



## MEMORANDUM

**TO:** Electric Utility Commissioners

**FROM:** Kerry Overton, Deputy General Manager & Chief Customer Officer

**DATE:** March 5, 2021

**SUBJECT:** Customer Assistance Program Overview

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Given the recent and upcoming discussion of the Customer Assistance Program (CAP), Austin Energy wanted to take this opportunity to convey to the Electric Utility Commission how its discount program works. CAP currently has about 35,000 customers enrolled and serves as a model for similar programs throughout the country.

Customers who participate in one of eight state, federal, or local assistance programs can benefit from the City of Austin's CAP utility discounts. The programs include Medicaid, Medical Access Program (MAP), Supplemental Nutrition Assistance Program (SNAP), Veterans Affairs Supportive Housing (VASH), Supplemental Security Income (SSI), Children's Health Insurance Program (CHIP), Telephone Lifeline Program, and Travis County Comprehensive Energy Assistance program (CEAP). Participants are automatically enrolled when information between social service program enrollments match with an active customer account. This automatic enrollment is a feature of the CAP discount's design and is one reason why the program is such an effective benefit to our community.

Customers who do not participate in one of those eight programs can also apply for the CAP discount and submit income information to validate eligibility based on being at or below 200% of Federal Poverty Level (FPL). Austin Energy's administration of CAP is done in collaboration with the Discount Steering Committee (DSC), which includes members from local non-profit, government, and faith-based organizations. Our DSC partners work in the administration of benefits to our customers, and they have significant experience serving our vulnerable customer populations. The DSC guides the City on program implementation and structure, providing input on how to best meet our customer needs as efficiently as possible.

## **How does the City screen for customers that may earn more than 200% Federal Poverty Level?**

As adopted by the Austin City Council in 2012, the Community Benefit Charge fund was created along with automatic enrollment for CAP. This was done to provide simple access for program entry and ensure we can apply discounts to customers as quickly as possible, including those who may not have access to information to inform them of their eligibility or who may have other barriers to access.

It is sometimes assumed customers are not income verified, but this is not correct. Participants in the CAP discount program are already income screened as part of the enrollment process for the eight social services programs that make them eligible for auto enrollment. The entities providing the social service programs require customers to income verify for those programs. The City of Austin runs an efficient program accepting those social service programs that have already income screened program participants.

- Our process begins with the City's third-party vendor receiving an updated monthly list of customers enrolled in eligible federal, state or local programs. That list is then matched against the COA Utilities current customer list.
- The resulting list of potential CAP customers is matched against tax assessment rolls from Travis and Williamson counties, and any account whose premise has an improvement value over \$250,000 is sent a letter asking them to verify income eligibility. The matching of improvement value from tax assessment files was implemented as an additional verification.
- Property values are updated once a year when the new files are certified by the Tax Assessor and available.
- The customer must then submit the application to the third-party vendor along with financial documentation showing proof of income at or below 200% of Federal Poverty Level. When that process is complete, a customer is enrolled into the discount program.

Land values have risen steadily in Austin. This is why our program eligibility looks at improvement value only. Some of our CAP Discount recipients live in homes they have owned for many years and may have paid only a fraction of what the land value is worth today, but they do live on limited incomes as evidenced by their enrollment into a social service program such as Medicaid, SNAP, etc.

## **What are the income guidelines for participation in weatherization?**

All customers whose weatherization improvements are funded by the \$1 million allocation from the CAP program are still held to 200% of FPL, and these are the only customers who can access those dollars. If there is more interest above the \$1 million allocation, our CAP team has been able to fund those qualified CAP customers.

For Non-CAP participants, our Customer Energy Solutions (CES) team provides a weatherization program with income guidelines at 80% of Median Family Income (MFI) that has served the purpose to expand program to help meet participation goals.

**Quality controls are in place for a recognized nationwide leader in assistance programs.**

The Weatherization Program as well as the CAP Discount Program have been audited according to City guidelines in 2011, 2015, and 2018. The administration of the Customer Assistance Program is done in collaboration with our DSC partners. Austin Energy continues to work with customers and the community to continually enhance our programs. In 2019, Austin Energy earned a prestigious award in innovation from Customer Service Week recognizing our robust Customer Assistance Program and our community engagement. Our Customer Assistance Program serves as a model for similar programs throughout the country. We have quality controls in place to be good stewards of ratepayer funds, as we also strive to eliminate barriers to program entry. This allows us to help as many of our qualified CAP customers as efficiently as possible.

Thank you for your time as we continue to work hard to serve the Austin community.