and continue to apply the \$700 PAGE benefit cap for moderate-income households. While Staff acknowledges that a subset of moderate-income PAGE households may also receive USF benefits, Staff notes that PAGE grants may help distressed utility customers meet their obligations for the USF-Fresh Start program by keeping current on their bills in order to obtain forgiveness of past due balances.⁵

⁵ In order to earn forgiveness on past due balances while in the Fresh Start program, customers need to pay their current bills in full. See In re the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 24, 2021.

In regard to AHA's request for the Board to waive the requirement to maintain the 60/40 PAGE grant distribution rate between moderate and low-income households, Board Staff recommends this requirement be waived but agrees that the AHA should continue to track and report on the distribution of grant funding by income level as this information can help indicate need for different groups of utility customers. Additionally, Board Staff notes that according to AHA's October 2021 performance report, PAGE is currently maintaining the 60/40 grant distribution percentage, but acknowledges that the percentage changes throughout the year based on various factors, such as the availability of LIHEAP funds, seasonal energy usage, and other factors.

Regarding AHA's request to allow PAGE reapplication annually, Staff notes that allowing reapplication after one year was initially requested by the Board; however, the Board also allowed AHA the flexibility of adjusting the reapplication period based on the available funds and demand in the PAGE contract.

Finally, Staff would like to highlight that the current PAGE contract allows for low-income households who are denied USF and LIHEAP benefits to qualify for the moderate-income benefit cap of \$700. Staff recommends that going forward, low-income PAGE households who are denied LIHEAP benefits be awarded up to the moderate income benefit cap of \$700 to establish equal treatment between the different applicant pools.

DISCUSSION AND FINDINGS


The Board **HEREBY APPROVES** the modifications proposed by the AHA and recommended by Staff regarding the definitions of low-income and moderate-income PAGE households. Further, the Board **APPROVES** the continued application of \$700 benefit caps for moderate-income households and \$400 PAGE benefit caps for low-income households. The Board also **APPROVES** the \$700 PAGE benefit cap for low-income households denied LIHEAP benefits. Additionally, the Board **APPROVES** a waiver of the 60/40 PAGE grant fund distribution percentage considering all the variables outside the Grantee's control, which can impact such a percentage. Finally, the Board **ORDERS** these contract modifications be effective by the AHA retroactively to October 1, 2021, when the new USF and LIHEAP income limits went into effect.

The Board **HEREBY AUTHORIZES** the Board President to sign the PAGE contract amendment form necessary to effectuate the above contract modifications.


This Order will be effective on December 22, 2021.

DATED: December 15, 2021

BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER




UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE ENERGY ASSISTANCE GRANT AS AUTHORIZED UNDER
N.J.S.A. 48:2-29.39 - PAYMENT ASSISTANCE FOR GAS AND ELECTRIC PROGRAM

DOCKET NO. EG20060445

SERVICE LIST

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