

Decision No. C24-0329

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23M-0013EG

IN THE MATTER OF A REPOSITORY PROCEEDING FOR THE FILING OF ELECTRIC AND GAS LOW-INCOME PROGRAMS ANNUAL REPORTS PURSUANT TO RULES 4 CCR 723-3-3412 AND 4 CCR 723-4-4412.

**INTERIM COMMISSION DECISION SEEKING
COMMENTS ON THE EVALUATION OF UTILITY
PERCENTAGE OF INCOME PAYMENT PLAN
PROGRAMS**

Mailed Date: May 13, 2024

Adopted Date: May 8, 2024

I. BY THE COMMISSION

A. Statement

1. By this Decision, we set forth next steps resulting from the filing of Evaluation of the Percentage of Income Payment Plan: Final Report (2024 PIPP Evaluation Report), prepared by GDS Associates, Inc. (GDS Associates), and filed by the Colorado Energy Office (CEO) on April 5, 2024. We request comment from stakeholders on refining, prioritizing, supplementing, and staging the recommendations from this report, among other feedback.

B. Procedural Background

2. Commission Rule 3412, 4 *Code of Colorado Regulations* (CCR) 723-3 of the Rules Regulating Electric Utilities and corresponding Rule 4412, 4 CCR 723-4 of the Rules Regulating Gas Utilities and Pipeline Operators establish requirements for Percentage of Income Payment Plan (PIPP) programs, also known as Electric or Gas Affordability Programs. Under PIPP

programs, electric and gas utilities may provide income-eligible participants with discounts that prevent their bills from exceeding an affordable percentage of their household income.

3. This proceeding was opened administratively on January 3, 2023, to serve as a repository for annual reports on PIPP programs as well as to receive the most recent evaluation of utilities' PIPP programs pursuant to Electric Rule 3412(k) and Gas Rule 4412(k). Decision No. C23-0095, issued February 9, 2023, further set a scope for this Proceeding, which recognized the intent "to initiate a broader conversation about overall efforts to support our most disadvantaged customers at a time when volatile natural gas prices have created significant affordability issues."¹ Through the decision, we explained that we may wish to collect comments or hold Commissioner Information Meetings (CIMs) on income-qualified programs to contextualize the findings from the 2023 Triennial Evaluation.

4. On February 22, 2023, we hosted a CIM to discuss utilities' PIPP programs, bill assistance offered through the Low-Income Energy Assistance Program (LEAP) and by Energy Outreach Colorado (EOC), and to discuss the statement of work for the 2024 PIPP Evaluation Report. This was followed by a CIM hosted on June 22, 2023, discussing energy programs that are currently available to income-qualified residential customers, including weatherization and other demand-side management efforts, and renewable energy programs.²

5. On May 22, 2023, CEO filed a request for approval of the contract between CEO and the selected third-party vendor for the 2024 PIPP Evaluation Report, GDS Associates, pursuant to Electric Rule 3412(k) and Gas Rule 4412(k). By Decision No. C23-0368-I, issued May 31, 2023, the Commission set a notice and intervention period. No interventions were

¹ Decision No. C23-0095, issued February 9, 2023, at ¶ 1.

² CIM materials can be viewed in Proceeding No. 23M-0013EG and at <https://puc.colorado.gov/cim>.

received and on June 12, 2023, the Commission issued Decision No. C23-0391-I approving the selection of GDS Associates and the corresponding vendor contract with CEO. CEO has since worked with GDS Associates to complete the evaluation, and on April 5, 2024, CEO filed the final 2024 PIPP Evaluation Report in this Proceeding.

6. The 2024 PIPP Evaluation Report is the second evaluation of electric and gas utilities' PIPP programs, which are conducted in three-year cycles pursuant to Commission rule.³ GDS Associates drew upon in-depth interviews, research on peer programs, analysis of deidentified participant data, online and written surveys, and focus groups to develop the findings and recommendations reflected in the 2024 PIPP Evaluation Report.

7. Notably, GDS Associates found that the implementation of Colorado utility PIPP programs tends to be in line with practices used by other states, such as the selected income eligibility levels and the paired model of offering ongoing bill support as well as arrearage forgiveness where needed. Focus groups with PIPP participants also provided high praise for the program, with participants stating that PIPP and other energy assistance programs made their bills easier to pay and improved their quality of life by supporting them to pay for food, medicine, and unexpected expenses like car repairs.

8. The 2024 PIPP Evaluation Report also identified some areas for further exploration to improve program performance. For example, GDS Associates identified a gap in the number of customers who are potentially eligible to participate, and actual participation, including with consideration toward moderate-income as well as currently included low-income customers. They identified variations in how utilities are implementing PIPP programs in areas like arrearage forgiveness and calculation of benefits. GDS Associates also performed a cost-benefit analysis

³ The previous report was filed in Proceeding No. 20M-0013EG.

related to PIPP programs, with consideration to participants' actual and perceived benefits, and utility administrative and other costs and benefits. GDS Associates also analyzed demographics and other information related to program participation and found some correlations related to PIPP program participation in areas like reliance on medical devices and housing type.

9. Finally, GDS Associates provided recommendations on how to make the audit process itself run more smoothly, including setting clearer and more specific expectations and timelines for data retention and transfer, consolidating various contract vehicles such as data-sharing agreements, and creating program implementation manuals that address utility-specific practices.

10. Prior to Proceeding No. 21R-0326EG, participation in utility PIPP programs was contingent on applying to and being enrolled in the LEAP program implemented by the Colorado Department of Human Services (CDHS).⁴ Due to statutory changes,⁵ Electric Rule 3412(c) and Gas Rule 4412(c) were modified to enable customers to be enrolled in PIPP programs based on participation in assistance offerings by the CEO Weatherization Assistance Program and EOC. As stakeholders have discussed at prior CIMs, there has been significant work to develop enrollment pathways from these assistance providers to utilities' programs, although they were not fully developed as of the end of the evaluation period covered by the 2024 PIPP Evaluation Report.

11. We also emphasize that participation in preexisting income-qualified bill assistance programs is not only a conduit to receiving PIPP support, but also potentially a conduit to accessing

⁴ The Colorado Public Utilities Commission also offers a pilot Utility Bill Help program which can facilitate enrollment in utility PIPP programs based on approval for other CDHS programs. More information is available at: <https://puc.colorado.gov/utilitybillhelp>.

⁵ § 40-3-106(1)(d)(II), C.R.S.

other energy programs, ranging from weatherization to transportation electrification to clean heat.⁶ Some of these programs are still emerging and under development across a variety of applications before the Commission.

12. Accordingly, we recognize that there has been work and initiatives ongoing that may not have been fully captured in the report findings and recommendations.⁷

C. Stakeholder Comments on Topics and Key Questions

13. The volume and potential significance of recommendations in the 2024 PIPP Evaluation Report deserves additional analysis. We invite stakeholder comments, including those from entities involved in various aspects of program implementation regarding recommendations that could be prioritized, deprioritized, refined, clarified, and otherwise further evaluated prior to our consideration of whether to implement rules or take other steps. Accordingly, we request comments on the 2024 PIPP Evaluation Report, including in response to the following questions:

- a) What recommendations in the 2024 PIPP Evaluation Report should be the highest priority for the Commission to implement? The lowest priority?
- b) Is there any clarifying information that utilities would like to provide about how their PIPP programs are managed or implemented?
- c) Are there other recommendations for improving utility PIPP programs that were not included in the 2024 PIPP Evaluation Report?
- d) What recommendations is the Commission best-positioned to implement, and what recommendations may be relevant for other stakeholders to implement? Are there recommendations that are already underway?

⁶ See Proceeding No. 22M-0171ALL, Decision No. R24-0114-I, issued February 23, 2024, at ¶ 24, Table 1 (identifying customer programs which incorporate varied budget or participation requirements related to income-qualified and/or disproportionately impacted community customers).

⁷ As discussed, we welcome participant comments regarding the 2024 PIPP Evaluation Report, but also the broader historic context, including those aimed at providing greater context and background where appropriate to identify potential priorities for implementation at the Commission.

14. In addition, the 2024 PIPP Evaluation Report evaluated whether enrollment in PIPP programs could reduce the likelihood that customers are subsequently disconnected for nonpayment because their bills became affordable. GDS Associates identified preliminary data showing a correlation between program participation and reduced disconnections in some situations, but it also identified data gaps. The Commission believes there may be a different way to approach this analysis, and to identify customers that are persistently in arrears and disconnection so they can be proactively referred to or enrolled in bill assistance. In other words, in addition to seeing if bill assistance reduces the likelihood of disconnection, it may also be worth exploring whether a high propensity to be disconnected—or other similar activities, such as repeating patterns of arrears—suggests the opportunity to provide bill assistance. Specifically, we ask that commenters consider:

- a) We welcome comments on whether there are emerging ways to identify customers who are persistently in arrears and at risk of disconnection and who may not already be enrolled in traditional income-qualified programs.
- b) What kinds of information would it be necessary to collect to support this effort? Is appropriate data currently available, and if not, what data is missing?
- c) If such data were available, should it be used to proactively enroll customers in bill assistance programs, assist community navigators with outreach, or take other steps?

15. The 2024 PIPP Evaluation Report also highlights that various energy bill assistance programs are provided by different entities and have different eligibility thresholds and enrollment requirements. Moreover, as was discussed at prior CIMs, we understand that customers may be referred to multiple different entities as they seek assistance. We are concerned that this can be demoralizing to customers who may be under significant financial pressure, and therefore contributes to the potential gap between eligible customers and participating customers that GDS Associates identified. Along these lines, we welcome comments with regard to the following:

- a) While customers can be automatically enrolled in utility PIPP programs based on enrolling in other energy bill assistance programs, we welcome further comments on barriers to enrolling in assistance programs and opportunities to improve the customer experience.
- b) Which customer experience improvement activities are best suited for the Commission to lead as compared to other entities, like state agencies or service providers?

16. We further seek comments regarding data collection and customer education processes. For example, commenters are encouraged to respond to the following:

- a) If the Commission were to encourage or require utilities to develop program manuals for implementing PIPP programs, consistent with GDS Associates recommendations, what content should be included in those manuals?
- b) According to the 2024 PIPP Evaluation Report, utilities provide information to PIPP customers about other residential energy programs, such as energy efficiency offerings. If a customer seeks out a residential energy program offered by a utility, such as a solar plus storage rebate for income-qualified utility customers, are they also referred to energy bill assistance programs such as LEAP or EOC offerings?
- c) Are there activities that could make the evaluation process more effective, such as consolidating non-disclosure agreements, setting clearer data request processes, or refining the scope?

17. In addition to responses regarding the above areas of inquiry, the Commission may have opportunities to build connections between recommendations related to energy bill assistance and recommendations related to equity as it considers future rules changes. However, understanding the performance of equity and affordability customer programs is likely to involve more data than is currently collected on customer program performance, including data that relates to participants' geographic area, income, language proficiency, or other factors that can implicate program accessibility. This information may be increasingly necessary for the Commission to evaluate how to target financial assistance most effectively. It may also make sense in some cases to clarify data collection requirements and standardize data production and reporting across utilities, as Staff have begun in Proceeding No. 23M-0042EG related to disconnection reporting.

The 2024 PIPP Evaluation Report indicates that there were some delays and issues with data collection, and as implementation of these customer opportunities become increasingly tied to data collection efforts, we therefore seek input on the following:

- a) We welcome comments about how to improve the process of developing meaningful, timely, and consistent data collection and reporting as we move into more data-intensive programmatic analysis.
- b) For comments directed at collection of data from utilities specifically, we seek comments on best ways to both implement and enforce these data collection requests timely and effectively.

18. While this order provides specific areas of interest for stakeholder response, stakeholders may also raise issues in response to the 2024 PIPP Evaluation Report and associated background, processes, and customer experience, in addition to those explicitly requested.

19. Initial comments are requested on or before June 5, 2024. Responsive comments are requested on or before June 19, 2024.

20. We further direct Staff to bring forward proposals for one or more next steps in this Proceeding upon review of participants' comments. Without limitation, next steps could include an additional CIM or workshop, rules proposals,⁸ or other activities. Stakeholder comments are also encouraged to include suggested topics or proposals, including with regard to any further CIM discussions that would be helpful in the context of this proceeding.

21. Additionally, given that these comment deadlines sync well with Staff's work to develop a capstone report in Proceeding No. 22M-0171ALL at the direction of Commissioner Gilman,⁹ we encourage Staff to identify appropriate connections between our equity work and our

⁸ If Staff or commenters provide rule proposals, we recognize and note that these would be considered if follow-on rulemaking is proposed through a separate proceeding and Notice of Proposed Rulemaking. While no determination regarding rules will be made in this docket, we invite Staff and stakeholder input on rules that should be proposed for further consideration based on comments and considerations collected here.

⁹ More information on this process is available at puc.colorado.gov/equity.

work related to affordability as they review participants' comments and bring forward proposals for next steps.

II. ORDER

A. It Is Ordered That:

1. By this Decision, we acknowledge the Evaluation of the Percentage of Income Payment Plan: Final Report (2024 PIPP Evaluation Report), prepared by GDS Associates, Inc., and filed by the Colorado Energy Office on April 5, 2024.

2. We invite participant comments on the 2024 PIPP Evaluation Report, consistent with the discussion above. Initial comments are requested on or before June 5, 2024. Responsive comments are requested on or before June 19, 2024.

3. This Decision is effective upon its Mailed Date.

B. **ADOPTED IN COMMISSIONERS' WEEKLY MEETING May 8, 2024.**

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ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

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Commissioners

