C5 7lr2472 CF HB 1002

## By: Senators Klausmeier <del>and Middleton</del>, <u>Middleton</u>, <u>Astle</u>, <u>Benson</u>, <u>Feldman</u>, <u>Hershey</u>, <u>Jennings</u>, <u>Rosapepe</u>, <u>and Oaks</u>

Introduced and read first time: February 3, 2017

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2017

CHAPTER

## 1 AN ACT concerning

2

## Electric Universal Service Program - Unexpended Funds

- 3 FOR the purpose of providing that the Public Service Commission has oversight 4 responsibility over certain expenditures of the electric universal service program; 5 requiring the Department of Human Resources to expend certain funds collected for 6 the program in certain fiscal years for certain purposes, including bill assistance and 7 arrearage retirement, targeted weatherization, or arrearage management; stating 8 the intent of the General Assembly regarding the timing for expending certain 9 unexpended bill assistance and arrearage funds; and generally relating to the 10 electric universal service program.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Public Utilities
- 13 Section 7–512.1(a) and (b)
- 14 Annotated Code of Maryland
- 15 (2010 Replacement Volume and 2016 Supplement)
- 16 BY repealing and reenacting, without amendments,
- 17 Article Public Utilities
- 18 Section 7–512.1(e) and (f)
- 19 Annotated Code of Maryland
- 20 (2010 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

$\begin{array}{c} 1 \\ 2 \end{array}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:			
3	Article – Public Utilities			
4	7–512.1.			
5 6 7	(a) (1) The Commission shall establish an electric universal service program to assist electric customers with annual incomes at or below 175% of the federal poverty level.			
8	(2) The components of the electric universal service program shall include:			
9	(i) bill assistance;			
10	(ii) low-income residential weatherization; and			
11 12 13	(iii) the retirement of arrearages for electric customers who have not received assistance in retiring arrearages under the universal service program within the preceding 7 fiscal years.			
14 15 16	responsible for administering the low-income residential weatherization component of the			
17 18 19	(4) (i) The Department of Human Resources, through the Office of Home Energy Programs, is responsible for administering the bill assistance and the arrearage retirement components of the electric universal service program.			
20	(ii) The Department of Human Resources may:			
21 22	1. establish minimum and maximum benefits available to an electric customer under the bill assistance and arrearage retirement components; and			
23 24 25	2. coordinate benefits under the electric universal service program with benefits under the Maryland Energy Assistance Program and other available energy assistance programs.			
26 27 28	(5) The Department of Human Resources may, with input from a panel or roundtable of interested parties, contract to assist in administering the bill assistance and the arrearage retirement components of the electric universal service program.			

29 (6) The Commission has oversight responsibility for the bill assistance and 30 the arrearage retirement components of the electric universal service program **AND ANY** 31 **OTHER FUNDS EXPENDED UNDER THIS SECTION**.

- 1 (7) In a specific case, the electric universal service program may waive the 2 income eligibility limitation under paragraph (1) of this subsection in order to provide 3 assistance to an electric customer who would qualify for a similar waiver under the 4 Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human 5 Services Article.
- 6 (b) (1) All customers shall contribute to the funding of the electric universal service program through a charge collected by each electric company.
- 8 (2) The Commission shall determine a fair and equitable allocation for collecting the charges among all customer classes pursuant to subsection (e) of this section.
- 10 (3) [In] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
  11 SUBSECTION, IN accordance with subsection (f)(6) of this section, any unexpended bill
  12 assistance and arrearage retirement funds returned to customers under subsection (f) of
  13 this section shall be returned to each customer class as a credit in the same proportion that
  14 the customer class contributed charges to the fund.
- 15 (4) THE DEPARTMENT OF HUMAN RESOURCES SHALL EXPEND ANY
  16 UNEXPENDED BILL ASSISTANCE AND ARREARAGE FUNDS THAT WERE COLLECTED IN
  17 FISCAL YEARS 2010 THROUGH 2017, IN EXCESS OF THE TOTAL AMOUNT
  18 AUTHORIZED UNDER SUBSECTION (E) OF THIS SECTION, FOR ONE OR MORE OF THE
  19 FOLLOWING PURPOSES:
- 20 (I) BILL ASSISTANCE AND THE RETIREMENT OF ARREARAGES 21 FOR CUSTOMERS WHO ARE ELIGIBLE TO RECEIVE ASSISTANCE AT THE TIME 22 SERVICES ARE PROVIDED;
- 23 (II) TARGETED AND ENHANCED LOW-INCOME RESIDENTIAL
  24 WEATHERIZATION DESIGNED TO REMEDIATE HOUSEHOLDS THAT ARE CONSIDERED
  25 INELIGIBLE TO PARTICIPATE IN OTHER STATE ENERGY EFFICIENCY PROGRAMS DUE
  26 TO SIGNIFICANT HEALTH AND SAFETY HAZARDS; OR
- 27 (III) AN ARREARAGE MANAGEMENT PROGRAM FOR LOW-INCOME 28 CUSTOMERS IN ARREARS, INCLUDING PROVIDING CREDITS OR MATCHING 29 PAYMENTS FOR CUSTOMERS WHO MAKE TIMELY PAYMENTS ON CURRENT BILLS.
- 30 **(5)** An electric company shall recover electric universal service program 31 costs in accordance with § 7–512 of this subtitle.
- 32 **[(5)] (6)** As determined by the Office of Home Energy Programs, bill assistance payments to an electric company may be on a monthly basis for each customer.

- [(6)] (7) The Commission shall determine the allocation of the electric universal service charge among the generation, transmission, and distribution rate components of all classes.
- 4 **[**(7)**] (8)** The Commission may not assess the electric universal service surcharge on a per kilowatt–hour basis.
- 6 (e) The total amount of funds to be collected for the electric universal service 7 program each year shall be \$37 million, allocated in the following manner:
- $8 \hspace{1.5cm} (1) \hspace{0.5cm} \$27.4$  million shall be collected from the industrial and commercial 9 classes; and
- 10 \$9.6 million shall be collected from the residential class.
- 11 (f) (1) In this subsection, "fund" means the electric universal service program 12 fund.
- 13 (2) There is an electric universal service program fund.
- 14 (3) (i) 1. The Comptroller shall collect the revenue collected by electric companies under subsection (b) of this section and place the revenue into the fund.
- 16 2. The General Assembly may appropriate funds 17 supplemental to the funds collected under subsubparagraph 1 of this subparagraph.
- 18 (ii) The fund is a continuing, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
- 20 (iii) The purpose of the fund is to assist electric customers as provided 21 in subsection (a)(1) of this section.
- 22 (4) The Department of Human Resources, with oversight by the 23 Commission, shall disburse the bill assistance and arrearage retirement funds in 24 accordance with the provisions of this section.
- 25 (5) The Comptroller annually shall disburse up to \$1,000,000 of 26 low-income residential weatherization funds to the Department of Housing and 27 Community Development, as provided in the State budget.
- 28 (6) (i) At the end of a given fiscal year, any unexpended bill assistance 29 and arrearage retirement funds that were collected for that fiscal year shall be retained in 30 the fund and shall be made available for disbursement through the first 6 months of the 31 next fiscal year to customers who:
- 32 qualify for assistance from the fund during the given fiscal 33 year;

$\frac{1}{2}$	given fiscal year; and	2.	apply for assistance from the fund before the end of the		
3 4	provided.	3.	remain eligible for assistance at the time services are		
5 6 7 8		up to a e retire	Commission determines that an extension is needed, the an additional 3 months the period in which unexpended bill ment funds may be made available for disbursement under aph.		
9 10 11 12 13	(iii) Any bill assistance and arrearage retirement funds collected for a given fiscal year that are retained under subparagraph (i) of this paragraph and that remain unexpended at the end of the period allowed under subparagraphs (i) and (ii) of this paragraph shall be returned to each customer class in the proportion that the customer class contributed charges to the fund for the given fiscal year in the form of a credit toward the charge assessed in the following fiscal year.				
15 16 17 18 19 20	Assembly that the Depa assistance and arrearage excess of the total amoun	artmen e funds t autho	FURTHER ENACTED, That it is the intent of the General tof Human Resources shall expend any unexpended bill that were collected in fiscal years 2010 through 2017, in prized for disbursement, as required in Section 7–512.1(b)(4) is enacted by Section 1 of this Act, beginning in fiscal year		
21 22	SECTION 2. 3. A. July 1, 2017.	ND BE	IT FURTHER ENACTED, That this Act shall take effect		
	Approved:				
	ripproved.				
			Governor.		
			President of the Senate.		
			Speaker of the House of Delegates.		