

SENATE BILL 966

C5

(7lr2472)

ENROLLED BILL

— Finance/Economic Matters —

Introduced by **Senators Klausmeier ~~and Middleton~~, Middleton, Astle, Benson, Feldman, Hershey, Jennings, Rosapepe, and Oaks**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

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 certain*
13 *unexpended bill assistance and arrearage funds; establishing a certain joint*
14 *workgroup for certain purposes; stating the intent of the General Assembly regarding*

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.

Italics indicate opposite chamber/conference committee amendments.



1 the timing for expending certain unexpended bill assistance and arrearage funds;
2 and generally relating to the electric universal service program.

3 BY repealing and reenacting, with amendments,
4 Article – Public Utilities
5 Section 7–512.1(a) ~~and (b)~~, (b), and (f)
6 Annotated Code of Maryland
7 (2010 Replacement Volume and 2016 Supplement)

8 BY repealing and reenacting, without amendments,
9 Article – Public Utilities
10 Section 7–512.1(e) ~~and (f)~~
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2016 Supplement)

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

15 **Article – Public Utilities**

16 7–512.1.

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

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

21 (i) bill assistance;

22 (ii) low–income residential weatherization; and

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

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

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

32 (ii) The Department of Human Resources may:

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

3 2. coordinate benefits under the electric universal service
4 program with benefits under the Maryland Energy Assistance Program and other available
5 energy assistance programs.

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

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

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

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

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

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

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

31 **(I) BILL ASSISTANCE AND THE RETIREMENT OF ARREARAGES**
32 **FOR CUSTOMERS WHO ARE ELIGIBLE TO RECEIVE ASSISTANCE AT THE TIME**
33 **SERVICES ARE PROVIDED;**

34 **(II) TARGETED AND ENHANCED LOW-INCOME RESIDENTIAL**
35 **WEATHERIZATION DESIGNED TO REMEDIATE HOUSEHOLDS THAT ARE CONSIDERED**

1 INELIGIBLE TO PARTICIPATE IN OTHER STATE ENERGY EFFICIENCY PROGRAMS DUE
2 TO SIGNIFICANT HEALTH AND SAFETY HAZARDS; OR

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

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

8 [(5)] (6) As determined by the Office of Home Energy Programs, bill
9 assistance payments to an electric company may be on a monthly basis for each customer.

10 [(6)] (7) The Commission shall determine the allocation of the electric
11 universal service charge among the generation, transmission, and distribution rate
12 components of all classes.

13 [(7)] (8) The Commission may not assess the electric universal service
14 surcharge on a per kilowatt-hour basis.

15 (e) The total amount of funds to be collected for the electric universal service
16 program each year shall be \$37 million, allocated in the following manner:

17 (1) \$27.4 million shall be collected from the industrial and commercial
18 classes; and

19 (2) \$9.6 million shall be collected from the residential class.

20 (f) (1) In this subsection, "fund" means the electric universal service program
21 fund.

22 (2) There is an electric universal service program fund.

23 (3) (i) 1. The Comptroller shall collect the revenue collected by
24 electric companies under subsection (b) of this section and place the revenue into the fund.

25 2. The General Assembly may appropriate funds
26 supplemental to the funds collected under subparagraph 1 of this subparagraph.

27 (ii) The fund is a continuing, nonlapsing fund that is not subject to §
28 7-302 of the State Finance and Procurement Article.

29 (iii) The purpose of the fund is to assist electric customers as provided
30 in subsection (a)(1) of this section.

1 (4) The Department of Human Resources, with oversight by the
2 Commission, shall disburse the bill assistance and arrearage retirement funds in
3 accordance with the provisions of this section.

4 (5) The Comptroller annually shall disburse up to \$1,000,000 of
5 low-income residential weatherization funds to the Department of Housing and
6 Community Development, as provided in the State budget.

7 (6) (i) At the end of a given fiscal year, any unexpended bill assistance
8 and arrearage retirement funds that were collected for that fiscal year shall be retained in
9 the fund and shall be made available for disbursement through the first 6 months of the
10 next fiscal year to customers who:

- 11 1. qualify for assistance from the fund during the given fiscal
12 year;
- 13 2. apply for assistance from the fund before the end of the
14 given fiscal year; and
- 15 3. remain eligible for assistance at the time services are
16 provided.

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

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

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

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

33 **B. SHALL COMBINE THE RETURNED AMOUNT FOR THAT**
34 **FISCAL YEAR WITH AMOUNTS TO BE RETURNED FOR THE FOLLOWING FISCAL YEARS**
35 **WHEN CALCULATING THE RATE CREDIT FOR THE FINAL FISCAL YEAR OF THE PERIOD.**

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

6 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
 7 Assembly that the Department of Human Resources shall expend any unexpended bill
 8 assistance and arrearage funds that were collected in fiscal years 2010 through 2017, in
 9 excess of the total amount authorized for disbursement, as required in Section 7-512.1(b)(4)
 10 of the Public Utilities Article as enacted by Section 1 of this Act, beginning in fiscal year
 11 2019.

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

17 SECTION ~~2~~ ~~3~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 July 1, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.