



**Before
The Ohio Senate
Energy and Natural Resources Committee**

**Testimony on Substitute House Bill 114
(Renewable Energy and Energy Efficiency Standards)**

**by
Colleen Shutrump**

**On Behalf of the
Office of the Ohio Consumers' Counsel**

January 10, 2018

Hello Chair Balderson, Vice-Chair Jordan, Ranking Minority Member O'Brien, and members of the Committee. I am Colleen Shutrump, an energy resource analyst for the Office of the Ohio Consumers' Counsel, where my focus is on consumer issues involving alternative energy.

The issues in House Bill 114 (Bill) affect millions of Ohio electric customers. I am testifying today with updates on two of the Consumers' Counsel's consumer protection recommendations for the Bill. Our other recommendations are in our earlier Senate testimony, dated October 18, 2017.

The Ohio Consumers' Counsel supports energy efficiency as a way for Ohioans to save money. In this regard, we support energy efficiency that Ohioans employ on their own in the market without government-ordered, consumer-funded utility programs. And we support a reasonable level of energy efficiency through government-ordered, consumer-funded utility programs. Regardless of whether utility programs are mandated or voluntary under the law, Ohio consumers should be protected from paying too much for these energy efficiency programs. And Ohioans should be protected from paying excessive utility profits on energy efficiency.

Accordingly, there should be an annual limit on the amount that utilities can charge customers for energy efficiency program costs, utility profits, and lost revenues. A cap equal to a maximum of 4% of each utility's annual revenues would allow significant funding for energy efficiency programs, while protecting customers with a limit on how much money utilities could collect for energy efficiency programs. The PUCO should be given the discretion to impose a lower cap.

Our update is that FirstEnergy has now asked the PUCO to reconsider its Order (in Case 16-743-EL-POR) where the PUCO established a 4% cap on the sum of energy efficiency program costs and utility profits. FirstEnergy is claiming that the PUCO lacks the legal authority to impose a cap. Its reconsideration request is a prerequisite for appealing the PUCO's limit on energy efficiency charges to FirstEnergy's consumers. That means FirstEnergy could appeal the PUCO's decision that limited FirstEnergy's energy efficiency charges to consumers. Consumer protection on this issue (with authority for the PUCO to set a 4 % limit on utility charges) should be added to House Bill 114.

Additionally, Section 7 of the Bill should be removed. This section of the Bill would require the Ohio Development Services Agency to allocate 25% of funds from the federal Low-Income Home Energy Assistance Program (HEAP) to low-income weatherization projects. This re-allocation would be at the expense of the vital use of the funds for assisting the neediest Ohioans with payment of their energy utility bills. The highest and best use of HEAP funds should be for assisting low-income Ohioans with bill payments for maintaining their utility service (especially during Ohio's winter heating season). The imperative for assisting the neediest Ohioans with their utility bill payments is reflected in recent data showing there were approximately 450,000 residential utility consumers disconnected by electric and natural gas utilities between June 1, 2016 and May 31, 2017.

Moreover, this issue of HEAP weatherization funding was recently addressed in section 259.80 of the Ohio budget bill, Amended Substitute House Bill 49, where the General Assembly increased the

allocation of HEAP funding for weatherization to 20%. The issue should not be revisited in House Bill 114.

Our update is that, according to the attached news story in *ideastream* on January 1, 2018, consumer applications for bill payment assistance are up about 20% in Cuyahoga County this season. That reflects the vital need for preserving funds for bill payment assistance.

Finally, we have heard some informal discussion that other energy-related issues affecting consumers might be added to House Bill 114. If additional legislative issues are added for consideration in this Bill, we respectfully look forward to an opportunity for further public testimony on the Bill.

In closing, thank you for the opportunity to make recommendations for protection of Ohio utility consumers.

Emergency Winter Heating Programs See Uptick in Demand



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As the mercury drops, thousands of Cuyahoga County residents are applying for help under the Home Energy Assistance Program (HEAP). The federally-funded program helps low-income residents with their winter heating costs. And groups that administer the benefit locally say they're seeing an increased demand for it.

"We try to figure out how to accommodate them, but we have to kind of triage them," said Jeanne Morton, Director of Community Resources* at CHN Housing Partners, one of two community development nonprofits that help connect residents with HEAP assistance. Requests for the emergency service are up about 20 percent compared to this time last year, she said.

In recent weeks, she and her small staff have been getting over two hundred calls a day from residents worried about having their heat shut-off—and some who already have. And although their appointment calendar is booked for the next month, Morton said she still makes room for the most urgent cases.

"I have a really bad reputation in my office for squeezing people in," said Morton, whose organization is not the only one experiencing increased requests for HEAP.

"There does seem to be an influx of customers," said Doug Bennett, Vice President of External Affairs for the Council for Economic Opportunities in Greater Cleveland (CEOGC). "In the past couple of weeks, it's really gotten pretty cold, so I think that caused a lot of more people to seek our services."

The organization has seen nearly 4,000 individuals since early November, Bennett said, which is slightly more than the number it served this time last year. If the coming weeks are as freezing as the last, they'll likely see thousands more, he said.

According to estimates provided by CHN Housing Partners and CEOGC, over 20,000 individuals in Cuyahoga County obtained HEAP assistance last winter. While budgets for the programs vary widely by location, the seasonal budget allocated by Ohio's Development Services Agency to CEOGC for financial assistance payments is around \$2 million, Bennett said.

Although funds for HEAP come from the federal government, it is the state government that distributes HEAP payments to utility providers, and local agencies that administer the program at the county-level by screening applications.

Individuals seeking HEAP assistance must typically apply in person, bringing with them several documents including recent utility bills, proof of household income, proof of U.S. residency, and more. To qualify for assistance, a person's household income must be within 175 percent of the federal poverty level.

For those who get approved, the state makes a one-time payment to their utility provider, with the maximum payment varying depending on whether the utility is regulated by the Public Utilities Commission of Ohio (PUCO). For PUCO-regulated utilities such as FirstEnergy, the maximum payment is \$175. For customers of Cleveland Public Power, which is municipally-owned, payments can be up to \$500.

For individuals who exceed the income threshold for HEAP assistance, other programs are available. For example, the Winter Reconnection Order, issued by PUCO, allows residents, regardless of income, to avoid a shutoff or restore service by paying \$175. Alternatively, the Percentage of Income Payment Program Plus helps lower-income households maintain gas and electric service by paying a percentage of their household income instead of their actual energy bills.

**Correction: An earlier version of this article misspelled the first name of CHN Housing Partner's Director of Community Resources. Her name is Jeanne Morton, not "Jeannie."*

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