

HOUSE BILL 1002

C5

7lr2411
CF SB 966

By: **Delegate Davis**

Introduced and read first time: February 8, 2017

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 27, 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; providing
8 that the Commission may defer the return of certain funds only for a certain number
9 of years; requiring the Commission to combine certain amounts to be returned for
10 certain years for certain purposes; requiring the Commission to establish a certain
11 rate credit for the return of certain unexpended funds on or before a certain date;
12 stating the intent of the General Assembly regarding the timing for expending
13 certain unexpended bill assistance and arrearage funds; establishing a certain joint
14 workgroup for certain purposes; and generally relating to the electric universal
15 service program.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utilities
18 Section 7–512.1(a) ~~and (b)~~, (b), and (f)
19 Annotated Code of Maryland
20 (2010 Replacement Volume and 2016 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – Public Utilities
23 Section 7–512.1(e) ~~and (f)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 Annotated Code of Maryland
2 (2010 Replacement Volume and 2016 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
4 That the Laws of Maryland read as follows:

5 **Article – Public Utilities**

6 7–512.1.

7 (a) (1) The Commission shall establish an electric universal service program
8 to assist electric customers with annual incomes at or below 175% of the federal poverty
9 level.

10 (2) The components of the electric universal service program shall include:

11 (i) bill assistance;

12 (ii) low–income residential weatherization; and

13 (iii) the retirement of arrearages for electric customers who have not
14 received assistance in retiring arrearages under the universal service program within the
15 preceding 7 fiscal years.

16 (3) The Department of Housing and Community Development is
17 responsible for administering the low–income residential weatherization component of the
18 electric universal service program.

19 (4) (i) The Department of Human Resources, through the Office of
20 Home Energy Programs, is responsible for administering the bill assistance and the
21 arrearage retirement components of the electric universal service program.

22 (ii) The Department of Human Resources may:

23 1. establish minimum and maximum benefits available to an
24 electric customer under the bill assistance and arrearage retirement components; and

25 2. coordinate benefits under the electric universal service
26 program with benefits under the Maryland Energy Assistance Program and other available
27 energy assistance programs.

28 (5) The Department of Human Resources may, with input from a panel or
29 roundtable of interested parties, contract to assist in administering the bill assistance and
30 the arrearage retirement components of the electric universal service program.

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

4 (7) In a specific case, the electric universal service program may waive the
5 income eligibility limitation under paragraph (1) of this subsection in order to provide
6 assistance to an electric customer who would qualify for a similar waiver under the
7 Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human
8 Services Article.

9 (b) (1) All customers shall contribute to the funding of the electric universal
10 service program through a charge collected by each electric company.

11 (2) The Commission shall determine a fair and equitable allocation for
12 collecting the charges among all customer classes pursuant to subsection (e) of this section.

13 (3) [In] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**
14 **SUBSECTION, IN** accordance with subsection (f)(6) of this section, any unexpended bill
15 assistance and arrearage retirement funds returned to customers under subsection (f) of
16 this section shall be returned to each customer class as a credit in the same proportion that
17 the customer class contributed charges to the fund.

18 (4) **THE DEPARTMENT OF HUMAN RESOURCES SHALL EXPEND ANY**
19 **UNEXPENDED BILL ASSISTANCE AND ARREARAGE FUNDS THAT WERE COLLECTED IN**
20 **FISCAL YEARS 2010 THROUGH 2017, IN EXCESS OF THE TOTAL AMOUNT**
21 **AUTHORIZED UNDER SUBSECTION (E) OF THIS SECTION, FOR ONE OR MORE OF THE**
22 **FOLLOWING PURPOSES:**

23 (I) **BILL ASSISTANCE AND THE RETIREMENT OF ARREARAGES**
24 **FOR CUSTOMERS WHO ARE ELIGIBLE TO RECEIVE ASSISTANCE AT THE TIME**
25 **SERVICES ARE PROVIDED;**

26 (II) **TARGETED AND ENHANCED LOW-INCOME RESIDENTIAL**
27 **WEATHERIZATION DESIGNED TO REMEDIATE HOUSEHOLDS THAT ARE CONSIDERED**
28 **INELIGIBLE TO PARTICIPATE IN OTHER STATE ENERGY EFFICIENCY PROGRAMS DUE**
29 **TO SIGNIFICANT HEALTH AND SAFETY HAZARDS; OR**

30 (III) **AN ARREARAGE MANAGEMENT PROGRAM FOR LOW-INCOME**
31 **CUSTOMERS IN ARREARS, INCLUDING PROVIDING CREDITS OR MATCHING**
32 **PAYMENTS FOR CUSTOMERS WHO MAKE TIMELY PAYMENTS ON CURRENT BILLS.**

33 (5) An electric company shall recover electric universal service program
34 costs in accordance with § 7-512 of this subtitle.

- 1
2 year;
- 3
4 given fiscal year; and
- 5
6 provided.
1. qualify for assistance from the fund during the given fiscal
 2. apply for assistance from the fund before the end of the
 3. remain eligible for assistance at the time services are

7 (ii) If the Commission determines that an extension is needed, the
8 Commission may extend up to an additional 3 months the period in which unexpended bill
9 assistance and arrearage retirement funds may be made available for disbursement under
10 subparagraph (i) of this paragraph.

11 (iii) **1.** Any bill assistance and arrearage retirement funds
12 collected for a given fiscal year that are retained under subparagraph (i) of this paragraph
13 and that remain unexpended at the end of the period allowed under subparagraphs (i) and
14 (ii) of this paragraph shall be returned to each customer class in the proportion that the
15 customer class contributed charges to the fund for the given fiscal year in the form of a
16 credit toward the charge assessed in the following fiscal year.

17 **2. IF THE COMMISSION DETERMINES THAT IT IS**
18 **IMPRACTICAL TO ESTABLISH A RATE CREDIT FOR THE AMOUNT TO BE RETURNED**
19 **FOR A GIVEN FISCAL YEAR TO CUSTOMERS UNDER SUBSUBPARAGRAPH 1 OF THIS**
20 **SUBPARAGRAPH, THE COMMISSION:**

21 **A. MAY DEFER THE RETURN FOR NOT MORE THAN 2**
22 **ADDITIONAL FISCAL YEARS; AND**

23 **B. SHALL COMBINE THE RETURNED AMOUNT FOR THAT**
24 **FISCAL YEAR WITH AMOUNTS TO BE RETURNED FOR THE FOLLOWING FISCAL YEARS**
25 **WHEN CALCULATING THE RATE CREDIT FOR THE FINAL FISCAL YEAR OF THE**
26 **PERIOD.**

27 **SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2020,**
28 **the Public Service Commission shall establish a rate credit under § 7-512.1(f)(6)(iii)2 of the**
29 **Public Utilities Article, as enacted by this Act, for the return of unexpended bill assistance**
30 **and arrearage funds, in excess of the total amount authorized under § 7-512.1(e) of the**
31 **Public Utilities Article, accumulated through the end of fiscal year 2019.**

32 **SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General**
33 **Assembly that the Department of Human Resources shall expend any unexpended bill**
34 **assistance and arrearage funds that were collected in fiscal years 2010 through 2017, in**
35 **excess of the total amount authorized for disbursement, as required in § 7-512.1(b)(4) of**
36 **the Public Utilities Article as enacted by Section 1 of this Act, beginning in fiscal year 2019.**

1 SECTION 4. AND BE IT FURTHER ENACTED, That a joint workgroup is
2 established with members selected by the presiding officers from the Senate Finance
3 Committee and the House Economic Matters Committee to monitor, as the committees
4 consider appropriate, the disbursements made in accordance with this Act and related
5 matters concerning the Electric Universal Service Program.

6 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.