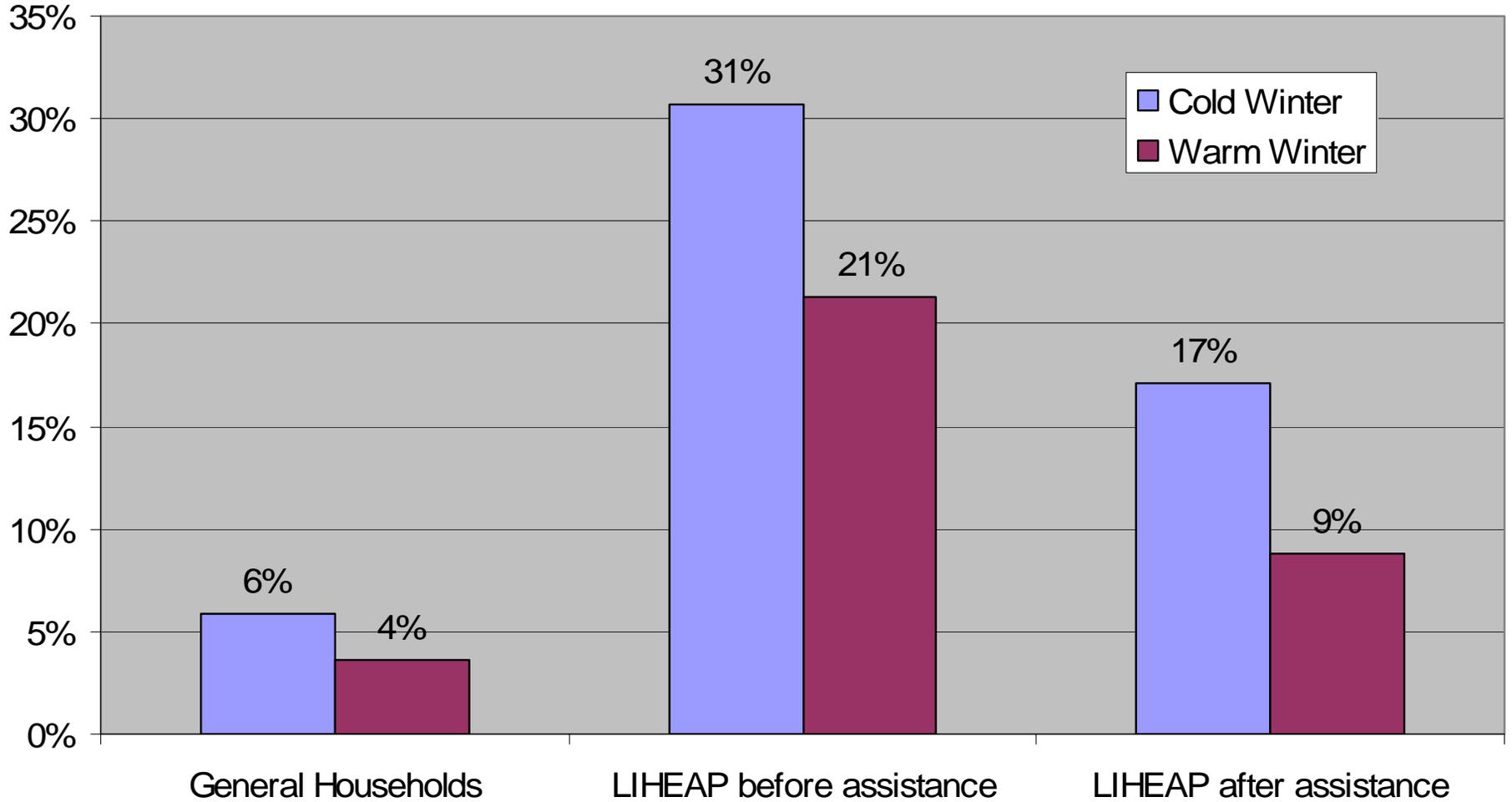


Analysis of Proposed Changes to Energy Assistance Programs

David Baker and Rick Fiddymment
Illinois Department of Natural Resources

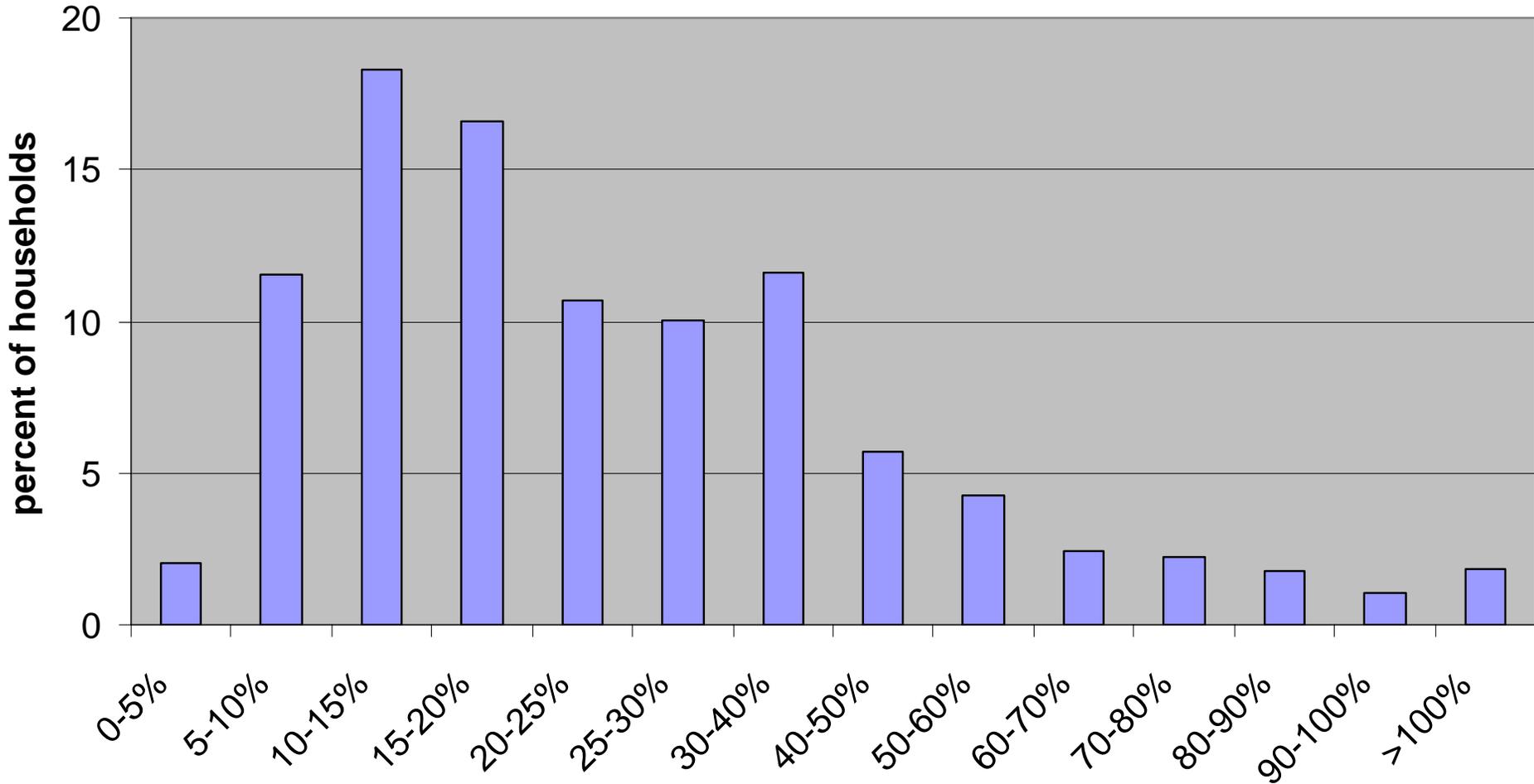
Winter Energy Bills as Percentage of Income



Proposed Program

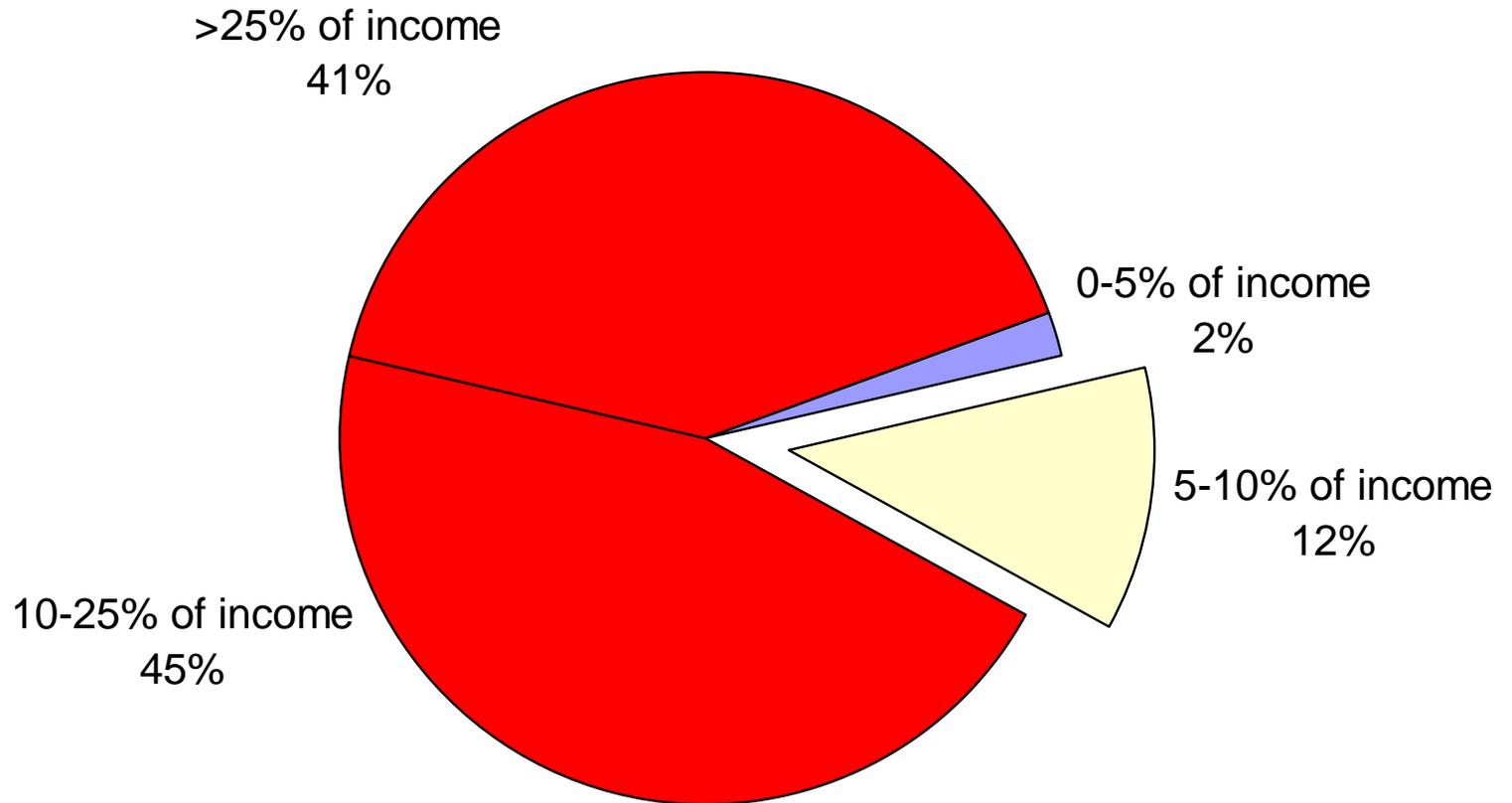
- Percent of Income Payment Program (PIPP)
 - 7% primary fuel (natural gas)
 - 3% secondary fuel (electricity)
 - 10% electric heat
 - Cap on benefits based on excess usage
- Direct Vendor Payment Program
 - set at a level to encourage participation in PIPP
 - current levels for bulk fuels (propane, fuel oil)
- Heat-in-Rent – current levels
- Emergency Services – limited to \$250 per fuel
- Price Insurance/Hedging to help control costs

Percent of Income Before Assistance for Natural Gas Heat



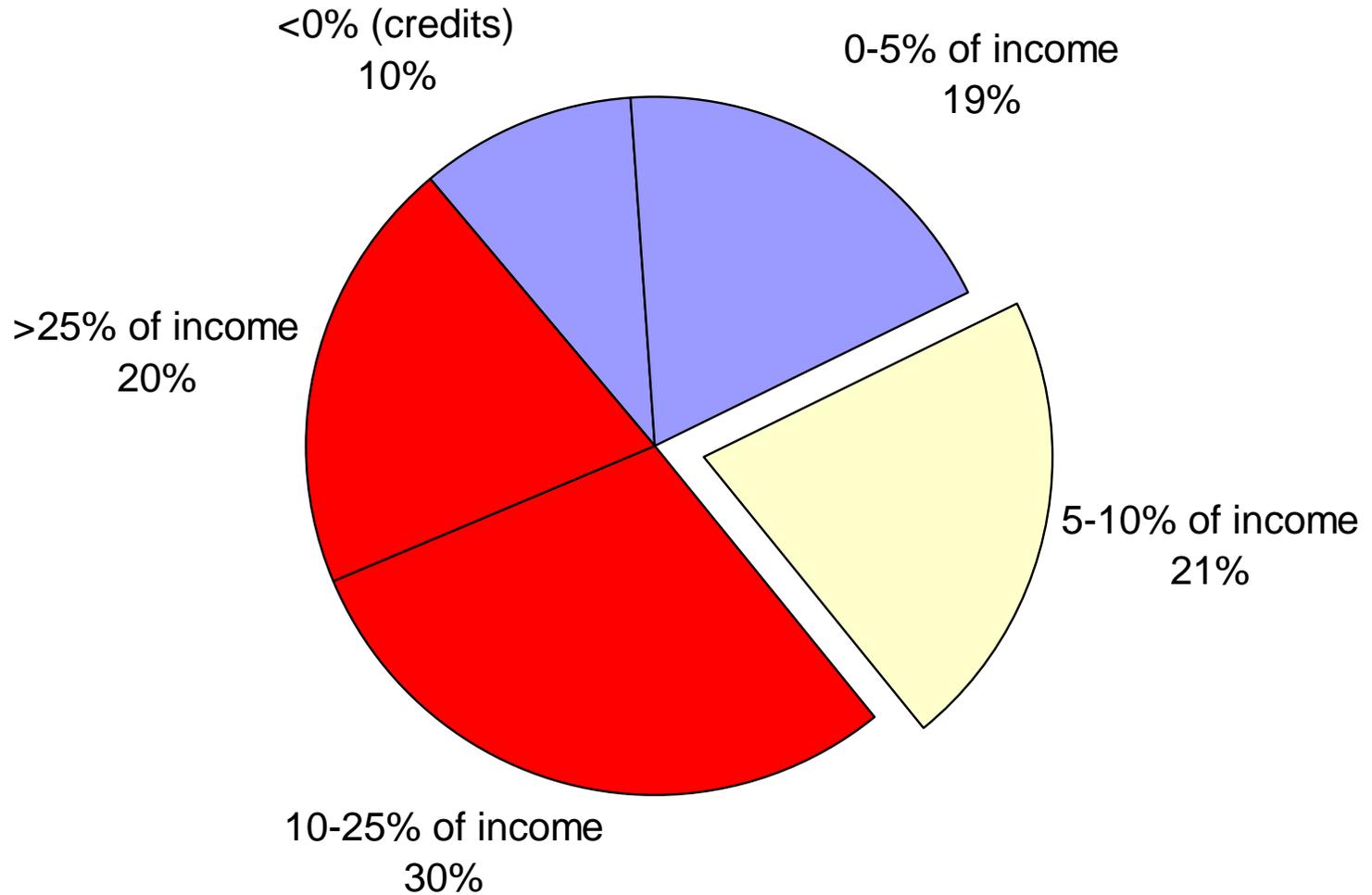
Percent of Income for Natural Gas Heat

Before assistance



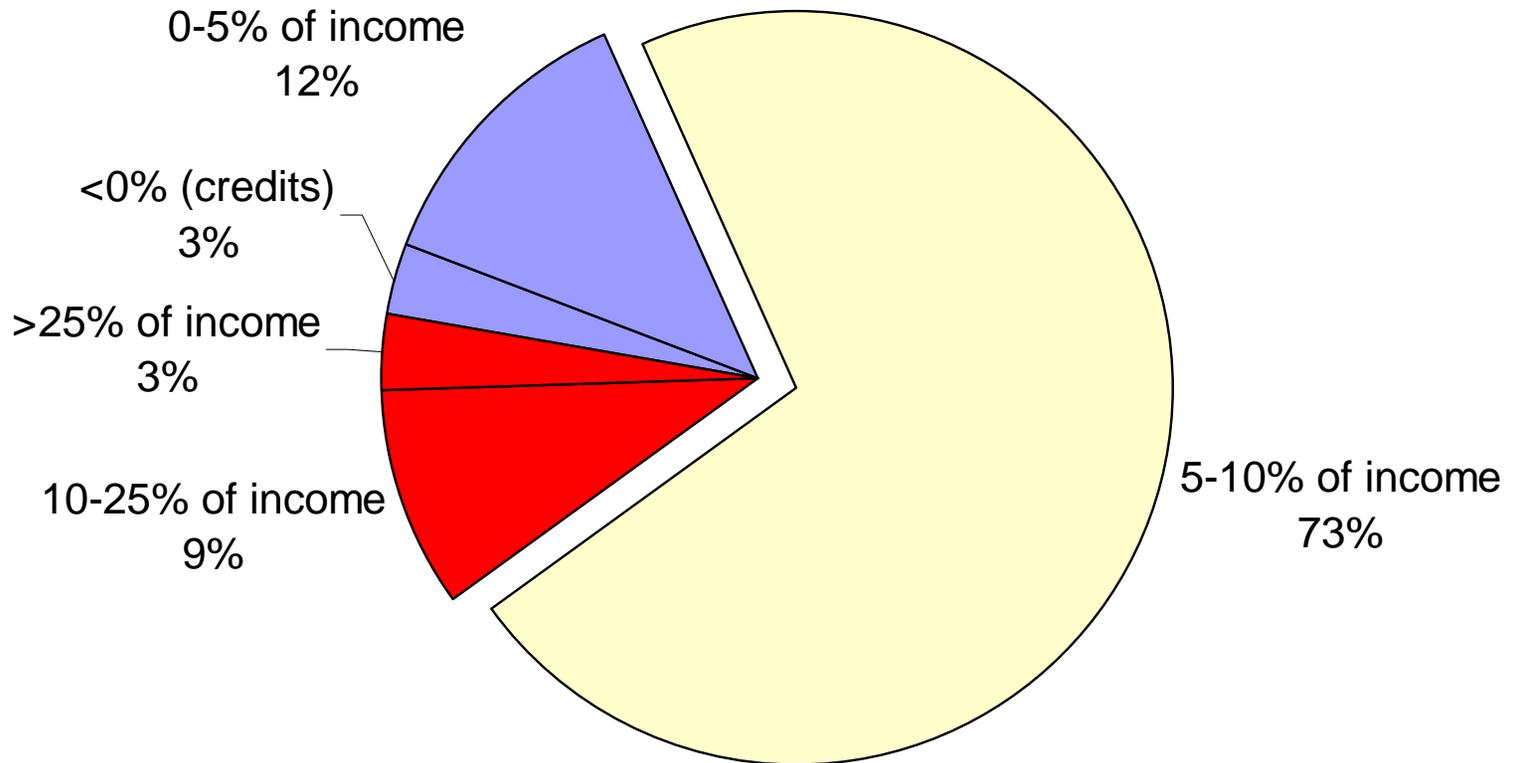
Percent of Income for Natural Gas Heat

After Assistance Existing Program



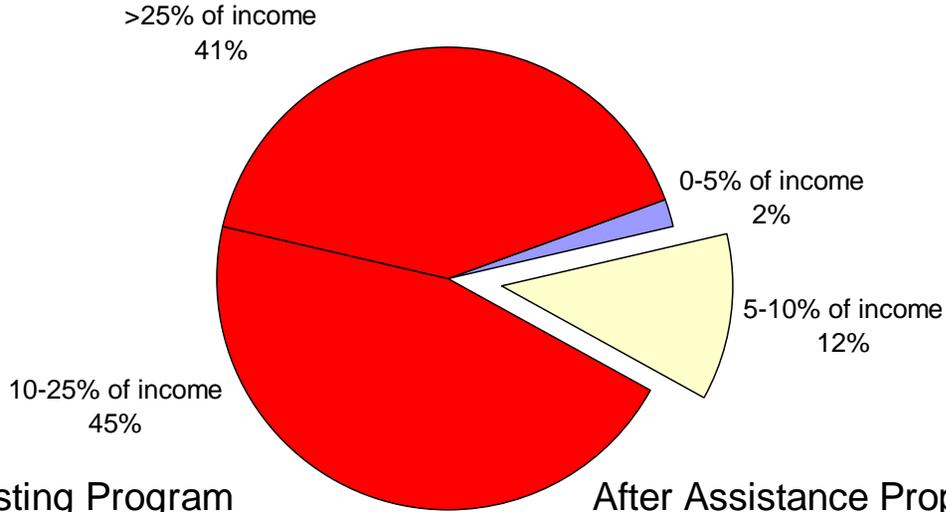
Percent of Income for Natural Gas Heat

After Assistance Proposed Program

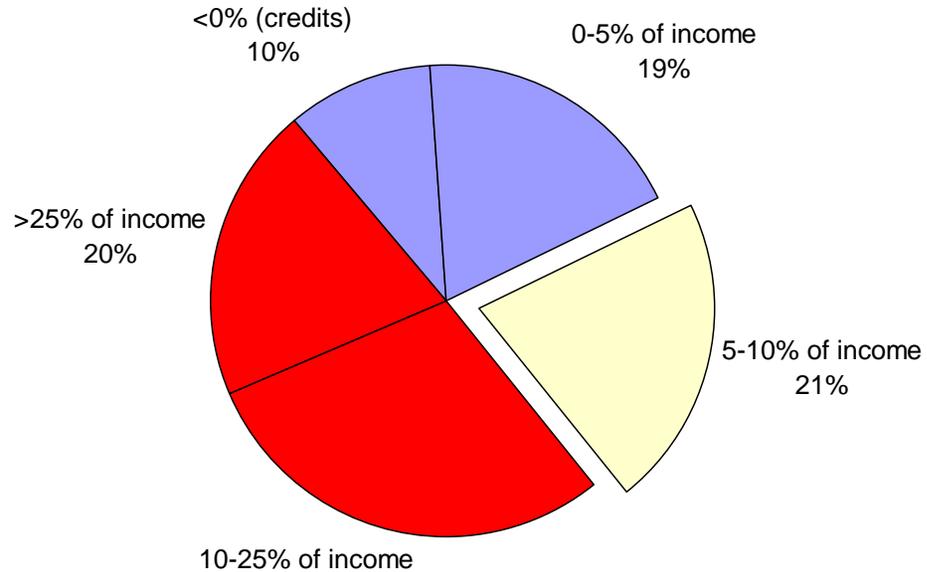


Percent of Income for Natural Gas Heat

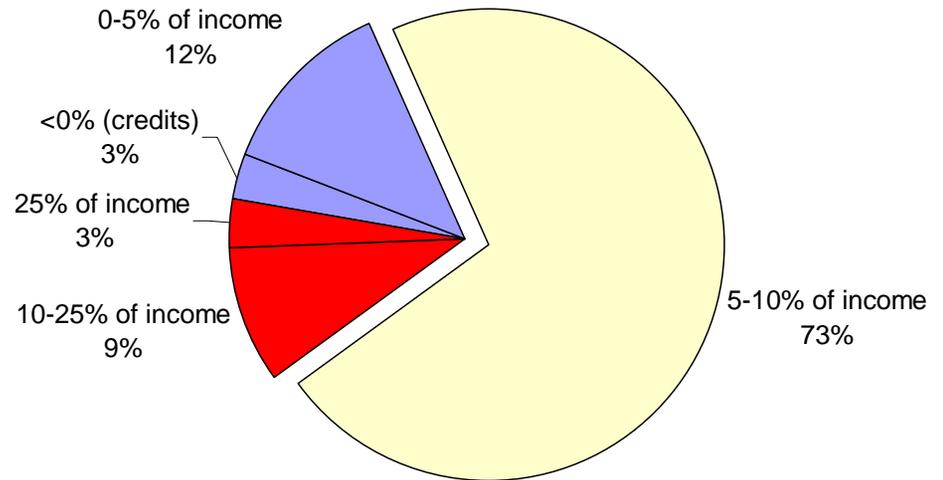
Before assistance



After Assistance Existing Program

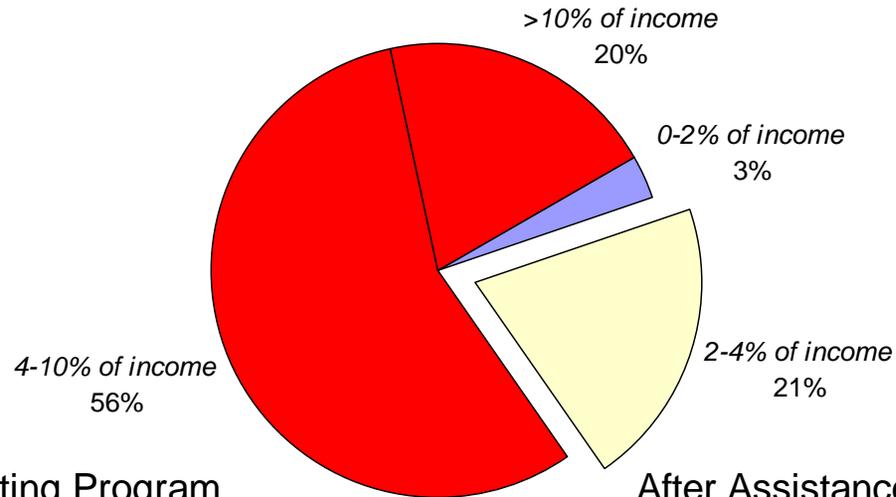


After Assistance Proposed Program

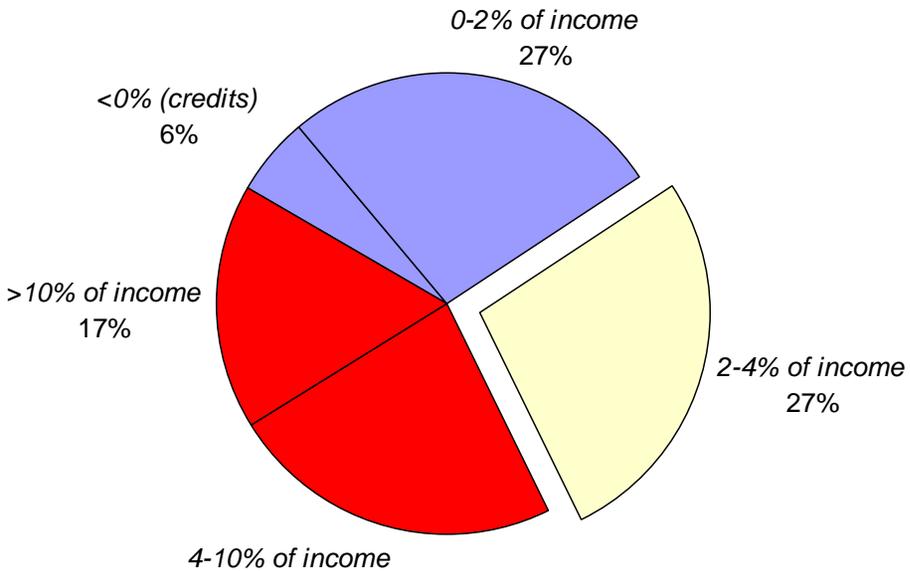


Percent of Income for Secondary Electric

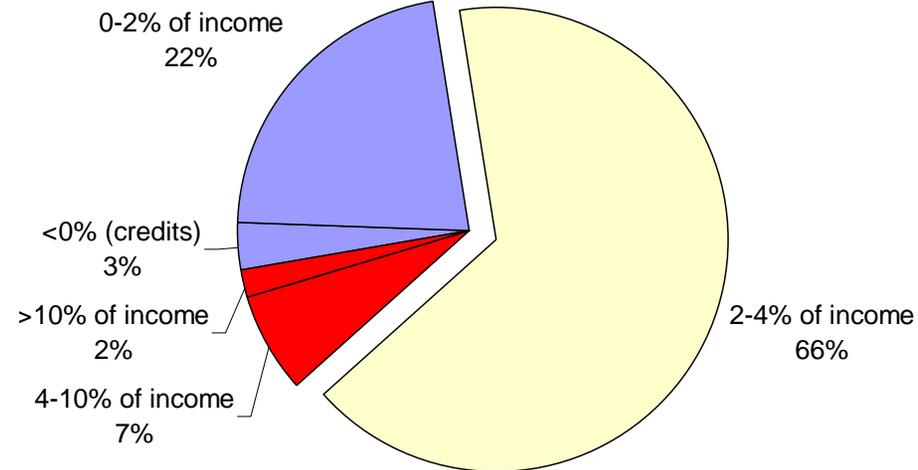
Before assistance



After Assistance Existing Program

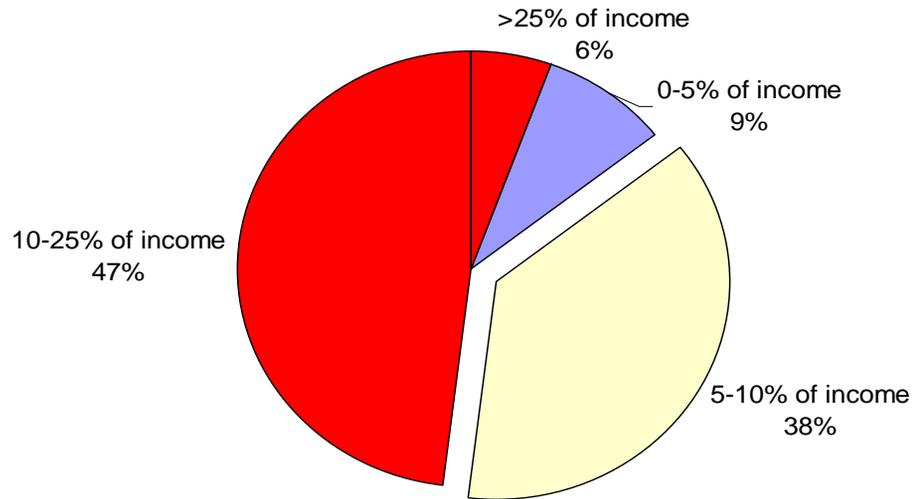


After Assistance Proposed Program

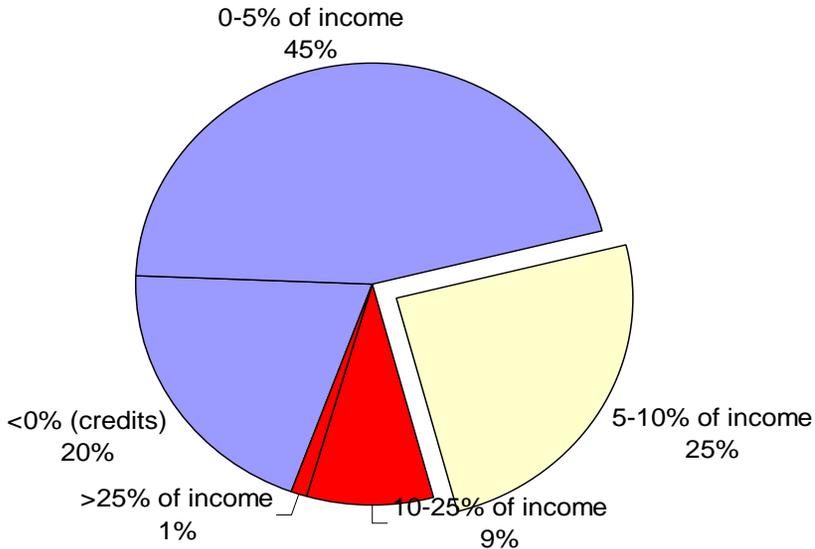


Percent of Income for Electric Heat

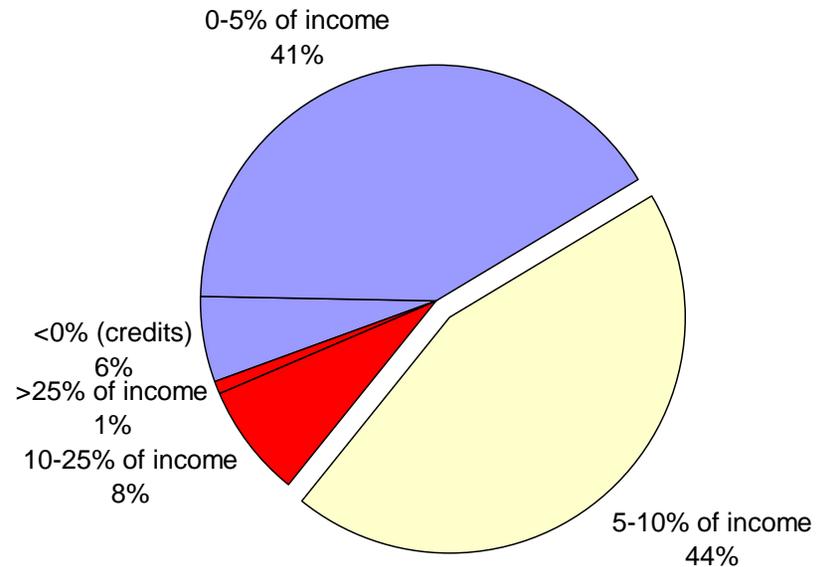
Before assistance



After Assistance Existing Program



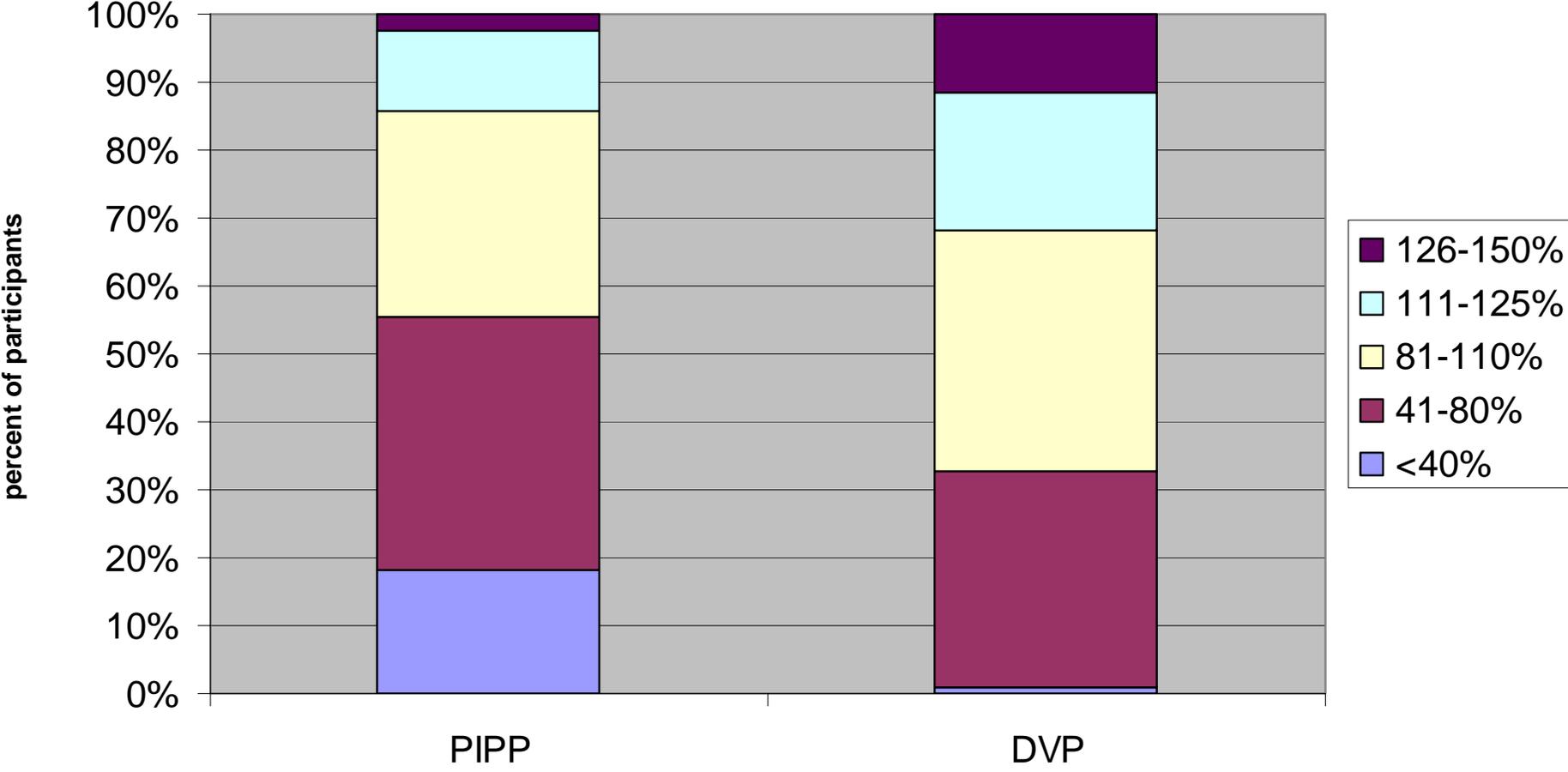
After Assistance Proposed Program



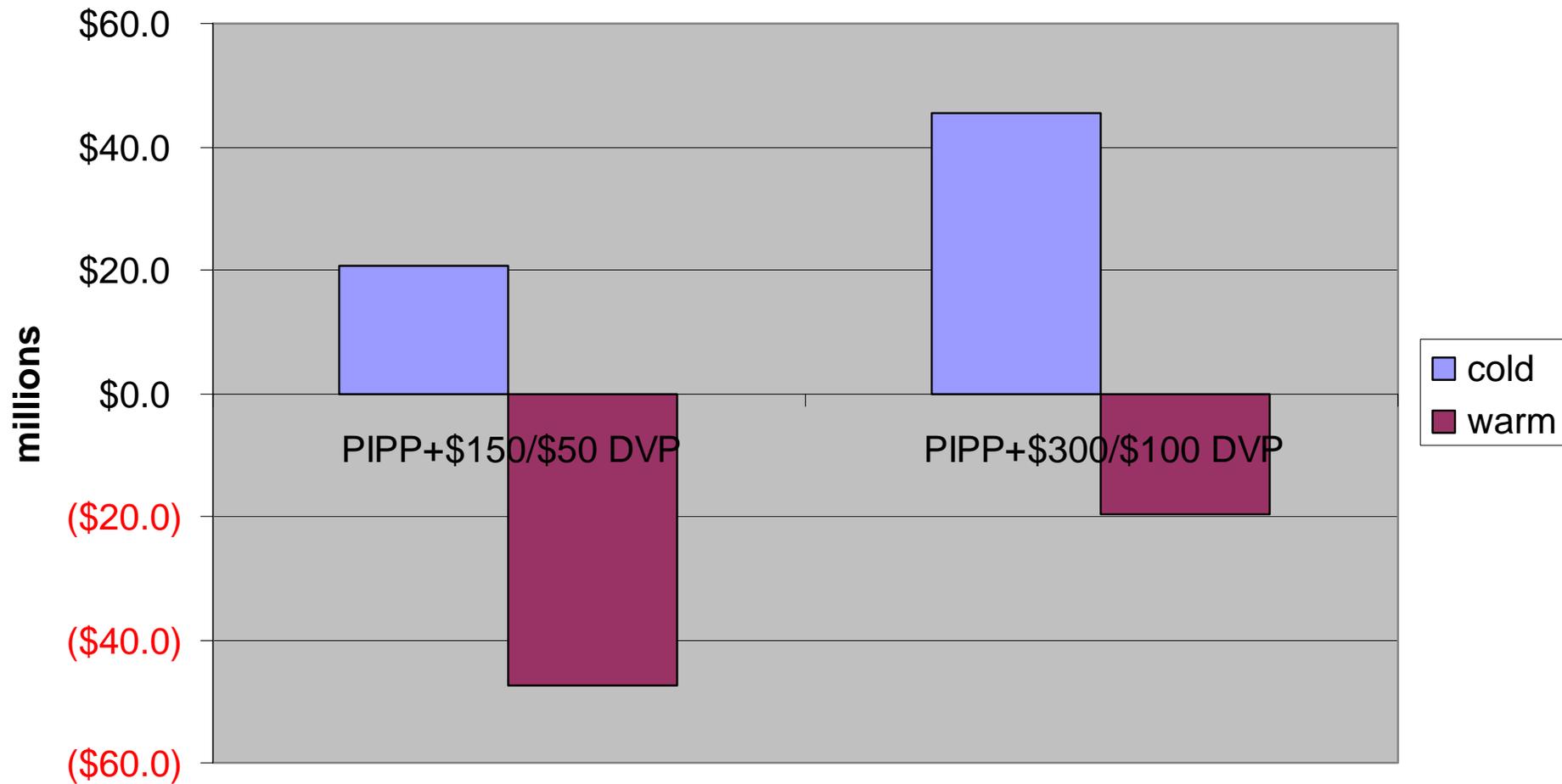
Comparison of Average PIPP and DVP Participants

	Natural Gas		Secondary Electric	
	PIPP	DVP	PIPP	DVP
Income	\$8,586	\$12,328	\$7,828	\$10,676
Winter Energy Bill	\$1,278	\$532	\$391	\$192
% of Income for Energy	35%	9%	10%	3%
Arrearage	\$472	\$241	\$129	\$107
% with arrears	57%	36%	31%	20%

PIPP and DVP Participants by Percent of Poverty Level



Net Cost of 7%/3% PIPP without price insurance



Net Cost of 7%/3% PIPP with price insurance

