

# Southeast Energy Insecurity Initiative

## Percentage of Income Payment Programs (PIPP)

August 26, 2021



# Thank you for joining!

- The webinar will be recorded
- Please keep your lines muted
- Please use the “chat” function to ask questions

# Southeast Energy Insecurity Project Goals

- ★ Measure and characterize the causes and impacts of energy burden and insecurity in the Southeast
- ★ Devise regional, sustainable solutions to addressing southeastern energy insecurity
- ★ Foster regional collaboration amongst leaders in the energy insecurity, efficiency, and equity spaces

# Agenda

- Welcome and introductions
- PIPP 101 - what is it and what problem is it trying to solve?
- State implementations
  - Illinois
  - Virginia
- Group discussion



# Percentage of Income Payment Programs (PIPPs)

- A PIPP entails participating customers paying a predetermined, "affordable" percentage of income for natural gas or electric service.
- PIPPs therefore target benefit levels to a household's particular income circumstances based on predetermined affordability goals.
- Since separate billing and payment arrangements must be developed for each participating customer, PIPPs generally entail a somewhat higher level of administrative complexity than straight discount rates.
- The Colorado Public Utilities Commission recently approved a PIPP for Excel Energy customers. Illinois investor-owned utilities have also implemented a PIPP.
- In addition, the program model has been operative for many years in Ohio, Pennsylvania, New Jersey and Maine.

# Subject Matter Experts



Dan Joranko

Tennessee  
Interfaith  
Power and  
Light



Carmen Bingham

Affordable Clean  
Energy Project,  
Virginia Poverty  
Law Center  
Project

A long time ago  
in a galaxy  
far, far, away

Organized  
for community  
problem solving

It starts with Care  
...and Crisis

Combining  
Community Experience  
with  
Policy Expertise

## An extended campaign







It works!:

Designing a sustainable program



# A better service model for utilities

Achieving Justice,  
Promoting Fairness,  
and  
Caring for Neighbors



*Through Advocacy, Education, Litigation the Virginia Poverty Law Center (VPLC) breaks down systemic barriers keeping low-income Virginians in the cycle of poverty*

# VIRGINIA PERCENTAGE OF INCOME PAYMENT PLAN (VAPIPP)

CARMEN BINGHAM  
PROJECT COORDINATOR, AFFORDABLE CLEAN ENERGY

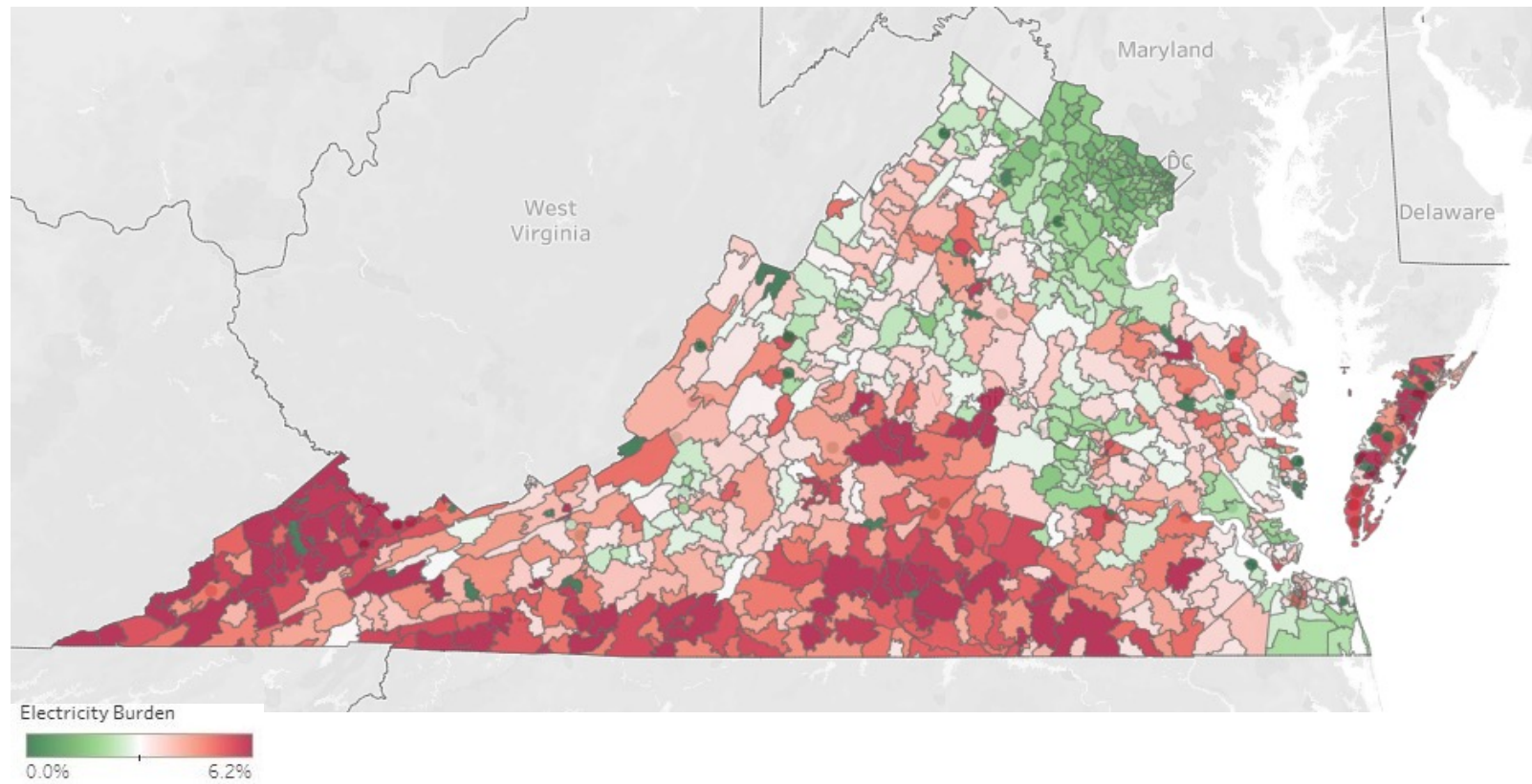
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# Through Advocacy, Education, Litigation

*the Virginia Poverty Law Center (VPLC) breaks down  
systemic barriers keeping low-income Virginians in the cycle  
of poverty*

## Virginia: Electricity Burden

2018, by Zip Code



## FALL OF 2019

General Assembly Elections – all 100 Seats in Virginia's House of Delegates up for election along with all 40 Seats in Virginia's Senate

Prior to Election Republicans held slim majorities in both chambers

House was divided 51-49, Senate was 21-19

After the Election, Democrats held majorities in both chambers

House now 45-55, Senate still slim 19-21

## GENERAL ASSEMBLY 2020

**HB1493** by Del. Lamont Bagby (D, 74th) created VAPIPP

**HB1526** by Del. Richard Sullivan (D, 48th) & **SB851** by Sen. Jennifer McClellan (D, 9th) were the omnibus **Clean Energy Act** companion bills

# VA PIPP

## FUNDAMENTAL BASICS

### 1. *Address Energy Burden*

The monthly electric bill payment paid by the participant is based on their income and is no more than six percent (ten percent if the household heats with electricity).

### 2. *Ensure Utility is Made Whole*

The participant's bill balance is recouped through a Universal Service Fee (USF) charged to all the participating utility's ratepayers.

### 3. *Reduce Energy Consumption/Eliminate Waste*

Participants will participate in a weatherization program or an energy efficiency program to have measures implemented that will reduce their energy usage, utilizing existing weatherization and/or energy efficiency programs offered to low-income households at no cost, including but not limited to WAP, utility sponsored programs (both regulated and non-regulated), state sponsored programs, locally supported programs, including volunteer programs, and another program that is designed to reduce the usage of energy by the household for which the participants would be eligible for and for which there would be no cost to the participant household.



# Thank You

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# Group Discussion

- Regulatory / legislative considerations
- Including energy efficiency and demand response
- Consumer protections
- Data needs
- Other??

Thank you!

