


# **SOCIAL POLICIES & TARIFFS**

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## Why Social Policies?

- Societal benefit programs
- Federal and/or state programs
- Affordable access
- Who pays
- Targeted subsidies
- Regulatory instruments
- Financial instruments

# Customer Assistance Program (CAP)

- Can lower your monthly utility bill
- May also remove the amount you already owe
- Utility works with the customer to determine what the customer can pay verses the cost of energy used

# Budget Billing

- Residential customers may contact their electric or natural gas utility and request budget billing at any time
- Each monthly bill will be the same amount
- The utility may adjust the bill four times a year, up or down, depending on the customer's usage

# Customer Assistance Referral and Evaluation Program (CARES)

- Helps customers with special needs
- May help find ways to pay your utility bill
- Example - family emergencies, medical emergencies
- Goal is to provide support and direction to help customers pay their utility bills

# Hardship Funds

- Utility hardship funds provide cash assistance to help customer pay their utility bills
- Assistance grants to customers who "fall through the cracks" of other financial assistance programs
- Customers who still have a critical need for assistance after the other resources have been exhausted
- Payments directly to companies on behalf of eligible customers

# Low-Income Usage Reduction Program (LIURP)

- Helps low-income residential customers lower the amount of electricity or natural gas used each month
- Typically, the utility may install energy saving features in your home to help reduce bills
- Federally-funded LIHEAP and WAP

# Low Income Home Energy Assistance Program (LIHEAP)

- Federally-funded and state-administered
- Authorized in 1981 and began in 1982
- To relieve the energy burden of low-income households, particularly those with the lowest income (for heating and cooling).
- 2005 total funding approx. \$1.85 billion
- Pennsylvania approx. \$127 million



# Weatherization Assistance Program (WAP)

- Performs a site-specific energy audit
- Assesses air leakage, heating system operation, etc.
- Identifies cost-effective energy saving measures for each dwelling
- 2005 total funding approx. \$228 million
- Pennsylvania approx. \$15 million

# Renewable Energy

- Recent legislation – Alternative Energy Portfolio Standards (Act 213)
- Mandates certain proportion of energy from alternative/renewable resources
- Currently formulating rules and regulations
- Several states already have or currently implementing similar legislation
- Cleaner energy and environment

# Economic Development Initiatives

- An incentive rate billing option to existing commercial and industrial customers and new industrial customers to encourage economic development
- Applicable to existing commercial and industrial customers and new industrial customers
- With at least a one month billing KW of 500 KW or greater
- Must sign a contract agreeing to:
  - increase production; or,
  - expand physical plant at the service location

# Sustainable Energy Fund

- Provides for a fund to promote the development and use of renewable energy and clean energy technologies, energy conservation and efficiency
- Funded from the distribution charges in each rate schedule at the rate of certain cents per kWh
- Not all utilities have this fund

# Wind Energy Service

- Voluntary; electric capacity and energy generated from wind resources located within the Commonwealth of Pennsylvania
- One block = 100 kWh
- Options when selecting this Service:
  - May select a fixed number of Wind Blocks per month; or,
  - Selects 100% of their monthly energy usage
- Energy Charge per 100 kWh block = \$2.54
- Charge is in addition to the monthly energy and capacity charge on the Customer's standard filed tariff rate
- Utility may execute a special Wind Energy Service contract with Customers that purchase the equivalent output of at least a 1 MW wind turbine for a period of two or more years

# Net Energy Metering

- Customers receiving standard single-phase secondary service
- Not exceeding 10 kilowatts located on the Customer's premises
- Intended to offset part or all of the Customer's electrical requirements.
- Qualified resources such as photovoltaic systems, biomass, wind
- Customer pays for the installation of all metering equipment
- Net Energy is the energy supplied by the Company minus the energy generated by the Customer
- Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case
- The metering shall meet the accuracy requirements specified by the Commission
- Must meet all applicable safety and performance standards

# Summary

- Programs vary by each state
- Programs vary by utilities within state
- Overall policy goals set by Commission and/or Legislature
- Extensive information available
- Adapt to local conditions
- Constant program evaluation and revisions necessary