

Coordination of Customer Energy Bill Assistance Programs

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Nationwide, one in six households is behind on their energy bills, and arrearages total \$23 billion as of June 2025. Energy bill assistance programs provide vital grants and rate discounts to keep energy affordable for households that struggle to pay their bills.¹ These programs may be administered by state energy assistance offices, mandated by public utility commissions, run by utilities or nonprofits, or some combination of the above. Multiple programs in a state may run concurrently, requiring coordination among administering entities to ensure the programs build on one another to meet the goal of reducing energy burdens – the percent of a household’s income spent on energy costs – for low-income households.

This mini guide examines the common types of energy bill payment assistance available at the state level, the roles of energy assistance providers, and common opportunities for cooperation among energy assistance programs. This document is focused on programs that provide direct monetary assistance to customers with difficulty in paying their energy bills, rather than other types of energy assistance like weatherization. The authors interviewed state Low Income Home Energy Assistance Program (LIHEAP) administrators, utility assistance program managers, and fuel fund managers in three states – Illinois, Montana, New Hampshire – where multiple energy assistance programs are coordinating to provide benefits to customers.

Key Takeaways

- Program Design:** When designing a new program, bring in managers of existing assistance programs during the development process to coordinate benefit levels, eligibility guidelines, and other elements of program design. Assistance programs that serve the same households or service territories are strongest when they have been designed to complement each other.
- Managing Intake:** Combine intake and customer data collection between assistance programs for better integration of services, reduced costs for implementers and applicants, and better targeting of resources. Shared databases or limited access to proprietary databases can make intake seamless between programs.
- Benefit Interactions:** Administrators whose programs share a customer base should work together to identify and resolve undesirable benefit interactions. When multiple benefits are applied to a customer’s bill, there can be unintended interactions that lead to inefficiencies or inadequate assistance.
- Leverage Resources:** States with multiple assistance programs can design programs that support each other, using the administrative resources of larger LIHEAP offices to strengthen smaller fuel fund or utility programs and focus funding on customer benefits.
- Communication and Collaboration:** Coordination does not need to be complicated or technologically advanced. Establish regular meeting cadence between policymakers and implementers to discuss program priorities, share outcomes, and explore deeper cooperation. Engage existing stakeholder groups such as Policy Advisory Councils to get input from impacted parties.

1 See National Energy Assistance Directors Association (NEADA) Winter Heating Outlook to learn more about winter heating projections and the impact LIHEAP has on households, <https://neada.org/wp-content/uploads/2025/09/winteroutlook25-26.pdf>

About the NCEP Mini Guide Series

The National Council on Electricity Policy (NCEP) is a platform for all state-level electricity decision makers to share and learn from diverse perspectives on the evolving electricity sector. The NCEP mini guide series promotes this dialogue by highlighting examples of successful engagement across its members. Each mini guide features collaborative approaches, lessons learned, and interviews with leading state and local decision makers.

Types of Energy Assistance

Grant Programs

Grant programs are available at the state and local level to provide households with funds to use towards their utility bills. These programs usually have an annual maximum benefit and require households to reapply each year in order to receive additional assistance.

Low Income Home Energy Assistance Program: The primary federal program that provides bill assistance is the Low Income Home Energy Assistance Program (LIHEAP) administered by the U.S. Department of Energy (U.S. DOE). LIHEAP is a block grant to states to help eligible households pay their energy bills, prevent utility disconnection through crisis assistance, and provide basic weatherization to improve energy efficiency and lower future costs.²

In fiscal year 2025, LIHEAP received approximately \$4 billion in funding, sufficient to reach about one in five eligible households nationwide. A funding formula determines the distribution of funds between the 50 states, District of Columbia, 5 territories, and 149 tribal grantees. Historically, LIHEAP has been a highly seasonal program, focusing primarily on winter heating bills. While 80 percent of funds are still spent on heating, 23 state grantees now offer year-round bill assistance, and 9 additional states offer year-round crisis assistance.³

Fuel Funds: In addition to federal funding, households may receive grant assistance from fuel funds, typically through charitable organizations that collect donations from the public to provide energy assistance to customers in need. In some cases, fuel funds are fully integrated with the utility and receive most of their donations through voluntary contributions on the utility bill. Sometimes contributions also come from utility foundations, shareholders, or employees. This can include “round up” programs where a customer can round their utility bill to the nearest dollar and donate the change to the fuel fund.

Rate Discount Programs

Public Utility Commissions (PUCs) may require or allow regulated utilities to subsidize energy rates to households that are below certain income thresholds. Most states with rate discount assistance programs have legislation that allows or requires the development of such programs.⁴ Iowa is one example of a state without such legislation and thus does not allow such programs. The PUC sets parameters for the administration of the programs it approves, including how customers are determined to be eligible for each program, and which entity oversees that process. These programs are usually ratepayer funded – the money needed for the program is typically, but not always, collected through a separate mandatory charge on the utility bill of other customers. Some utilities simply embed the costs of a discount program along with the costs of bad debt that are already reflected in general rates, spreading these costs to all customers.

Flat Rate Discount: The simplest rate discount program is a flat percentage discount off energy costs for households under a certain income threshold. The Montana program described later is one example. Programs like these are often easiest to administer because they are uniform across the eligible population. However, since they provide the same percentage discount for all eligible customers, they do not fully address energy burden.

Tiered Rate Discount: Tiered rate discounts are a more granular approach than the flat discount, providing multiple discount levels depending on household income. The New Hampshire program described later is one example.⁵ Tiered discount programs recognize that lower income households likely have higher energy burdens and therefore need additional assistance to make the bill affordable.

Percent of Income Payment Plan (PIPP): Often seen by advocates as the most effective strategy for reducing energy burden, PIPPs ensure that no customer pays more than a certain percent of their income towards their energy costs. Illinois has a 6% PIPP, meaning customers on the program pay up to 6% of their income towards their energy bill, and the PIPP covers the rest of the bill.⁶ PIPPs are the only discount program category that caps payments based on household energy burdens, but they have their drawbacks. First, they can be difficult to administer because each household’s subsidy must be calculated independently based on their income. Second, PIPP customers have no incentive to conserve energy because their bill payments are capped regardless of the amount of energy they use.

2 For more information see LIHEAP Clearinghouse, “History of LIHEAP,” https://liheapch.acf.gov/sites/default/files/webfiles/docs/History_of_LIHEAP.pdf

3 For more information on LIHEAP funds being used for summer cooling, see <https://energyprograms.org/coolingproject/>

4 Revised Code of Washington RCW 19.405.120 <https://app.leg.wa.gov/RCW/default.aspx?cite=19.405.120>; see also Illinois and Montana described below.

5 See Table 6 on New Hampshire Electric Assistance Program Tiers in the example section of this document for source and details.

6 See discussion of the Illinois program in the example section of this document.

Overview of Assistance Provider Roles

Customer energy bill assistance programs can have a variety of policymakers and implementers involved in the creation and operation of the program. Depending on the state, different agencies, organizations, and companies run energy assistance. There are four main roles that oversee energy assistance programs around the country: State Directors of the Low Income Home Energy Assistance Program (LIHEAP), utility program managers, Public Utility Commissioners/staff, and fuel fund managers. The following is a description of the role each of these positions play in the provision of energy assistance, including a description of Local Intake Offices, which play key roles in program implementation.

State LIHEAP Offices

State LIHEAP Directors oversee the state's LIHEAP. The state LIHEAP Director (or administrator) is the primary policymaker for the program at the state level, and this position may be in the State's Department of Energy, Department of Commerce, Department of Human Services, or another department depending on the state.⁷ They set eligibility requirements, program dates, and other program details within the parameters of federal requirements. If there is coordination between LIHEAP and other energy assistance programs in the state (e.g., weatherization assistance), it is the LIHEAP Director who has the authority to coordinate those efforts and enter into memorandums of understanding, vendor agreements, or other legal arrangements that lay out the responsibilities of each of the coordinating partners.

LIHEAP offices are often supported by State Energy Offices playing various roles in different states:

- Housing the LIHEAP and/or weatherization office (Colorado, Minnesota)
- Offering low-income weatherization and residential-serving low-income solar programs that may interact with LIHEAP benefits and allocations (DC, Minnesota)⁸
- Exploring ways to reduce paperwork and income verification burdens on LIHEAP customers interested in cost-saving solar programs⁹
- Piloting the low-income connector tool with the National Renewable Energy Lab and U.S. DOE¹⁰

Local Intake Offices

State LIHEAP Directors and their staff also oversee local intake offices, which may be community action agencies, fee agents, county offices, state-run offices, or other nonprofit organizations. In states like Washington, these local offices do all customer interactions including intake, benefit determination, and benefit distribution. They may also enter contracts with utilities, manage outreach, and even set benefit levels within state guidelines. Local intake offices play an important role in the distribution of benefits and are referenced throughout this mini guide.

Public Utility Commissioners and Staff

Every state Public Utility Commission (PUC) regulates investor-owned utility providers while some also oversee electric cooperatives.¹¹ These agencies create the implementation policy or administrative rules around ratepayer-funded energy assistance programs, which may include minimum discounts, eligibility requirements, and other requirements that utilities must follow in implementing their programs. Coordination at the policy level between the PUC and the LIHEAP office can vary. In New Hampshire and Pennsylvania,¹² the PUC works directly with the LIHEAP office during the policymaking process to determine how the two programs should coordinate, including complementary eligibility requirements and stacking bill discounts. In Nevada and Colorado,¹³ the PUC creates the umbrella program requirements, while individual utilities are responsible for coordination with other assistance programs in the state.

7 See information about where the LIHEAP administrator is housed in various states: <https://liheapch.acf.gov/admin/heatadmin.htm>

8 See National Association of State Energy Officials (NASEO) Report on Community Solar for All https://naseo.org/Data/Sites/1/documents/publications/NASEO_Community%20Solar%20for%20All_ISSI_v3.pdf

9 See NASEO Community Solar Consolidated Billing report [https://naseo.org/Data/Sites/1/documents/publications/Community%20Solar%20Consolidated%20Billing%20Final\[85\].pdf](https://naseo.org/Data/Sites/1/documents/publications/Community%20Solar%20Consolidated%20Billing%20Final[85].pdf)

10 See <https://connector.nrel.gov/>

11 See National Rural Electric Cooperative Association (NRECA), 2025, "America's Cooperative Electric Utilities," <https://www.cooperative.com/programs-services/bts/Documents/Data/Electric-Co-op-Fact-Sheet.pdf>

12 "Utility Assistance Programs." PA PUC. Accessed December 12, 2025. <https://www.puc.pa.gov/about-the-puc/consumer-education/utility-assistance-programs/>

13 "Utility Bill Help Program." Public Utilities Commission. Accessed December 12, 2025. <https://puc.colorado.gov/utilitybillhelp#>

Utility Program Managers

Utilities implement ratepayer funded programs and sometimes fuel funds that solicit donations on the energy bill. The amount of discretion the utility has over the design of its program varies by state. For example, in California¹⁴ each utility developed discount rates for their energy assistance programs within PUC-mandated parameters, while in New Hampshire and Pennsylvania, the utility implements programs that have been fully designed by the PUC. In all of these cases, the utility program manager is also deeply involved in coordinating with the LIHEAP office.

The administration of the program can also vary. In Illinois the LIHEAP office manages intake and benefit determination for the utility program, so the utility program manager is mainly involved in developing data exchanges to apply benefits to individual accounts. Conversely, in Nevada and Colorado, the utility program and the state LIHEAP run in parallel but are not integrated. The utility program manager oversees the entire ratepayer-funded program including intake, eligibility and benefit determination, and applying the credit to individual accounts. They are also involved in tracking the monthly usage of benefits by the customer and credits that carry over to subsequent months.

Fuel Fund Managers

Fuel fund managers may be housed at the utility that operates the fund, or they may be part of a separate nonprofit organization that collects donations, accepts applications, and distributes assistance. They often work closely with the LIHEAP office and utility program managers to refer customers to the assistance that best meets the customer's needs. Because fuel funds are generally independent from government, they often have the flexibility to design their programs to fill gaps, serving households that LIHEAP does not reach.

Opportunities for Coordination

Each category of energy assistance provider has a different role to play in the design and administration of bill assistance programs, and when each brings their strengths to the table, they can improve the effectiveness of both their program and those of their counterparts.

Program Design

The first opportunity for coordination is in the design of assistance programs. Well-designed programs start with specific policy objectives and use the resources available to achieve those objectives. For example, in Montana, eligibility for the Energy Share program is not entirely dependent on income.¹⁵ It takes the customer's entire situation into consideration, reaching customers that LIHEAP could not serve. It also provides energy savings measures beyond what LIHEAP and the U.S. DOE's Weatherization Assistance Program¹⁶ offer, giving households access to energy efficient appliances and electric cook stoves that they could not receive with federal funds. In Nevada, some fuel funds have policies that a LIHEAP-eligible household must apply to LIHEAP before they are eligible to receive assistance from the fuel fund. This extends the reach of the fund, allowing them to serve households that are not eligible for LIHEAP, or for whom the LIHEAP benefit is not sufficient to make energy affordable.¹⁷

Coordination between PUCs and LIHEAP offices during the period of program design or review can ensure ratepayer programs and LIHEAP benefits are designed to meet the goals of both the programs and the customers they serve. It is important that all actors understand program details about the other assistance programs in the state, such as operation dates, benefit levels, and eligibility criteria, in order to best weave their programs into the existing fabric. For example, if a state LIHEAP bases its income eligibility on the federal poverty level, it will be easiest for the LIHEAP office to administer other assistance programs that also use the federal poverty level as a baseline for income eligibility. If a PUC then approves a program using an alternative measure of income, like the state median income, the administering agency will have a more difficult time reconciling income eligibility for applicant households.

Managing Intake

One of the most difficult tasks of administering an energy assistance program is managing intake, which includes processing applications, determining eligibility, and assigning benefit amounts. Each category of assistance provider has different information about potential applicants that, when combined, can make intake easier for both the implementing entity and the applicant. For example, utilities know which of their customers are behind on their energy bills, making partial payments, on payment plans,

14 <https://www.hcd.ca.gov/grants-funding/active-no-funding/docs/cacode-739.1.pdf>

15 To learn more about Montana's LIHEAP program and guidelines, see Montana Department of Environmental Quality, 2023, "Understanding Energy in Montana," https://psc.mt.gov/_docs/Consumers/energy/pdf/Understanding-Energy-in-Montana-2023.pdf

16 For more information on DOE's Weatherization Assistance Program, visit <https://www.energy.gov/scep/wap/weatherization-assistance-program>

17 Interview of Maria Wortman-Meshberger, Chief of Employment and Supportive Services at the Nevada Division of Welfare and Supportive Services by Cassandra Lovejoy, National Energy Assistance Directors Association on October 23, 2025.

or have a history of making late payments, while LIHEAP offices collect household income and determine eligibility for LIHEAP recipients. Fuel fund managers receive applications from customers who may not go into the LIHEAP office.

When providers combine their data, they have a more complete understanding of the customer's energy burden and vulnerability to shutoff. In the Nevada Division of Welfare and Supportive Services, the LIHEAP office has been given limited direct access to two utilities' customer databases, allowing them to verify customer accounts, check account balances, and confirm benefit awards in order to prevent shutoff for the customer.¹⁸ This automatic access streamlines processes for both entities, eliminating the need to exchange information over the phone or email.

In New Hampshire, local LIHEAP administrators manage applications for LIHEAP, the state's electric and gas ratepayer programs, and a multi-utility fuel fund. One intake specialist handles a household's applications for all of the programs available to them, making sure the household will receive all of the benefits for which they are eligible.

Benefit Interactions

When done correctly, multiple energy benefits can stack on a customer's bill to effectively eliminate their energy burden. Or, if the program is focused on reaching the greatest number of households, eliminating overlap of benefits can allow each program to reach more customers. When programs are not aligned, unintended interactions of their benefits can lead to wasted benefits or insufficient assistance to households.

For example, in New Hampshire, LIHEAP benefits are a specific dollar amount calculated using a benefit matrix based on the customer's income and their estimated annual heating cost. LIHEAP benefits are applied to the bill in one lump sum and are drawn down over time to cover monthly bill charges until they run out or expire.¹⁹

The state's electric tiered discount program (Energy Assistance Program, or EAP) takes a percentage off the energy bill, reducing the overall cost to the customer by a set percentage based on the customer's income. In any given month, the EAP percentage discount is applied first, reducing the customer's bill by a set percentage. Then the LIHEAP benefit is applied, covering any remaining charges. However, New Hampshire's LIHEAP benefit matrix, which determines a customer's LIHEAP benefit, does not currently take the EAP discount into consideration. This means a customer in the lowest income tier (under 75% of the federal poverty guideline, FPG) that is in the highest category for annual heating costs (over \$1,750/year) will receive the largest LIHEAP benefit, \$1,361.²⁰

Example: Lowest Income, Highest Heating Cost

Bill Category	Bill Charge
Customer Utility Bill	\$150
EAP Benefit (86% - Tier 5)	-\$129
LIHEAP Benefit Used (from \$1,361 total)	-\$21
Customer Owes:	\$0

In the above example, when the 86% EAP discount is applied to the customer's \$150 bill, the remaining bill charge is only \$21. That remaining balance is paid for by the customer's LIHEAP benefit of \$1,361. If the customer averages \$150/month in heating costs, reduced to \$21 after the EAP discount is applied, they will only use \$504 of their \$1,361 LIHEAP benefit before it expires after two winters. Conversely, a customer in the highest income tier (up to 200% FPG) that is in the highest tier for annual heating costs (over \$1,750/year) is eligible for a LIHEAP benefit of \$454. With the same average monthly bill of \$150, this customer will exhaust their LIHEAP benefit in four months.

Leveraging Resources

Coordination among programs not only makes them more efficient; it can also keep smaller programs running. Interviewees in both New Hampshire and Montana mentioned that the ratepayer funded program does not have sufficient funds to operate as a standalone program. They rely on the resources LIHEAP provides, including sharing the costs of intake staff, to operate their programs.

Communication and Collaboration

The federal Weatherization Assistance Program (WAP) requires states to create Policy Advisory Councils (PACs) to recommend program changes, provide feedback on implementation, and serve as a sounding board for ideas in WAP. PACs usually include representatives from state government, local administering agencies, utilities, community groups, and other stakeholders impacted by energy assistance programs. While not required in LIHEAP, states may choose to expand the PAC's role to provide guidance in energy assistance as well.

¹⁸ Ibid.

¹⁹ In New Hampshire, LIHEAP funds that have been applied to a customer's bill expire two winters after the benefit was first received.

²⁰ New Hampshire's LIHEAP benefit matrix can be found here: https://liheapch.acf.gov/docs/2024/benefits-matrices/NH_BenefitMatrix_2024.pdf

Mini Guide Examples

For this mini guide, we interviewed representatives of energy assistance programs in three states listed in Table 1 to better understand how providers coordinate to help low-income households. The following is a brief discussion of the landscape of energy assistance in each of the three states in which interviews were conducted.

Table 1. Mini Guide Interviewees

Name	Position	Organization	Organization Type
Leslie Ann Lesko	LIHEAP State Administrator	Illinois Department of Commerce and Economic Opportunity	State LIHEAP Office
Maria Gallardo	LIHEAP Assistant Program Manager	Illinois Department of Commerce and Economic Opportunity	State LIHEAP Office
Rochelle Phipps	Assistant Director, Financial Analysis	Illinois Commerce Commission	Public Utility Commission
Joan Howard	Consumer Policy Analyst	Illinois Commerce Commission	Public Utility Commission
Rachel Haberman	Executive Director	Energy Share Montana	Fuel Fund
Stephanie Staley	Energy Services Specialist	Montana Department of Public Health and Human Services	State LIHEAP Office
Liza Reynolds	Electric Assistance Program Administrator	Community Action Program, Belknap-Merrimack Counties, Inc., New Hampshire	Local Intake Office
Leah Richards	Fuel Assistance Administrator	New Hampshire Department of Energy	State LIHEAP Office State Energy Office

In the energy assistance universe, Illinois is currently leading the way in the development of comprehensive, deep discounts for low-income households. With a longstanding state energy fund, a limited PIPP, and new electric and gas discount programs, Illinois is the closest state in the country to eliminating energy poverty. In 2025, at the drafting of this document, Illinois programs were still in a significant state of evolution.

Illinois

The energy assistance landscape in Illinois can be divided into two main categories: legacy programs, including LIHEAP and the state energy fund which provides both traditional bill assistance and a limited PIPP, and new discount programs including a gas tiered discount program that went into effect in October 2024, an electric discount program going into effect in January 2026 and a new electric 3% direct energy burden program that will go into effect in October 2026.

Table 2. Illinois Energy Assistance Basics

FY 2025 LIHEAP Funding	\$212.7 million
FY 2024 LIHEAP Households Served (any component)	230,342 ²¹
LIHEAP Program Dates	October 1 – August 15, or until funding is exhausted
LIHEAP Components	Heating Assistance, Crisis, Weatherization
LIHEAP Intake/Local Administrators	Community Action Agencies

21 See https://liheappm.acf.gov/sites/default/files/private/congress/profiles/2024/FY2024_Illinois_Profile.pdf

Ratepayer Funded Energy Assistance	<p>Legacy Program: State Energy Fund - \$97 million/year, split between bill assistance and a 6% PIPP</p> <p>New Program: Natural gas tiered discount program (2024)</p> <p>New Program: Electric/Gas tiered discount program (January 2026)</p> <p>New Program: Electric 3% direct energy burden program (expected October 2026)</p>
Fuel Funds	<p>Warm Neighbors, Cool Friends (Ameren)</p> <p>Share the Warmth (North Shore Gas/People's Gas)</p> <p>Nicor Gas Sharing Program (Nicor Gas)</p>

Grant Programs: The Illinois Department of Commerce and Economic Opportunity (DCEO) manages intake and benefit determination for both the state's LIHEAP and the legacy state energy fund, which is funded through a ratepayer charge of \$0.48 on the customer's monthly electric and gas bill, totaling approximately \$97 million per year. These funds are then split between the state energy fund (which is like LIHEAP) and a PIPP capped at 6% of energy burden.

The state's LIHEAP and state energy fund are administered as one program with two funding sources. There is one application, and DCEO can decide how funding sources are applied. According to Leslie Ann Lesko, Program Manager and LIHEAP administrator at DCEO, "When a customer applies, if they have propane for their heat and they have electricity from a regulated electric company as well, then they would get LIHEAP funds for their propane and state funds for their electricity. We can flip a switch that says 'always spend state funding first.' That's usually what we do. We try to spend the state funding first."

Ratepayer Programs: The legacy PIPP was established in 2009 and comes out of the same ratepayer funding as the state bill assistance program. To enroll in the PIPP, customers must also enroll in budget billing, a program dividing the household's annual energy costs into equal monthly payments. Other provisions of the PIPP included arrearage forgiveness. For every on-time and in-full payment, the utility reduces the customer's outstanding balance by 1/12 of the total, up to \$1,000 per year/energy source. Households need to stay current with their bills in order to remain in the PIPP.

Originally, households could choose whether they wanted to be enrolled in the PIPP or receive regular bill assistance. "Many customers chose PIPP even though they would get more money if they chose the regular LIHEAP benefit, because so many customers just love knowing how much they're going to pay every single month." – Leslie Ann Lesko, LIHEAP State Administrator, Illinois Department of Commerce and Economic Opportunity

However, the PIPP is now limited to existing customers and is not accepting new customers. This limitation is due to funding availability and the evolution of the energy assistance program. DCEO has determined that they can serve more households with the state funds used as bill assistance in conjunction with the state's LIHEAP than they can serve in the PIPP.

New Ratepayer Programs: In 2021, the Climate and Equitable Jobs Act directed the Illinois Commerce Commission (ICC), the state's public utility commission, to conduct a study to assess whether low-income discount rates are appropriate and the potential design and implementation of any such rates.²² After initial proposals by the gas utilities and consumer advocates were reviewed, the ICC approved tiered discount programs for the four large regulated natural gas companies that went into effect in October 2024 and are funded through a different bill charge than the legacy programs discussed above.²³ The specific discount rates for each gas utility were set as part of the rate setting process; they were not specified in the regulations.

"Low-income discounts on the utility side were brand new in 2022. Through all of this discussion and all of the testimony and analysis presented by various stakeholders, including utilities and consumer advocate interveners, we've seen improvements with each iteration. It's gotten better and better at actually achieving energy burden target objectives. There's language in all three gas rate case orders that set a date for a workshop to occur in January 2026. This would be a great opportunity to make recommendations to the Commission that could better align all the programs so that they're accomplishing the objectives of reaching certain energy burden targets for low-income households."

– Rochelle Phipps, Financial Analysis Assistant Director, Illinois Commerce Commission

22 See Illinois Commerce Commission Low-Income Discount Rate Study Report to the Illinois General Assembly, December 2022. <https://www.ilga.gov/documents/reports/ReportsSubmitted/3720RSGAEmail7522RSGAAttachLow-Income%20Discount%20Rate%20Study%20Report.pdf>

23 See <https://www.illinois.gov/content/dam/soi/en/web/illinois/iisnewsattachments/30574-icc-urges-eligible-natural-gas-customers-to-enroll-in-new-low-income-discount-rates.pdf>

Table 3. Illinois Low Income Discount Rates

Gas Utility	Tier 1 (0-50% FPL)	Tier 2 (51-100% FPL)	Tier 3 (101-150% FPL)	Tier 4 (151-200% FPL)	Tier 5 (201-300% FPL)
People’s	83%	68%	45%	20%	5%
North Shore	79%	60%	36%	12%	5%
Nicor	77%	57%	27%	12%	5%
Ameren	84%	52%	19%	5%	5%

Households within the state’s LIHEAP eligibility threshold must be enrolled in LIHEAP for the current year in order to receive the discount. Once enrolled in LIHEAP, they are automatically enrolled in the discount program. Households above the LIHEAP income maximum do not need to submit an application or proof of income. They may self-certify their eligibility with their utility.

Electric utilities are also developing discount programs that will go into effect in 2026. Commonwealth Edison has a tiered discount rate program that will go into effect January 1, 2026. Ameren, which provides both electric and natural gas, has received approval for a 3% direct energy burden program for their electric customers starting October 1, 2026.²⁴ This means that a household will pay up to 3% of their income towards their energy bill, and the Ameren program will cover the rest of the bill.

Coordination: Throughout the development process, the ICC used the DCEO-run Policy Advisory Council, whose primary purpose is to advise the LIHEAP and Weatherization Assistance Program, to solicit feedback on how the discount programs will operate. The Council includes representatives from state government, local administering agencies, regulated utilities, small municipal utilities, local industry, and consumer advocates. Through the strong partnership between the ICC and the DCEO, the ICC was able to take advantage of the expertise of the Policy Advisory Council in approving the discount programs.²⁵

“We have cultivated such great relationships with the utilities and other vendors. It’s very helpful to have all those stakeholders at a meeting at least quarterly to talk about things because the utilities are getting a lot of money from LIHEAP. We’re all serving mutual customers, we all work together, and it’s a big machine. It’s a lot of work to keep going and it’s important to have all those people at the table to keep those relationships going.”

– Leslie Ann Lesko, LIHEAP State Administrator, Illinois Department of Commerce and Economic Opportunity

Joan Howard of the Illinois Commerce Commission agreed that the PAC was a valuable source of input from stakeholders, “when we implemented the Percentage of Income Payment Plan, very frequent meetings were held to determine practices and develop business rules for the program.” Communication and collaboration with DCEO, the utilities, the Commission and other stakeholders have continued and have been effective in getting much needed discounts to customers.

Looking to The Future: There are many unresolved issues in the implementation of the new discount programs, including the interaction between these new programs and the legacy state energy program. Similar to the discount program in New Hampshire, the Illinois LIHEAP will need to detangle bill interactions between the LIHEAP benefit, the legacy state energy program, and the new discount programs. For example, if an Ameren electric customer is on the legacy 6% PIPP, they are eligible for arrearage forgiveness. As state administrators and Ameren consider transitioning these customers into LIHEAP and the new direct energy burden program, they must decide whether the arrearage forgiveness element will be retained or eliminated.

The question of LIHEAP and state energy program benefit amounts also still needs to be answered. In the legacy program, households could either receive LIHEAP and State Energy Fund assistance, or they could enroll in the PIPP. With the addition of the new discount programs, the state needs to decide how the new programs will interact with the LIHEAP benefit in order to ensure that the customer is receiving a benefit sufficient to make their energy bill affordable and that the funds from both programs will be best deployed.

24 To see the full proposed program, see NCLC, 2025, “In Illinois, Cash-Strapped Utility Customers Get Much Needed Relief” , <https://www.nclc.org/in-illinois-cash-strapped-utility-customers-get-much-needed-relief/>

25 To learn more about the ICC’s advising efforts, see Illinois Commerce Commission, 2024, “ICC Urges Eligible Natural Gas Customers to Enroll in New Low-income Discount Rates,” <https://www.illinois.gov/content/dam/soi/en/web/illinois/iisnewsattachments/30574-icc-urges-eligible-natural-gas-customers-to-enroll-in-new-low-income-discount-rates.pdf>

Ongoing collaboration between the ICC, the DCEO, local administering agencies, utilities, consumer advocates, and other stakeholders will be vital to the success of the new discount programs, and to ensuring low-income households are receiving the assistance they need to afford their energy bills.

Montana

The unique challenges of meeting the energy needs of Montana’s geographically dispersed population have driven the design of its energy assistance framework. Small electric cooperatives make up a disproportionate part of Montana’s energy landscape. The Montana Department of Environmental Quality reported that as of 2020, two investor-owned utilities made up 47% of electricity sales and 25 electric cooperatives made up 35% of electricity sales in the state.²⁶ (Nationwide, cooperatives provide about 13% of electricity.)

Table 4. Montana Energy Assistance Basics

FY 2025 LIHEAP Funding	\$23.5 million
FY 2024 LIHEAP Households Served (any component)	14,657 ²⁷
LIHEAP Program Dates	October 1 – September 30 (year-round)
LIHEAP Components	Heating and Cooling, Crisis, Weatherization
LIHEAP Intake/Local Administrators	Community Action Agencies – Human Resource Development Councils
Ratepayer Funded Energy Assistance	Montana Universal System Benefits (USB) fund, which includes both regulated utilities and co-ops, and requires 50% of the funds to be spent on low-income households.
Fuel Funds	Energy Share Montana manages both private donations and USB funds provided by utilities across the state.

Ratepayer Program: Montana oversees a ratepayer-funded Universal System Benefits Fund (USB)²⁸, established in 1997, that requires all regulated electric utilities and cooperatives to spend at least 50% of the fund on low-income households. Utilities may use the funds in-house for discount programs, such as NorthWestern Energy’s flat rate discount that offers LIHEAP-eligible households an additional 25% off their electric bill and 30% off their gas bill in the winter, and a 15% discount off their summer electric bill.

In most states, ratepayer funded programs are limited to regulated utilities because municipal utilities, cooperatives, and delivered fuel vendors are not subject to public utility commission regulations. However, because of the large role cooperatives play in the electric market in Montana, the state requires them to participate in the USB. Since co-ops are often small with limited staff capacity and may not be able to administer their own in-house programs, the USB statute included a provision allowing them to partner with outside organizations to pool their USB resources.

Program Administration and Benefits: Energy Share Montana, founded in 1983, serves as the administrator for the pooled USB funds for many of the state’s electric cooperatives. Energy Share offers emergency assistance, arrearage reduction, and appliance replacement on behalf of the cooperatives, following any requirements placed on the funds by the cooperative, including service territory limitations. Energy Share also accepts private donations to fund its efforts.

Unlike LIHEAP, which has strict eligibility requirements, Energy Share is “situationally based, not income based. Meaning we look at the individual situations, we consider income, but we also consider the entire set of circumstances that the individuals come with,” according to Rachel Haberman, Executive Director at Energy Share Montana. Local Energy Share Committees, made up of representatives from utility companies, Energy Share staff, and other stakeholders, review and approve or deny each application.

26 The remaining electricity is provided by federal agencies (3%) and power marketers who buy energy and then sell it to customers (15%). For more information see https://psc.mt.gov/_docs/Consumers/energy/pdf/Understanding-Energy-in-Montana-2023.pdf

27 For more information see https://liheappm.acf.gov/sites/default/files/private/congress/profiles/2024/FY2024_Montana_Profile.pdf

28 For the full Universal System Benefits Programs text, see Montana Code Annotated 2023 69-8-402, “TITLE 69. PUBLIC UTILITIES AND CARRIERS CHAPTER 8. ELECTRIC UTILITY INDUSTRY GENERATION REINTEGRATION Part 4. Public Utilities, Cooperative Utilities, and Electricity Suppliers,” https://archive.legmt.gov/bills/mca/title_0690/chapter_0080/part_0040/section_0020/0690-0080-0040-0020.html

Energy Share’s benefits are also not based on annual applications. Ms. Haberman explained, “we look at a five-year timeframe. There are recommended benefits: If the household is above 125% of [the federal poverty guideline (FPG)], they can get up to \$1,400 within that five-year timeframe. If they’re at or below 125% of [FPG], they can get \$2,000. If the situation warrants it though, the Human Resource Development Councils and committees can go above that recommended benefit.”

Program Interactions: The Montana LIHEAP administrator, housed in the Department of Public Health and Human Services (DPHHS), and Energy Share both use a network of Human Resource Development Council (HRDC) offices to administer their programs. While the programs have separate applications, at the local level a household application for LIHEAP and Energy Share are often processed together. There is a lot of overlap between programs. In general, intake workers encourage households to apply to LIHEAP first, and Energy Share will fill in the gaps. According to Ms. Haberman, 70% to 80% of Energy Share customers also receive LIHEAP.

“Energy Share also assists with bill pay assistance, sort of picking up where LIHEAP leaves off. So if a client has exhausted their LIHEAP benefit, but they’re still having arrearages on their utility account, or need a furnace replaced, wherever LIHEAP’s rules and regulations leave off, Energy Share can fill in that gap.”

– Stephanie Staley, Energy Services Specialist, Montana Department of Public Health and Human Services

Cooperation: When the Montana LIHEAP office developed a new application database that was integrated with food assistance and Medicaid, they also integrated Energy Share, so the nonprofit has access to LIHEAP application information. According to Ms. Staley, “When we migrated to that system, it was a no-brainer to have Energy Share included so that everything was in one place.”

Montana LIHEAP and Energy Share also work together on program outreach at the beginning of the program year. Each fall, the two organizations team up to appear on Montana’s local television show “Aging Horizons” to make seniors aware of energy assistance programs in the state.²⁹

When asked how they could improve cooperation between the two programs, Ms. Haberman focused on the workload at HRDCs. “HRDC staff are pretty overwhelmed. We are looking at ways to streamline the processing of our applications because it’s very time-consuming. For example, if the applicant’s situation is very black and white, like they have a disconnect notice and they haven’t been helped within the last five-year period, that might automatically get approved in the future.”

New Hampshire

New Hampshire’s northern location and residential heating fuel mix present unique challenges in the administration of energy assistance. 58.7% of households in New Hampshire heat with propane or fuel oil, compared with 8.7% of households nationally. Conversely, only 11.3% heat with electricity, compared to 41.7% of households nationally. Unsurprisingly, the state’s LIHEAP, administered by the New Hampshire Department of Energy (which is also the State Energy Office), largely supports households using delivered fuels to heat their homes.³⁰

Table 5. New Hampshire Energy Assistance Basics

FY 2025 LIHEAP Funding	\$32.8 million
FY 2024 LIHEAP Households Served (any component)	December 1 – April 30
LIHEAP Program Dates	28,356 ³¹
LIHEAP Components	Heating, Crisis, Weatherization
LIHEAP Intake/Local Administrators	Community Action Agencies
Ratepayer Funded Energy Assistance	Electric Assistance Program: Tiered discount program for electric customers Natural gas: LIHEAP customers receive 40% off winter gas bill
Fuel Funds	Neighbor Helping Neighbor: joint fuel fund of three NH regulated utilities Project Care: fuel fund of the NH electric co-op

29 See the video here, <https://www.youtube.com/watch?v=2S7QLAbJsU4&list=PLHlnQg7jMeQzsRZUBEYcQZe42Wtw1kofi&index=43>

30 See EIA’s “New Hampshire’s State Energy Profile,” <https://www.eia.gov/state/print.php?sid=NH>

31 See New Hampshire’s LIHEAP profile https://liheappm.acf.gov/sites/default/files/private/congress/profiles/2024/FY2024_NewHampshire_Profile.pdf

Ratepayer Program: In 2002, recognizing that electric customers increasingly needed help with their energy bills as electric prices and cooling needs rise, the New Hampshire Public Utility Commission created the Electric Assistance Program (EAP), which provides tiered electric bill discounts for customers who meet the income requirements.

Table 6. New Hampshire Electric Assistance Program Tiers Income for Family of 4³⁴

Tier 1	Up to \$87,949	5% Discount
Tier 2	Up to \$46,800	19% Discount
Tier 3	Up to \$39,000	36% Discount
Tier 4	Up to \$31,200	54% Discount
Tier 5	Below \$23,400	86% Discount

“It’s one application process. It’s the same staff. The staff don’t really think of themselves as LIHEAP staff or electric assistance staff: they are energy assistance staff processing applications for both programs. Typically, there’s one person at the community action agency administering both programs.”

– Leah Richards, Fuel Assistance Administrator, New Hampshire Department of Energy

The EAP is overseen by an advisory board made up of representatives from the four main utilities in New Hampshire, the New Hampshire Department of Energy (NHDOE), community action agencies, and consumer advocacy organizations.

Program Administration and Benefits: EAP was designed to mirror the state’s LIHEAP as closely as possible. They have a single application, and are both administered by the state’s five community action agencies. They have the same eligibility criteria and the same benefit tiers. Approximately 90% of households that receive one benefit are also eligible for the other. The only exceptions are cases where the customer does not receive a bill for either their heating fuel or their electricity. Community action agencies also administer the utility-backed fuel fund, Neighbor Helping Neighbor, and the state’s natural gas discount program, which offers a flat 40% discount for natural gas in the winter months for customers who are LIHEAP recipients.

Program Interactions: One challenge facing the NHDOE is the interaction between the EAP and LIHEAP benefit on a household’s energy bill as described previously. The NHDOE is still fine-tuning its LIHEAP benefit levels to ensure households are not receiving more assistance than their bill balance. “Some households are only receiving a 5% discount, so a reduced LIHEAP benefit for those households is tricky. Our system isn’t super sophisticated right now, but we’re hoping

with our new software, we will be able to create a benefit matrix that will do a better job identifying what the benefit should be for a household heating with electricity.” - Leah Richards, Fuel Assistance Administrator, New Hampshire Department of Energy

Coordination Efforts: To keep LIHEAP and the EAP in lockstep, the EAP and LIHEAP offices host a joint monthly meeting with the local intake offices. The EAP and LIHEAP offices together develop the agenda and priorities for each meeting. In addition, when an application comes into a local intake office that has an anomaly, the intake worker sends it to both the EAP and LIHEAP offices for review, and the two offices confer on whether the household is eligible.

Looking to The Future: EAP and LIHEAP are looking forward to a new integrated computer system for processing applications. Currently, both programs use paper applications that must be manually entered into the NHDOE database. In 2026, they will be moving to a single online application for both programs.

Both Ms. Reynolds and Ms. Richards mentioned the lack of arrearage assistance as a shortcoming of their programs that they would like to address in the future. Historically LIHEAP has not implemented an arrearage program because households that use delivered fuels for their heat cannot fall behind on their bills – the fuel vendor receives payment upfront for the delivery. Ms. Richards added that an arrearage program makes more sense in the summer when households are using electricity to cool their homes. “But,” Ms. Richards said, “our LIHEAP does not run in the summer when often folks are experiencing some challenges with their electric bill. Something that we are considering adding once we get our new software up is structuring LIHEAP to offer help with arrearages. I would like to see that in place.”³³

Ms. Reynolds echoed the need for arrearage assistance, “I think the one flaw with my program is that it’s a percentage that is for the customer’s bill moving forward from enrollment. Most people that are coming to access a discount or assistance with their electric bill already have a past due balance. The limitation of my program is that it’s moving forward. So if you’re coming in with a \$500 past due balance, I’m not able to assist with that. Sometimes clients feel that even though we were able to provide the best assistance we could, it wasn’t the assistance that they needed at that time.”

32 See <https://www.energy.nh.gov/sites/g/files/ehbemt551/files/2022-01/eap-income-eligibility-guidelines-current.pdf>

33 Interview with Leah Richards, New Hampshire Department of Energy with Cassandra Lovejoy, National Energy Assistance Directors Association on February 4, 2025.

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About the National Energy Assistance Directors Association

NEADA collectively represents state energy assistance directors to secure federal resources (funding), represents members before federal agencies and national organizations, and shares state practices to maximize the efficiency and effectiveness of state management of energy assistance programs. NEADA researches the impact of energy assistance programs and provides information to states and policy makers.



NATIONAL COUNCIL
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About the National Council on Electricity Policy

NCEP is a platform for all state level electricity decision makers to share and learn from diverse perspectives on the evolving electricity sector. The community includes representatives from state public utility commissions, air and environmental regulatory agencies, governors' staffs and energy offices, legislatures, and consumer advocates. NCEP is administered by the National Association of Regulatory Utility Commissioners (NARUC) Center for Partnerships and Innovation (CPI).

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