



Agenda Date: 10/28/20  
Agenda Item: 9A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
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IN THE MATTER OF THE ENERGY ASSISTANCE )  
GRANT AS AUTHORIZED UNDER N.J.S.A. 48:2-29.39 ) ORDER AUTHORIZING  
- PAYMENT ASSISTANCE FOR GAS AND ELECTRIC ) GRANT AWARD  
PROGRAM ) DOCKET NO. EG20060445

**Parties of Record:**

**Donna Blaze, CEO**, Affordable Housing Alliance  
**Cheryl Stowell, CEO**, New Jersey SHARES

**BY THE BOARD:**

By this Order, the Board of Public Utilities (“Board”) is considering Staff’s recommendation to award a contract to a non-profit organization seeking to administer the Board’s Payment Assistance for Gas and Electric program (“PAGE”) during the next PAGE contract period, which begins January 4, 2021. The Affordable Housing Alliance (“AHA”) is the current PAGE Administrator.

**BACKGROUND/PROCEDURAL HISTORY**

N.J.S.A. 48:2-29.39 authorizes the 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. N.J.S.A. 46:30B-74 directs the administrator of the Unclaimed Utility Deposit Trust Fund (“Trust Fund”) to provide 75% of the money in the Trust Fund to the New Jersey Statewide Heating Assistance and Referral for Energy Services (“NJ SHARES”), or to another statewide nonprofit energy assistance organization designated by the Board within 45 days of the receipt of such funds. This funding makes the PAGE program possible. The non-profit entity designated by the Board to receive the funds must use them to help electric or natural gas customers pay their electric or natural gas bills to avoid termination of service or restore service.

Currently, PAGE provides grants to any household above the income limits for the federal Low-Income Home Energy Assistance Program (“LIHEAP”) and up to New Jersey Median Income.<sup>1</sup> PAGE currently provides a maximum of \$750 for either gas and/or electric assistance, and

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<sup>1</sup> Approximately \$123,400 for a family of four.

eligibility requirements include: 1) the household cannot be a current recipient of the LIHEAP or Universal Service Fund program (“USF”); 2) the household must make a good faith payment to the utility company; 3) there is an overdue balance of at least \$100; and 4) liquid assets are capped at \$15,000.

At its June 15, 2020 agenda meeting, the Board authorized the issuance of a Notice of Grant Availability (“Notice”) to solicit bids to procure an administrator for the next PAGE contract period. The Notice was published in the New Jersey Register on August 17, 2020, as well as on the Board’s website at <https://nj.gov/bpu/pdf/announcements/2020/PAGE.pdf>. The Notice was also emailed to various listservs related to USF, LIHEAP, and the New Jersey Clean Energy Program. Additionally, a question and answer period was provided to all potentially interested bidders. The questions and answers were posted to the Board’s website and emailed to all potentially interested parties on September 1, 2020.

The Notice informed the public that the Board was seeking an entity:

...to administer a program that provides assistance towards payment of electric and/or natural gas utility bills for households seeking aid. The beneficiaries of such assistance will be public utility customers, hereinafter referred to generally as “Limited Income Households” and more specifically defined as follows: 1) New Jersey households with zero-to-moderate income; and 2) Facing a hardship that includes a recent documented notice of overdue payment for natural gas and/or electric service on the utility bill for which payment assistance is being sought.

Additionally, the Notice indicated that no more than one PAGE grant for electric service and one PAGE grant for gas service may be provided to any applicant within a 12-month period and allowed PAGE grants to cover energy usage in addition to security deposits and reconnection fees. Further, the Notice clarified that if a PAGE applicant is income-eligible for LIHEAP or USF, the applicant should be directed to apply for those programs first in order to maximize total available benefits prior to seeking supplemental aid from PAGE. The Notice also informed bidders that funding received by the chosen Grantee must be split into two separate accounts: 1) for low-income applicants (at or below the LIHEAP income limits); and 2) for moderate-income applicants (above the LIHEAP income limits up to moderate income). Finally, the bidders were informed that the chosen Grantee shall provide information to PAGE-qualifying households regarding New Jersey’s energy efficiency and renewable energy programs that are designed to serve low to moderate income households.

The deadline by which applicants were required to submit their proposals to the Board was 5:00 p.m. on September 16, 2020. In accordance with the requirements contained in the Notice, the Board received two proposals from:

1. AHA
2. NJ SHARES.

An Evaluation Committee (“Committee”), consisting of five representatives from Board Staff, reviewed the proposals.

The Committee was comprised of representatives from the Office of the Secretary, the Audits Division, Counsel's Office, the Division of Customer Assistance, and the Office of Budget and Finance. Technical scores were calculated based on the result of an independent reading and analysis of each proposal by the evaluators.

### **EVALUATION METHODOLOGY**

The Committee was responsible for performing a review of each proposal received. The focus of the Committee's review was on the strengths and weaknesses of each proposal as it related to the applicant's ability to undertake and successfully complete the work required for the PAGE Grant as specified in the Notice.

The Committee utilized a technical scoring format based on assigning points to each of the evaluation criteria listed in that section of the Notice. The criteria listed in the evaluation section of the Notice assigned a maximum of either ten (10) or twenty (20) points to each individual criterion.

The Committee utilized the following process to derive total scores:

1. Each member reviewed and scored each application independently, and assigned a technical score from one to ten (10) or one to twenty (20) to each criterion, depending on the number of points allotted to each criterion, as per the point allotments contained in the Notice, and used a standard scoring sheet;
2. Then summing all scores from the Committee members to derive the total score for the proposal.

Each voting Committee member could assign a maximum score of 100 technical points to each applicant's bid proposal. The Committee then discussed the merits of the proposals of the two applicants in greater detail.

### **RECOMMENDATION**

As set forth in the Committee's evaluation report, the Committee selected AHA as the highest scoring bidder. AHA's total score was 449 out of a total of 500 points available with an average score of 90. NJ SHARES received a total of 403 points out of a total of 500 points available with an average score of 81. The quality of AHA's proposal resulted in both the highest total score from all Committee members, as well as the highest scores in all six (6) scoring criteria.

The AHA proposal provided the Committee with ample reason to believe that AHA would implement PAGE in an effective and responsible manner. All of the Committee members agree with the final scoring to rank AHA number one and recommended the selection of AHA as the recipient of the PAGE Grant.

The Committee selected AHA for several reasons, including the high level of detail regarding all aspects of the administration of PAGE, which led the Committee to believe AHA would administer the program most effectively and efficiently. AHA clearly described, in narrative

format and with the additional use of graphics, the entire application process from filing an application to receiving benefits. The AHA proposal indicates that it will have PAGE up and running within 15 days of being awarded the Grant. With this short turnaround time, AHA can provide seamless service to clients.

The Committee was further pleased that AHA provided a detailed marketing and outreach plan for the target population and described its demonstrated knowledge and experience in working with investor-owned utility companies, as well as its documented experience administering other assistance programs such as: the Board's former Temporary Relief for Utility Expenses program (Administered by AHA statewide for six years); the Board's USF program in Monmouth County; the Department of Community Affairs' federal LIHEAP program for Monmouth County; the Gift of Warmth program for New Jersey Natural Gas customers; and Atlantic City Electric Company's Helping Hands program.

AHA provided time-tested outreach methods through its partnerships with the utility companies and affiliate agencies. The Committee noted that AHA targeting payment-troubled customers through the customer's utility companies rather than wait for customers to reach out to AHA was an innovative and collaborative approach to marketing PAGE.

AHA described detailed agreements with the utility companies regarding processing payments, crediting accounts, and providing accessibility of utility staff to AHA-PAGE staff. AHA also laid out in detail the secure verification process and methods it uses to provide accurate and sufficient grant amounts to the utility companies with whom they interact on a daily basis.

AHA also provided its detailed internal fraud prevention measures, which include: various levels of approval for issuing client grants; regular training for their staff and affiliates; checks in their database; and quality control methods with personnel. AHA indicated they would continue to provide program training to all PAGE employees and affiliate agencies with an AHA-created PAGE policies and procedures manual to ensure the integrity of the program, making certain that only eligible clients receive grants. AHA included this policies and procedures manual in its proposal, which further demonstrated attention to detail.

AHA's proposal indicated it regularly monitors its Quality Assurance Surveys, operational performance, and financial reports in order to identify, address, and correct any program issues. AHA confirmed it tracks all the metrics needed for reports required by the Notice, as well as additional variables to monitor program performance.

AHA indicated it has three offices in Monmouth County and partners with 22 affiliate agencies throughout the state for the processing of PAGE applications on a fee per application basis. These affiliates regularly serve the low-income population and AHA stated that this would help alleviate some of the application volume that will result from lowering the income floor from its current 200 percent of the Federal Poverty Level to zero income. AHA proposed keeping the PAGE income ceiling at NJ State Median Income in order to continue serving moderate-income applicants who experience a crisis.

Regarding its budget, the Committee valued AHA's detailed description of its ability to adjust program costs based on variable funding from year to year. AHA provided several detailed models with accompanying justification narratives describing how direct costs would be impacted by various funding and benefit cap scenarios. These details and explanations demonstrated to the Committee that AHA thoroughly considered the budget scenarios it may

face and determined how to adjust expenses to accommodate budget realities.

AHA proposed modifications to PAGE to comply with the Notice. Based on its analysis of past PAGE applicants' income levels, AHA proposed the PAGE grant dollars be distributed through two separate accounts as follows:

- 1) 60 percent (60%) of PAGE funding for *low-income* participants; and
- 2) 40 percent (40%) of PAGE funding for *moderate income* participants.

AHA proposed two options for benefit level caps from which the Board can choose:

<b>PAGE Benefit Cap</b>	<b>Low-income Benefit Cap</b>	<b>Moderate-income Benefit Cap</b>	<b>Estimate of Households Assisted</b>
<b>Option 1</b>	\$300	\$500	10,000
<b>Option 2</b>	\$400	\$700	7,500

AHA proposed flexibility in that the applicant be able to choose how their PAGE grant cap be distributed between gas and electric costs. Additionally, AHA proposed a household be able to qualify for a PAGE grant once every 24 months as opposed to the 12-month time limit listed in the Notice. AHA stated in its proposal that, based on its extremely high numbers of past PAGE applicants from low-income households, the 24-month limit would be more equitable by allowing more households an opportunity to receive this relief once in a two-year period. However, AHA proposed it review this time limit after six months. Finally, AHA proposed to deny PAGE grants to households who have received \$2,000 or more in USF/LIHEAP benefits.

After examining AHA's proposed benefit cap options in addition to reviewing recent average residential utility arrearages,<sup>2</sup> the Committee recommends the Board adopt the higher benefit cap levels, ("Option 2" above). While Staff acknowledges that the current PAGE benefit of \$750 per utility will be significantly reduced in the proposed PAGE program, the Committee understands that with the expansion of PAGE to very low-income clients,<sup>3</sup> the anticipated increase in applications could deplete the available funds quickly.

However, the Committee recommends that AHA modify the proposed program to allow low-income households who have been denied USF and LIHEAP benefits<sup>4</sup> to receive the moderate-income PAGE benefit cap.

Also, the Committee recommends that AHA review the reapplication window periodically and be able to adjust this time frame down from its proposed 24 months to a minimum of 12 months, depending on available funds and demand.

Additionally, the Committee determines that past USF/LIHEAP benefits are unrelated to current need and would also needlessly increase PAGE application processing time, which could put a PAGE applicant at further risk of shut off. Therefore, the Committee recommends that AHA's

<sup>2</sup> August 2020 average residential utility arrearages for 90 days or more overdue were \$385 for gas and \$703 for electric.

<sup>3</sup> Approximately 200,000 households received LIHEAP during the last program year.

<sup>4</sup> Households residing in public housing are not eligible for LIHEAP and those who do not pay more than 3-6% of their income on electric or gas are not eligible for USF.

proposed \$2,000 cap on USF/LIHEAP benefits not be a barrier to a client receiving a PAGE grant.

Finally, AHA's proposed PAGE application requires social security cards from each member of the applicant's household and additionally requires a valid form of New Jersey identification, such as a driver's license, an identification card issued by federal, state or local government agencies, a U.S. Military or Veteran ID card, or a Voter registration card, and also proof of residency including the applicant's utility bill. The Committee instead recommends that a copy of a social security card for all household members be requested, but not required.

## **DISCUSSION AND FINDINGS**

The Board recognizes the need for an open and transparent bidding process where public funds are concerned. After review of the evaluation process, the Board **HEREBY FINDS** the process was fair and impartial. Each Committee member independently evaluated each proposal, based upon the criteria as specified in the Notice, and each Committee member was provided with specific instructions for following the Notice criteria and applying them when scoring the applications. Therefore, each applicant was afforded the same opportunity to compete for the PAGE Grant.

Applications were scored based upon the information each applicant provided by the application deadline. The details of each proposal were carefully reviewed by the committee and, based upon the applications presented, AHA submitted the highest-ranking proposal.

The Board **HEREBY ACCEPTS** the recommendation of the Evaluation Committee to award the PAGE Grant to AHA based in Neptune, New Jersey for a two-year period. This two-year contract may be extended for a third year with approval by the Board. Any unspent funds at the end of the contract shall be returned from AHA to the State or transferred by AHA to the Board's designated Grantee.

The Board **HEREBY DIRECTS** that AHA incorporate Staff's requested modifications above to its proposed PAGE program. The Board further **DIRECTS** that these modifications shall be included in the final contract or grant agreement with AHA.

The Board also **DIRECTS** the utilities to work with AHA to ensure applicants who have applied for and met the eligibility requirements of a PAGE Grant will have that grant applied towards their utility bill in a timely manner. Additionally, the Board **DIRECTS** the utilities to protect a PAGE recipient from shut off of service for at least 30 days after the grant is applied to the utility account.

The Board **HEREBY AUTHORIZES** the Board President to sign the contract or grant agreement with AHA to implement PAGE.

AHA shall adhere to the reporting requirements as set forth in the Notice of Grant Availability and any other reporting requirements specified in the contract and as set forth below:

Quarterly progress reports accounting for all funds received and spent will be required, including but not limited to, the number and amount of financial assistance grants distributed to Limited Income Households by each electric and/or gas utility and when

the grants are distributed. Quarterly reports shall also include actual program administrative costs for that quarter. Within one year of receiving the grant award, the nonprofit organization shall issue a comprehensive report to the Board which provides the number of applicants applying for household utility assistance grants, the number of households receiving utility assistance grants, the average amount of assistance provided, the average gross income of households receiving assistance, the methods and procedures used for the verification of income or hardship, and any other information as required by the Board. This comprehensive report will be required on an annual basis after the first year or more frequently at the discretion of Board Staff.

The effective date of this Order is November 7, 2020.

DATED: October 28, 2020

BOARD OF PUBLIC UTILITIES  
BY:



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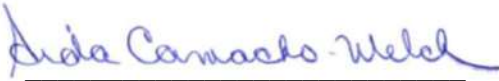


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SECRETARY

I/M/O OF THE ENERGY ASSISTANCE GRANT AS AUTHORIZED UNDER N.J.S.A. 48:2-  
29.39 - PAYMENT ASSISTANCE FOR ELECTRIC AND GAS PROGRAM  
DOCKET NO. EG 20060445

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