

SENATE BILL 966

C5

7lr2472
CF 7lr2411

By: **Senators Klausmeier and Middleton**
Introduced and read first time: February 3, 2017
Assigned to: Finance

A BILL ENTITLED

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; and
8 generally relating to the electric universal service program.

9 BY repealing and reenacting, with amendments,
10 Article – Public Utilities
11 Section 7–512.1(a) and (b)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Public Utilities
16 Section 7–512.1(e) and (f)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2016 Supplement)

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

21 **Article – Public Utilities**

22 7–512.1.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (i) bill assistance;

3 (ii) low-income residential weatherization; and

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

7 (3) The Department of Housing and Community Development is
8 responsible for administering the low-income residential weatherization component of the
9 electric universal service program.

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

13 (ii) The Department of Human Resources may:

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

16 2. coordinate benefits under the electric universal service
17 program with benefits under the Maryland Energy Assistance Program and other available
18 energy assistance programs.

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

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

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

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

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

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

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

11 **(I) BILL ASSISTANCE AND THE RETIREMENT OF ARREARAGES**
12 **FOR CUSTOMERS WHO ARE ELIGIBLE TO RECEIVE ASSISTANCE AT THE TIME**
13 **SERVICES ARE PROVIDED;**

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

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

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

23 **[(5)] (6)** As determined by the Office of Home Energy Programs, bill
24 assistance payments to an electric company may be on a monthly basis for each customer.

25 **[(6)] (7)** The Commission shall determine the allocation of the electric
26 universal service charge among the generation, transmission, and distribution rate
27 components of all classes.

28 **[(7)] (8)** The Commission may not assess the electric universal service
29 surcharge on a per kilowatt-hour basis.

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

32 (1) \$27.4 million shall be collected from the industrial and commercial
33 classes; and

1 (2) \$9.6 million shall be collected from the residential class.

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

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

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

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

9 (ii) The fund is a continuing, nonlapsing fund that is not subject to §
10 7-302 of the State Finance and Procurement Article.

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

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

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

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

23 1. qualify for assistance from the fund during the given fiscal
24 year;

25 2. apply for assistance from the fund before the end of the
26 given fiscal year; and

27 3. remain eligible for assistance at the time services are
28 provided.

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

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

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2017.