



State of Connecticut

GENERAL ASSEMBLY

STATE CAPITOL
300 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1591

To: Senator Cathy Osten
Representative Toni E. Walker
Co-Chairpersons, Appropriations Committee

Senator Marilyn Moore
Representative Catherine F. Abercrombie
Co-Chairpersons, Human Services Committee

Senator Norm Needleman
Representative David Arconti
Co-Chairpersons, Energy and Technology Company

From: Martin M. Looney, Senate President Pro Tempore
Joe Aresimowicz, Speaker of the House

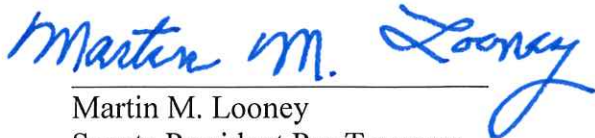
Re: Low Income Home Energy Assistance Program Block Grant

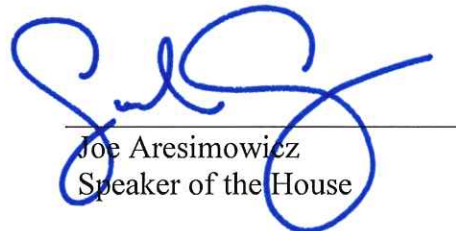
Date: August 4, 2020

Pursuant to Connecticut General Statutes Section 4-28b, we are submitting the Governor's allocation plan for the Federal Fiscal Year 2021 Low Income Home Energy Assistance Program Block Grant to you for your approval or modifications.

Thank you for your consideration of these recommendations.

Sincerely,


Martin M. Looney
Senate President Pro Tempore


Joe Aresimowicz
Speaker of the House

Cc: Susan Keane, Senior Committee Administrator, Appropriations Committee
Heather Ferguson-Hull, Clerk, Human Services Committee
Ben Lovejoy, Clerk, Energy and Technology Committee
Anne Foley, Undersecretary, Policy Dev. & Planning, Office of Policy & Management



STATE OF CONNECTICUT

GOVERNOR NED LAMONT

July 31, 2020

The Honorable Joe Aresimowicz
Speaker of the House
Connecticut House of Representatives
Legislative Office Building, Room 4100
Hartford, CT 06106

Dear Representative Aresimowicz,

Pursuant to Section 4-28b and 16a-41a of the Connecticut General Statutes, I am pleased to transmit for legislative review the proposed allocation plan for the federal fiscal year 2021 Low Income Home Energy Assistance Program. This plan is based on anticipated federal funding and may be subject to change when the State of Connecticut receives the final federal grant award notice.

Thank you for your attention to this matter. Please contact Danielle Palladino at the Office of Policy and Management at Danielle.Palladino@ct.gov or 860-402-7576 if you have any questions about the recommended allocations or any other aspects of the plan.

Sincerely,

A handwritten signature in black ink that reads "Ned Lamont".

Ned Lamont
Governor

cc: Honorable Themis Klarides, House Minority Leader
Josh Geballe, Chief Operating Officer, Office of Governor Ned Lamont
Melissa McCaw, Secretary, Office of Policy and Management
Deidre S. Gifford, Commissioner, Department of Social Services
Anne Foley, Under Secretary, Office of Policy and Management
Danielle Palladino, Policy Development Coordinator, Office of Policy and Management



STATE OF CONNECTICUT

GOVERNOR NED LAMONT

July 31, 2020

The Honorable Martin Looney
President Pro Tempore
Connecticut State Senate
Legislative Office Building, Room 3300
Hartford, CT 06106

Dear Senator Looney,

Pursuant to Section 4-28b and 16a-41a of the Connecticut General Statutes, I am pleased to transmit for legislative review the proposed allocation plan for the federal fiscal year 2021 Low Income Home Energy Assistance Program. This plan is based on anticipated federal funding and may be subject to change when the State of Connecticut receives the final federal grant award notice.

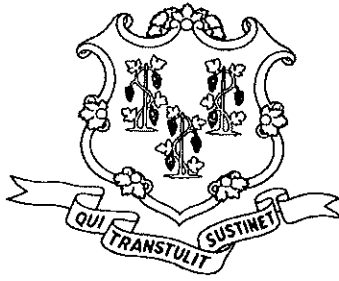
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Ned Lamont
Governor

cc: Honorable Len Fasano, Senate Minority Leader
Josh Geballe, Chief Operating Officer, Office of Governor Ned Lamont
Melissa McCaw, Secretary, Office of Policy and Management
Deidre S. Gifford, Commissioner, Department of Social Services
Anne Foley, Under Secretary, Office of Policy and Management
Danielle Palladino, Policy Development Coordinator, Office of Policy and Management



LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT ALLOCATION PLAN

October 1, 2020 – September 30, 2021

STATE of CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

NED LAMONT
GOVERNOR

Submitted by:
Deidre S. Gifford, MD, MPH, Commissioner
Connecticut Department of Social Services

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
BLOCK GRANT ALLOCATION PLAN
For Federal Fiscal Year 2021**

I. INTRODUCTION

The Connecticut Energy Assistance Program (CEAP) is designed to help offset the winter heating costs of Connecticut's lower income households, specifically those households whose annual income falls at or below 60 percent of the state median income (\$72,394 for a family of four).

The CEAP is funded by the U.S. Department of Health and Human Services' (HHS) Low Income Home Energy Assistance Program (LIHEAP) Block Grant; however, at the time of the development of this allocation plan, the funding level for Federal Fiscal Year (FFY) 2021 has not been released. The estimated budget used in this allocation plan for the operation of the LIHEAP for FFY 2021 assumes that the program will be level-funded at the FFY 2020 level of \$73 million through Continuing Resolutions and includes an estimated \$3.7 million in FFY 2020 LIHEAP carry-forward funds, \$400,000 in LIHEAP vendor refunds and \$5.7 million in LIHEAP CARES Act funds for a total budget of \$82.8 million. This constitutes the Department of Social Services best estimate of funding that may be available under the LIHEAP block grant ("the Plan").

DSS and the Community Action Agencies (CAAs) will work in conjunction with local governments, private human services providers and the General Assembly's committees of cognizance, to assist Connecticut residents who are CEAP eligible in maximizing potential energy assistance options.

Energy assistance benefits shall include the following:

A. HEAT BENEFITS

1. Basic Benefit
2. Crisis Assistance Benefit
3. Safety Net Assistance Benefit

B. RENTAL ASSISTANCE BENEFITS

Benefits available through the CEAP vary to reflect need, cost, and/or energy burden. The FFY 2021 Plan is designed to provide the highest level of assistance to those households who have the lowest incomes and the highest energy needs in relation to income, taking into account household size and vulnerability.

The provision of assistance under CEAP is subject to the availability of funds. If funds provided for payments under the Plan are determined by the state to be in danger of exhaustion prior to the scheduled program end date, the state reserves the right to close the program or portions of the program. If federal funding is provided in an amount higher or lower than the level assumed under the Plan, program services and benefits may be adjusted.

The Plan provides a framework for overall program operation. DSS will develop and implement policies and procedures to further define the rules of operation.

II. ADMINISTRATION

The Department of Social Services' responsibilities in the administration of the CEAP are to:

- A. Prepare and submit the LIHEAP Allocation Plan to the Governor and, following legislative approval, submit the Plan to the federal government.
- B. Compile and submit any program reports required under state and federal law to the appropriate bodies.
- C. Act as grantee agency for the state for all LIHEAP funds.
- D. Ensure coordination of the CEAP with other energy and conservation assistance programs offered by the state and other public or private entities.
- E. Contract with Community Action Agencies (CAAs) or any other non-profit or for profit entities to provide standardized services to all eligible households; including those households receiving assistance from DSS programs, and to process applications from any such households wishing to apply for benefits.
- F. Execute agreements with energy vendors to ensure program standardization and provide current lists of eligible vendors to DSS contractors.
- G. Ensure vendors are paid no later than thirty (30) business days after the CAA's receipt of an authorized fuel slip or invoice for payment from the vendor.
- H. Provide CAAs with lists of households whose Temporary Family Assistance benefits are being discontinued as a result of time limitations.
- I. Provide informational materials to inform clients in writing of other energy and conservation related programs administered or funded by the state.
- J. Complete weekly and quarterly fiscal and program activity reports.
- K. Allocate personnel resources necessary to provide reasonable protection against client or vendor fraud, develop anti-fraud strategies designed to strengthen program integrity, maintain a fraud referral method for reporting suspected program abuse and investigate all reported claims of suspected program abuse.
- L. Track carry-forward funds from the 2019/2020 program year.
- M. Develop an estimated budget of total expenditures for the program year, and for DSS and each contracting agency, a line-item budget of administrative expenditures for CEAP. The budget shall be based on the release of the block grant funding level or if the release is delayed, using the assumption that the block grant will be level-funded at the prior program year.
- N. Provide CAAs with the daily price per gallon for home heating oil purchased under the CEAP.
- O. Track the number of gallons of home heating oil purchased under the CEAP. Track the average fixed margin price, the average retail price and savings per gallon for heating oil.
- P. Monitor the performance of the CAAs and program vendors in delivering services and in reporting to DSS.

- Q. Provide standard application forms and format for all energy programs administered by the Department. The application form shall include a statement that non-qualified aliens are not eligible for energy assistance benefits (other household members who are either qualified aliens or citizens may be eligible for energy assistance benefits).
- R. Maintain a system to verify recipients' Social Security Numbers as part of the ongoing effort to maximize program integrity.

III. PROGRAM DEFINITIONS

For the purposes of the Plan the following terms are defined:

Boarders - Persons whose meals are included in their rent. Boarders are not eligible to receive CEAP benefits.

Dwelling Unit – Any residential property, (i.e., apartment, house or stationary mobile home) in which the occupants have exclusive kitchen facilities. It does not include commercial property, accommodations that have not been issued a certificate of occupancy or accommodations that are not listed as residential units in the tax assessor's records for the municipality where such accommodations are located.

Energy Burden – The percentage of household income spent on home energy costs.

Household - Any individual or group of individuals who: are living together in a dwelling unit; or who purchase residential energy in common; or who make payments for such energy in the form of rent. Persons renting a room(s) within a dwelling unit are considered to be household members. Households do not include individuals who are boarders in rooming houses, who reside at an institution of higher learning, are incarcerated, or are foster children or foster adults.

Income/Mean of Support - Gross salaries/wages, tips, pensions, dividends, annuity distributions, interest, gross rental income, estate or trust income, royalties, social security and supplemental security income (excluding Medicare premium if applicable), veterans' benefits (excluding Aid and Attendance pension benefits), unemployment compensation, workers' compensation, monetary and non-monetary contributions from friends and relatives, alimony, child support, lottery winnings, self-employment income, and governmental assistance not otherwise excluded as income.

Life-Threatening Situation - Any situation in which an eligible household is unable to secure primary deliverable heating fuel and is without (or within one week of) being without heating fuel.

Liquid Assets - Assets that are readily convertible to cash. Liquid assets include: savings accounts, checking accounts, bonds, stocks/shares, certificates of deposit, annuities and individual retirement accounts. (Individual retirement accounts are considered to be liquid assets if the accounts are in the name of a household member who is at least 59 ½ years old).

Mixed Income Household - Any household in which one or more, but not all, members are receiving State Supplement to the Aged, Blind and Disabled, Refugee Cash Assistance and/or Temporary Family Assistance benefits administered through DSS.

Non-Qualified Aliens – Individual(s) who are in this country illegally and individual(s) who are here legally but temporarily, on student, tourist or work visas.

Primary Source of Heat – The principal fuel source used by a household to heat its dwelling unit.

Rental Assistance Households – Households which do not make direct vendor payments for their primary source of heat. Such households include owners of dwelling units where the primary source of heat is not individually metered and is not separately billed to the household by a vendor.

Retail Price – The price charged by a vendor for services or product, exclusive of any discounts, delivered or provided to similarly situated, non-CEAP households.

Vendors – Persons or companies that provide a source of heat to dwelling units in legally measured amounts supported by proper documentation.

Vulnerable Household – Any household in which one or more members is either elderly (defined as 60 years of age or older), disabled or under the age of six.

IV. INCOME ELIGIBILITY

- A. Any household which makes direct to vendor payments for heat and in which all household members are participating in one or more of the following DSS programs are considered “categorically eligible” and will automatically be considered income eligible for energy assistance at a benefit level not less than that provided for households with income between 126% - 150% of the federal poverty guidelines (FPG):

1. Temporary Family Assistance
2. State Supplement to the Aged, Blind and Disabled
3. Refugee Cash Assistance Program

Although categorically eligible, they must meet all other eligibility requirements to receive benefits.

150 PERCENT OF THE FEDERAL POVERTY GUIDELINES

Household Size	1	2	3	4	5	6	7	8
Annual Income	\$19,140	\$25,860	\$32,580	\$39,300	\$46,020	\$52,740	\$59,460	\$66,180

(For households with more than eight members, add \$6,720 for each additional member.)

- B. With the exception of categorically eligible households described under Section IV A above, CEAP benefits are available to eligible households with incomes at or below 60% of the State Median Income.

60 PERCENT OF STATE MEDIAN INCOME GUIDELINES

Household Size	1	2	3	4	5	6	7	8
Annual Income	\$37,645	\$49,228	\$60,811	\$72,394	\$83,977	\$95,560	\$97,732	\$99,904

V. ELIGIBILITY CERTIFICATION

A. Basic Eligibility Criteria for Categorically Eligible Households

All households that are categorically eligible as described in section IV, subsection A must submit an application in order to receive CEAP benefits. Income from the DSS programs cited in section IV. A must be verified, and documentation of liquid assets may be required (reference section IV, subsection B.2).

Categorically eligible households whose annual gross income is above 150 percent of the federal poverty guidelines shall be determined income eligible at the Level 3 benefit amount, but must meet all other program requirements in order to receive CEAP benefits.

B. Basic Eligibility Criteria for All Other Eligible Households

1. Income Documentation

All other households will be required to document their income for the four weeks prior to the date of application, which is then annualized. Households shall have the option of documenting income for the previous fifty-two weeks prior to the date of application if that more accurately reflects their annual gross income. Households receiving income from self-employment are required to complete a Self-Employment Worksheet, detailing income for the previous six or twelve calendar months.

2. Assets

A liquid assets test is an additional eligibility requirement. Households that are not categorically eligible (reference Section IV, subsection A) are required to complete and submit an assets declaration form and to provide verification of all liquid assets. Utility heated households and Rental Assistance households that are categorically eligible (reference Section IV, subsection A) and individuals who are recipients of SSI or DSS programs that have an asset limit below the CEAP asset limit are not required to complete the assets declaration form. All deliverable fuel heated households are required to complete and submit the assets declaration form in order to determine eligibility for Safety Net Assistance benefits.

The liquid asset limit is \$15,000 for homeowners and \$12,000 for all other households. Households whose liquid assets exceed the appropriate limit may still be eligible for energy assistance if the household's annual gross income, when added to the excess liquid assets, is within the income guidelines.

3. Energy Burden

At the time of application, each household that makes direct-to-vendor payments for their heat are required to submit a current copy of their electric utility bill, regardless of the household's primary heating source. This information will be used to determine a household's energy burden.

Applicants may apply for energy assistance in person at their local CAA or intake site, or may download the energy application from the DSS website or request one from their local CAA and mail the completed application, with all required supporting documentation, to their local CAA. In-person applications are taken in confidential settings to the maximum extent practicable.

Regardless of the application method, documentation of income and assets must be verifiable, or supported by affidavits, and households are required to fully comply with all reasonable requests for assistance in verifying documentation. The state, through its agents or grantees, reserves the right to investigate and verify the income and assets of households in order to protect the integrity of its programs.

C. Households Claiming No Income

Households claiming no income in the four weeks prior to the application date must sign and submit an affidavit declaring their means of support for that period. The affidavit is required to include authorization to allow the state, through its agents or grantees, to verify all income and the financial status of the household. Documentation of liquid assets is also required.

D. Household "52 week" Option

Any household has the option of having an eligibility determination based on income from all household members for the fifty-two (52) weeks prior to the date of application if that presents a more accurate reflection of the household's annual income. Documentation of liquid assets is also required as detailed in section V, subsection B (2).

E. Mixed Income Households

In mixed income households, documentation of the income received by all household members is required. Mixed income households are considered income eligible for energy assistance if the combined household annual gross income, including cash benefits received through DSS, is within the income guidelines as detailed in section IV, subsection B. Mixed income households are also subject to liquid assets eligibility criteria, as detailed in section V., subsection B(2).

F. Temporary Family Assistance (TFA) Disqualified Household

Households whose TFA benefits have expired as a result of established time limitations will be contacted directly by the CAA to encourage their participation in the energy assistance programs.

G. Prioritized Services

Households that:

- Heat with a deliverable fuel;
- Are without heating fuel or are within one week of being without heating fuel; and
- Submit a completed application during the program period in which fuel deliveries may be authorized,

shall receive "prioritized services".

Prioritized services include processing of completed applications in twenty-four (24) hours or on the next business day, in order to determine eligibility. A deliverable fuel heated household that is determined eligible under these circumstances shall receive a fuel delivery authorization no later than eighteen (18) hours after the household has been determined eligible.

H. Notification of Appeals

The CAA shall perform the eligibility determination process and provide a written notice of the results of such determination to the household within forty-five (45) calendar days, excluding state designated holidays.

If a household does not agree with the CAA's eligibility determination or receives notification of eligibility/ineligibility within the time specified above, the household has the right to request a desk review with the CAA. If the household is dissatisfied with the results of the desk review, the household has the right to request a Fair Hearing with the Department of Social Services. At the time of application, all households receive written notification of their rights and obligations, including the procedures for requesting a desk review or fair hearing. The decision made by DSS shall be deemed final.

I. Social Security Numbers

Social Security Numbers provided by the applicant for all household members will be entered in the Social Security Number fields. Except as noted below, Social Security Numbers are required for all household members.

Exceptions are made for applicants and/or household members who have either:

- Applied for, but not yet received a Social Security Number; or,
- Are not required to have a Social Security Number (includes battered spouses and victims of human trafficking).

J. Non-Qualified Aliens

Non-qualified aliens are not eligible for CEAP benefits. However, other household members who are either qualified aliens or citizens may be eligible for CEAP benefits.

K. Households with Non-Qualified Aliens

Non-qualified aliens shall not be included as part of the household when determining eligibility for CEAP benefits; however, income/liquid assets from non-qualified aliens are required to be included when determining eligibility for CEAP benefits.

VI. PROGRAM INTEGRITY

Social Security Numbers are collected by the CAAs for all CEAP applicants and household members, except those identified in Section V. subsection I. The CAAs through the automated Social Security Number data transfer system implemented by DSS, will electronically transmit the Social Security Numbers of all applicants and household members requesting benefits through CEAP.

As part of the ongoing effort to ensure that CEAP benefits are only provided to eligible households, the CAAs administering CEAP will continue to have inquiry access to the Department's ImpaCT system. This access enables participating CAAs to confirm the identity of those applicants and household members who are currently or have previously received assistance through various DSS administered programs, including but not limited to: Temporary Family Assistance, Supplemental Nutrition Assistance Program (SNAP), Refugee Cash Assistance Program and State Supplement to the Aged, Blind and Disabled. This access provides a valuable resource to the participating CAAs providing assistance with issues concerning household composition, address and income.

In an effort to ensure the authenticity of Vendors, all heating oil and propane vendors wishing to participate in the CEAP must provide DSS and/or the participating CAAs with verification that they have registered with the Department of Consumer Protection (DCP) in accordance with section 16a-23m of the Connecticut General Statutes.

VII. FRAUD

Persons who, following the completion of due process procedures defined in the agency regulations, are found to have misrepresented their circumstances when applying for energy assistance are subject to prosecution and/or recoupments of benefits provided, and are ineligible to receive services during the remainder of the current program year. In addition, said Households are prohibited from participation for a period of two program years subsequent to the year in which the misrepresentation occurred. Persons who divert benefits to ineligible households are subject to the same penalties, following proper due process as defined in agency regulations.

Vendors or home energy suppliers suspected of fraud, misrepresentation, or a violation of any aspect of the Vendor Participation Document may be suspended from participation in the CEAP while legal proceedings are pending. Vendors or home energy providers convicted of fraud are suspended from participation in the CEAP for a period of five years following the year in which the offense occurred or was identified.

The Department maintains a Fraud Hotline (1-800-842-2155) for individuals and vendors to report cases of suspected program abuse. Additionally, the Department has a Fraud webpage that details information about efforts to identify and eliminate fraud. Please access www.ct.gov/dss and select the "Report Fraud Abuse" icon under the Program and Services section. Suspected fraud of CEAP services can also be reported by completing a complaint form found on the webpage.

Finally, the CAAs refer applications to a regional DSS Investigations Unit when there is a questionable discrepancy or suspected misrepresentation by an applicant.

VIII. BASIC BENEFIT LEVELS

Basic Benefit awards are determined based on income, household size, vulnerability and liquid assets. Vulnerable households and households with the lowest incomes receive the highest awards.

Note: Boarders are not eligible to receive Basic Benefits.

The chart below details the Basis Benefit awards:

<u>BASIC BENEFITS</u>			
Level	Poverty Guidelines	Vulnerable Households	Non-Vulnerable Households
1	Up to 100% of FPG	\$725	\$670
2	101% FPG – 125% FPG	\$620	\$565
3	126% FPG – 150% FPG	\$545	\$490
4	151% FPG – 200% FPG	\$470	\$415
5	201% FPG – 60% SMI	\$395	\$340

If the final funding level released for FFY 2021 is greater or less than the estimated funding level used to develop this Plan, DSS may adjust the Basic Benefits and/or income eligibility criteria to reflect the difference.

IX. RENTAL ASSISTANCE BENEFIT LEVELS

Rental Assistance Benefits are available to those households who do not make direct-to-vendor payments for their primary source of heat, have annual gross incomes up to 60 percent of state median income and pay more than 30 percent of their gross income towards rent.

Note: Boarders are not eligible to receive Rental Assistance Benefits.

Households that are determined eligible for Rental Assistance Benefits will receive a direct cash benefit to defray heating costs.

The chart below details the Rental Assistance Benefit awards:

Level	Poverty Guidelines	Amount
1	Up to 100% of FPG	\$190
2	101% FPG – 125% FPG	\$180
3	126% FPG – 150% FPG	\$170
4	151% FPG – 200% FPG	\$160
5	201% FPG – 60% SMI	\$150

Rental assistance households must present verifiable documentation of current rent.

Households that receive Rental Assistance Benefits and move to a location where they become responsible for their primary heat may receive Basic Benefits up to the maximum available to a household at the appropriate benefit level, less any Rental Assistance Benefits already received.

For example, a household that has received \$190 in rental assistance benefits and subsequently moves to a non-rental assistance situation could be eligible for a \$725 Basic Benefit, less the rental benefit assistance received. That household would now be eligible to receive up to \$535 of Basic Benefits toward their primary source of heat. Crisis Assistance and Safety Net Assistance benefits may also be available if the new primary source of heat is a deliverable fuel and the household meets the criteria for those benefits.

Conversely, if a household moves from a location where they are responsible for payment of their primary source of heat, to a dwelling unit where they are not required to make direct-to-vendor payments for their primary source of heat, they may receive the difference between what they have received in Basic Benefits and what they would be eligible to receive under the Rental Assistance Benefits matrix.

For example, a household that has expended \$100 of its \$725 Basic Benefit and subsequently moves to a dwelling unit where they are eligible for Rental Assistance Benefits would be able to receive the \$190 Rental Assistance Benefit, less the expended amount of the Basic Benefit. That household would now be eligible to receive up to \$90 in Rental Assistance Benefits. When the household becomes eligible for the Rental Assistance Benefit, they are no longer eligible for a Basic Benefit. Such households must document the change in circumstances, including verification of rent, but do not need to have their income redetermined.

No more than one Rental Assistance Benefit will be issued per dwelling unit. If the final funding level released for FFY 21 is greater or less than the estimated funding level used to develop this Plan, DSS may adjust the Rental Assistance Benefits.

X. LIHEAP SNAP BENEFITS

Supplemental Nutrition Assistance Program (SNAP) recipient households that do not make direct-to-vendor payments for their primary source of heat, have a shelter and/or utility obligation and pay 30 percent or less of their gross income toward rent are eligible to receive LIHEAP benefits. These households receive the lowest LIHEAP payment because they have the lowest energy burden.

Eligible SNAP households shall receive a direct cash benefit in the amount of \$20.01. This benefit will be issued by the Department to all eligible SNAP Standard Utility Allowance (SUA) households. Receipt of a LIHEAP SNAP Benefit shall qualify the household to have their SNAP benefits recalculated, using the

maximum Heating/Cooling SUA. For most households, the SUA recalculation will result in increased SNAP benefits.

XI. CRISIS ASSISTANCE

The State will implement a Crisis Assistance Benefit to address the heating needs of deliverable fuel heated households that have exhausted their Basic Benefits and are still at imminent risk of losing heat. Eligible deliverable fuel heated households that are unable to secure primary heat, and are eligible for energy assistance under Level 1 through Level 4 will be eligible to receive a Crisis Assistance benefit of \$710. Eligible deliverable fuel heated households that are unable to secure primary heat, and eligible for energy assistance under Level 5 will be eligible to receive a Crisis Assistance benefit of \$350.

A redetermination of income eligibility is not required to receive Crisis Assistance. A household qualifying for a Crisis Assistance Benefit under these circumstances will receive an authorization for a fuel delivery within forty-eight (48) hours.

XII. SAFETY NET ASSISTANCE

A. Deliverable Fuel Heated Households

Subject to the availability of funds, Safety Net Assistance benefits will be available to eligible deliverable fuel heated households that qualify for a Level 1 through Level 4 Vulnerable or Non-Vulnerable Basic Benefit, have exhausted their Basic and Crisis Assistance benefits, and are in a Life-threatening situation. The Safety Net Assistance benefit will be \$515.

Eligible households requesting Safety Net Assistance benefits must complete a risk assessment determination. The risk assessment determination involves a review of the household's income, liquid assets and expenditures. If a review of the assessment determines that the household has insufficient resources to cover the cost of the fuel delivery on its own, then a Safety Net Assistance fuel delivery may be authorized.

Eligible non-vulnerable households may receive up to two Safety Net Assistance benefits during the program year. Eligible, Vulnerable households may receive up to three Safety Net Assistance benefits during the program year. Households that qualify for a Level 5 Basic Benefit are not eligible to receive Safety Net Assistance benefits.

B. Utility Heated Households

Pursuant to section 16-262c of the Connecticut General Statutes, CEAP utility heated households are protected from winter disconnection and are therefore not eligible to receive the needs-based Crisis Assistance benefits or Safety Net Assistance benefits. If a utility heated household's service has been disconnected, or disconnection is being threatened, the CAA will work directly with the utility vendor to reinstate the service or to prevent the disconnection.

The CAA's shall assist those utility heated households facing service arrearages with enrollment in the Matching Payment Program (MPP). Pursuant to section 16-262c, the MPP enables CEAP eligible households to maximize their energy benefits, reduce and/or eliminate their service arrearages and empower households to gain greater control of their energy costs. Under the MPP, CEAP eligible households enter into payment arrangements with their utility vendor.

For all customer payments made by the payment deadline, the utility vendor will provide a dollar-for-dollar match of both the total customer payments and the CEAP benefit. The resulting match is

applied to the customer's arrearage, down to a \$0 balance. Please note, only publicly regulated utilities are mandated to participate in the MPP.

The CAA's may also assist utility heated households who are unable to meet their utility payment arrangement in negotiating a reduced payment arrangement with their utility vendor utilizing the "below budget" worksheet process.

XIII. PROGRAM DATES

For FFY 2021, program dates are as follows:

November 2, 2020	First day for fuel deliveries that can be paid by the program.
March 31, 2021	Deadline for fuel authorizations or deliveries.
May 3, 2021	The last day that a household can apply to establish its eligibility for benefits unless the household is utility heated and has a shut-off notice for its primary source of heat.
May 14, 2021	Last day that a utility heated household with a shut-off notice for its primary heat can apply to establish its eligibility for benefits.
May 31, 2021	Last day to submit deliverable fuel bills.

XIV. CONSERVATION SERVICES

In addition to receiving energy assistance benefits, eligible households may also qualify for the following conservation services:

A. Weatherization

Any household whose annual gross income is at or below 60 percent of the state median income guidelines is income eligible for the U.S. Department of Energy's Weatherization Assistance Program administered by the State of Connecticut Department of Energy and Environmental Protection (DEEP). The application for CEAP services is also utilized to determine the household's income eligibility for the weatherization program administered through DEEP. Weatherization services are provided through contracted entities with DEEP, on a first come, first serve basis, based on availability of funds. Prioritization for weatherization services may be further prioritized for Vulnerable Households and households who are approved for Safety Net Assistance Benefits.

B. Clean, Tune and Test

Upon request, funds will be provided to eligible deliverable fuel households to cover the cost of a clean, tune and test of their household's deliverable fuel heating system. Renters must receive written permission from their landlord in order to receive this benefit. Costs for the clean, tune and test will be covered with funds set aside for the heating system repair/replacement component.

C. Heating System Repair/Replacement

The Department will provide \$1.8 million in LIHEAP funds for the repair or replacement of heating systems, tanks and hot water heaters for single family, owner-occupied/life-tenant occupied dwellings that are determined to be unsafe, inoperable, and aged/inefficient with obsolete parts. Vendors performing the repair or replacement work will be selected competitively. These funds are available for households eligible for CEAP at Level 1 – 5 and may be prioritized for Vulnerable Households. CAAs will not issue an authorization for a fuel delivery in cases where heating systems, including leaking fuel tanks, have been "red tagged" by a vendor certified to evaluate heating systems. The provision of these services is based on the availability of funds.

D. Performance Measures

As required by the U.S. Department of Health and Human Services (HHS), the Department will collect energy consumption information from Vendors for Households eligible for CEAP benefits. This data will be used to compute the Energy Burden of Households receiving assistance. This information will allow the state to better focus future energy benefits on to those Households with the highest Energy Burdens.

XV. ADDITIONAL BENEFITS/SERVICES

This allocation plan has been prepared based on the assumption that the total funding available for the FFY 2021 LIHEAP program will be \$82.8 million. At the time of the preparation of this plan, funding levels for FFY 2021 have not yet been released, and may be less than or exceed assumed levels.

If the state receives funding at a level less than that specified in the Plan, benefit payment levels and/or income eligibility criteria may be adjusted. The Department will determine priorities for applying any reductions accordingly and may take into consideration recommendations from the Low Income Energy Assistance Board.

Should block grant funds received exceed the amount required to meet the benefit levels specified in this Plan, the additional funds may be utilized to provide some or all of the following: additional Crisis Assistance and/or Safety Net Assistance benefits to eligible households, an additional benefit on behalf of utility and/or deliverable fuel heated households, an increase to Basic Benefits, an increase to Rental Assistance Benefits, an increase to LIHEAP SNAP Benefits, an extension of the deliverable fuel authorization period, an extension of the program intake period, additional funding for heating system replacements to address unsafe/inoperable units, funding for weatherization services for health and safety and other weatherization measures, cooling assistance to eligible households, and/or heating assistance to state-funded homeless shelters.

Should contingency funds be released and designated to be used for cooling measures, funds will be used in accordance with guidance provided by HHS.

In accordance with section 4-28b of the Connecticut General Statutes, after recommended allocations have been approved or modified, any proposed transfer to or from any specific allocation of a sum or sums of over fifty thousand dollars or ten per cent of any such specific allocation, whichever is less, shall be submitted by the Governor to the speaker and the president pro tempore and approved, modified or rejected by the committees. Notification of all transfers made shall be sent to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and to the committee or committees of cognizance, through the Office of Fiscal Analysis.

XVI. PAYMENTS

In order for deliverable fuel heated households to receive CEAP benefits, bills for deliverable fuel must be presented to the CAA and must be in the name of a household member who is of majority status or an emancipated minor. For households that heat with propane, kerosene, wood, or coal, payments will be based upon the cost of the delivery as stated on a valid bill. For households that heat with oil, payments will be made in accordance with the Fixed Margin Pricing Program. Payments will only be processed for deliveries made on or after November 2, 2020. Payments will be issued regardless of any customer payments made against the bill. Unless otherwise specified in the Plan, all payments will be made to the deliverable fuel vendor.

Pursuant to Connecticut General Statutes Section 16a-41a (F), CAAs are required to pay oil vendors that participate in CEAP no later than thirty (30) business days after the CAA's receipt of an authorized fuel slip or invoice for payment from the vendor. In support of that statute, the Department has established and implemented protocols to ensure that vendors are paid by the CAA's in accordance with the statute.

In order for a utility heated household to receive a Basic Benefit, the utility account must be in the name of a household member who is of majority status, or an emancipated minor. Verification of the utility account number must be provided. Only residential accounts are eligible for payment. Basic Benefit payments will be credited to the household's utility account regardless of other payments made to the utility account. Basic Benefits are for utility costs incurred from November 2, 2020 – May 3, 2021. Should the Basic Benefit exceed the charges for the utility service incurred during this period, the utility company shall refund the difference directly to DSS by September 30, 2021. If a household moves and cannot be located, and a credit balance resulting from a CEAP payment(s) exists in their utility account, the balance is to be returned directly to DSS within sixty (60) days of the close of the utility account.

Basic Benefit payments to electric distribution companies will be credited in accordance with Department of Energy and Environmental Protection regulations adopted pursuant to section 16-245d of the Connecticut General Statutes.

No payments will be issued on behalf of, nor services authorized to, unoccupied dwelling units.

If a household moves and their heating source and/or utility company changes, they may re-designate any unobligated portion of their Basic Benefit. Crisis Assistance benefits and/or Safety Net Assistance benefits may be provided to eligible households if the new primary source of heat is a deliverable fuel and the household meets the eligibility requirements as detailed in sections XI and XII.

If a household's heating system becomes inoperable, the household has the option of utilizing a secondary heating source during the period of inoperability. The household may choose to go back to the original primary source of heat once the heating system has been repaired or replaced.

Basic Benefits may pay for the cost of a start-up of a household's natural gas heating system (not including reconnection fees), if the household makes direct-to-vendor payments and natural gas is the household's primary heating source. CEAP Benefits may pay for the cost of a start-up of a household's deliverable fuel heating system, provided the charge is the same that the vendor charges to all similarly situated customers who are not receiving CEAP assistance.

Each site making authorizations or payments will be responsible for keeping an up-to-date control card or computer record for each eligible household. This control file will detail the benefits awarded to the household, and will include the heating source, deliveries/services authorized, and payments issued on behalf of the household.

Payments made directly to, or on behalf of CEAP households shall not be considered income or resources for any purpose under any federal or state law in accordance with section 2605(f)(1) of the LIHEAP statute (42 U.S.C. §8621-8630).

XVII. VENDORS

All energy vendors wishing to participate in the CEAP must sign a Vendor Participation Document that details the conditions under which payments will be made to each type of vendor. The only exceptions will be vendors of wood and coal, whose practices as energy suppliers to CEAP clients will be governed by existing state statutes. In accordance with requirements from the United States Department of Health and Human Services, vendors with large customer bases will be required to provide annual fuel consumption data for

their customers that receive CEAP benefits. The collection of this data will allow for the determination of a household's energy burden. With this information, the highest levels of CEAP benefits will be better targeted to those households with the highest energy burdens in future program years.

The purpose of the Vendor Participation Document is to ensure program standardization, fair treatment of CEAP customers by vendors, and to establish the conditions for payment on behalf of customers receiving assistance through the CEAP, including a requirement that vendors provide the same price discounts (including early payment discounts) to customers receiving CEAP assistance as the vendors provide to similarly situated customers.

The Vendor Participation Document also establishes the pricing/reimbursement mechanism that the state will utilize on behalf of oil heated households.

Vendors who sign the Vendor Participation Document and verify their registration with the Department of Consumer Protection will be placed on a list of "approved vendors" which will be supplied to the participating CAAs by DSS. Such documents do not guarantee vendors the right to participate in the CEAP should the state establish, in accordance with the provisions of section 4-28b of the Connecticut General Statutes, further criteria for participation in the CEAP, or in cases where the vendor is suspected of fraud, misrepresentation or a violation of the Vendor Participation Document.

The state reserves the right to inspect/audit the records of any deliverable fuel vendor presenting a bill for payment by the CEAP, in order to verify the bill before or after payment is made.

The state reserves the right to inspect/audit the records of utility companies receiving payment under the CEAP, in order to verify that the proper customer accounts are being credited.

XVIII. FIXED MARGIN PRICING PROGRAM

Information from the Oil Price Information Service (OPIS) will be used to determine the daily Fixed Margin Price, which will be used to pay oil vendors making deliveries to CEAP households. The Fixed Margin Price will be based on the daily New Haven Rack Average OPIS price for ultra low sulfur red dye distillate heating oil, plus a fixed margin of 35 cents per gallon.

The Fixed Margin Pricing Program also includes county differentials in the pricing mechanism to reflect transportation, delivery costs and operation costs. The differentials are based on a county-by-county comparison of retail prices.

The county differentials are as follows, and include the 35 cents fixed margin:

Fairfield County	\$0.465
Hartford County	\$0.389
Litchfield County	\$0.417
Middlesex County	\$0.383
New Haven County	\$0.395
New London	\$0.392
Windham County	\$0.450
Tolland County	\$0.449

Under the Fixed Margin Pricing Program pricing mechanism in place last year, oil deliveries made on Tuesday, December 3, 2019 were paid based on the previous day's New Haven Rack Average OPIS

Price, as provided in this example by OPIS. The price for oil deliveries in Fairfield County on Tuesday, December 3, 2019 was determined as follows:

\$2.035	New Haven Rack Average OPIS Price, Monday, 12/2/19
\$0.350	Fixed Margin in FFY 2020
<u>\$0.115</u>	County Differential – Fairfield County
\$2.500	Total Fixed Margin Price for Tuesday, 12/3/19 (Fairfield County)

Please note, since each county has a different county differential, the Total Fixed Margin Price on any given day will vary from county to county.

Vendors who deliver in multiple counties will be paid in accordance with the county differential in which the delivery is made. DSS will determine all fixed margin prices.

The pricing mechanism may be adjusted by DSS to respond to unanticipated changes in the heating oil market.

Vendors must note their retail price on all delivery tickets, bills or statements. If the vendor's posted retail price is lower than the Fixed Margin Price, the vendor will be paid in accordance with the retail price.

For those deliveries of home heating oil paid by the program, vendors shall not charge CEAP customers the difference between their retail price and the CEAP payment.

In the event of the shutdown of state offices due to an emergency, e.g., hazardous weather, the last posted fixed margin price shall remain in effect until the state offices reopen.

DSS staff may monitor and verify the accuracy of the retail prices reported by vendors.

XIX. INFORMATION AND REFERRAL

The State of Connecticut will continue to work with local governments and other human services providers to implement localized information and referral systems that will address the needs of CEAP eligible households who have exhausted all of their benefits. 211 will continue to serve as the referral network system, and will work to identify services for CEAP households that will help to alleviate crises following exhaustion of benefits.

DSS will provide energy assistance notifications to all of its recipient households, informing them of the availability of benefits. In addition, referral flyers describing fuel assistance programs, weatherization services, energy conservation loans and private fuel bank assistance are made available at DSS, DMV and CAA offices. DSS will also assist the utility companies regarding information that is included in the utility bill inserts. DSS is also proposing to allocate funds to assist in this process. CAAs will continue to operate and maintain a network of approximately 180 intake sites throughout the state (e.g., senior citizen centers, municipal social services offices). In addition, CAAs will assist homebound households in applying for CEAP benefits. This may involve the utilization of mail-in applications or outreach visits to households with homebound members.

CAAs utilize a single application to determine eligibility for the CEAP and income eligibility for the USDOE Weatherization Assistance Program. In addition to the U. S. Department of Energy's weatherization program, additional services under the Home Energy Solutions-Income Eligible (HES-IE) program are also supported by the Connecticut Energy Efficiency Fund, which provides weatherization measures to help income eligible residents reduce their energy bills by making their homes more energy efficient.

Efforts will be made to identify other energy resources, municipal, charitable or private (such as Operation Fuel and the Soldiers, Sailors, and Marines Fund), which may be available to low income households. The Department will work with these providers, other state agencies, and municipalities to establish a coordinated response to alleviate potential crises due to a low-income household's inability to pay for heat. This response may include such actions as providing alternative housing arrangements, such as referral to shelters, as well as direct service intervention, when appropriate, by protective services agencies.

Operation Fuel is a private, non-profit organization that distributes privately raised funds through a network of fuel banks that accept and approve applications from households in need of emergency fuel deliveries or protection against utility shut-offs. Those households that meet the Operation Fuel guidelines are issued referrals by the CAA for these benefits. In addition, if funding permits, Operation Fuel can provide limited assistance to CEAP eligible households who are facing a crisis because they have exhausted all available CEAP benefits, or because they did not apply for CEAP benefits by the required deadlines.

XX. ASSURANCE 16 ACTIVITIES

In accordance with LIHEAP regulations, and contingent upon the availability of funds, CAAs will provide enhanced case management in an effort to assist low-income households in reducing their overall energy needs/burden. Such services shall include, but are not limited to, vendor mediation, budget counseling, interfacing with other non-profit fuel assistance programs, and energy conservation services. These services are aimed at enabling households to achieve a greater degree of self-sufficiency so as to reduce or eliminate their need for energy assistance services.

XXI. BUDGET

A. The estimated LIHEAP budget for FFY 2021 is delivered as follows:

\$ 73,032,152	2021 LIHEAP Block Grant (estimated)
\$ 3,752,911	2020 LIHEAP Carryforward Funds (estimated)
\$ 5,686,798	2020 CARES Act Funds
\$ 400,000	2020 Vendor Refunds (estimated)
\$ 82,871,861	Total 2021 (estimated)

B. LIHEAP benefit payment/administration breakdown¹:

\$ 69,394,491	LIHEAP Benefit Payments
\$ 8,327,370	LIHEAP Administration ^{2, 3}
\$ 1,500,000	Assurance 16
\$ 1,800,000	Furnace Repair & Replacement
\$ 50,000	Outreach Activities
\$ 1,800,000	LIHEAP SNAP
\$ 82,871,861	Total

C. Estimates of the FFY 2021 LIHEAP caseload:

Total eligible households	89,314
Total eligible elderly	34,029
Total eligible with disabled	31,171
Total eligible with young children	15,630

Of the total estimated FFY 2021 LIHEAP eligible caseload, it is anticipated that 38.1% will have elderly members, 34.9% will have disabled members and 17.5% will have a young child/children.

¹ To the extent that a reduction in funds available under LIHEAP requires modification of the administrative and/or Assurance 16 budgets, DSS shall make such reallocation as is necessary.

² Includes funds for program audits. DSS may require changes in CEAP management and staffing at a CAA as a condition of awarding administrative funds. Such changes may be deemed necessary by DSS to ensure that the funds awarded will have a significant positive impact on program performance.

³ Includes \$1,024,155 in CARES Act Administration funding