

CHAPTER 11  
AFFORDABLE HEATING PROGRAM

PREAMBLE

This chapter implements the affordable heating program which is designed to assist certain low-income households in paying for heating costs. The program will provide assistance in addition to the regular low-income home energy assistance program payments. An affordable heating payment for an eligible household is calculated by subtracting from that household's gross income the costs of annual rental payments, mortgage payments, real estate taxes, real estate insurance premiums, unreimbursed medical expenses, child support, alimony payments, water bills, basic local telephone service and nonheating residential electrical service. The remaining income is multiplied by the percentage specified according to the number of household members and that result constitutes the participating client's affordable heating payment. The remaining heating costs plus up to \$300 annually in arrearage shall be paid by low-income home energy assistance program block grant funds.

**427—11.1(216A) Purpose.** The Iowa affordable heating program is established for the purpose of providing additional energy assistance which certain low-income Iowans may require in order to maintain access to their primary heating fuel. Such assistance shall be in addition to the regular low-income home energy assistance program grants.

**427—11.2(216A) Definitions.**

*"Administering agency"* shall be department of human rights, division of community action agencies. *"Local administering agency"* means an agency contracting to provide affordable heating program services at the local level.

*"Annual level payment plan"* means a plan whereby the predicted annual cost for energy for a 12-month period is paid by the client in 12 equal monthly installments subject to reconciliation in subsequent billing cycles. When applicable, such reconciliation shall be in accordance with provisions of 199 IAC 19.4(11) and 199 IAC 20.4(12).

*"Assessment"* means such activities as determining the causes of a household's high energy consumption, providing home energy audits, providing energy conservation counseling, arranging payment plans with energy providers as may be required to institute or maintain an affordable heating supply.

*"Resolution"* means providing corrective actions to make the cost of energy more affordable for eligible households including but not limited to weatherization.

Determination of allowable administrative expenses shall be as defined in the Low-Income Home Energy Assistance Act of 1981, Title XXVI of Public Law 97-35, as amended by the Human Services Reauthorization Acts of 1984, 1986 and 1990 (Public Laws 98-558, 99-425, and 101-501) and as described in U.S. Department of Health and Human Services Information Memorandum FSA-IM-91-8.

**427—11.3(216A) Eligibility.** Eligibility is limited to households whose income is determined in accordance with 427—Chapter 10 to be at or below 110 percent of the federal poverty income guidelines established by the Office of Management and Budget and whose annual heating costs exceed 12 times the minimum monthly payment defined in subrule 11.7(3), plus low-income home energy assistance program payments. The households are eligible to participate in the affordable heating program if applicants:

**11.3(1)** Have participated in the low-income home energy assistance program.

**11.3(2)** Agree to participate in annual level payment plans for both gas and electric services if such plans are available, or in such alternative plan as the division may develop for participants whose energy providers do not provide such plans.

**11.3(3)** Agree to participate in weatherization assistance programs for which they are eligible.

**11.3(4)** Submit to the local administering agency, within 30 days of application for participation in the program, third-party verification of the applicant's household income in accordance with the requirements in 427—Chapter 10, and submit proof of all unreimbursed medical expenses for the time period corresponding to that used for the income calculation with proof of personal responsibility for these expenses.

**11.3(5)** Agree to accept assistance provided by this program to reduce the household's energy consumption.

**11.3(6)** Agree to give permission to the state of Iowa, the U.S. Department of Energy, U.S. Department of Health and Human Services, the local administering agency and energy suppliers to exchange information about household energy usage and payment status as necessary.

**427—11.4(216A) Annual adjusted income.** A participant's annual adjusted income, for purposes of calculating affordable heating program financial assistance, shall be determined by subtracting the following expenses from the household income as established in accordance with the regular low-income home energy assistance rules. Proof of such expenses shall be third-party documentation, shall be for the time period corresponding to that used for the income calculation, and shall be submitted within 30 days of application:

**11.4(1)** Unreimbursed medical expenses with proof of personal responsibility for those expenses to a maximum of \$200 per year.

**11.4(2)** Annual rental payments, mortgage payments, real estate taxes, and real estate insurance premiums, to a maximum of \$5,000 annually.

**11.4(3)** Annual child support and alimony payments.

**11.4(4)** Annual costs of water bill, basic local telephone service and nonheating residential electrical service for the previous 12 months.

**427—11.5(216A) Predicted heating cost.** Predicted heating cost shall be the annual total calculated under Iowa Code section 216A.103, subsection 2, paragraph "b" for level payment plans. Where these provisions do not apply, the predicted heating cost shall be calculated by determining heating fuel expenses for the 12-month period immediately preceding application, first adjusted for weather and then adjusted for rate changes occurring during the 12-month period immediately preceding application. For those applicants whose heating costs are an undesignated portion of their rent, energy costs shall be calculated by obtaining the total amount paid for the entire housing unit in accordance with Iowa Code section 476.56, and dividing it by the number of individual living units contained therein.

**427—11.6(216A) Adjusted heating cost.** To determine the participant's adjusted heating cost in calculating affordable heating program financial assistance, the local administering agency shall:

**11.6(1)** Add to the predicted heating cost figure any scheduled repayment of an arrearage which has been negotiated between the participant and the primary heating fuel provider, provided that such arrearage repayment shall not exceed \$300 during any 12-month period. If the arrearage prior to participation in the plan is in excess of \$300, the portion remaining shall be considered in subsequent program years to the extent it is eligible. Once the individual becomes a participant in the plan, any usage in excess of the predicted heating costs shall be addressed by the reconciliation process as set forth in subrule 11.7(4).

**11.6(2)** Subtract from the predicted heating cost the regular low-income energy assistance program grants for which the participant is eligible.

**427—11.7(216A) Affordable heating payment.** A household's affordable heating payment shall be determined by making the following calculation:

**11.7(1)** Calculating the household's annual allowable heating expense. Annual allowable heating expense is an amount determined by applying the standard percentage to the household's annual adjusted income. The standard percentage shall be 10 percent for a one-person household, 9 percent for

a household of two persons, 8 percent for a household of three persons, 7 percent for a household of four persons, 6 percent for a household of five persons, 5 percent for a household of six or more persons.

**11.7(2)** The household shall be eligible for an annual affordable heating payment in the amount by which the adjusted heating cost exceeds the annual affordable heating expense. The local administering agency shall provide for payment of this amount to the primary heating fuel provider in the manner specified in the vendor agreement for credit to the participant's heating account for the year in which affordable heating program eligibility has been established. Those eligible participants whose heating costs are an undesignated portion of rent shall receive the payment directly.

**11.7(3)** A monthly level payment plan shall be established for the household based on the household's allowable heating expense, provided that the household's minimum monthly payment required for participation in the program shall be \$10.

**11.7(4)** Reconciliation of monthly level payment plans shall occur as prescribed in the rules of the Iowa utilities board or, at a minimum, annually for unregulated heating fuel providers.

**11.7(5)** All energy suppliers will provide the local administering agency copies of notice of delinquency or anticipated budget billing adjustment.

**427—11.8(216A) Participation requirements.** A participant in the affordable heating program who maintains the monthly allowable heating expense payment shall continue to receive service from the participant's primary heating fuel provider until all affordable heating funds are exhausted. A participant who fails to make a monthly payment to all energy suppliers is subject to removal from the affordable heating program. For regulated utilities, notice of removal shall be in accordance with utility board 199—subrules 19.4(15) to 199—20.4(15) on notice of disconnection for nonpayment of utility bills. In the case of deliverable fuels, notice will be per the vendor agreement. Once removed, a participant is not eligible to be restored to participation until the next anniversary for a new even payment billing cycle to begin and all customer account balances have been paid. The local administering agency will provide notification to the primary and, where applicable, secondary energy provider once a participant is removed from the program.

**427—11.9(216A) Allocation of funds—discontinuance of the affordable heating program.** To ensure equitable treatment, applications for the affordable heating program shall be approved on a first-come, first-served basis until all funds have been obligated. The program shall be discontinued when available funds have been exhausted.

These rules are intended to implement Iowa Code section 216A.103.

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