



**Oregon Energy Assistance Program
Report to the 78th Legislative Assembly
From Oregon Housing & Community Services**

December 31, 2014

INTRODUCTION

The Oregon Energy Assistance Program (OEAP) was created in 1999 as part of SB 1149. ORS 757.617(2) states “The Oregon Housing & Community Services Department shall prepare a biennial report to the Legislative Assembly describing program spending and needs for low-income bill assistance.”

WHAT IS THE PURPOSE OF OEAP?

According to ORS 757.612(7)(d), this program was created “...for the purpose of providing low-income bill payment and crisis assistance, including programs that effectively reduce service disconnections and related costs to retail electricity consumers and electric utilities. Priority assistance shall be directed to low-income electricity consumers who are in danger of having their electricity service disconnected.” The program is specific to customers of Portland General Electric and Pacific Power.

WHAT IS THE NEED?

High energy prices impact everyone. While some of us cope by lowering our thermostats and putting on sweaters, the solution for low-income families is much different. For many vulnerable Oregonians increasing energy costs means choosing between heat and other basic necessities such as food, healthcare, or prescriptions.

The public health and safety impacts of high energy prices are well established. Up to 23% of low-income households keep their home at temperatures that are unsafe or unhealthy, and 33% used their kitchen stove or oven to provide heat.

Energy costs pose financial threats to households as well. A short term lack of hot water, refrigeration, and cooking capacity can result in lost wages, evictions, and in some cases, homelessness. Children who face energy insecurity are more likely to be food insecure, in fair or poor health, and at risk for developmental delay.



The cost of energy hurts Oregonians more during economic downturns. Local providers report that many applicants are seeking help for the first time.

According to the November 2011 National Energy Assistance Survey:

- 85% of people with a medical condition are seniors.
- 72% have a family member with a serious medical condition.
- 45% reported that their energy bills were more than \$2,000 in the past year.
- 40% of households have someone age 60 or older.
- 37% went without medical or dental care.
- 35% were unemployed.
- 34% did not fill a prescription or took less than their full dose of prescribed medication.
- 33% used kitchen stove or oven to provide heat.
- 26% use medical equipment that requires electricity.
- 24% of households went without food for at least one day.
- 19% became sick because the home was too cold.
- 19% had someone in the home become sick because the home was too cold.
- 6% were evicted from their home.

WHO IS SERVED BY OEAP?

Income eligibility requirements for OEAP are the same as the federally funded Low Income Home Energy Assistance Program (LIHEAP). An applicant's household income must be at or below 60% of the Oregon Median Income. As of October 1, 2013 for a household of one, this was \$21,706.88 per year; for a household of four it was \$41,744.00. See Attachment A.

However, these figures do not reflect well who is actually served. The average income of households served by OEAP during the program year 2014, which ended September 30, 2014, was less than \$15,000 per year.

RESULTS

In program year 2014, over 33,000 households were served by OEAP. Of these, nearly one in five (5,989) households included senior citizens and one in four (9,522) included a member who had a disability. Roughly 2,000 were unemployed or receiving unemployment benefits and over 6,500 were receiving energy assistance for the first time.

Between October 1, 2013 and September 30, 2014, over 26,800 service disconnections were prevented as a result of OEAP services; 3,440 low-income households had their home energy services restored after being disconnected.

Oregonians served by OEAP (customers of PGE or Pacific Power) come from 29 of the 36 counties in the state including:

- Benton
- Clackamas
- Jackson
- Jefferson
- Multnomah
- Polk



- Clatsop
- Columbia
- Coos
- Crook
- Deschutes
- Douglas
- Gilliam
- Hood River
- Josephine
- Klamath
- Lake
- Lane
- Lincoln
- Linn
- Marion
- Morrow
- Sherman
- Tillamook
- Umatilla
- Wallowa
- Wasco
- Washington
- Yamhill

SERVICE DELIVERY

OEAP bill assistance is delivered through a network of community action agencies throughout Oregon, each of which delivers a myriad of anti-poverty programs to low-income clients. This creates efficiency of operations plus assures that clients are able to access multiple services that are designed to help them move towards self-sufficiency while assisting them with their immediate crisis. OEAP services are available year around or until funds are exhausted.

PROGRAM REVENUE AND SPENDING

The following table describes the revenue and spending for the OEAP program for program years 2013 and 2014 (October 1 to September 30).

	PY 2013		PY 2014	
Revenue				
PGE	11,674,057.34	59.40%	11,718,602.97	59.48%
PacifiCorp	7,948,374.13	40.44%	7,937,511.04	40.29%
Interest	30,708.76	0.16%	45,154.52	0.23%
Total Revenue	19,653,140.23		19,701,268.53	
Expenditures				
OHCS admin	288,965.50	1.84%	347,103.92	2.01%
Community Action				
Agency admin	1,337,072.69	8.53%	1,385,392.87	8.04%
Community Action				
Agency client benefits	14,041,186.56	89.62%	15,506,036.46	89.95%
Total Expenditures	15,667,224.75		17,238,533.25	

*Funds are received and spent continuously throughout the year. Due to the timing of the program year (October 1 – September 30), OHCS frequently ends this period with accumulated revenue which is spent as energy bills increase during winter months.

REVENUE

OEAP program revenue is from meter charges collected from customers of Portland General Electric and Pacific Power.



EXPENSES

OHCS Administration

OHCS receives the meter charges collected by the utilities and manages contracts with and distribution of funds to the 16 partner agencies. OHCS provides contract management, monitoring for grant compliance, accounts payable/receivable, OPUS database system and management, program monitoring, and training and technical support. These expenses cannot exceed 5% of the receipts. In program year 2014, OHCS operated the program on less than 3% for administration. During this same time period, OHCS significantly increased on-site compliance and support visits helping partners to ensure the funds are being well spent.

Partner Agency Administration and Client Benefit

Each community action agency provides contract management, supervision of staff, and accounts payable/receivable in administering OEAP. Federal funds cannot be used to pay other program expenses, so agencies need funds to cover their actual costs of administering this program. Any unexpended administrative funds are moved to bill assistance payments at the end of the program year.

Partner agencies make payments directly to utilities on behalf of their clients. These payments may reconnect a utility customer whose electricity service has been shutoff or may prevent a shutoff from occurring. The agencies are also reimbursed for expenses directly related to serving these clients.

CONCLUSION

The Oregon Energy Assistance Program has a major impact in helping low-income Oregonians meet basic needs, as well as reducing electrical service disconnections. This is achieved through energy assistance payments and collaboration with our network partners to provide additional services to move households toward self-sufficiency. As a result of the program, the health, safety, and stability of low income Oregonians is improved. The federal LIHEAP program is far from being able to meet the need for bill payment assistance in Oregon, so OEAP extends the reach into more households. The system for delivery of the service is effective and cost-efficient and takes advantage of existing service providers that already work locally with low-income households. It provides a model of collaboration that helps assure the multiple needs of low-income families are met by bringing together resources from the public and private sector.



Attachment A

INCOME GUIDELINES

60% of State Median Income by Household Size For Use in Federal Fiscal Year 14

Estimated State Median by Household Size – Source HHS

Household Unit Size	Annual Gross Income*	Monthly Gross Income*
1	\$21,706.88	\$1,808.91
2	\$28,385.92	\$2,365.49
3	\$35,064.96	\$2,922.08
4	\$41,744.00	\$3,478.67
5	\$48,423.04	\$4,035.25
6	\$55,102.08	\$4,591.84
7	\$56,354.40	\$4,696.20
8	\$57,606.72	\$4,800.56
9	\$58,859.04	\$4,904.92
10	\$60,111.36	\$5,009.28
11	\$61,363.68	\$5,113.64
12	\$62,616.00	\$5,218.00
Each Additional Member	\$1,277.00	\$106.42

*Gross Income means all household income before any deductions.