

D.P.U. 24-15 ENERGY BURDEN WORKSHOP

TIERED DISCOUNT RATES

PRESENTATION BY:

NSTAR ELECTRIC COMPANY, NSTAR GAS COMPANY AND EVERSOURCE GAS COMPANY OF MASSACHUSETTS, EACH D/B/A EVERSOURCE ENERGY;
BOSTON GAS COMPANY, MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC COMPANY EACH D/B/A NATIONAL GRID;
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY D/B/A UNITIL;
LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP. D/B/A LIBERTY; AND
THE BERKSHIRE GAS COMPANY

EVERSOURCE

nationalgrid

 **Unitil**

 **Liberty**

 **Berkshire Gas**
An Avangrid company

AGENDA

1. Shared Goals & Guiding Principles (3m)

- (Eversource)

2. Tiered Discount Rate (6m)

- 5-Tiered NH Model (Unitil)
- 5-Tiered LIDR Proposal (National Grid)

3. Close & Discussion



GOAL & GUIDING PRINCIPLES

Shared Goal: $\leq 6\%$ household income to *home* energy costs.

Guiding Principles:

- A. Consider energy burden across *heating, cooling and electrification* in designing discount.
- B. Reduce burden on CAPs, customers and Distribution Companies by retaining and building on *efficient statewide household income eligibility* processes.
 - Continue best practice of state/utility *data-matching* to support Discount Rate.
 - *Generally, rely on LIHEAP thresholds to establish household eligibility tiers.*
- C. Consider *cost to all customers* when determining discount percent by est. # customers.
- D. Discount levels can be adjusted regularly via a *DPU review process*.

NEW HAMPSHIRE ELECTRIC ASSISTANCE PROGRAM (EAP)

Tiered discounts since 2002 (22 years)

Targeted bill assistance through five discount tiers off first 750 kWh using Default Service rate

CAAs provide customer education, intake services, certification of eligibility, and tier determination

EAP funded by Statewide System Benefits Charge (SBC)

- 1.5 mils/kWh of SBC dedicated to funding EAP
- State Treasurer acts as custodian for EAP funds
- Utilities/CAAs file annual budgets with Commission each year
- Over 32,000 homes receive benefits and budgeted to serve up to 35,000 homes

Benefits of Statewide Funding Model (supported by Unitil, Liberty, and Berkshire)

- Income levels/energy burden are not uniform across state
- Size of each utility company's service territory varies
- Statewide funding provides more assistance to greater number of customers

EAP Income Tier	Discount Rate
151% FPG to 60% NHSMI	5%
126% FPG to 150% FPG	19%
101% FPG to 125% FPG	36%
76% FPG to 100% FPG	54%
0% FPG to 75% FPG	86%

NATIONAL GRID'S MA ELECTRIC DISCOUNT PROPOSAL

- Today, National Grid offers a 32% flat discount on total electric bills (delivery + supply charges) for income-eligible customers
- Income-eligible customers are those with household incomes below 60% of the State Median Income (SMI), referred to as "low-income" in MA utility law
- National Grid's pending rate case contains a proposal to change the flat discount to a 5-tiered structure, with levels between 32% and 55% based on income tier
 - Tiers were designed to help reduce most eligible customers' home energy burden to an estimated 6% of their household income, factoring in the level of discount and potential LIHEAP grant levels
- The rate case also proposes a significant new investment in education, outreach and staffing to expand reach to additional customers and communities not yet served by low-income programs
- The rate case proposal is estimated to increase the current program surcharge (the RAAF) by ~50% over 5 years, from about \$5/month (current RAAF) to about \$7.50/month for an average residential customer

2023-24 Income-Eligibility Guidelines (60% SMI / LIHEAP)	
Household Size	Maximum Annually Income Limit
1	\$45,392
2	\$59,359
3	\$73,326
4	\$87,294
5	\$101,261

For larger household sizes, see
<https://www.nationalgridus.com/MA-Home/Bill-Help/Payment-Assistance-Programs>

THANK YOU. OPEN TO DISCUSSION.