

Department of Commerce
Energy and Telecommunications Division

Office of Energy Assistance Programs

Notice of Public Hearing and Comment Period for the FFY2009 Energy
Assistance Program, Minnesota Department of Commerce

THE PUBLIC IS INVITED TO COMMENT on the proposed Minnesota state plan for the Energy Assistance Program for federal fiscal year 2009 at a public hearing or through written comment. The hearing will be held June 25, 2008, from 3:00 p.m. to 5:00 p.m. in Room 300 North, State Office Building, 100 Rev. Martin Luther King, Jr., Blvd., St. Paul. Written comment must be received at the address below by 5:00 p.m. on June 25, 2008.

The FFY 2009 Energy Assistance Plan [below] describes how federal Low Income Home Energy Assistance Program (LIHEAP) funds will be used to help low-income households reduce their energy burdens. Comments received at the public hearing and in writing during the comment period will be considered in the development of the state plan. The proposed state plan is available May 23, 2008, for viewing or downloading at www.commerce.state.mn.us, the main site for the Minnesota Department of Commerce. In the right column, click on "Draft LIHEAP State Plan."

Written comments may be sent to:

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

DETAILED MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FISCAL YEAR (FY) 2009 Detailed Plan

GRANTEE: State of Minnesota

EIN: 1-416-7162-B2

**ADDRESS: 85 7th Place East, Suite 500
St. Paul, MN 55101-2198**

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LAST DETAILED MODEL PLAN FILED: FY 2006

PLEASE CHECK ONE: STATE

**Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, D.C. 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Approval No. 0970-0075
Expiration Date: XX/XX/2005**

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The **State of Minnesota** agrees to:

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a

high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible

households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

- (8) provide assurances that,
 - (A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and
 - (B) the State will treat owners and renters equitably under the program assisted under this title;
- (9) provide that--
 - (A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and
 - (B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));
- (10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");
- (11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;
- (12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);
- (13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and
- (14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.
- (15) beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.
- (16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Chief Executive Officer of the State.

Signature: _____

Title: _____

Date: _____

DELEGATION of AUTHORITY is attached.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Statutory references

2605(a)
2605(b)(1)
(use of funds)

Components of FFY2009 Minnesota EAP. Information on each component is provided elsewhere in the plan, as requested.

Statutory references

EAP Component

Dates of operation

Heating Assistance	October 1 to July 31
Crisis Assistance	
• Emergency Benefits	October 1 to June 30
• Reach Out for Warmth	October 1 to <u>July 31</u>
• Energy Related Repair	October 1 to June 30
Weatherization Assistance	October 1 to September 30

Explanation

When a date falls on a weekend or holiday, the effective date will be the first business day following the listed date.

Other significant dates:

- Bulk mailing of applications for Minnesota EAP will be completed by September 1 of the previous fiscal year. Service Providers will begin entering data into the eHEAT system and contacting households for additional information.
- Benefit payments will begin on October 1 or when federal funding is available, whichever comes second.
- Applications must be received by May 31; payments must be authorized by July 31.
- Crisis Assistance will begin on October 1 or when federal funding is available.
- Emergency benefits and energy related repair benefits may be approved through June 30.
- Reach Out for Warmth benefits paid from the federal match may be awarded through July 31.

Funding for Weatherization Assistance will be available to the Weatherization Program in the Minnesota Department of Commerce within 6 weeks after receipt of 100% of the federal allocation.

Statutory references

2605(c)(1)(C) (use of funds) Estimate of LIHEAP funds budgeted to MN EAP components. All MN EAP components are included in this estimate.

	65.35	%	heating assistance
	15.10	%	crisis assistance (includes Crisis, Energy Related Repair, and ROFW)
2605(k)(1)	4.55	%	weatherization assistance (EAP/WX)
	0.00	%	carryover to the following fiscal year
2605(b)(9)	10.00	%	administrative and planning costs
2605(b)(16)	5.00	%	Assurance 16
	0.00	%	used to develop and implement leveraging activities
	100.00	%	TOTAL

Explanation:

The portion of LIHEAP funds budgeted to Weatherization Assistance is 5% when administrative dollars are taken into account. Weatherization administration is included in the administrative and planning costs categories above.

The portion of LIHEAP funds budgeted to Weatherization Assistance, Administrative and Planning Costs, and Assurance 16 is fixed. Reach Out for Warmth Crisis funds are capped at \$500,000. Energy Related Repair funds are capped at the amount resulting from this formula: (allocation * .151 - \$300,000) / 2. This is one-half the amount budgeted for crisis after the minimum Reach Out for Warmth budget amount of \$300,000 is deducted.

The portion of funding to Heating Assistance and Crisis Assistance may vary depending upon demand. The total budgeted for these two categories is fixed.

Statutory references

2605(c)(1)(C) (alternate use of crisis assistance funds) High demand for heating assistance may result in crisis assistance being reprogrammed to heating assistance after March 15.

As required by statute, Minnesota EAP accepts applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served.

Statutory references

2605(b)(2) 2605(c)(1)(A) (eligibility) Maximum income limits for eligibility are based on the State Median Income Guidelines for FY2008 or the 2007 Poverty Level.

Heating, Crisis and Weatherization 50% of the State’s median income or 110% of the poverty guidelines, whichever is greater.

ROFW (a crisis component) 60% of the State’s median income

Explanation

ROFW is Reach Out for Warmth, an EAP-sponsored fuel fund providing a limited emergency benefit and repair assistance. Minnesota EAP provides a two-for-one match for local money raised for Reach Out for Warmth. Income guidelines apply to benefits from local and federal funds.

Statutory requirements

2605(c)(1)(A) 2605(b)(2) (eligibility) Minnesota EAP eligibility requirements for heating assistance, other than income:

Heating Component

Additional eligibility requirements

Households must be vulnerable to rising energy costs.
No priority in eligibility

Crisis component

Heating Emergency Benefit (assistance with fuel bills)	<p><u>Additional eligibility requirements</u></p> <p>Households meeting the following requirements may receive a basic crisis assistance of up to \$300 (Emergency Benefits):</p> <ul style="list-style-type: none"> • Receive a Heating Assistance benefit • Have a past due bill or a refusal to deliver • Have a current bill they can't pay (only households with at least one member aged 60 or older) • Heat-in-rent costs are not subsidized by a Federal program <p>Households meeting the following additional requirements may receive additional crisis assistance (Emergency Benefit Adjustments):</p> <ul style="list-style-type: none"> • Signed up for the Cold Weather Rule, if possible • Have met the terms of a reasonable payment plan to their energy vendors • Have a current or past due bill or need a delivery
Energy-Related Repair	<p>Households:</p> <ul style="list-style-type: none"> • Must be eligible for heating assistance • Must own their dwelling, which must be a residential housing structure, including a mobile or modular home, permanently connected to the required utilities (including plumbing, heating and electrical systems) and designed to be used as a permanent residence. • Must have an energy emergency that affects the heat in the dwelling or the health and safety of the occupants
Reach Out for Warmth Heating Crisis Assistance	<p>Households:</p> <ul style="list-style-type: none"> • Must be disconnected from their heat or electric source, have a disconnection notice, or be unable to have fuel delivered. • To receive federal funds, must not have received regular EAP Emergency Benefit.
Reach Out for Warmth Emergency Repair Assistance	<p>Households:</p> <ul style="list-style-type: none"> • Must own their dwelling, which must be a residential housing structure, including a mobile or modular home, permanently connected to the required utilities (including plumbing, heating and electrical systems) and designed to be used as a permanent residence. • Must have an energy emergency that affects the heat in the dwelling or the health and safety of the occupants

Explanation.

Heating Crisis Assistance is available in two parts. Part 1, Emergency Benefits, is available to households in danger of being without heat due to past due energy bills. Part 2, Emergency Benefit Adjustments will increase the amount of crisis assistance available to households that have applied for the Cold Weather Rule, if possible, and made regular, reasonable payments. Repair emergencies are limited to heating systems and, in rare cases, water heaters.

Statutory requirements

- 2605(c)(1)(A)** Minnesota EAP eligibility requirements for Weatherization, other than income:
- 2605(b)(2)** Minnesota EAP uses Department of Energy (DOE) Low Income Weatherization Assistance Program
- (eligibility)** (LIWAP) rules to establish priority eligibility for households.

Exceptions to the use of LIWAP rules occur when funds are used to address a heating system or

emergency or health and safety hazard. In that case, the only eligibility requirement is eligibility for Heating Assistance. DOE categorical eligibility does not constitute eligibility for EAP Weatherization.

Statutory requirements

2605(b)(3)

2605(c)(3)(A)

(outreach)

Minnesota EAP conducts the following Outreach activities designed to assure eligible households are made aware of all LIHEAP assistance available:

- Provides intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).
- Places posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publishes articles in local newspapers or broadcast media announcements.
- Includes inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Makes mass mailing to past recipients of LIHEAP. All previous year recipients of LIHEAP automatically receive a mailed application. Other mass mailings are made as needed.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.

Statutory requirements

2605(b)(4)

(coordination)

Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.

Minnesota administers LIHEAP and DOE Weatherization (WAP) in the Department of Commerce (DOC), Energy Division. This helps facilitate coordination between similar and related services. WAP and other weatherization programs in the Department have adopted LIHEAP income eligibility standards. The EAP application serves as the application for weatherization activities funded by LIHEAP or DOE. LIHEAP service providers determine income for most recipients of weatherization programs.

Eligibility for LIHEAP is a basis for eligibility for the telephone assistance program, administered by DOC and the Cold Weather Rule administered by the Public Utilities Commission (PUC). Coordination on the state level includes negotiations between departments and with energy vendors. The system software eHEAT provides information to vendors about Cold Weather Rule applications from their customers and to the PUC.

The EAP application consent permits organizations with access to EAP data for EAP administration to use the data to identify eligible participants for low-income affordability and conservation programs. Such organizations include Xcel Energy and CenterPoint Energy, both operating affordability programs for EAP-recipient households, and state-mandated low-income utility conservation programs (CIP).

Outreach is coordinated as described in the Outreach section of this plan.

All local administering agencies also administer similar and related programs, which may include but are not limited to the Community Services Block Grant, Head Start, income assistance programs and housing programs.

State law requires the local administering agency to have a plan for registering eligible voters.

Statutory requirements

2605(b)(5)

2605(b)(2)

2605(b)(8A)

(benefit levels)

The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.

No Minnesota household is categorically eligible. The Minnesota Energy Assistance Program determines eligibility for all households based upon household income and size.

Statutory requirements

2605(b)(5)

(determination)

HEATING COMPONENT

Benefit levels are determined using income, household size, and heating energy cost. When cost is not available, fuel type and dwelling type are used.

of benefits)

Statutory requirements

2605(b)(5) Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

2605(c)(1)(B) (benefit levels) A matrix provides benefits based on income, household size and heating cost for the previous year.

- (1) The household's income as a percent of the State Median Income (SMI) or Poverty Level (for households with 15 members and larger) determines what portion of last year's heat costs will be paid. For example, a household with an income that is less than 10 percent of the SMI may receive 100 percent of heat costs from the previous year. Households with higher incomes receive less using a graduated scale.
(2) The heating fuel type used by the household determines exactly what percent of last year's total bill for that fuel will be the benefit. If the household in the example above heated with oil, their benefit level would be 100 percent of their oil costs for last year. If they heat with propane, natural gas, or electricity, their benefit is less than 100 percent, based on the average residential use of the heating fuel.

Minnesota EAP does not provide in-kind and/or other forms of benefits.

Statutory requirements

CRISIS COMPONENT

2605(b)(5) How do you handle crisis situations? Crisis is a separate component from Primary Heat. Eligibility for Primary Heat is a prerequisite for receiving crisis benefits.
2605(c)(1)(B) (determination of benefits)

The amount of the crisis assistance benefit is the amount needed to resolve the crisis, up to a maximum. For Heating and ROFW crisis, the amount needed to resolve the crisis is the amount of the past due (or current bill for seniors) or minimum delivery. For Repair crisis, the amount needed to resolve the crisis is the cost of mechanical system repair or replacement.

(benefit levels) The maximum benefit for each type of crisis assistance offered is:
Heating: \$500
Repair: an agency average benefit of \$2,000, or \$2,500 when the agency allocation is less than \$20,000
ROFW: \$350

No in-kind or other forms of benefits are provided.

WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS

Statutory requirements

2605(b)(5) Minnesota EAP provides the following LIHEAP weatherization services/materials:

- 2605(c)(1)(B) & (D) (types of assistance)
• Weatherization needs assessments/audits.
• Caulking, insulation
• Furnace/heating system modifications/repairs
• Furnace replacement
• Repairs that are necessary to allow installation of weatherization materials or to make installation of weatherization materials effective.

(benefit levels) \$3250 is the maximum allowable average expenditure for most LIHEAP Weatherization activities and repairs that are necessary to allow installation of weatherization materials or to make installation of weatherization materials effective.

There is no limit on Health and Safety Hazard weatherization work for homeowners.

The limit on Health and Safety Hazard weatherization work for renters is \$2000.

(types of rules) Minnesota EAP administers LIHEAP Weatherization mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ:

- EAP/Weatherization is not subject to DOE LIWAP maximum statewide average cost per dwelling unit.
- In addition to Weatherization work consistent with DOE rules and the Minnesota Weatherization audits, EAP weatherization funds can be used for heating system replacements, oil retrofits, and other repairs or maintenance that increases the efficiency of the heating system, heating system controls, or distribution system; and repairs that are necessary to allow installation of weatherization materials or to make installation of weatherization materials effective.

Statutory requirements

2605(b)(6)

(agency designation)

Minnesota administers LIHEAP through the following local agencies:

- County welfare offices
- Community action agencies
- Charitable organizations
- Tribal governments
- Housing Authorities

Local agencies are full service EAP providers, providing heating, crisis, weatherization and Assurance 16 components, except some specialized providers of EAP Weatherization.

Local EAP providers are selected by the Office of Energy Assistance Programs as described below.

Local EAP Weatherization providers are selected by the State Energy Office using the DOE criteria for selecting providers for the Low-Income Weatherization Assistance Program. The same local agencies will continue to administer EAP in FFY 2009.

The process for selecting local EAP deliverers for an area is:

1. Offer a letter of intent to the agency whose EAP delivery area surrounds the available service area.
2. If none, request proposals from agencies whose EAP service area is contiguous to the available service area.
3. If no acceptable proposals are received, request proposals from any qualified organization including faith-based organizations.
4. If more than one acceptable proposal is received, the Office of Energy Programs may choose to request comment from individuals and organizations in the available service area.

The successful agency will be the one judged by the Office of Energy Programs to be the most capable of providing EAP services in the available service area with no discrimination for or against an organization on the basis of the organization's religious character or affiliation. The decision of the Office of Energy Programs is final.

Statutory requirements

2605(c)(1)(E)

(targeting of assistance)

The benefit table is constructed to target assistance to households with high home energy burdens. Reports document that the benefit tables accomplish this.

Statutory requirements

2605(b)(7)

(energy suppliers)

Payments are made directly to a household if they cannot be made to a supplier. Single party checks may be issued to:

- Renters with heat included in the rent. The electric vendor will receive a payment up to the total of

the previous year's costs. The renter will receive a direct payment for the portion of their assistance that exceeds the previous year's electric costs.

- Households that heat with wood and have no established wood vendor. The electric vendor will receive a payment up to the total of the previous year's costs. The wood user will receive a direct payment for the portion of their assistance that exceeds the previous year's electric costs to pay their out of pocket heating costs, which may be the purchase of wood or wood cutting costs.
- Households whose energy vendor does not have a valid vendor agreement.
- Households that heat with biomass and have no established fuel vendor. The electric vendor will receive a payment up to the total of the previous year's costs. The biomass user will receive a direct payment for the portion of their assistance that exceeds the previous year's electric costs to pay their out of pocket heating costs, which may be the purchase of biomass or biomass processing costs.

Statutory requirements

2605(b)(7)(A)

All eligible households receive notification letters with the amount of assistance and the name of the vendor(s) it was paid to. EAP credits are also included on vendor billing. This is true for heating assistance, crisis assistance, and energy related repair. Ineligible households receive notification that their application has been denied and the reason for the denial.

Statutory requirements

**2605(b)(7)
(B) & (C)**

Vendors must sign and comply with a vendor agreement to be eligible to receive payments for heating assistance or winter crisis assistance on household's energy accounts. Local administering agencies work closely with vendors throughout the program year and formally monitor the vendors during the summer to assure that all requirements of this assurance are met. State monitors review the vendor monitoring activity.

Statutory requirements

**2605(b)(8)(B)
(owners and
renters)**

- Heating assistance treats owners and renters exactly the same.
- Crisis emergency benefit assistance (winter heating crisis) treats owners and renters exactly the same.
- Crisis repair assistance is not available to renters. Under Minnesota law, the landlord is responsible for making repairs and keeping a home habitable.
- Weatherization limits the cost of repairs, replacements and correction of mechanical systems that are health or safety hazards to \$2,000 for renters. Although these activities are the responsibility of the landlords, this provision allows quick response in dangerous situations. Rental status and cooperation of the landlord may affect the kinds or levels of benefits provided.

Statutory requirements

**2605(b)(10)
(program,
fiscal
monitoring,
and audit)**

Fiscal accounting and tracking of LIHEAP funds takes place on the state and local levels. Local administering agencies are allowed only three days' cash on hand. The State requires local administering agencies to submit monthly fiscal reports and tracks and monitors those reports on an on-going basis.

Each local administering agency receives an initial visit near the start of the program year and is monitored on site at least once a year, with attention paid to reviewing the benefit determination process (an electronic process requiring accurate determination of income and data entry). Monitoring activities target all aspects of program compliance and quality. The monitoring process uses a standardized tool developed by the Energy Assistance staff. The State regularly reviews and analyzes program and fiscal reports to monitor local administering agency activity. The State also answers questions and follows up on complaints made to the EAP toll free number, which is distributed freely in outreach materials, advertising and public relations, as well as on Web pages.

The Minnesota LIHEAP program is audited under the Single Audit Act. Local administering agencies are audited annually or biennially, depending on the size of the agency's budget, per OMB Circular A-133. There is a formal resolution process and the State resolves questioned or disallowed costs or program deficiencies noted in the audit.

*Statutory requirements***2605(b)(12)**
(timely and meaningful public participation)

The Policy Advisory Committee (PAC) for the Minnesota Energy Assistance Program met five times for a total of 25 hours to consider and recommend changes to the Energy Assistance Program and the FFY2009 Minnesota State Plan for Energy Assistance. The PAC comprises 16 members representing stakeholder groups.

The Energy Assistance Coordinators' Association, affiliated with the Minnesota CAP Association, held a facilitated session on April 8 to prepare and recommend changes for the FFY2009 Energy Assistance Program.

The Department of Commerce hosted a meeting with representatives of the LP Dealers' Association on April 30 to answer questions and discuss finding mutually agreeable solutions to implementation problems.

The Department of Commerce sent a letter on May 16, 2008, to energy assistance stakeholders encouraging them to comment on the State Plan.

*Statutory requirements***2605(a)(2)**
(public hearings)

Notice of the public hearing appeared in the Minnesota State Register, page [page], Volume [volume], number [number], on Monday, May 19, 2008, 37 days before the hearing as required by Minnesota law. Copies of the notice were mailed to an extensive list of interested parties maintained by the Department of Commerce. The State Plan was available on the Department of Commerce web site for review on May 23. A public hearing on the proposed use and distribution of Minnesota's LIHEAP funds will be June 25 from 3:00 p.m. to 5:00 p.m. in Room 300, State Office Building, St. Paul. Court reporter Janet Shaddix, Inc. recorded the hearing and produced a transcript of the proceeding. Written comments were accepted by mail and e-mail from May 23 to June 25.

*Statutory requirements***2605(b)(13)**
(fair hearings)

Households have 30 days from the date they receive their notification letter to appeal decisions made regarding their energy assistance application. Applicants are informed of this right when they receive their application and again on their notification letter. Grounds for appeal are:

- Disagreement about questions of fact (such as income, household size, previous year's heating costs, etc.) used to determine eligibility and amount of assistance.
- Application was denied.
- Application was not acted on in 30 days.

The three levels of appeal are:

- Local, including investigation and a written response.
- State, including investigation and a written response.
- Hearing with an administrative law judge followed by a written recommendation to the Commissioner of the Department of Commerce

*Statutory requirements***2605(b)(15)**
(alternate outreach and intake)

All components of Minnesota EAP are administered by the Minnesota Department of Commerce, which does not administer the State's welfare program.

*Statutory requirements***2605(b)(16)**

Minnesota uses LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance. The supported activities are referred to as Assurance 16 (A16).

Assurance 16 allowable activities may include:

- Budget counseling
- Energy conservation education

- Facilitation of household negotiations for budget payments
- Advocacy with fuel suppliers on behalf of households
- Household energy assessments
- Referrals
- Case management
- Public relations and outreach

Funds for Assurance 16 activities are assigned a dedicated project code in the State Accounting System and a dedicated line item on the contract with local administering agencies. This process assures expenditures for these activities do not exceed the allowable 5%.

Statutory requirements

2607A

(leveraging)

*** Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.**

The Minnesota Department of Commerce (DOC) and the local administering agencies acquire non-federal leveraged resources for Minnesota EAP. These leveraged resources are administered by the State or the local administering agencies or in collaboration and cooperation with the local administering agency ~~and~~ or made available to federally qualified low-income households under 2605(b)(2). The following non-federal funds are distributed under this plan:

- A. Contributions to the State or local administering agencies that provide assistance to supplement LIHEAP payments, in accordance with federal program requirements. Sources of the contributions include local governments, foundations, individuals, businesses, and other entities.
- B. Contributions and monies received under Minnesota Statutes 216B.241, "Energy Conservation Improvements," known as CIP.
- C. Monies expended by local governments, foundations, individuals, businesses or other entities that supplement the energy assistance program, including primary heat, crisis, weatherization and energy related repair assistance. These monies assist low-income households to meet the costs of home energy in accordance with federal program requirements and are integrated into the energy assistance program through agreements that delineate coordination activities.
 1. Minnesota social services agencies have informally agreed on a protocol for providing low-income home energy assistance, beginning with federal funds, then state and local government funds. Community resources may be spent after federal funds or after state and local government funds, depending upon the purposes of the resources. The agreement also provides for coordination and collaboration of funding and advocacy efforts to assist households to meet home energy needs.
 2. The three types of fuel funds are integrated with the energy assistance program.
 - Type 1. REACH OUT FOR WARMTH is a statewide fuel fund initiated by the State of Minnesota. Funds are solicited from energy vendors and their customers, corporations, businesses and the general public. The fund is administered by the State of Minnesota, a legislatively mandated advisory committee, and local energy assistance administering agencies.
 - Type 2. Local delivery agencies contract with energy vendors to administer vendor-sponsored fuel funds. These funds use energy assistance eligibility criteria and supplement energy assistance funding.
 - Type 3. Energy vendors and community groups operate fuel funds that integrate with the energy assistance program through coordination of eligibility determination and grant award determination. The energy assistance program maintains strong communications with these fuel funds, which piggy-back their activities on the energy assistance program.
 3. The State of Minnesota, local administering agencies and the Salvation Army Heat Share Program will collaborate to ensure integration with the energy assistance program. Heat Share is a private fuel fund that receives voluntary contributions collected from energy vendor customers and stockholders.
 - a. Heat Share and the local administering agencies coordinate services though eligibility determination, referral networks, and joint training meetings.
 - b. Heat Share accepts EAP eligibility as proof of income eligibility and accepts EAP certified income as verified household income.
 - c. The State of Minnesota and the Salvation Army cooperate on many levels including reciprocal membership in advisory boards.
- D. Discounts or reductions in bulk fuel prices. Contracts at the local level with oil or liquid propane vendors will guarantee a negotiated price discount for an agreed-upon number of gallons of heating fuel. The agreed-upon number of gallons of heating fuel will be available to EAP households at the discounted price.
- E. The purchase of blankets, space heating devices and space cooling devices and equipment (including stoves and

refrigerators) which meet MN Stat. 216C.19 Energy Conservation.

- F. The purchase, delivery and installation of electrical conservation materials to households where electricity is required to help meet the household's home heating needs.
- G. The reduction in home energy bills obtained when a household participates in a utility or energy supplier's Special Rate or Practices Plan. These include programs designed to reduce the cost of home energy needs of the household and minimize the risk of an energy crisis. Special rate programs may include but are not limited to: discount rate, off-peak, time of day or dual heating plans.
- H. The value of benefits including reduction in home energy bills and arrearages accruing to customer participants of energy utilities' affordability programs.

**2605(b)
(performance)
goals and
measures)**

The Department of Commerce will continue to study the outcomes of the Reasonable Payment Plan effort described on page 6 of this State Plan for Energy Assistance. The purpose of the Reasonable Payment Plan effort is to encourage households to make affordable, regular, planned payments toward their energy bills. The purposes of the study include identification of program strengths and weaknesses and promising practices.

ADDITIONAL CERTIFICATIONS AND REQUIREMENTS

Attached are additional certifications required as follows:

- * **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. **(Tribes and tribal organizations are EXEMPT)**
- * **Debarment and suspension certification**, which must be filed by all grantees.
- * **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here: _____
- * One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

All Tribes and those territories with allotments of less than \$200,000 need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.
- * Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.