C8 5lr1782 CF 5lr1328

By: Delegate McHale

Introduced and read first time: January 26, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1	AN	ACT	concernin	Q

2 Electric Universal Service Program - Weatherization Component - Transfer

3 FOR the purpose of transf	erring responsibility for adn	ninistering the low-income
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- 4 weatherization component of the electric universal service program from the
- 5 Department of Human Resources to the Department of Housing and
- 6 Community Development; requiring the Department of Human Resources,
- 7 through the Office of Home Energy Programs, to be responsible for
- 8 administering certain components of the electric universal service program;
- 9 authorizing the Department of Human Resources to contract to assist in
- administering certain components of the electric universal service program
- under certain circumstances; altering the Public Service Commission's oversight
- 12 responsibility so that it has oversight responsibility for certain components of
- the electric universal service program; requiring the Department of Housing
- and Community Development to report periodically to the General Assembly on
- the low-income weatherization component; requiring the Comptroller to
- disburse annually a certain amount of low-income weatherization funds to the
- Department of Housing and Community Development; renaming a certain
- program; requiring certain funds to be transferred by the Department of Human
- Resources to the Department of Housing and Community Development on a
- certain date; and generally relating to the electric universal service program.
- _____
- 21 BY repealing and reenacting, with amendments,Article Public Utility Companies
- 23 Section 7-512.1
- 24 Annotated Code of Maryland
- 25 (1998 Volume and 2004 Supplement)
- 26 BY repealing and reenacting, with amendments,
- 27 Article Housing and Community Development
- 28 Section 2-102
- 29 Annotated Code of Maryland
- 30 (As enacted by Chapter ___ (H.B. 11) of the Acts of the General Assembly of
- 31 2005)

1 2			CTED BY THE GENERAL ASSEMBLY OF of Maryland read as follows:
3			Article - Public Utility Companies
4	7-512.1.		
	(a) (1) program to assist ele federal poverty leve	ectric custo	mmission shall establish [a] AN ELECTRIC universal service omers with annual incomes at or below 150% of the
	(2) administering the un Programs.		epartment of Human Resources shall be responsible for vice program through the Office of Home Energy
13		erested par	partment of Human Resources may, with input from a panel rties, contract with a for-profit or a nonprofit Maryland 1, 1999 to assist in administering the universal service
15 16	(4) service program.	The Co	mmission shall have oversight responsibility for the universal
17 18	(5)] include:	The cor	nponents of the ELECTRIC universal service program shall
19		(i)	bill assistance, at a minimum of 50% of the determined need;
20		(ii)	low-income weatherization; and
			the retirement of arrearages for electric customers who have not in retiring arrearages under the universal service of \$1.5 million in any given fiscal year.
		OR ADMII	EPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IS NISTERING THE LOW-INCOME WEATHERIZATION CCTRIC UNIVERSAL SERVICE PROGRAM.
29	OF HOME ENERG	GY PROGI D THE AI	EPARTMENT OF HUMAN RESOURCES, THROUGH THE OFFICE RAMS, IS RESPONSIBLE FOR ADMINISTERING THE BILL RREARAGE RETIREMENT COMPONENTS OF THE ELECTRIC OGRAM.
33	ADMINISTERING	JNDTABI THE BIL	EPARTMENT OF HUMAN RESOURCES MAY, WITH INPUT FROM LE OF INTERESTED PARTIES, CONTRACT TO ASSIST IN L ASSISTANCE AND THE ARREARAGE RETIREMENT ECTRIC UNIVERSAL SERVICE PROGRAM.

	(6) THE COMMISSION HAS OVERSIGHT RESPONSIBILITY FOR THE BILL ASSISTANCE AND THE ARREARAGE RETIREMENT COMPONENTS OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM.
6 7	[(6)] (7) In a specific case, the ELECTRIC universal service program may waive the income eligibility limitation under paragraph (1) of this subsection in order to provide assistance to an electric customer who would qualify for a similar waiver under the Maryland Energy Assistance Program established under Article 41, § 6-406 of the Code.
9 10	(b) (1) [(i)] All customers shall contribute to the funding of the ELECTRIC universal service program through a charge collected by each electric company.
	[(ii) In the first 6 months after the initial implementation date, the Commission shall consider adjustments to the charges collected for the universal service program for persons that are not eligible for customer choice.]
	(2) The Commission shall determine a fair and equitable allocation for collecting the charges among all customer classes pursuant to subsection [(d)] (E) of this section.
19 20	(3) In accordance with subsection [(f)(5)](F)(6) of this section, any unexpended [universal service program] BILL ASSISTANCE AND ARREARAGE RETIREMENT funds returned to customers under subsection (f) of this section shall be returned to each customer class as a credit in the same proportion that the customer class contributed charges to the fund.
22 23	(4) An electric company shall recover ELECTRIC universal service program costs in accordance with § 7-512 of this subtitle.
	(5) The Commission shall determine the allocation of the ELECTRIC universal service charge among the generation, transmission, and distribution rate components of all classes.
27 28	(6) The Commission may not assess the ELECTRIC universal service surcharge on a per kilowatt-hour basis.
	(c) (1) On or before December 1 of each year, the Commission shall report, subject to § 2-1246 of the State Government Article, to the General Assembly on the ELECTRIC universal service program, including:
32 33	(i) subject to subsection [(d)] (E) of this section, a recommendation on the total amount of funds for the program for the following fiscal year based on:
	1. the level of participation in and the amounts expended [from the universal service program] ON BILL ASSISTANCE AND ARREARAGE RETIREMENT during the preceding fiscal year;
37 38	2. how BILL ASSISTANCE AND ARREARAGE RETIREMENT payments [to customers] were calculated during the preceding fiscal year;

		3. the projected needs [of the universal service program] AND THE ARREARAGE RETIREMENT COMPONENTS for the
		the amount of any BILL ASSISTANCE OR ARREARAGE over in the ELECTRIC universal service program fund (I) of this section;
7	(ii) f	for bill assistance:
		the total amount of need, as determined by the ters with annual incomes at or below 150% of the sis for this determination; and
		2. the percentage of need, as determined by the Commission, should be funded through the ELECTRIC universal or this determination;
16	determined by the Commission,	for low-income weatherization, the amount of funds needed, as for measures that reduce consumption of energy by neomes at or below 150% of the federal poverty level tion;
20	to retire arrearages for electric of	the amount of funds needed, as determined by the Commission, customers who have not previously received under the ELECTRIC universal service program and
24	Commission, for bill assistance retirement, respectively, for cus	the amount of funds needed, as determined by the [, low-income weatherization,] and arrearage tomers for whom income limitations may be waived of this section, and the basis for each determination;
	E (/3	(V) the impact on customers' rates, including the allocation collecting the total amount recommended by the his paragraph; and
	2 / / 3	(VI) the impact of using other federal poverty level fectiveness of the ELECTRIC universal service
	()	Γο assist the Commission in preparing its recommendations section, the Office of Home Energy Programs shall year on:
37	made to fuel customers under the	the number of customers and the amount of distributions are Maryland Energy Assistance Program established Code, identified by funding source and fuel source;

1 2	2. the cost of outreach and education materials provided by the Office of Home Energy Programs for the ELECTRIC universal service program.
5	(ii) The Office of Home Energy Programs may satisfy the reporting requirement of subparagraph (i)1 of this paragraph by providing the Commission with a copy of material that contains the required information and that the Office of Home Energy Programs submits to [a unit of] the federal government.
	(iii) The Commission shall include the information provided by the Office of Home Energy Programs under subparagraph (i) of this paragraph in its report to the General Assembly under paragraph (1) of this subsection.
12	(3) SUBJECT TO SUBSECTION (D)(2) OF THIS SECTION, THE COMMISSION SHALL INCLUDE THE INFORMATION PROVIDED BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT UNDER SUBSECTION (D)(1)OF THIS SECTION IN ITS REPORT TO THE GENERAL ASSEMBLY UNDER PARAGRAPH (1) OF THIS SUBSECTION.
16	[(3)] (4) (i) The Office of Legislative Audits shall conduct a performance audit of the ELECTRIC universal service program once every 3 years or at another interval as directed by the Joint Audit Committee and shall report the results of the audit to the General Assembly.
20	(ii) The cost of the performance audit under this paragraph shall be included in the costs of administering the ELECTRIC universal service program, and funded through the ELECTRIC universal service program fund under subsection (f) of this section.
24 25	(D) (1) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE LOW-INCOME WEATHERIZATION COMPONENT OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM, INCLUDING:
27 28	(I) THE AMOUNT OF FUNDS EXPENDED DURING THE PRECEDING FISCAL YEAR;
	(II) THE LEVEL OF PARTICIPATION DURING THE PRECEDING FISCAL YEAR, INCLUDING THE NUMBER OF HOUSEHOLDS SERVED IN EACH AREA OF THE STATE; AND
32 33	(III) THE TYPES OF PROJECTS, INCLUDING THE AVERAGE COST PER UNIT, PROVIDED TO HOUSEHOLDS DURING THE PRECEDING FISCAL YEAR.
36 37 38	(2) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MAY SATISFY THE REPORTING REQUIREMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION BY REQUESTING THE COMMISSION TO INCLUDE THE INFORMATION IN THE COMMISSION'S REPORT REQUIRED UNDER SUBSECTION (C) OF THIS SECTION AND PROVIDING THE INFORMATION TO THE COMMISSION BY THE DATE SPECIFIED BY THE COMMISSION.

1 2	[(d)] (E) The total amount of funds to be collected for the ELECTRIC universal service program each year shall be \$34,000,000, allocated in the following manner:
3 4	(1) \$24.4 million shall be collected from the industrial and commercial classes; and
5	(2) \$9.6 million shall be collected from the residential class.
8 9	[(e) Notwithstanding any other provision of this article, for the 3 years immediately following the initial implementation date, electricity suppliers and electric companies may not terminate, for an arrearage balance due on the initial implementation date, the supply of electricity to a customer who receives assistance under the universal service program under this section.]
11 12	(f) (1) In this subsection, "fund" means the ELECTRIC universal service program fund.
13	(2) There is [a] AN ELECTRIC universal service program fund.
	(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.
17 18	2. The General Assembly may appropriate funds supplemental to the funds collected under sub-subparagraph 1 of this subparagraph.
19 20	(ii) The fund is a continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.
21 22	(iii) The purpose of the fund is to assist electric customers as provided in subsection (a)(1) of this section.
	(4) The Department of Human Resources, with oversight by the Commission, shall disburse the BILL ASSISTANCE AND ARREARAGE RETIREMENT funds in accordance with the provisions of this section.
	(5) THE COMPTROLLER ANNUALLY SHALL DISBURSE \$1,000,000 OF LOW-INCOME WEATHERIZATION FUNDS TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.
31	[(5)] (6) (i) At the end of a given fiscal year, any unexpended BILL ASSISTANCE AND ARREARAGE RETIREMENT funds that were collected for that fiscal year shall be retained in the fund and shall be made available for disbursement through the first 3 months of the next fiscal year to customers who:
33 34	1. qualify for assistance from the fund during the given fisca year;
35 36	2. apply for assistance from the fund before the end of the given fiscal year; and

1 2	3. remain eligible for assistance at the time services are provided.
5	(ii) If the Commission determines that an extension is needed, the Commission may extend up to an additional 3 months the period in which unexpended BILL ASSISTANCE AND ARREARAGE RETIREMENT funds may be made available for disbursement under subparagraph (i) of this paragraph.
9 10 11 12	(iii) Any BILL ASSISTANCE AND ARREARAGE RETIREMENT fund 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.
14	Article - Housing and Community Development
15	2-102.
16	The Department shall:
	(1) encourage and assist political subdivisions and public and private community organizations to develop mutual and cooperative solutions to their common problems;
	(2) serve as a clearinghouse for information and materials that may be pertinent to sound community assistance, including information on available federal, State, and private financial assistance and technical assistance;
23 24	(3) implement model or demonstration programs and projects or otherwise provide a program of practical research in community assistance;
25 26	(4) provide grants and loans for energy conservation and the use of solar energy in commercial and residential buildings;
	(5) provide advisory, consultative, training, and educational services, and technical assistance to any political subdivision, local public agency, or nonprofit organization for community assistance purposes;
	(6) contract for and accept a gift, grant, contribution, or loan of money, property, or other aid for community assistance from a governmental unit, the federal government, or another source and comply with the terms and conditions of that aid;
33 34	(7) attach terms and conditions to financial assistance as the Secretary determines;
	(8) participate with political subdivisions, regional governments, organizations, and the federal government in developing, financing, and implementing a program to build the management capabilities of municipal

- 1 corporations by supplying needed managerial expertise through circuit riding 2 managers; [and]
- 3 (9) administer federal programs to community assistance; AND
- 4 (10) DEVELOP AND IMPLEMENT A WEATHERIZATION PROGRAM IN
- 5 ACCORDANCE WITH TITLE 4 OF THIS ARTICLE AND ADMINISTER THE LOW-INCOME
- 6 WEATHERIZATION COMPONENT OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM IN
- 7 ACCORDANCE WITH § 7-512.1 OF THE PUBLIC UTILITY COMPANIES ARTICLE.
- 8 SECTION 2. AND BE IT FURTHER ENACTED, That on October 30, 2005, any
- 9 unexpended fiscal year 2005 funds designated by the Public Service Commission to be
- 10 disbursed for the low-income weatherization component of the electric universal
- 11 service program shall be transferred from the Department of Human Resources to the
- 12 Department of Housing and Community Development to be used for low-income
- 13 weatherization projects.
- 14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 15 October 1, 2005.