



# Oregon

Governor Kate Brown

## Housing and Community Services

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### Report to the 80<sup>th</sup> Legislative Assembly: Oregon Energy Assistance Program

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The Oregon Energy Assistance Program (OEAP) was created in 1999 as part of [Senate Bill 1149](#). OEAP was created to provide low-income bill payment and crisis assistance, including programs that reduce service disconnections and related costs to retail electricity consumers and electric utilities. Priority assistance is directed to low-income electricity consumers who are in danger of having their electricity service disconnected. The program is specific to customers of Portland General Electric and Pacific Power, and funds from the program are distributed within the service regions where collected.

#### What is the need?

High energy prices impact everyone. While some can cope by lowering the thermostat and wearing additional layers, that solution does not serve many low-income families. For many vulnerable Oregonians increasing energy costs means choosing between heat and other basic necessities such as food, healthcare, or prescriptions. With rising housing costs, these expenses have become even more burdensome.

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

High energy costs hurt Oregonians more during economic downturns. Local providers, community action agencies, report that many applicants are seeking help for the first time. In program year 2019 we saw an increase of over 3.5% in first-time energy assistance applicants from the previous year.



According to the U.S. Department of Health and Human Services, as of 2019 there were approximately 402,817 Oregon households at or below 60% of state median income. Even with OEAP and the federal Low-Income Home Energy Assistance Program (LIHEAP) combined we are only able to serve less than 20% of those who qualify.

## **Who is served by OEAP?**

Income eligibility requirements for OEAP are the same as the federally funded Low Income Home Energy Assistance Program (LIHEAP). An applicant's household income must be at or below 60% of Oregon's Median Income. For program year 2019 the maximum annual income for a household of 1 was \$24,550; for a household of 4 it was \$47,210. (See Appendix A.) However, the average annual income of households served by OEAP during program year 2019 was much lower at approximately \$16,405.

## **Results**

In program year 2019, roughly 35,909 households were served by OEAP. Of these, about 31% (11,110) households included senior citizens, almost 37% (13,249) included a member who had a disability, and about 12% (4,323) were veterans or had a veteran in the household. Roughly 922 were unemployed or receiving unemployment benefits and over 8,564 were receiving energy assistance for the first time.

Between October 1, 2018 and September 30, 2019, almost 22,000 service disconnections were prevented as a result of OEAP services and 2,223 low-income households had their electricity service restored after being disconnected.

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

Benton	Jackson	Multnomah	Clackamas	Jefferson	Polk
Clatsop	Josephine	Sherman	Columbia	Klamath	Tillamook
Coos	Lake	Umatilla	Crook	Lane	Wallowa
Deschutes	Lincoln	Wasco	Douglas	Linn	Washington
Gilliam	Marion	Yamhill	Hood River	Morrow	

## **Service Delivery**

OEAP electric bill payment assistance is delivered through a network of community action agencies throughout Oregon, each of which delivers a myriad of anti-poverty programs to low-income clients. This creates efficiency of operations and assures that Oregonians are able to access multiple services in an immediate crisis as they move towards self-sufficiency. OEAP services are available year around or until funds are exhausted.

## Program Revenue and Expenditures

OEAP revenue is from meter charges collected from customers of Portland General Electric and Pacific Power. The following table describes the revenue and spending for the OEAP program for program years 2019 and 2020 (October 1 to September 30).

	Program Year 2019*		Program Year 2020*	
<b>Revenue</b>				
PGE	12,468,963	59.50%	11,870,787	58.75%
PacifiCorp	8,301,833	39.61%	8,229,742	40.73%
Interest	186,243	0.89%	106,732	0.53%
<b>Total Revenue</b>	<b>20,957,039</b>		<b>20,351,648</b>	
<b>Expenditures</b>				
OHCS admin	360,725	1.77%	591,418	3.01%
Community Action Agency admin	1,499,277	7.37%	1,628,836	8.28%
Community Action Agency client benefits	18,484,576	90.86%	17,460,247	88.72%
<b>Total Expenditures</b>	<b>20,344,577</b>		<b>19,680,501</b>	

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

### **OHCS Administration**

OHCS receives the meter charges collected by the utilities and manages contracts with, and distribution of funds to, the 16 subgrantee agencies. OHCS provides contract management, monitoring for grant compliance, accounts payable/receivable, OPUS database system and management, program monitoring, and training and technical support.

### **Subgrantee Administration and Client Benefit**

Each community action agency provides contract management, staff supervision, and financial management in administering OEAP. Any unexpended administrative funds are moved to bill assistance payments at the end of the program year.

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

## **Conclusion**

Since its inception, the Oregon Energy Assistance Program has had a major impact in helping low-income Oregonians meet basic needs, as well as reducing electrical service disconnections. This is achieved through energy assistance payments and collaboration with our network partners and stakeholders. As a result of the program, the health and safety of low-income Oregonians has improved, as has their housing stability. The system for delivery of this program is effective and cost-efficient because it takes advantage of existing infrastructure by working with local service providers that have existing relationships with low-income households. OEAP provides a model of collaboration that helps assure the multiple needs of low-income families are met by bringing together resources from the public and private sector.

While OEAP complement the federal Low-Income Home Energy Assistance Program (LIHEAP), we are unable to meet the needs of energy insecure Oregonians. We estimate that we are only able to serve approximately 20% of those that face energy cost burden. OHCS and our community action agency partners recognize the additional need and are committed to increasing program efficiency to serve more households more effectively.

## **APPENDIX A**

### **Income Eligibility Guidelines**

#### **Program Year 2019 (Effective October 1, 2018)**

Estimated 60% of state median income by household size

Household Size	Annual Gross Income	Monthly Gross Income
1	\$24,550	\$2,045.83
2	\$32,103	\$2,675.25
3	\$39,657	\$3,304.75
4	\$47,210	\$3,934.16
5	\$54,764	\$4,563.66
6	\$62,317	\$5,193.08
7	\$63,734	\$5,311.16
8	\$65,150	\$5,429.16
9	\$66,566	\$5,547.16
10	\$67,983	\$5,665.25
11	\$69,399	\$5,783.25
12	\$70,815	\$5,901.25
Each additional member	\$1,416	\$118.00

\*Gross income means all household income before any deductions.