



Agenda Date: 6/22/18
Agenda Item: 9A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE ENERGY ASSISTANCE)
GRANT AS AUTHORIZED UNDER N.J.S.A. 48:2-29.39) ORDER AUTHORIZING
- PAYMENT ASSISTANCE FOR GAS AND ELECTRIC) GRANT AWARD
PROGRAM) DOCKET NO. EG18020148

Parties of Record:

Donna Blaze, CEO, Affordable Housing Alliance
James Jacob, President & CEO, New Jersey SHARES
Channel Wilkins, CEO, OCEAN, Inc.

BY THE BOARD:

N.J.S.A. 48:2-29.39 authorizes the Board of Public Utilities ("Board") to designate an established statewide non-profit energy assistance organization to receive supplemental funding from unclaimed property held by the State's electric and gas utilities pursuant to N.J.S.A. 46:30B-74. N.J.S.A. 46:30B-74 directs the administrator of the Unclaimed Utility Deposit Trust Fund ("Trust Fund") to provide 75% of the money in the Trust Fund to the New Jersey Statewide Heating Assistance and Referral for Energy Services ("NJ SHARES"), or to another statewide nonprofit energy assistance organization designated by the Board within 45 days of the receipt of such funds. The non-profit entity designated by the Board to receive the funds must use them to help electric or natural gas customers pay their electric or natural gas bills to avoid termination of service or restore service.

This grant funding became known as the Payment Assistance for Gas and Electric ("PAGE") program, and is currently administered by the Affordable Housing Alliance ("AHA"). The Board's current contract with the AHA expires on July 31, 2018.¹

At its February 28, 2018 agenda meeting, the Board authorized the issuance of a Notice of Grant Availability ("Notice") to solicit bids to procure an administrator for the PAGE program. The Notice was published in the New Jersey Register on April 2, 2018, as well as on the Board's website at <http://nj.gov/bpu/pdf/announcements/2018/PAGE.pdf>. The Notice was also

¹ At its April 25, 2018 agenda meeting, the Board extended the PAGE contract with the AHA from June 30, 2018 to July 31, 2018 to ensure uninterrupted service to clients in need.

emailed out to various listservs related to the Universal Service Fund, Low Income Home Energy Assistance Program and New Jersey Clean Energy Program.

The deadline by which applicants had to submit their proposals to the Board was 5:00 pm on May 2, 2018.

In accordance with the requirements contained in the Notice, the Board received a total of three proposals from:

1. AHA;
2. NJ SHARES; and
3. OCEAN, Inc.

An Evaluation Committee ("Committee"), consisting of four representatives from Board Staff, reviewed the proposals.

The Committee was comprised of representatives from the Office of the Secretary, the Audits Division, Counsel's Office, and the Office of Budget and Finance. Technical scores were calculated based on the result of an independent reading and analysis of each proposal by the evaluators.

EVALUATION METHODOLOGY

The Committee was responsible for performing a review of each proposal received. The focus of the Committee's review was on the strengths and weaknesses of each proposal as it related to the applicant's ability to undertake and successfully complete the work required for the PAGE Grant, as specified in the Notice.

The Committee utilized a technical scoring format based on assigning points to each of the evaluation criteria listed in that section of the Notice. The criteria listed in the evaluation section of the Notice assigned a maximum of either ten (10) or twenty (20) points to each individual criterion.

The Committee utilized the following process to derive total scores:

1. Each member reviewed and scored each application independently, and assigned a technical score from one to ten (10) or one to twenty (20) to each criterion, depending on the number of points allotted to each criterion, as per the point allotments contained in the Notice, and used a standard scoring sheet;
2. Then summing all scores from the Committee members to derive the total score for the proposal.

Each voting Committee member could assign a maximum score of 100 technical points to each applicant's bid proposal. The Committee then discussed the merits of the proposals of the three applicants in greater detail.

RECOMMENDATION

As set forth in the Committee's evaluation report, the committee selected AHA as the highest scoring bidder. AHA's total score was 378 out of a total of 400 points available with an average score of 95. The next highest scoring bidder received a total of 276 points with an average score of 69. The quality of the AHA proposal resulted in both the highest total score from all committee members, as well as the highest scores in all six (6) scoring criteria.

The AHA proposal provided the Committee with ample reason to believe that AHA would implement the PAGE program in an effective and responsible manner. All of the Committee members agree with the final scoring to rank AHA number one and recommended the selection of AHA as the recipient of the PAGE Grant.

The Committee selected AHA for several reasons, including the high level of detail regarding all aspects of PAGE program administration, which led the Committee to believe AHA would administer the program most effectively and efficiently. AHA clearly described in narrative format and with the additional use of graphics, the entire application process, from filing an application to receiving benefits. The AHA proposal indicates it will have the PAGE program up and running within 15 days of being awarded the Grant with no start-up costs or training period. With this short turnaround time, AHA can provide seamless service to clients.

The Committee was further pleased that AHA provided a detailed marketing and outreach plan for the target population, and described its demonstrated knowledge and experience in working with investor-owned utility companies, as well as its documented experience administering other assistance programs such as: the Board's former Temporary Relief for Utility Expenses program (Administered by AHA statewide for six years); the Board's Universal Service Fund program in Monmouth County; the Department of Community Affairs' federal Low Income Home Energy Assistance program for Monmouth County; the Gift of Warmth program for New Jersey Natural Gas customers; Atlantic City Electric Company's Helping Hands program; and the Sandy Homeowner/Renter Assistance Program for Monmouth County.

AHA submitted a detailed copy of its 2017 marketing plan and presented a list of over 200 utility assistance outreach events its staff attended during that year. Additionally, AHA provides time-tested outreach methods through its partnerships with the utility companies and affiliate agencies. The Committee noted that AHA targeting payment troubled customers through the customer's utility companies rather than wait for customers to reach out to AHA was an innovative and collaborative approach to marketing PAGE.

AHA described detailed agreements with the utility companies regarding processing payments, crediting accounts and providing accessibility of utility staff to AHA-PAGE staff. AHA also laid out in detail the secure verification process and methods it uses to provide accurate and sufficient grant amounts to the utility companies, with whom they interact on a daily basis.

AHA also provided its detailed internal fraud prevention measures, which include: various levels of approval for issuing client grants; regular training for their staff and affiliates; checks in their database; and quality control methods with personnel. AHA indicated they would continue to provide program training to all PAGE employees and affiliate agencies with an AHA-created PAGE policies and procedures manual to ensure the integrity of the program, making certain that only eligible clients receive grants. AHA included this policies and procedures manual in its proposal which further demonstrated attention to detail.

The Committee was additionally impressed with the level of reporting AHA is able to provide. AHA regularly monitors its Quality Assurance Surveys, operational performance, and financial reports in order to identify, address, and correct any program issues. AHA confirmed it tracks all the metrics needed for reports required by the Notice, as well as additional variables to monitor program performance.

AHA indicated it has four offices in Monmouth County and partners with 22 affiliate agencies throughout the state for the processing of PAGE applications on a fee per application basis. Affiliate agencies enter into agreements with AHA to operate as a PAGE affiliate agency and in turn, AHA provides affiliate agencies with PAGE training annually and on an as-needed basis and addresses any concerns about service quality delivered to applicants.

AHA additionally used its past experience to propose several improvements to the existing PAGE program, including: 1) increasing the grant cap amount from \$700 to \$750; 2) increasing the cap on liquid assets from \$10,000 to \$15,000, while allowing their appeals process to provide for exceptions; 3) making the required payments to the utility company easier to meet; and 4) introducing a streamlined recertification process and form that could be used by repeat applicants who have not moved or had any changes in household size. The Committee believes these suggestions and the other modifications listed in the proposal would benefit the target population.

However, AHA also included the suggestion that a PAGE grant could be provided for the cost of appliance repairs. The Committee determined that this is not an allowable cost as the enabling legislation indicates funding is to aid eligible electric and/or natural gas customers with "the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service provided to utility ratepayers seeking assistance." The Committee felt this suggestion was outside the scope of grant and therefore does not recommend this change to the PAGE program.

Regarding its budget, the Committee valued AHA's detailed description of its ability to adjust program costs based on variable funding from year to year. AHA provided several detailed models with accompanying justification narratives describing how direct costs including grants to clients would be impacted by variable annual PAGE disbursements from \$800,000 up to \$5,000,000 in one million dollar increments. These details and explanations demonstrated to the Committee that AHA thoroughly considered the budget scenarios it may face and determined how to adjust expenses to accommodate budget realities.

DISCUSSION AND FINDINGS

The Board recognizes the need for an open and transparent bidding process where public funds are concerned. After review of the evaluation process, the Board **HEREBY FINDS** the process was fair and impartial. Each Committee member independently evaluated every proposal, based upon the criteria as specified in the Notice, and each Committee member was provided with specific instructions for following the Notice criteria and using it when scoring the applications. Therefore every applicant was afforded the same opportunity to compete for the PAGE Grant.

Applications were scored based upon the information each applicant provided by the application deadline. The details of each proposal were carefully reviewed by the committee and, based upon the applications presented, AHA submitted the highest ranking proposal.

The Board **HEREBY ACCEPTS** the recommendation of the Evaluation Committee to award the PAGE Grant, for a three-year period, to the AHA based in Neptune, New Jersey. The three year period shall be for State Fiscal Years 2019, 2020, and 2021. Any unspent funds at the end of the contract shall be returned from AHA to the State or transferred by the AHA to the Board's designated Grantee.

The Board **HEREBY DIRECTS** that AHA incorporate the Committee's requested modification listed above to its proposed PAGE program. The Board further **DIRECTS** that this modification shall be included in the final contract or grant agreement with AHA.

The Board also **DIRECTS** the utilities to work with AHA to ensure applicants who have applied for and met the eligibility requirements of a PAGE Grant will have that grant applied towards their utility bill in a timely manner.

The Board **HEREBY AUTHORIZES** the Board President to sign the contract or grant agreement with AHA to implement the PAGE program.


AHA shall adhere to the reporting requirements as set forth in the Notice of Grant Availability and any other reporting requirements specified in the contract and as set forth below:

Quarterly progress reports, accounting for all funds received and spent, will be required, including but not limited to the number and amount of financial assistance grants distributed to Limited Income Households by each electric and/or gas utility and when the grants are distributed. Quarterly reports shall also include actual program administrative costs for that quarter. Within one year of receiving the grant award, the nonprofit organization shall issue a comprehensive report to the Board which provides the number of applicants applying for household utility assistance grants, the number of households receiving utility assistance grants, the average amount of assistance provided, the average gross income of households receiving assistance, the methods and procedures used for the verification of income or hardship, and any other information as required by the Board. This comprehensive report will be required on an annual basis after the first year, or more frequently, at the discretion of Board Staff.

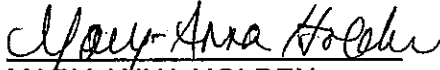
The effective date of this Order is July 2, 2018.

DATED: 6/22/18


BOARD OF PUBLIC UTILITIES
BY:



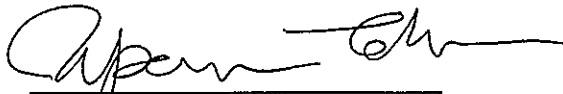
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ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

I/M/O OF THE ENERGY ASSISTANCE GRANT AS AUTHORIZED UNDER N.J.S.A. 48:2-
29.39 - PAYMENT ASSISTANCE FOR ELECTRIC AND GAS PROGRAM
DOCKET NO. EG18020148

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