C8 5lr1328 CF 5lr1782

By: **Senators Klausmeier, Exum, and Pipkin** Introduced and read first time: January 21, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning	
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2 Electric Universal Service Program - Weatherization Component - Transfer

3 FOR the purpose of transferring responsibility for ad	lministering 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
- 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
- 15 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
- 19 Resources to the Department of Housing and Community Development on a
- 20 certain date; and generally relating to the electric universal service program.
- 21 BY repealing and reenacting, with amendments,
- 22 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			ACTED BY THE GENERAL ASSEMBLY OF ws of Maryland read as follows:
3			Article - Public Utility Companies
4	7-512.1.		
	(a) (1) program to assist federal poverty le	electric cu	Commission shall establish [a] AN ELECTRIC universal service stomers with annual incomes at or below 150% of the
	(2) administering the Programs.		Department of Human Resources shall be responsible for service program through the Office of Home Energy
13		interested p	Department of Human Resources may, with input from a panel parties, contract with a for-profit or a nonprofit Maryland ally 1, 1999 to assist in administering the universal service
15 16	(4) service program		Commission shall have oversight responsibility for the universal
17 18	include: (5)] The c	omponents 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 ace in retiring arrearages under the universal service tal of \$1.5 million in any given fiscal year.
		FOR ADM	DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IS INISTERING THE LOW-INCOME WEATHERIZATION LECTRIC UNIVERSAL SERVICE PROGRAM.
29		ERGY PRO AND THE	DEPARTMENT OF HUMAN RESOURCES, THROUGH THE OFFICE GRAMS, IS RESPONSIBLE FOR ADMINISTERING THE BILL ARREARAGE RETIREMENT COMPONENTS OF THE ELECTRIC ROGRAM.
33	ADMINISTERI	OUNDTA NG THE B	DEPARTMENT OF HUMAN RESOURCES MAY, WITH INPUT FROM BLE OF INTERESTED PARTIES, CONTRACT TO ASSIST IN ILL ASSISTANCE AND THE ARREARAGE RETIREMENT ELECTRIC 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:

	1 3. the projected needs [of the universal service 2 FOR THE BILL ASSISTANCE AND THE ARREARAGE RETIREMENT COMPARENT STATES 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
	4 4. the amount of any BILL ASSISTANCE O 5 RETIREMENT surplus carried over in the ELECTRIC universal service program of 6 under subsection [(f)(5)(i)](F)(6)(I) of this section;	
7	7 (ii) for bill assistance:	
	8 1. the total amount of need, as determined by 9 Commission, for electric customers with annual incomes at or below 150% of the 10 federal poverty level and the basis for this determination; and	the
	the percentage of need, as determined by t but at a minimum of 50%, that should be funded through the ELECTRIC universal service program and the basis for this determination;	
16	14 (iii) [for low-income weatherization, the amount of function determined by the Commission, for measures that reduce consumption of energy be 16 electric customers with annual incomes at or below 150% of the federal poverty le 17 and the basis for this determination;	y
20	18 (iv)] the amount of funds needed, as determined by the C 19 to retire arrearages for electric customers who have not previously received 20 assistance in retiring arrearages under the ELECTRIC universal service program a 21 the basis for this determination;	
24	[(v)] (IV) the amount of funds needed, as determined Commission, for bill assistance[, low-income weatherization,] and arrearage retirement, respectively, for customers for whom income limitations may be waive under subsection [(a)(6)] (A)(7) of this section, and the basis for each determination	d
	[(vi)] (V) the impact on customers' rates, including to among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph; and	he allocation
	[(vii)] (VI) the impact of using other federal poverty leads benchmarks on costs and the effectiveness of the ELECTRIC universal service program.	evel
	32 (2) (i) To assist the Commission in preparing its recomme 33 under paragraph (1) of this subsection, the Office of Home Energy Programs shall 34 report to the Commission each year on:	ndations
37	35 1. the number of customers and the amount of made to fuel customers under the Maryland Energy Assistance Program establishe under Article 41, § 6-406 of the Code, identified by funding source and fuel source and and	d

1 2		the cost of outreach and education materials provided by the ELECTRIC universal service program.
5	3 (ii) The Offi 4 requirement of subparagraph (i)1 of this 5 with a copy of material that contains the 6 Home Energy Programs submits to [a un	required information and that the Office of
	7 (iii) The Con 8 Office of Home Energy Programs under 9 report to the General Assembly under pa	
12	11 SHALL INCLUDE THE INFORMATI 12 AND COMMUNITY DEVELOPMEN	BSECTION (D)(2) OF THIS SECTION, THE COMMISSION ON PROVIDED BY THE DEPARTMENT OF HOUSING UNDER SUBSECTION (D)(1)OF THIS SECTION IN ITS BLY UNDER PARAGRAPH (1) OF THIS SUBSECTION.
16		
20	19 included in the costs of administering th	of the performance audit under this paragraph shall be e ELECTRIC universal service program, and al service program fund under subsection (f) of
24 25	23 HOUSING AND COMMUNITY DEVI 24 2-1246 OF THE STATE GOVERNME	DECEMBER 1 OF EACH YEAR, THE DEPARTMENT OF ELOPMENT SHALL REPORT, IN ACCORDANCE WITH § NT ARTICLE, TO THE GENERAL ASSEMBLY ON THE COMPONENT OF THE ELECTRIC UNIVERSAL
27 28	27 (I) THE AM 28 FISCAL YEAR;	IOUNT OF FUNDS EXPENDED DURING THE PRECEDING
		VEL OF PARTICIPATION DURING THE PRECEDING JMBER OF HOUSEHOLDS SERVED IN EACH AREA OF
32 33		PES OF PROJECTS, INCLUDING THE AVERAGE COST PER S DURING THE PRECEDING FISCAL YEAR.
36 37 38	35 MAY SATISFY THE REPORTING RI 36 SUBSECTION BY REQUESTING TH 37 THE COMMISSION'S REPORT REQI	ENT OF HOUSING AND COMMUNITY DEVELOPMENT EQUIREMENT UNDER PARAGRAPH (1) OF THIS E COMMISSION TO INCLUDE THE INFORMATION IN JIRED UNDER SUBSECTION (C) OF THIS SECTION ON TO THE COMMISSION BY THE DATE SPECIFIED

1 2	[(d)] service progr	(E) ram each			nt of funds to be collected for the ELECTRIC universal 4,000,000, allocated in the following manner:	
3	classes; and	(1)	\$24.4 m	illion sha	hall be collected from the industrial and commercial	
5		(2)	\$9.6 mil	lion shal	all be collected from the residential class.	
8 9	electric comp implementati	following panies ma on date,	g the initi ny not teri the supply	al impleminate, for some sixty of elections and the second	er provision of this article, for the 3 years ementation date, electricity suppliers and for an arrearage balance due on the initial ctricity to a customer who receives assistance under this section.]	
11 12	(f) program fun	(1) d.	In this su	ıbsectioı	on, "fund" means the ELECTRIC universal service	
13		(2)	There is	[a] AN	ELECTRIC universal service program fund.	
		(3) panies ur	(i) nder subse	1. ection (b	The Comptroller shall collect the revenue collected by b) of this section and place the revenue into the	
17 18	supplementa	ll to the f	unds colle	2. ected un	The General Assembly may appropriate funds nder sub-subparagraph 1 of this subparagraph.	
19 20	§ 7-302 of th	ne State I	(ii) Finance a		nd is a continuing, nonlapsing fund that is not subject to curement Article.	
21 22	provided in	subsectio	(iii) on (a)(1) o		arpose of the fund is to assist electric customers as ection.	
			sburse the	e BILL A	t of Human Resources, with oversight by the ASSISTANCE AND ARREARAGE RETIREMENT ns of this section.	
			ATHERIZ	ZATION	COLLER ANNUALLY SHALL DISBURSE \$1,000,000 C N FUNDS TO THE DEPARTMENT OF HOUSING AN	
31	year shall be	retained	in the fu	nd and s	At the end of a given fiscal year, any unexpended BILL RETIREMENT funds that were collected for that fiscal shall be made available for disbursement fiscal year to customers who:	,
33 34	year;			1.	qualify for assistance from the fund during the given fis	cal
35 36	given fiscal	year; and		2.	apply for assistance from the fund before the end of the	

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.