

17 January 2018, 14.00 London time

SPEAKERS:



Mr Abba Terab

*Senior Manager,
Nigeria*



Ms Kemi Kafanabo

*Principal Financial
Analyst, Tanzania*



Ms LuAnn Scherer

*Director Office of Consumer
Services NY, USA*

MODERATOR:



Ms Larcus Pickett

*Program Manager,
NARUC, USA*





Department
of Public Service

Energy Affordability Policies and Programs in New York State

January 17, 2018

Three-Pronged Strategy for Affordability

- Strong consumer protections against termination of service (Home Energy Fair Practices Act)
- Opportunities for low income households to benefit from cost savings through energy efficiency and distributed energy resources
- Direct financial assistance programs

Affordability Policy

- Prior to adoption of affordability policy in May 2016, all low income households of the nine major investor owned utilities (generally defined as receiving a Home Energy Assistance Grant (HEAP)) received a set monthly discount
 - Electric heat discount ranged from \$10 - \$27
 - Gas heat discount ranged from \$5 - \$50
 - These discounts were negotiated during rate cases
- The NY PSC Adopted a state policy that an average energy burden of 6% of household income shall be the target level for all 2.3 million low income households in New York
 - Widely accepted that total shelter costs should not exceed 30% of income.
 - 6% energy burden target used for affordability programs in several other states (e.g., New Jersey and Ohio)

Basic Structure of Benefit Levels

- Based on “affordability block” -- defined as 110% of average bill at each utility
 - Use "high average" (110%) because low income household usage may be higher than average
 - Separate calculation for heating/non-heating
 - straight discount -- favored by some parties, discourages conservation
- Levels of discounts vary based on need
 - Four levels of discount generally determined by receipt of one or more HEAP “add-on” benefits and/or public assistance
 - 200% FPL (60% SMI) / 130% FPL / 130%FPL + vulnerable individual / 100% FPL
 - Utilities allowed some flexibility in designing rate discounts
 - alternatives must be shown to accomplish the same results, and leave no class of participant underserved
 - “Minimum” discount of \$3/month
- Participants are enrolled in budget (levelized) billing

Eligibility/Enrollment

- Program is designed for automatic enrollment
 - Achieves virtually 100% enrollment of eligible customers at limited expense
- Staff working with sister agencies through an inter-agency task force to reach all eligible households, achieve greater program coordination
 - Will involve establishing new partnerships and new ways for utilities to identify and enroll eligible customers
 - Also will require a phased approach
- As an initial step, utilities have opened their low income discount programs to all households that receive HEAP, regardless of fuel or benefit type
 - To comply with new federal requirements, OTDA (DSS) will begin providing lists of all HEAP recipients to the utilities
 - Adds ~150,000 new participants
- Con Edison continues a “file match” approach which extends the low income discount program to customers receiving other income based benefits in addition to HEAP
 - NYC metro area presents unique challenges for identifying low income populations and estimating the level of need
 - National Grid NY also adopting this approach
 - Adds ~400,000 new participants
- Statewide, the enhanced low income discount program will serve approximately 1.65 million customers (~1.05 million households)

Program Budgets

- Enhanced low income discount programs cost approximately \$260 million statewide
 - Doubles prior programs
- Funding limit established such that the total budget for each utility may not exceed 2% of total electric or gas revenues for sales to end-use customers
 - costs are allocated fairly evenly between electric and gas services, on a percentage of revenue basis (about 1.4% overall)
 - National Fuel Gas and Niagara Mohawk (gas only) reach the 2% budget cap
- All customer classes required to contribute
 - Costs allocated to all classes on the basis of T&D revenues

Odds & Ends

- Arrears forgiveness/reconnection fee waiver programs may continue for utilities who see value
 - not required generally
 - limits funding for arrears forgiveness/reconnection fee waiver programs to no more than 11% of the budget
- New, expanded program reporting format
- Hardship grants through Emergency LIHEAP + utility fuel funds

Approved Tariffs and Charges in Tanzania

FIRST SCHEDULE:**APPROVED TARIFFS**

Customer Category	Component	Unit	Current Tariff	Proposed Tariff 2016	Approved Tariff 2016	% Change
D1	Service Charge	TZS/Month			-	
	Energy Charge (0 - 75 kWh)	TZS/kWh	100	100	100	0.0%
	Above 75 kWh	TZS/kWh	350	350	350	0.0%
T1	Service Charge	TZS/Month	5,520	-	-	-100.0%
	Energy Charge	TZS/kWh	298	295	292	-2.0%
	Maximum Demand Charge	TZS/kVA/Month	-	-	-	
T2	Service Charge	TZS/Month	14,233	14,233	14,233	
	Energy Charge	TZS/kWh	200	198	195	-2.3%
	Maximum Demand Charge	TZS/kVA/Month	15,004	15,004	15,004	
T3 - MV	Service Charge	TZS/Month	16,769	16,769	16,769	
	Energy Charge	TZS/kWh	159	157	157	-1.5%
	Maximum Demand Charge	TZS/kVA/Month	13,200	13,200	13,200	
T3 - HV	Service Charge	TZS/Month			-	
	Energy Charge	TZS/kWh	156	154	152	-2.4%
	Maximum Demand Charge	TZS/kVA/Month	16,550	16,550	16,550	

Key
D1: Low Usage Tariff for Domestic customers who on average consume less than 75 kWh per month. Any unit exceeding 75 kWh is charged a higher rate of TZS 350 per kWh. Under this category, power is supplied at a low voltage, single phase (230V).
T1: General Usage Tariff for customers including residential, small commercial and light industrial use, public lighting and billboards. Power is supplied at low voltage single phase (230V) as well as three phase (400V).
T2: Applicable to general use customers where power is metered at 400V and average consumption is more than 7,500 kWh per meter reading period and demand does not exceed 500kVA per meter reading period.
T3-MV: Applicable customers connected to medium voltage.
T3 - HV: Applicable to customers connected to High Voltage including ZECO, Bulyanhulu and Twiga Cement.

SECOND SCHEDULE:

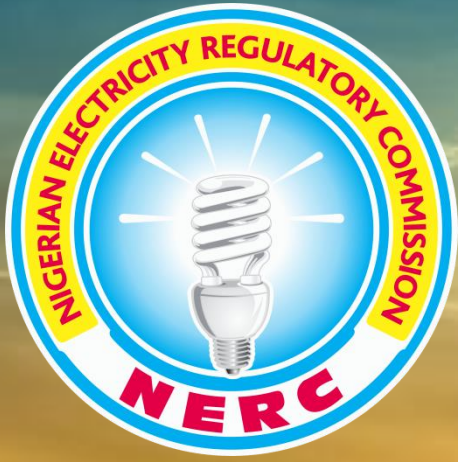
APPROVED CHARGES

Table 1: Single Phase Charges

Service Line	Requested Connection Charges (TZS)		Approved Connection Charges (TZS)	
	Urban Rate TZS (VAT exclusive)	Rural Rate TZS (VAT exclusive)	Urban Rate TZS (VAT exclusive)	Rural Rate TZS (VAT exclusive)
Within 30 Meters	272,000	150,000	272,000	150,000
Within 70 Meters (one pole)	436,964	286,220	436,964	286,220
Within 120 Meters (two poles)	590,398	385,300	590,398	385,300

Tables 2: Three Phase Charges for Urban and Rural Areas

Service Line	Meter Type	Requested Connection Charges (TZS)		Approved Connection Charges (TZS)	
		Urban Rate TZS (VAT excl.)	Rural Rate TZS (VAT excl.)	Urban Rate TZS (VAT excl.)	Rural Rate TZS (VAT excl.)
Within 30 Meters (cable 16mm ²)	LUKU	772,893	772,893	772,893	772,893
Within 30 Meters (cable 16mm ²)	AMR				
Within 30 Meters (cable 35mm ²)	LUKU				
Within 30 Meters (cable 35mm ²)	AMR				
Within 70 Meters (one pole)	LUKU	1,058,801	1,058,801	1,058,801	1,058,801
Within 70 Meters (one pole)	AMR				
Within 120 Meters (two poles)	LUKU	1,389,115	1,389,115	1,389,115	1,389,115
Within 120 Meters (two poles)	AMR				



Tariff Policies for Underprivileged Consumers

17th January 2018

Policy Objectives



- a. To develop procedures for assisting customers who have difficulty in paying bills;**
- b. To subsidize underprivileged electricity consumers as specified by the Minister;**
- c. Support rural customers in accessing to electricity services**
- d. Phase out or substantially reduce cross subsidies**

Strategies Deployed



	Strategy	Eligible Criteria	Funding
1.	Life line Tariff of \$0.013/kWh	Monthly consumption of ≤ 50 kWh	<ul style="list-style-type: none">• Cross subsidies• Government Subsidies
2.	Power Consumers Assistance Fund	Underprivileged Consumers	<ul style="list-style-type: none">• Government Subsidies• Eligible Customers• Licensees
3	Rural Electrification Fund	Rural Customers	<ul style="list-style-type: none">• Government Subsidies• Eligible Customers• Licensees

Implementation Challenges

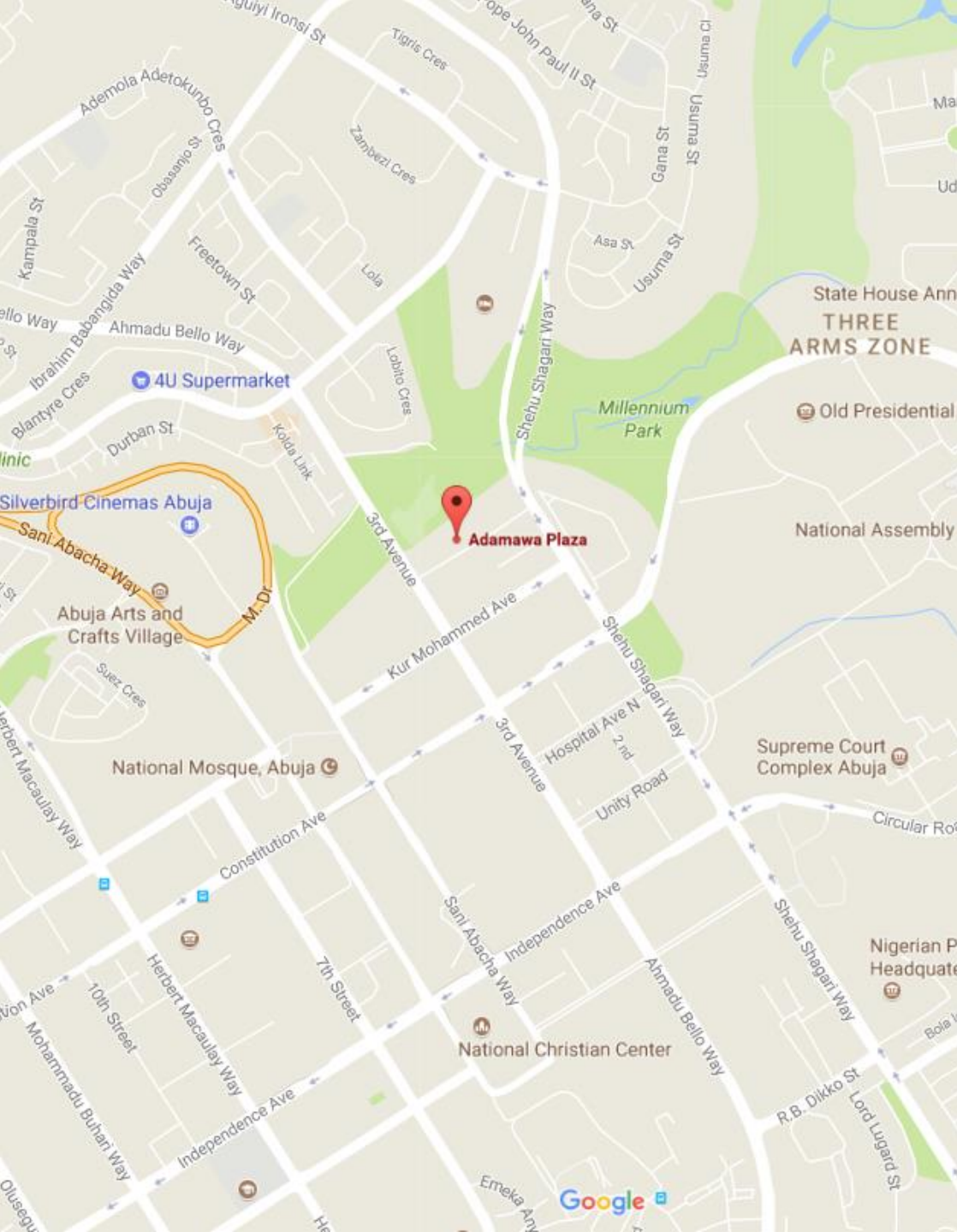


- a. Absence of reliable database**
- b. Meters and extent of IT infrastructure available**
- c. Dealing with legacy liabilities/inefficiencies especially in jurisdictions undergoing reform**
- d. Dealing with demands of new technology and government policies (e.g. FIT)**
- e. Ensuring revenue neutrality**


Overall Tariff Focus



- a. Cost reduction and efficiency improving measures**
- b. Collaborating with customers on energy efficiency and demand side management**
- c. Requirement for tariff affordability study at major tariff reviews**
- d. Improved customer access to information on tariffs and utility services**
- e. Consultation with customers in setting tariffs and service delivery standards**




THANK YOU




Women in Energy
The ICER International Network

ICER WIE Webinar
Vulnerable customers
17 January 2018, 14.00 London time


SPEAKERS:



Mr Abba Terab
*Senior Manager,
Nigeria*




Ms Kemi Kafanabo
*Principal Financial
Analyst, Tanzania*



Ms LuAnn Scherer
*Director Office of Consumer
Services NY, USA*

MODERATOR:



Ms Larcus Pickett
*Program Manager,
NARUC, USA*

