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VIA ELECTRONIC MAIL

Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223

Re: Energy Affordability for Low Income Consumers - Matter No. 14-M-0565

Dear Secretary Burgess:

In accordance with the July 7, 2015 “Notice of Technical Conference, Extension of Deadline for Initial Comments, and Opportunity for Reply Comments” in the above referenced proceeding, PSEG Long Island LLC (“PSEG LI”), on behalf of the Long Island Power Authority (“Authority”), submits these comments concerning the June 1, 2015 Staff Report.¹

The New York State Public Service Commission (“Commission”) commenced this proceeding to examine programs for addressing energy affordability for low income customers, to ensure that such programs continue to be consistent with the Commission’s statutory and policy obligations, and to stream-line the regulatory process to conserve administrative resources. PSEG LI appreciates Staff’s efforts to build and improve upon current programs and to find new solutions to help low income energy customers, particularly those with the greatest need.

PSEG LI currently provides a number of resources to assist low income customers. These include:

- Household Assistance Rate (“HAR”), a rate discount for eligible Low Income Customers. Eligible customers include Home Energy Assistance Program (“HEAP”) recipients, as well as recipients of Medicaid, Supplemental Nutrition Assistance Program (“SNAP”); Temporary Assistance for Needy Families, Safety Net Assistance-Public Assistance”; US Social Security Administration Supplemental Security Income (“SSI”); US Veterans Administration Veteran’s Disability Pension; Veteran’s Surviving Spouse Pension; and NYS Child Health Plus Health Plus. HEAP, Temporary Assistance and SSI recipients are

¹ PSEG LI and the Authority entered into an Amended and Restated Operations Services Agreement, dated December 31, 2013, pursuant to which PSEG LI manages overall operations of the transmission and distribution system, including administering, planning, developing and implementing customer care, energy efficiency, demand response, load management, and renewable energy programs in the Long Island service territory.

automatically enrolled in the HAR program. In 2014, the rate discounts totaled over \$1 million, not including administrative personnel costs.

- Residential Energy Affordability Program (“REAP”), an energy efficiency program for income-eligible customers designed to save energy and reduce electric bills. A REAP technician (PSEG LI contractor) will come to the home and provide a free home energy survey and educate the customer how to use electricity more efficiently. During the home energy survey, the technician may install high-efficiency lighting, energy efficient appliances (*i.e.*, replacement ENERGY STAR room air conditioners and dehumidifiers), pipe insulation and domestic hot water flow devices. Income eligibility is based on the size of the household and annual income of all occupants living in the home and must fall within REAP income guidelines. In 2014, the program funded projects for 2,474 household resulting in 995 MWH of average energy savings. Total REAP expenditures in 2014 were \$2.69 million. Participating customers on average will save approximately \$95 per year.
- Consumer Advocates and outreach personnel assist customers experiencing financial hardship by providing advocacy, case management services, energy education and outreach. This includes: providing confidential guidance and advice on utility assistance programs to help maintain service and manage energy expenses; determining eligibility for benefits, rate discounts and conservation programs; working in partnership with community agencies that serve our customers to ensure availability of programs and services; providing services to homebound customers; performing presentations/trainings to consumer groups and agencies on financial assistance programs, energy savings tips and payment options; and conducting table events providing information on programs and services. In 2014, the combined Consumer Advocacy budget was over \$ 580,000 and approximately 2,000 customers were assisted.

The above programs represent a holistic approach to providing financial and other assistance to help low income customers better manage their utility bills. The combined 2014 budget for the three programs was over \$4 million.

Staff’s Straw Proposal seeks to ensure that eligible low income customers are not overly burdened with their energy bills by proposing a maximum 6% “energy burden” on monthly income – *i.e.*, the percentage of a customer’s income spent on energy. The Straw Proposal would apply fixed discounts to achieve the targeted energy burden as a percentage of income. Staff Report, 33-38. The proposed rates, coupled with increased arrears forgiveness, would significantly increase the financial benefits for participating low income customers compared to existing utility low income programs.

To reduce administrative costs, Staff links eligibility to utility HEAP recipients (the customers it believes to have demonstrated the stronger need). Staff believes that “applying for a HEAP benefit demonstrates that the customer is specifically experiencing energy poverty.” Staff

Report, 23. However, not all low income utility customers receive HEAP benefits. Many households eligible for HEAP in New York State do not receive it because of insufficient funding. Moreover, this does not consider barriers, such as language, literacy, mobility, and geographic constraints to access the program, which may prevent customers from applying for HEAP.

PSEG LI's low income rate discount is available not only to HEAP recipients but also to recipients of several other governmental assistance programs (as noted above). We appreciate Staff's recognition (at 28) that grandfathering existing low income customers or programs may be desirable to avoid taking away benefits from current eligible low income customers.

As the Department of Public Service is aware, comments regarding this proceeding on Energy Affordability for Low Income Customers overlap with DPS recommendations coming out of the Three Year Rate Plan pending in Matter No. 15-00262.² In fact, in the recently issued Draft Department Rate Recommendation in that rate proceeding, specific interactions between the Three Year Rate Plan and this Low Income proceeding have been recommended.³ We will not respond to those draft recommendations in this letter. However, PSEG LI will review the Commission's final order in this proceeding applicable to Investor-Owned Utilities and consider them. As part of our future energy efficiency and REV programs, PSEG LI will continue to explore cost-effective options to increase energy affordability for low income customers.

PSEG LI appreciates the opportunity to submit these comments. The White Paper raises important policy issues, and PSEG LI looks forward to working with DPS to find solutions to assist low income customers to better manage their utility bills.

If the Department requires any additional information, please contact me at 516-222-3579, or robert.grassi@pseg.com.

Very truly yours,



Robert G. Grassi
Associate General Regulatory Counsel

² In the Matter of a Three-Year Rate Proposal for Electric Rates and Charges Submitted by Long Island Power Authority and Service Provider, PSEG Long Island LLC, Matter No. 15-00262.

³ In the "Draft Department Rate Recommendation" (issued on August 21, 2015), it states (at 110-111):
we note that the low income program for PSEG LI may be informed by the outcome of the current Energy Affordability Proceeding pending at the PSC. . . PSEG LI should. . . revise its program for rate year 2017 to reflect the best practices adopted by the PSC at the conclusion of the Affordability Proceeding.