



COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES

September 26, 2003

TO: The Honorable Mark R. Warner

and


The General Assembly of Virginia

The report contained herein is pursuant to §63.2.805 of the *Code of Virginia (Code)*. The *Code* requires the Virginia Department of Social Services to submit an annual report on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians.

This report on the effectiveness of low-income energy assistance programs in the Commonwealth assesses the adequacy of energy assistance efforts targeted to low-income households and discusses whether a duplication of services exists among the myriad energy assistance programs serving low-income households. Energy assistance services, including heating and cooling subsidies, crisis intervention and weatherization assistance, are available through a number of programs administered by the Departments of Social Services, Aging and Housing and Community Development, as well as Virginia's major utilities.

Clearly, there is a demand for energy assistance programs in the Commonwealth. The existing programs offer needed services and benefits to low-income Virginians. Existing data from programs, the Census, and a random sample survey of 2200 low-income Virginians indicate that the majority of eligible households in Virginia do not receive any energy assistance.

Respectfully submitted,


Maurice A. Jones
Commissioner

Report on the Effectiveness of Low-Income Energy Assistance Programs

PREFACE

The *Code of Virginia (Code)* requires the Virginia Department of Social Services (VDSS) to report annually on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. The language requiring the report and the report's content can be found in § 63.2-805.C.5. of the *Code*.

This report contains data from VDSS' Energy Assistance Program (EAP) database as well as data compiled in collaboration with the Department for the Aging, the Department of Housing and Community Development (DHCD), Dominion Virginia Power, and American Electric Power (AEP). It also contains survey results from low-income households and fuel vendors. VDSS is appreciative of the contributions made to the report by all persons and organizations.

Report on the Effectiveness of Low-Income Energy Assistance Programs

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Report on the Effectiveness of Low-Income Energy Assistance Programs

EXECUTIVE SUMMARY

This report on the effectiveness of low-income energy assistance programs in the Commonwealth assesses the adequacy of energy assistance efforts targeted to low-income households and discusses whether a duplication of services exists among the myriad energy assistance programs serving low-income households. Energy assistance services, including heating and cooling subsidies, crisis intervention and weatherization assistance, are available through a number of programs administered by the Departments of Social Services, Aging and Housing and Community Development, as well as Virginia's major utilities.

The confluence of utility deregulation, fluctuating residential energy costs and the current recession economy create an uncertain environment for energy affordability in the Commonwealth. According to the 2000 Census, the income of 254,551 households in Virginia is below the federally defined poverty threshold and many more struggle to meet their monthly bills due to the high cost of housing in many Virginia communities. During state fiscal year (SFY) 2003, energy assistance programs in the Commonwealth jointly served approximately 144,330 households, up from 125,000 households during SFY 2002.

While about 57 percent of all Virginia households with incomes at or below the federally defined poverty threshold received assistance from the major energy assistance programs, the full extent of unmet need cannot be fully determined by looking at the programs utilization statistics. The ratio of households served to households eligible does not capture the adequacy of benefits delivered or the true number of households in need. Among the households participating in the Virginia Energy Assistance Program, 75 percent spend in excess of 50 percent of their income on home energy. Given the finite resources and competing demands for housing and food, it is likely that this high percentage of a household's budget spent on energy costs places a low-income family at risk of not being able to meet other basic needs.

According to a random sample survey of 2200 low-income Virginians conducted by Virginia Tech on behalf of VDSS, more than one-fifth (21 percent) of households stated that in the past year they sometimes had less heating than they felt they needed because they could not afford it. The majority (80 percent) stated that they need help paying their heating bills, and 15 percent said they need help in buying, fixing, or installing heating equipment. More than one fifth (22 percent) reported having received assistance from at least one source in the last year to help pay for their heating costs. These sources included VDSS (11 percent), their church (3 percent) or their family/friends (5 percent).

Another important component of assessing the effectiveness of energy assistance programs in the Commonwealth is the degree to which program duplication exists. In examining the major state and utility-based programs, it appears that these programs are not duplicative. Each program offers a discrete and complimentary energy assistance benefit to low-income Virginians. Additionally, a host of smaller community and faith based energy assistance programs operate throughout the state. These programs typically serve individuals from their local community, offering subsidies to help defray energy bills.

In addition to helping meet immediate energy assistance needs, the Commonwealth is aggressively pursuing efforts to improve energy efficiency, targeting residences of low-income households. This past year, VDSS was awarded \$1 million under the Office of Community Services' Residential Energy Assistance Challenge (REACH) Option Program for federal fiscal year (FFY) 2002. Virginia is one of only six states to receive a grant. Funding from this grant will support services that provide consumer education to low-income families to increase energy efficiency. Data collected will measure the effectiveness of weatherization.

Clearly, there is a demand for energy assistance programs in the Commonwealth. The existing programs offer needed services and benefits to low-income Virginians. Existing data from programs, the Census, and the random sample survey of low-income Virginians indicates that the majority of eligible households in Virginia do not receive any assistance.

Report on the Effectiveness of Low-Income Energy Assistance Programs

STUDY MANDATE

Section 63.2-805 of the *Code of Virginia* states:

"5. Report annually to the Governor and General Assembly on or before October 1 of each year on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. In preparing the annual report, the Department shall:

- a. Conduct a survey biennially beginning in 2002 that shall collect information regarding the extent to which the Commonwealth's efforts in assisting low-income Virginians are adequate and are not duplicative of similar services provided by utility services providers, charitable organizations and local governments;*
- b. Obtain information on energy programs in other states; and*
- c. Obtain necessary information from the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, to complete the biennial survey and to compile the required annual report. The Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, shall provide the necessary information to the Department.*

*The Department's annual reporting requirement shall cease October 1, 2007.
(See Appendix I for a copy of § 63.2-805)*

BACKGROUND

The 1999 Virginia General Assembly established the Legislative Transition Task Force through the Virginia Electric Utility Restructuring Act, Chapter 23 of Title 56 of the *Code of Virginia*. The Task Force was formed to work collaboratively with the State Corporation Commission for the phase-in of retail energy competition within the Commonwealth. Membership of the Task Force includes 10 members of the General Assembly, six from the House of Delegates and four from the Senate. A Consumer Advisory Board was also created to assist the Legislative Transition Task Force in fulfilling its charge.

One of the recommendations of the Consumer Advisory Board to the Task Force was to study all aspects of low-income household energy assistance programs in the Commonwealth. This recommendation led to §63.1-339 of the *Code of Virginia* that required the Virginia Department of Social Services to prepare an annual report to the Governor and General Assembly about the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians on or before October 1 of each year.

The 2002 General Assembly amended §63.1-339 of the *Code of Virginia* with the passage of House Bill 747 and created the Home Energy Assistance Program. The amendment requires the Virginia Department of Social Services to conduct a biennial survey to collect information about the extent to which the Commonwealth's efforts in assisting low-income Virginians are adequate and are not duplicative of similar services provided by utility services providers, charitable organizations and local government; obtain information on energy programs in other states; and obtain necessary information from other state agencies, as well as any non-state programs, that elect to participate in the Home Energy Assistance Program. Title 63.1 of the *Code of Virginia* was recodified effective October 1, 2002, and §63.1-339 is now §63.2-805.

The following annual report assesses low-income energy assistance programs adequacy in targeting low-income households. The report also provides discussion on efforts to improve outreach to low-income households and to enhance service delivery and program effectiveness.

OVERVIEW OF LOW-INCOME ENERGY ASSISTANCE PROGRAMS

Low-income energy assistance programs in Virginia are available through a myriad of public and private organizations. The largest program is offered by the Virginia Department of Social Services (VDSS), which receives a federal grant of approximately \$33 million annually to provide heating and cooling assistance to low-income households. Other energy assistance programs are funded by various sources and provide assistance on a smaller scale. The Weatherization Assistance Program is funded by multiple state and federal sources and the EnergyShare, Fan Care, and Neighbor-to-Neighbor Programs are utility-funded. Programs operated by the Commonwealth, the Energy Assistance Program (EAP) and Weatherization, provide statewide assistance. Programs sponsored by utility companies provide assistance only in their service area. The following chart identifies the programs in this report and displays the application period, service area, assistance offered and the target group.

Program	Application Period	Service Area	Assistance Provided	Target Group
EAP – Fuel	Second Tuesday in October to Second Friday in November	Statewide	Pay for a delivery of fuel or past fuel bill or utility for heating	All income eligible households
EAP - Crisis	November 1 to March 15	Statewide	Averts no heat situations	Vulnerable households
EAP – Crisis Fuel	January 1 to March 15	Statewide	Secure a fuel delivery or maintain heat utility	All income eligible households
EAP - Weatherization	Year round	Statewide	Air infiltration measures	All income eligible households
Neighbor to Neighbor	January 1 to February 28	33 localities in American Electric’s (AEP) service area	Pay past due AEP electric bill once EAP benefits are exhausted	AEP customers only
EnergyShare	December 15 to May 31	67 localities in Dominion Virginia Power service area	Secure a fuel delivery or maintain heat utility	Elderly, ill unemployed, in crisis
Weatherization	Year round	Statewide	Air infiltration measures	All income eligible households
EAP – Cooling	June 15 to August 15	Statewide	Buy & repair fans or air conditioners, pay electric bill or security deposit	Vulnerable households
Fan Care	June through September	Statewide	Purchase fans	Age 60 and over
Summer Cooling	June through September	Statewide	Buy or repair conditioners and pay electric bill	Age 60 and over

All low-income energy programs base eligibility on income and energy needs. In most programs, energy subsidies are paid directly to contracted providers who receive authorization to provide assistance to households in their service area.

The following is a summary of services, utilization, expenditures and denial reasons indicative of unmet need of customers for the public and private sector programs for SFY 2003. Data collection differs among programs as indicated by not applicable (N/A) in some columns when data are not available.

EAP - Fuel Assistance provides assistance with purchasing home heating fuel. Forty-five percent of the VDSS portion of the Low Income Home Energy Assistance Program (LIHEAP) grant is used for fuel assistance benefits. All eligible applicant households are assigned a benefit amount. The average household benefit amount for FFY 2003 is \$200. The maximum benefit is \$293.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
91,008	\$18,462,166	N/A	N/A	5,491	N/A	None

EAP - Crisis Assistance averts or meets a household's emergency heating need. Assistance includes: one-time heat security deposit; portable space heater for temporary use; buying home heating fuel; paying heat utility bill; paying for emergency shelter; and buying or repairing heating equipment. The average benefit amount for FFY 2003 is \$309 per household. The maximum benefit amount is \$2,404.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
18,912	\$6,017,539	862	\$182,071	1,182	1,043	None

EAP - Cooling Assistance provides purchase or repair of cooling equipment and/or payment for electricity to operate cooling equipment. The average benefit is \$201.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
22,196	\$4,458,922	1,033	\$71,663	1,050	1,432	None

EAP - Weatherization Assistance applies energy efficiency measures to the housing structure. The Virginia Department of Housing and Community Development (DHCD) administer this component with 15 percent of the LIHEAP block grant. The average benefit is \$2,719.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,132	\$3,078,046	N/A	N/A	387	None	None

Neighbor-To-Neighbor Program provides assistance in 33 localities to American Electric Company (AEP) customers to pay their winter electric bills. The average household benefit is \$100. AEP matches customer donations up to a maximum of \$37,500.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,286	\$129,248	N/A	N/A	20	None	60

EnergyShare Program provides assistance with heating costs for any fuel type to residents in Virginia Dominion Power's 67 locality service area. The average benefit is \$198. Contributions are matched by the company up to \$50,000.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
5,113	\$1,013,737	N/A	N/A	None	None	926

Weatherization Assistance Program, regulated by the United States Department of Energy, installs cost-effective energy efficiency measures to decrease home energy consumption. The average benefit is \$2,053.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
983	\$2,018,509	N/A	N/A	None	None	None

Summer Cooling Assistance is administered by the Department for the Aging (VDA) using LIHEAP funds to purchase and repair air conditioning systems and pay electric bills for households containing elderly citizens, age 60 and older, which have income at or below 150 percent of poverty. The average benefit is \$162.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
619	\$100,000	83	N/A	25	9	22

Fan Care Program purchases fans for the elderly. VDA administers this program with \$27,500 provided by Dominion Virginia Power. The average household benefit is \$10.

Total Family units Served	Total Cost	Multiple Program Needs		Reason Cases Denied		
		# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
3,592	\$37,360	457	\$2,419	27	None	9

The programs summary reports indicate that seven of the nine programs had an increase in the numbers of households assisted during SFY 2003. Four of the programs (Summer Cooling, Fan Care, EAP – Cooling and Crisis) collected data indicating that 2,435 of the households assisted had to use additional funds from other programs to meet their needs. The EnergyShare, Neighbor-to-Neighbor, Fan Care and Summer Cooling programs depleted their funds and had to deny 1,017 households. Income in excess of 130 percent of poverty caused 8,173 households to be denied for low-income energy assistance.

Numerous other small community faith-based energy assistance programs operate throughout Virginia. These programs provide assistance to households in their communities, offering subsidies to help defray energy bills. The extent of duplication of assistance and the provision of multiple services remains unknown due to privacy and confidentiality restrictions on data sharing. This issue continues to pose a challenge for the service delivery system.

EFFECTIVENESS OF ENERGY ASSISTANCE PROGRAMS

For the purposes of this report, the effectiveness of Virginia's energy assistance programs is measured by the percentage of eligible applicants served, the level to which services and benefits meet the needs of households, and the degree to which programs are duplicative. The data used for this analysis is derived from program administrative data, Census data, and the results of a random sample survey of 2200 low-income households conducted by Virginia Tech on behalf of VDSS. The low-income survey defined low-income as 130 percent of poverty or less.

Percentage of Eligible Households Served

Using the LIHEAP eligibility criteria as a proxy for eligibility across all the Commonwealth's low-income energy assistance programs, it is clear that the vast majority of low-income households in Virginia receive no assistance to help them meet their energy needs. The programs outlined in this report offered benefits and services to approximately 144,330 low-income Virginia households in the past fiscal year. These programs provide assistance to eligible households with income up to 150 percent of the federally defined poverty threshold (Appendix II delineates these income levels by family size). According to the United States Department of Health and Human Services, Virginia has 689,300 households that have income below 150 percent of poverty and 254,551 households with income below 100 percent of the poverty threshold (see Appendix III).

According to the low-income survey, less than a quarter (22 percent) of low-income Virginians report having received assistance from at least one source in the last year to help pay for their heating costs. These sources include VDSS (11 percent), their church (3 percent) and their family/friends (5 percent). None of the following programs provided benefits or services to more than 1 percent of the low-income population: EnergyShare, Metro Care, utility companies, the United Way or a Neighbor-to-Neighbor program.

Extent to which Benefits Meet Household Needs

The energy assistance benefits and services provided to low-income households do not fully meet their needs. Low-income households juggle competing demands for basic needs including housing, food, medicine, and heat/cooling. According to the low-income survey, more than a third (34 percent) of low-income residents report that they do not have adequate income to cover their bills in a typical month. In response to this challenge, many low-income households seek assistance and employ other strategies to make ends meet.

Unfortunately, heat is a basic necessity that eludes many poor Virginians, and the cost of heating is obviously an issue of concern among many low-income residents. More than one-fifth (21 percent) of low-income households report that they sometimes had less heat than necessary because they could not afford it, and many more low-income Virginians struggled to keep their energy bills down. The majority (80 percent) say that they need help paying their heating bills while only 15 percent say they need help in buying, fixing, or installing heating equipment.

Nearly half (49 percent) say that there are strategies their household has employed to reduce their heating bills. For example, a quarter of low-income Virginians (25 percent) report

wearing extra layers of clothing; a third (33 percent) report having closed off rooms; and slightly more than a third (34 percent) have put plastic on windows. More than half (55 percent) say they turn down the thermostat. In addition, 15 percent of households say they have burned wood, used a space heater/kerosene or installed insulation to keep their heating bill down.

Among those receiving assistance from the Energy Assistance Program – Fuel Component, only 14 percent reported that their benefit covered the full amount of need. The majority (58 percent) indicates that less than half of their energy needs were met through the benefits and one-third report their energy assistance benefit meeting less than 25 percent of their need.

Heating is not the only energy assistance that low-income residents may need, although it is more likely to be utilized. For example, 23 percent of low-income residents say that in the past year their house was sometimes warmer than they wanted it because they could not afford to cool it. More than half (52 percent) say they need help in getting new equipment while 37 percent say they need assistance in paying cooling bills. However, only 7 percent of residents report that they received assistance from any source in the last year to help pay for their cooling costs. Among those who applied for assistance, 92 percent applied to VDSS.

Among those receiving assistance from the Energy Assistance Program – Cooling Component, only 14 percent reported that their benefit covered the full amount of need. The majority (59 percent) indicates that less than half their energy needs were met through the benefits and more than a third (35 percent) report their energy assistance benefit meeting less than 25 percent of their need.

Degree to which Programs are Duplicative

Another important component to assessing the effectiveness of energy assistance programs in the Commonwealth is the degree to which program duplication exists. In examining the major state and utility-based programs, it appears that there is little duplication of services among programs. Each program offers a discrete and complementary energy assistance benefit to low-income Virginians.

The major programs funded by the LIHEAP block grant include the EAP – Fuel Program, EAP – Crisis Program, EAP – Cooling Program, and the Weatherization Program. The three Energy Assistance Programs provide subsidies to offset the costs of heat and cooling or to avoid an energy crisis. The Weatherization Program serves a very different purpose in helping households make their homes more energy efficient, thus reducing their future costs for energy. The Summer Cooling Program operated by the Virginia Department for Aging provides subsidies to individuals over the age of 60 to pay electric bills or purchase/repair air conditioners. This program serves relatively few individuals; however, it is possible that some duplication of services may exist between this program and the EAP - Cooling Program. The Departments of Aging and Social Services are pursuing a data sharing agreement to determine the extent to which duplication may exist.

An examination of the major utility-sponsored programs reveals a possibility that a duplication of services may be provided by the EnergyShare Program operated by Virginia Dominion Power in 67 localities and the EAP Program. The EnergyShare Program provided subsidies to approximately 5,100 households in the past fiscal year, and it is possible that those

households also received energy assistance through the EAP Program. Although a duplication of services cannot be determined by VDSS because of privacy concerns with the release of customer data, Virginia Dominion Power has the information to conduct this analysis and prevent a duplication of services since the EAP Program pays Virginia Dominion Power (and other utilities) directly on behalf of their customers who are eligible for the EAP Program.

The other major utility-sponsored program is Neighbor to Neighbor sponsored by American Electric Power Company. This program served 1,286 individuals in 33 localities last year and is administered by VDSS, preventing a duplication of services. VDSS uses the funds from Neighbor to Neighbor to supplement the EAP Program. Funds from the Neighbor to Neighbor are only used for households when their EAP subsidy has been exhausted.

SURVEY OF OTHER STATES ENERGY ASSISTANCE PROGRAMS

The legislative mandate also requires that information on energy programs in other states be obtained for use in preparing this report. Since the focus of this year's report is on activities to improve program effectiveness, the survey of states was used to identify educational activities. All states administer the federally funded LIHEAP so a comparison of energy educational activities relative to LIHEAP was easily ascertained.

Appendix IV provides a description of states energy educational activities. As the data indicate, the amount of funding used for an activity varies from state to state. Thirty-two states plus the District of Columbia spend up to 5 percent of their LIHEAP funding to encourage and enable low-income households to reduce their energy needs. The desired result is to reduce the need for energy assistance but with incomes at or below 150 percent of poverty, reduction of the need for assistance is unlikely. At best, the low-income household may achieve a reduction in their energy expense as a result of counseling and use of conservation techniques.

Residential Energy Assistance Challenge (REACH)

VDSS was awarded \$1 million under the Office of Community Services' Residential Energy Assistance Challenge (REACH) Option Program for FFY 2002. Virginia is one of only six states to receive a grant and the Commonwealth received one of the highest awards. With this grant, VDSS in partnership with the Virginia Department of Housing and Community Development and 14 community-based agencies will provide consumer education to low-income families to increase energy efficiency.

This project adds a valuable dimension to weatherization services. Not only will families receive weatherization services, but they will also receive individually-tailored information about other energy efficiency measures they can use to reduce their home's energy consumption and concomitantly reduce their energy costs. This will enable these families to use more of their limited income for other necessities.

Over 2,800 households throughout the state will be visited by energy educators to deliver this service. As a key part of the project, a selected number of homes will be monitored to determine the overall effectiveness of this program in terms of energy consumption reduction. Data will also be collected to evaluate the weatherization measures that produce the highest cost benefit ratios. This will help to determine the focus of future weatherization activities in the Commonwealth and conserve both these recipients' income and the state's tax dollars.

To date, approximately 200 households have received a client education session. This figure is expected to increase substantially during the last two quarters of 2003, with a total of 700 households receiving a session by the end of the 2003 calendar year. It is expected that 900 households will receive a client education session during the 2004 calendar year.

Data loggers were installed on approximately 55 households in January 2003. It is anticipated that 150 can be installed in late September/early October 2003. Due to the fact that data loggers were not installed until the beginning of January 2003, only one cycle of data could be obtained. Two cycles of data will be captured with the next set of installations.

Estimates indicate a reduction in use of the heating system by approximately 28 percent. Virginia Tech will conduct a more detailed evaluation, with a preliminary report due in October 2003. Virginia Tech, the third-party evaluator, developed a survey tool for each community based agency to provide to the clients that participate in the data collection.

The development of energy efficiency training materials and energy educators will promote cost saving to low-income households served during this three year grant and will provide the basis for a continuing energy education component to be integrated into Virginia's Weatherization Program. This will maximize the effectiveness of weatherization services provided to low-income residents in Virginia.

Home Energy Assistance Program

The Home Energy Assistance Program was legislated by the Virginia General Assembly in anticipation of contributions from utilities, businesses and private citizens. The program has received its first contribution from NiSource, Inc. NiSource is the holding company for Columbia Gas. The corporation pledged \$100,000 over a five-year period in \$20,000 annual increments.

Additional contributions may be forthcoming as the Virginia tax form will provide a check off for contributions beginning in January 2004. VDSS plans to promote and publicize the tax check off capability during the 2003 Virginia State Fair.

CONCLUSION

Clearly, there is a demand for energy assistance programs in the Commonwealth. The existing programs offer needed services and benefits to low-income Virginians. The major programs are not likely to be duplicative. Despite this relative efficiency among programs, the overall energy assistance needs of low-income Virginians are not being met, even among those in receipt of assistance. Existing data from programs, the Census, and a random sample survey of low-income Virginians indicate that the majority of eligible households in Virginia do not receive any assistance.

Efforts are underway to expand the resource pool to fund energy assistance through development of the Home Energy Assistance Fund. Additionally, the weatherization and energy education efforts through existing programs and the REACH grant will help low-income households keep their energy demand to a minimum. Despite these combined efforts, many Virginians will continue to experience significant challenges in heating and cooling their homes and have to employ a variety of strategies to meet this basic need.

Code of Virginia

§ 63.2-805. Home Energy Assistance Program; report; survey.

A. The General Assembly declares that it is the policy of this Commonwealth to support the efforts of public agencies, private utility service providers, and charitable and community groups seeking to assist low-income Virginians in meeting their residential energy needs. To this end, the Department is designated as the state agency responsible for coordinating state efforts in this regard.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Home Energy Assistance Fund, hereinafter the "Fund." Moneys in the Fund shall be used to:

1. Supplement the assistance provided through the Department's administration of the federal Low-Income Home Energy Assistance Program Block Grant; and
2. Assist the Commonwealth in maximizing the amount of federal funds available under the Low-Income Home Energy Assistance Program and the Weatherization Assistance Program by providing funds to comply with fund - matching requirements, and by means of leveraging in accordance with the rules set by the Home Energy Assistance Program.

The Fund shall be established on the books of the Comptroller. The Fund shall consist of donations and contributions to the Fund and such moneys as shall be appropriated by the General Assembly. Interest earned on money in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in this section. The State Treasurer shall make expenditures and disbursements from the Fund on warrants issued by the Comptroller upon written request signed by the Commissioner. Up to twelve percent of the Fund may be used to pay the Department's expenses in administering the Home Energy Assistance Program.

C. The Department shall establish and operate the Home Energy Assistance Program. In administering the Home Energy Assistance Program, it shall be the responsibility of the Department to:

1. Administer distributions from the Fund;
2. Lead and facilitate meetings with the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, for the purpose of sharing information directed at alleviating the seasonal energy needs of low-income Virginians, including needs for weatherization assistance services;
3. Collect and analyze data regarding the amounts of energy assistance provided through the Department, categorized by fuel type in order to identify the unmet need for energy assistance in the Commonwealth;
4. Develop and maintain a statewide list of available private and governmental resources for low-income Virginians in need of energy assistance; and
5. Report annually to the Governor and the General Assembly on or before October 1 of each year on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. In preparing the annual report, the Department shall:
 - a. Conduct a survey biennially beginning in 2002 that shall collect information regarding the extent to which the Commonwealth's efforts in assisting low-income Virginians are adequate and

are not duplicative of similar services provided by utility services providers, charitable organizations and local governments;

b. Obtain information on energy programs in other states; and

c. Obtain necessary information from the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, to complete the biennial survey and to compile the required annual report. The Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, shall provide the necessary information to the Department.

The Department's annual reporting requirement shall cease October 1, 2007.

The Department is authorized to assume responsibility for administering all or any portion of any private, voluntary low-income energy assistance program upon the application of the administrator thereof, on such terms as the Department and such administrator shall agree and in accordance with applicable law and regulations. If the Department assumes administrative responsibility for administering such a voluntary program, it is authorized to receive funds collected through such voluntary program and distribute them through the Fund.

D. Local departments may, to the extent that funds are available, promote interagency cooperation at the local level by providing technical assistance, data collection and service delivery.

E. Subject to Board regulations and to the availability of state or private funds for low-income households in need of energy assistance, the Department is authorized to:

1. Receive state and private funds for such services; and

2. Disburse funds to state agencies, and vendors of energy services, to provide energy assistance programs for low-income households.

F. Actions of the Department relating to the review, allocation and awarding of benefits and grants shall be exempt from the provisions of Article 3 (§ 2.2-4018 et seq.) and Article 4 (§ 2.2-4024 et seq.) of Chapter 40 of the Administrative Process Act (§ 2.2-4000 et seq.).

G. No employee or former employee of the Department shall divulge any information acquired by him in the performance of his duties with respect to the income or assistance eligibility of any individual or household obtained in the course of administering the Home Energy Assistance Program, except in accordance with proper judicial order. The provisions of this section shall not apply to (i) acts performed or words spoken or published in the line of duty under law; (ii) inquiries and investigations to obtain information as to the implementation of this chapter by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information shall be privileged; or (iii) the publication of statistics so classified as to prevent the identification of any individual or household.

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
ELIGIBILITY GUIDANCE**

2003 ANNUAL FEDERAL POVERTY GUIDELINES

For All States (Except Alaska and Hawaii) and for the District of Columbia

Size of Family Unit	100 Percent of Poverty	110 Percent of Poverty	130 Percent of Poverty	150 Percent of Poverty
1	\$8,980	\$9,878	\$11,674	\$13,470
2	\$12,120	\$13,332	\$15,756	\$18,180
3	\$15,260	\$16,786	\$19,838	\$22,890
4	\$18,400	\$20,240	\$23,920	\$27,600
5	\$21,540	\$23,694	\$28,002	\$32,310
6	\$24,680	\$27,148	\$32,084	\$37,020
7	\$27,820	\$30,602	\$36,166	\$41,730
8	\$30,420	\$ 34,056	\$40,248	\$46,440

Federal law requires that income criteria for use of Low Income Home Energy Assistance Program funds must be at least 110 percent of the federal poverty guidelines but no more than 150 percent of poverty.

Virginia uses 130 percent of poverty.

LIHEAP INCOME ELIGIBILITY ESTIMATES¹
FOR VIRGINIA
Federal Fiscal year (FFY) 2001

Estimates of Federal and State LIHEAP Eligible Household
by Vulnerable Group, FFY 2001

Vulnerable Group	Number of LIHEAP Eligible Households (Federal Maximum Standard)²	Number of LIHEAP Eligible Households (State Maximum Standard)
All	689,300	336,704
Elderly	316,487	145,183
Disabled	204,545	122,211
Young Child	107,069	53,293

Estimates of Federal and State LIHEAP Eligible Household
by Poverty Level, FFY 2001

Vulnerable Group	Number of LIHEAP Eligible Households (Federal Maximum Standard)²	Number of LIHEAP Eligible Households (State Maximum Standard)
All	689,300	336,704
<=100%	233,792	233,792
101% - 125%	85,793	85,793
126% - 150%	94,161	17,119

¹ An average of 2000, 2001, and 2002 March Current Population Survey data are used to create these estimates. Estimates are subject to sampling error.

² The greater of 60 percent of state median income or 150 percent of Poverty Guidelines.

STATES ENERGY EDUCATION ACTIVITIES

The federal Low-Income Home Energy Assistance Program allows states the option of spending up to five percent of their LIHEAP funds on services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessment, counseling, and assistance with energy vendors. A survey of States revealed the following activities:

State	% Funds	Description
Alabama	2	Needs assessments focusing on target groups of the elderly, disabled and small children. Energy and financial counseling and assistance with energy suppliers with the goal to reduce shut-offs and disconnects.
Alaska	2	Energy education materials
Arizona	0	
Arkansas	5	Mostly energy education through the local agencies, other activities include budget counseling and vendor assistance
California	5	Energy needs assessment, budget counseling, energy conservation education, advocacy with utilities
Colorado	0	
Connecticut	0	
Delaware	0	
District of Columbia	1	Counsel clients on using energy effectively, accurate meter reading, ways to effectively budget their resources and effective negotiating with their energy providers.
Florida	0	Accomplished through weatherization.
Georgia	.001	Used in response to large number of disconnects: mass mailing of outreach materials; full-time telephone coverage to answer customer inquiries; negotiate pay arrangements and reconnects with fuel providers; counseling for energy conservation, budget, unsafe means of heating; partnerships formed to strengthen and extend resources available to low-income.
Hawaii	0	
Idaho	5	Energy conservation and education; work with vendors to prevent shutoffs; credit counseling
Illinois	5	Counseling, energy education, increasing energy self-sufficiency; local agencies have flexibility re activities.
Indiana	5	Classroom energy efficiency education for households in a "crisis" situation. Agencies may continue to work with clients in compliance with the Indiana Family Development Process, a case management approach toward self-sufficiency with an energy conservation emphasis.
Iowa	5	Budget counseling, advocacy, energy conservation education, low-cost weatherization, needs assessment

State	% Funds	Description
Kansas	0	
Kentucky	0	
Louisiana	0	Provided through PVE, DOE and state funds.
Maine	2	Budget counseling, home energy education.
Maryland	5	Wide range of 'self sufficiency activities' including referrals to and help in attaining other energy related programs and non-energy programs that provide subsidies such as the earned income tax credit and renter's tax credit.
Massachusetts	4	Directed toward households that may be in financial/energy crisis requiring individual attention beyond the standard. Agencies act as vendor liaison in crisis.
Michigan	0	
Minnesota	3	May include budget counseling, energy conservation training, co-payment agreements, and advocacy with fuel suppliers, household energy assessments & referrals. Case management for households with high heat cost compared to income or dwelling. Public relations and outreach.
Mississippi	5	Assist clients with payment arrangements with vendors (vendors won't shut off power because of good relationship with LIHEAP) and case management.
Missouri	0	
Montana	5	Agencies submit plan: activities include outreach, client education, vendor negotiations, budget counseling
Nebraska	0	
Nevada	3	LIHEAP staff assists households by mediating with the utility companies and other energy vendors, coordinating sources of assistance, counseling, and making referrals to other agencies and programs.
New Hampshire	5	Needs assessment especially for vulnerable households, energy and financial counseling, and assistance with vendors.
New Jersey	0	
New Mexico	0	
New York	0	
North Carolina	5	Crisis intervention program, case worker time, education brochures, counseling
North Dakota	0	
Ohio	<5	Gas buying project with OP&E
Oklahoma	0	
Oregon	5	Client education which every local administering agency conducts, geared to energy savings and clients who have been shutoff.
Pennsylvania	0	
Rhode Island	5	Funds used for REACH type services, budget counseling, and to identify high energy

State	% Funds	Description
		users and train LIHEAP & weatherization staff on measures to address needs of clients & the dwelling. Goal is to increase energy efficiency of dwelling and educate clients.
South Carolina	5	Energy budget counseling
South Dakota	5	Heat meters to reduce energy costs. Partnership with Housing Dev. Authority/Gov's Transitional Housing: if sub-standard housing exists an attempt will be made to find permanent housing; if not, transitional housing may be found. An energy usage study of the household 3 years prior to occupation will be made and compared to energy usage and payment records
Tennessee	2	Outreach, coordination with utilities, budget counseling
Texas	5	Part of comprehensive program to assist low-income households to better manage energy and other household needs; assess whole house for obstacles to energy efficiency, followed by energy efficiency education, and budget counseling.
Utah	1	Needs assessment
Vermont	0	
Virginia	.001	Energy Fair - An educational and outreach activity targeting low-income families by promoting the value of energy with a strong emphasis on assistance program awareness, conservation and energy efficiency. Fairgoers will be able to apply for assistance as well as experience hands-on activities, exhibits, workshops, and entertainment with an Energy focus
Washington	5	Energy education, budget counseling and utility intervention
West Virginia	0	
Wisconsin	1	Budget counseling, energy conservation training, co-payment agreements, advocacy with fuel suppliers, household energy assessments & referrals. Support services provided by leveraged funds. Case management for household with high heat cost compared to income or dwelling. Utility restructuring education and potential impact on LIHEAP households.
Wyoming	0	