C5, O1

EMERGENCY BILL

1lr1121 CF SB 392

By: **Delegate D.E. Davis** Introduced and read first time: January 20, 2021 Assigned to: Economic Matters

Committee Report: Favorable with amendments House action: Adopted Read second time: February 25, 2021

CHAPTER _____

1 AN ACT concerning

2

Electricity and Gas – Limited–Income Mechanisms and Assistance

3 FOR the purpose of authorizing certain utility companies to adopt a limited-income 4 mechanism to benefit certain eligible limited-income customers, subject to the $\mathbf{5}$ approval of the Public Service Commission; authorizing various forms that a 6 mechanism may take; requiring a utility company to apply for approval of a 7 mechanism by the Commission in certain manners; requiring a proposal for a 8 mechanism to allocate certain costs across rate classes; providing for the required 9 contents of a proposal for a mechanism; requiring the Office of Home Energy 10 Programs to certify an eligible limited-income customer's qualifications under 11 certain circumstances; providing that an eligible limited-income customer who 12participates in a certain mechanism may also be eligible for certain other assistance 13programs; establishing that certain services provided to eligible limited-income 14 customers under a certain mechanism are not subject to certain limitations; altering 15the eligibility criteria for certain assistance from the Electric Universal Service 16 Program; altering the number of years within which a certain customer may not 17receive certain arrearage assistance from the Program; requiring the Department of 18 Human Services to provide certain applicants notice of and an opportunity to cure 19certain deficiencies in documentation; prohibiting the termination of certain service 20during a certain period; providing that arrearage assistance received in certain years 21from the Program does not count toward a certain limitation; establishing a certain 22special fund in the Office of Home Energy Programs in the Department of Human 23Services for a certain purpose; transferring certain funds from the Regional 24Greenhouse Gas Initiative in certain fiscal years for certain purposes; providing that 25certain funds do not revert to the General Fund of the State; providing for the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



1	application of certain funds in certain fiscal years; establishing a Workgroup on
2	Low-Income Utility Assistance to conduct a certain study of low-income energy
3	assistance programs; providing for the membership, purpose, and staffing of the
4	Workgroup; requiring the Workgroup to report to certain committees of the General
5	Assembly on or before a certain date with certain recommendations; declaring the
6	intent of the General Assembly; defining certain terms; providing for the termination
7	of certain provisions of this Act; making this Act an emergency measure; and
8	generally relating to limited–income customers and utility services.
9	BY adding to
10	Article – Public Utilities
11	Section 4–308
12	Annotated Code of Maryland
13	(2020 Replacement Volume and 2020 Supplement)
14	BY repealing and reenacting, with amendments,
15	Article – Public Utilities
16	Section 4–503 <u>and 7–512.1(a) and (f)</u>
17	Annotated Code of Maryland
18	(2020 Replacement Volume and 2020 Supplement)
19	BY repealing and reenacting, without amendments,
20	Article – Public Utilities
21	Section 7–512.1(b), (c), and (e)
22	Annotated Code of Maryland
23	(2020 Replacement Volume and 2020 Supplement)
24	BY repealing and reenacting, without amendments,
25	Article – Human Services
26	Section 5–5A–01
27	Annotated Code of Maryland
28	(2019 Replacement Volume and 2020 Supplement)
20	
29	BY repealing and reenacting, with amendments,
30	<u>Article – Human Services</u>
31	$\frac{\text{Section } 5-5\text{A}-07}{100}$
32	Annotated Code of Maryland
33	(2019 Replacement Volume and 2020 Supplement)
34	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
35	That the Laws of Maryland read as follows:
36	Article – Public Utilities
37	4-308.
38	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS

 $\mathbf{2}$

1 INDICATED.

2 "ELIGIBLE LIMITED-INCOME CUSTOMER" MEANS A RESIDENTIAL (2) 3 CUSTOMER OF A UTILITY COMPANY WITH ANNUAL INCOME THAT: 4 **(I)** 1. IS AT OR BELOW 175% OF THE FEDERAL POVERTY $\mathbf{5}$ LEVEL; OR 6 (III) 2. FOR A CUSTOMER AT LEAST 67 YEARS OF AGE, IS AT 7 OR BELOW 200% OF THE FEDERAL POVERTY LEVEL; OR 8 (III) MEETS A BROADER DESIGNATION APPROVED BY THE 9 COMMISSION. 10 (3) "LIMITED-INCOME MECHANISM" OR "MECHANISM" MEANS A PROCESS APPROVED BY THE COMMISSION UNDER THIS SECTION TO BENEFIT AN 11 12ELIGIBLE LIMITED-INCOME CUSTOMER OF A UTILITY COMPANY. 13(4) "PAYMENT PLAN" MEANS AN AGREEMENT BETWEEN AN ELIGIBLE 14LIMITED-INCOME CUSTOMER AND A UTILITY COMPANY TO PAY AN ARREARAGE 15BALANCE OVER A SPECIFIC PERIOD OF TIME TO AVOID DISCONNECTION OF A 16UTILITY SERVICE. "UTILITY COMPANY" MEANS: 17(5) (I) 18 (I) AN ELECTRIC COMPANY, A GAS AND ELECTRIC COMPANY, 19 OR A GAS COMPANY; OR (III) 20 **A MUNICIPAL ELECTRIC UTILITY.** 21"UTILITY COMPANY" DOES NOT INCLUDE A SMALL RURAL **(II)** 22ELECTRIC COOPERATIVE. 23 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE SOCIETAL **(B)** 24BENEFITS OF A WELL-CONSTRUCTED LIMITED-INCOME MECHANISM TO BENEFIT 25MARYLAND'S ELIGIBLE LIMITED-INCOME CUSTOMERS ARE IN THE PUBLIC INTEREST. 2627SUBJECT TO THE APPROVAL OF THE COMMISSION, A UTILITY **(C)** (1) 28COMPANY MAY SHALL ADOPT A LIMITED-INCOME MECHANISM TO BENEFIT AN 29ELIGIBLE LIMITED-INCOME CUSTOMER. THE NOTWITHSTANDING § 4-503(B) OF THIS TITLE, THE 30 (2) MECHANISM MAY TAKE THE FORM OF A PROGRAM, TARIFF PROVISION, CREDIT, 31

$\frac{1}{2}$	RATE, RIDER, OR OTHER MEANS TO ASSIST AN ELIGIBLE LIMITED–INCOME CUSTOMER TO AFFORD A UTILITY SERVICE.
$3 \\ 4 \\ 5$	(3) <u>A municipal electric utility may adopt a limited-income</u> <u>mechanism subject to the approval of the Commission in the same</u> <u>manner as a utility company in accordance with this section.</u>
6	(D) (1) A UTILITY COMPANY THAT PROPOSES A LIMITED-INCOME
7	MECHANISM FOR COMMISSION APPROVAL UNDER SUBSECTION (C) OF THIS SECTION
8	SHALL INCLUDE THE PROPOSAL IN:
9	(I) <u>A SEPARATE APPLICATION FOR APPROVAL OF THE</u>
10	<u>MECHANISM; OR</u>
11	(II) ONLY WITH THE PRIOR APPROVAL OF THE COMMISSION, AN
12	APPLICATION FOR A BASE RATE PROCEEDING, INCLUDING AN ALTERNATIVE RATE
13	PROCEEDING, OR ANY OTHER PROCEEDING TO ALTER THE UTILITY COMPANY'S BASE
14	RATES UNDER THE AUTHORITY OF THE COMMISSION ; OR
$\begin{array}{c} 15\\ 16 \end{array}$	(II) A SEPARATE APPLICATION FOR APPROVAL OF THE MECHANISM.
17	(2) A PROPOSAL SUBMITTED UNDER THIS SECTION SHALL FULLY
18	ALLOCATE THE <u>PRUDENTLY INCURRED</u> COSTS OF THE LIMITED-INCOME
19	MECHANISM ACROSS RATE CLASSES.
20	(3) THE PROPOSAL SHALL INCLUDE:
21	(I) A DETAILED DESCRIPTION OF THE PROPOSED MECHANISM;
22 23	(II) THE PROPOSED METHOD FOR ALLOCATING THE MECHANISM'S COSTS ACROSS CUSTOMER CLASSES;
24	(III) THE RATIONALE SUPPORTING THE UTILITY COMPANY'S
25	PROPOSAL FOR A MECHANISM TO BENEFIT THE ELIGIBLE LIMITED–INCOME
26	CUSTOMERS IN THE UTILITY COMPANY'S SERVICE TERRITORY; AND
27	(IV) <u>A TIME FRAME AND PROCESS FOR THE COMMISSION TO</u>
28	<u>REVIEW THE EFFECTIVENESS OF THE MECHANISM AFTER IMPLEMENTATION; AND</u>
29	(V) ANY OTHER INFORMATION THE COMMISSION CONSIDERS
30	NECESSARY OR USEFUL TO EVALUATE THE PROPOSAL.

31 (E) IN EVALUATING A LIMITED-INCOME MECHANISM, THE COMMISSION

1 SHALL CONSIDER:

2 (1) THE DEGREE TO WHICH THE MECHANISM PROMOTES 3 AFFORDABILITY OF ELECTRICITY OR NATURAL GAS FOR LIMITED-INCOME 4 CUSTOMERS;

5 (2) <u>THE PUBLIC INTEREST IN ALLOCATING THE COSTS OF THE</u> 6 <u>MECHANISM BETWEEN THE UTILITY COMPANY'S SHAREHOLDERS AND RATE PAYERS;</u>

7 (3) <u>THE IMPACT ON RATES, UTILITY OPERATING COSTS, CUSTOMER</u>
 8 <u>ARREARAGES, CUSTOMER DISCONNECTIONS, UNCOLLECTIBLE COSTS, AND</u>
 9 <u>SUCCESSFUL COMPLETION OF PAYMENT PLANS;</u>

10(4)THE ABILITY OF A LIMITED-INCOME CUSTOMER TO CONTINUE TO11RECEIVE BENEFITS WHEN RELOCATING WITHIN THE SAME SERVICE TERRITORY;

12(5)COORDINATION OF BENEFITS UNDER THE MECHANISM WITH ANY13OTHER PUBLIC OR PRIVATE ASSISTANCE THAT MAY BE AVAILABLE TO THE14CUSTOMER;

15 (6) <u>A MINIMUM LEVEL OF SUPPORT OR ASSISTANCE STRUCTURE TO</u>
 16 <u>PROVIDE EQUITABLE AVAILABILITY OF LIMITED-INCOME ASSISTANCE ACROSS THE</u>
 17 <u>STATE; AND</u>

18(7)ANY OTHER INFORMATION THE COMMISSION CONSIDERS19APPROPRIATE.

20 (F) (F) IF AN APPROVED LIMITED-INCOME MECHANISM REQUIRES THAT 21 THE OFFICE OF HOME ENERGY PROGRAMS MUST CERTIFY AN ELIGIBLE 22 LIMITED-INCOME CUSTOMER'S QUALIFICATIONS TO PARTICIPATE IN A 23 LIMITED-INCOME MECHANISM, THE OFFICE SHALL CERTIFY AN ELIGIBLE 24 LIMITED-INCOME CUSTOMER'S QUALIFICATIONS BEFORE THE CUSTOMER MAY 25 PARTICIPATE IN THE MECHANISM.

(F) (G) AN ELIGIBLE LIMITED-INCOME CUSTOMER WHO PARTICIPATES
IN A MECHANISM UNDER THIS SECTION MAY ALSO BE ELIGIBLE FOR OTHER
ASSISTANCE PROGRAMS OFFERED IN THE STATE, INCLUDING THOSE OFFERED BY A
UTILITY COMPANY OR THE OFFICE OF HOME ENERGY PROGRAMS, THE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, OR ANY OTHER
PUBLIC OR PRIVATE SOURCE.

 $32 \quad 4-503.$

33 (a) This section does not apply to service rendered or commodities furnished:

$\frac{1}{2}$	(1) of the officers, emp		e officers, employees, pensioners, and immediate family members a, and pensioners of a public service company;		
3	(2)	to the	e United States, the State, or a local government;		
4 5	(3) similar calamity;	to pro	ovide relief in cases of general epidemic, pestilence, flood, or other		
6	(4)	in the	e case of common carriers, to transport:		
$7 \\ 8$	personnel of the tr	(i) ranspoi	personnel of another common carrier that reciprocates for rting common carrier;		
9		(ii)	hospital patients;		
10		(iii)	indigent, destitute, and homeless individuals;		
11		(iv)	persons exclusively engaged in charitable work;		
$\begin{array}{c} 12 \\ 13 \end{array}$					
14		(vi)	railway mail service employees and baggage agents;		
15		(vii)	post office, customs, and immigration inspectors;		
16		(viii)	newspaper vendors;		
17		(ix)	property for exhibition carried to or from fairs and expositions;		
18 19 20	telegraph compani carrier;		employees of sleeping car companies, express companies, I telephone companies doing business along the line of the common		
21 22 23	construction, oper extent provided in		persons and property incident to or connected with contracts for or maintenance of the plant of the transportation company, to the ntracts;		
$\begin{array}{c} 24 \\ 25 \end{array}$	necessary caretak	(xii) ers atte	individuals injured in accidents and physicians, nurses, or other ending the injured individuals in transit;		
26		(xiii)	children under the age of 5 years for no charge;		
27		(xiv)	children under 12 years for half fare; or		
28		(xv)	persons at free or reduced rates that are otherwise authorized by		

1 law;

2 (5) in the case of common carriers, for the issuance of mileage, excursion, 3 or commuter tickets;

4 (6) to free steamboat excursion transportation from May through August 5 of each year, from Baltimore City to any place in the State, in exchange for services 6 rendered in advertising the excursion business;

7 (7) to obtain essential data by a method that uses a limited sample of 8 customers, in connection with a rate structure study conducted under formal proceedings 9 before the Commission; [or]

10 (8) to telephone lifeline service provided to eligible subscribers under § 11 8-201 of this article; **OR**

12 (9) TO ELECTRICITY OR GAS SERVICE PROVIDED TO ELIGIBLE 13 LIMITED–INCOME CUSTOMERS THROUGH AN APPROVED LIMITED–INCOME 14 MECHANISM UNDER § 4–308 OF THIS TITLE.

15 (b) For any service rendered or commodity furnished, a public service company 16 may not directly or indirectly, by any means, including special rates, rebates, drawbacks, 17 or refunds:

(1) charge, demand, or receive from a person compensation that is greater
 or less than from any other person under substantially similar circumstances;

20 (2) extend a privilege or facility to a person, except those privileges and 21 facilities that are extended uniformly to all persons under substantially similar 22 circumstances;

23

(3) discriminate against a person, locality, or particular class of service; or

24 (4) give undue or unreasonable preference to or cause undue or 25 unreasonable prejudice to a person, locality, or particular class of service.

 $26 \quad \underline{7-512.1.}$

27 <u>(a) (1) The Commission shall establish an electric universal service program</u> 28 <u>to assist electric customers with annual incomes</u>:

29

(I) <u>at or below 175% of the federal poverty level; OR</u>

30(II)FOR A CUSTOMER AT LEAST 67 YEARS OF AGE, AT OR BELOW31200% OF THE FEDERAL POVERTY LEVEL.

	8	HOUSE BILL 606
1	<u>(2)</u>	The components of the electric universal service program shall include:
2		(i) <u>bill assistance;</u>
3		(ii) low-income residential weatherization; and
4		(iii) the retirement of arrearages for electric customers who have not
$5 \\ 6$	<u>received assistance</u> preceding [7] 5 fis	e in retiring arrearages under the universal service program within the scal years.
7	(3)	The Department of Housing and Community Development is
8		<u>The Department of Housing and Community Development is</u> ministering the low-income residential weatherization component of the
9	electric universal	
10	<u>(4)</u>	(i) <u>The Department of Human Services, through the Office of Home</u>
$\frac{11}{12}$, is responsible for administering the bill assistance and the arrearage nents of the electric universal service program.
14	<u>retirement compo</u>	nents of the electric universal service program.
13		(ii) <u>The Department of Human Services may:</u>
14		<u>1.</u> establish minimum and maximum benefits available to an
15	electric customer	under the bill assistance and arrearage retirement components; and
16		2. <u>coordinate benefits under the electric universal service</u>
$\frac{17}{18}$	program with ben energy assistance	efits under the Maryland Energy Assistance Program and other available
10	<u>energy assistance</u>	
$\frac{19}{20}$	(5)	<u>The Department of Human Services may, with input from a panel or</u> rested parties, contract to assist in administering the bill assistance and
$\frac{20}{21}$		rement components of the electric universal service program.
22	(6)	The Commission has oversight responsibility for the bill assistance and
$\frac{22}{23}$		irement components of the electric universal service program and any
24	other funds expen	<u>ded under this section.</u>
25	<u>(7)</u>	In a specific case, the electric universal service program may waive the
26 27		limitation under paragraph (1) of this subsection in order to provide
$\frac{27}{28}$		<u>electric customer who would qualify for a similar waiver under the</u> Assistance Program established under Title 5, Subtitle 5A of the Human
29	Services Article.	
30	<u>(8)</u>	(I) IF AN APPLICANT FOR BILL ASSISTANCE OR ARREARAGE
31	RETIREMENT IS	4
32	DEPARTMENT O	F HUMAN SERVICES SHALL:
33		<u>1.</u> PROMPTLY PROVIDE NOTICE OF THE DEFICIENCY TO

1 THE APPLICANT; AND

 $\mathbf{2}$ 2. AFFORD THE APPLICANT AMPLE OPPORTUNITY OF 3 NOT LESS THAN 3 MONTHS TO CURE THE DEFICIENCY. 4 (II) AN ELECTRIC COMPANY MAY NOT BEGIN THE PROCESS TO TERMINATE SERVICE TO AN APPLICANT WHILE THE APPLICANT IS CURING A $\mathbf{5}$ 6 **DEFICIENCY UNDER THIS PARAGRAPH.** 7 (9) NOTWITHSTANDING PARAGRAPH (2)(III) OF THIS SUBSECTION, 8 ANY ASSISTANCE RECEIVED FOR ARREARAGE RETIREMENT BY A CUSTOMER IN CALENDAR YEARS 2020 AND 2021 MAY NOT BE COUNTED TOWARD THE LIMITATION 9 10 ON THE NUMBER OF TIMES THE CUSTOMER MAY RECEIVE ASSISTANCE FOR 11 ARREARAGE RETIREMENT. 12(b) (1)All customers shall contribute to the funding of the electric universal 13service program through a charge collected by each electric company. 14The Commission shall determine a fair and equitable allocation for (2)15collecting the charges among all customer classes pursuant to subsection (e) of this section. Except as provided in paragraph (4) of this subsection, in accordance 16 (3)with subsection (f)(6) of this section, any unexpended bill assistance and arrearage 17retirement funds returned to customers under subsection (f) of this section shall be 1819 returned to each customer class as a credit in the same proportion that the customer class 20contributed charges to the fund. 21The Department of Human Services shall expend any unexpended bill (4)22assistance and arrearage funds that were collected in fiscal years 2010 through 2017, in 23excess of the total amount authorized under subsection (e) of this section, for one or more 24of the following purposes: 25bill assistance and the retirement of arrearages for customers (i) 26who are eligible to receive assistance at the time services are provided; 27targeted and enhanced low-income residential weatherization (ii) 28designed to remediate households that are considered ineligible to participate in other 29State energy efficiency programs due to significant health and safety hazards;

30 (iii) an arrearage management program for low-income customers in
 31 arrears, including providing credits or matching payments for customers who make timely
 32 payments on current bills; or

- 33 <u>(iv)</u> an arrearage prevention program for low–income customers.
- 34 (5) <u>An electric company shall recover electric universal service program</u>

	10 HOUSE BILL 606	
1	costs in accordance with § 7–512 of this subtitle.	
$2 \\ 3$	(6) <u>As determined by the Office of Home Energy Programs, bill assistant</u> payments to an electric company may be on a monthly basis for each customer.	<u>ce</u>
4 5 6	(7) <u>The Commission shall determine the allocation of the electric univers</u> service charge among the generation, transmission, and distribution rate components of a <u>classes</u> .	
7 8	(8) <u>The Commission may not assess the electric universal servic</u> <u>surcharge on a per kilowatt-hour basis.</u>	<u>ce</u>
9 10 11	(c) (1) On or before December 1 of each year, the Commission shall report subject to § 2–1257 of the State Government Article, to the General Assembly on the electronic universal service program, including:	
12 13	(i) <u>subject to subsection (e) of this section, a recommendation on the total amount of funds for the program for the following fiscal year based on:</u>	<u>ne</u>
$\begin{array}{c} 14 \\ 15 \end{array}$	<u>1.</u> <u>the level of participation in and the amounts expended of bill assistance and arrearage retirement during the preceding fiscal year;</u>	<u>)n</u>
$\begin{array}{c} 16 \\ 17 \end{array}$	<u>2.</u> <u>how bill assistance and arrearage retirement paymen</u> were calculated during the preceding fiscal year;	<u>ts</u>
$\begin{array}{c} 18\\19\end{array}$	<u>3.</u> <u>the projected needs for the bill assistance and th</u> <u>arrearage retirement components for the next fiscal year; and</u>	<u>1e</u>
$20 \\ 21 \\ 22$	<u>4.</u> <u>the amount of any bill assistance or arrearage retirements</u> <u>surplus carried over in the electric universal service program fund under subsection (f)(6)</u> <u>of this section;</u>	
$23 \\ 24 \\ 25$	(ii) for bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the feder poverty level and the basis for this determination;	
26 27 28 29	(iii) the amount of funds needed, as determined by the Commissio to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding 7 fiscal year and the basis for this determination;	ng
30 31 32 33	(iv) the amount of funds needed, as determined by the Commissio for bill assistance and arrearage retirement, respectively, for customers for whom incom limitations may be waived under subsection (a)(7) of this section, and the basis for each determination;	ne
34	(v) the impact on customers' rates, including the allocation amor	<u>1g</u>

$\frac{1}{2}$	<u>customer classes, from collecting the total amount recommended by the Commission under</u> <u>item (i) of this paragraph; and</u>
$\frac{3}{4}$	(vi) <u>the impact of using other federal poverty level benchmarks on</u> <u>costs and the effectiveness of the electric universal service program.</u>
$5\\6\\7$	(2) (i) To assist the Commission in preparing its recommendations under paragraph (1) of this subsection, the Office of Home Energy Programs shall report to the Commission each year on:
$8 \\ 9 \\ 10 \\ 11$	<u>1.</u> <u>the number of customers and the amount of distributions</u> <u>made to fuel customers under the Maryland Energy Assistance Program established under</u> <u>Title 5, Subtitle 5A of the Human Services Article, identified by funding source and fuel</u> <u>source;</u>
$\frac{12}{13}$	2. <u>the cost of outreach and education materials provided by</u> the Office of Home Energy Programs for the electric universal service program; and
$\begin{array}{c} 14 \\ 15 \end{array}$	<u>3.</u> <u>the amount of money that the Department of Human</u> <u>Services receives, and is projected to receive, for low–income energy assistance from:</u>
$\begin{array}{c} 16 \\ 17 \end{array}$	<u>A.</u> <u>the Maryland Strategic Energy Investment Fund under §</u> <u>9–20B–05 of the State Government Article;</u>
$\frac{18}{19}$	<u>B.</u> with respect to electric customers only, the Maryland Energy Assistance Program; and
20	<u>C.</u> any other federal, State, local, or private source.
$21 \\ 22 \\ 23 \\ 24$	(ii) <u>The Office of Home Energy Programs may satisfy the reporting</u> 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 <u>Programs submits to the federal government.</u>
25 26 27	(iii) <u>The Commission shall include the information provided by the</u> <u>Office of Home Energy Programs under subparagraph (i) of this paragraph in its report to</u> <u>the General Assembly under paragraph (1) of this subsection.</u>
28 29 30 31	(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.
$\frac{32}{33}$	(4) The electric universal service program shall be subject to audit by the Office of Legislative Audits in accordance with $\$$ 2–1220 through 2–1227 of the State

34 <u>Government Article.</u>

	12				HOUSE BILL 606
$1 \\ 2$	<u>(e)</u> program ea				of funds to be collected for the electric universal service million, allocated in the following manner:
$\frac{3}{4}$	<u>classes; and</u>	<u>(1)</u>	<u>\$27.4</u>	millio	n shall be collected from the industrial and commercial
5		<u>(2)</u>	<u>\$9.6 r</u>	nillion	shall be collected from the residential class.
$6 \\ 7$	<u>(f)</u> <u>fund.</u>	<u>(1)</u>	<u>In thi</u>	<u>s subs</u>	ection, "fund" means the electric universal service program
8		<u>(2)</u>	There	e is an	electric universal service program fund.
9 10	<u>electric com</u>	<u>(3)</u> panies	<u>(i)</u> under	<u>1.</u> subsec	The Comptroller shall collect the revenue collected by etion (b) of this section and place the revenue into the fund.
$\begin{array}{c} 11 \\ 12 \end{array}$	<u>supplement</u>	al to th	<u>ne fund</u>	<u>2.</u> ls collec	<u>The General Assembly may appropriate funds</u> cted under subsubparagraph 1 of this subparagraph.
$\frac{13}{14}$	<u>7–302 of the</u>	<u>e State</u>	<u>(ii)</u> Finan		and is a continuing, nonlapsing fund that is not subject to § Procurement Article.
$\begin{array}{c} 15\\ 16\end{array}$	<u>in subsectio</u>	on (a)(1	<u>(iii)</u>) of thi		urpose of the fund is to assist electric customers as provided on.
$17 \\ 18 \\ 19$	<u>shall disbur</u> provisions c		bill as	sistan	nent of Human Services, with oversight by the Commission, ce and arrearage retirement funds in accordance with the
20 21 22	-		ential	weath	croller annually shall disburse up to \$1,000,000 of merization funds to the Department of Housing and covided in the State budget.
$23 \\ 24 \\ 25 \\ 26$		id shall	l be ma	<u>t funds</u> ade ava	e end of a given fiscal year, any unexpended bill assistance that were collected for that fiscal year shall be retained in ailable for disbursement through the first 6 months of the no:
$\begin{array}{c} 27 \\ 28 \end{array}$	<u>year;</u>			<u>1.</u>	<u>qualify for assistance from the fund during the given fiscal</u>
$\begin{array}{c} 29\\ 30 \end{array}$	given fiscal	year; a	. <u>nd</u>	<u>2.</u>	apply for assistance from the fund before the end of the
$\frac{31}{32}$	provided.			<u>3.</u>	remain eligible for assistance at the time services are

1	(ii) If the Commission determines that an extension is needed, the
2	Commission may extend up to an additional [3] 6 months the period in which unexpended
3	bill assistance and arrearage retirement funds may be made available for disbursement
4	<u>under subparagraph (i) of this paragraph.</u>
5	(iii) <u>1.</u> <u>Any bill assistance and arrearage retirement funds</u>
6	collected for a given fiscal year that are retained under subparagraph (i) of this paragraph
$\overline{7}$	and that remain unexpended at the end of the period allowed under subparagraphs (i) and
8	(ii) of this paragraph shall be returned to each customer class in the proportion that the
9	customer class contributed charges to the fund for the given fiscal year in the form of a
10	credit toward the charge assessed in the following fiscal year.
11	2. If the Commission determines that it is impractical to
12	establish a rate credit for the amount to be returned for a given fiscal year to customers
13	<u>under subsubparagraph 1 of this subparagraph, the Commission:</u>
14	<u>A.</u> <u>may defer the return for not more than 2 additional fiscal</u>
15	years; and
16	B. shall combine the returned amount for that fiscal year
17	with amounts to be returned for the following fiscal years when calculating the rate credit
18	<u>for the final fiscal year of the period.</u>
10	CECTION 9 AND DE IT EUDTUED ENACTED That the Large of Mandard and
19 20	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
20	<u>as follows:</u>
21	Article – Human Services
22	<u>5–5A–01.</u>
23	(a) In this subtitle the following words have the meanings indicated.
24	(b) <u>"Energy emergency" means a lack of fuel or the imminent discontinuation of</u>
25	energy services supplied by a fuel vendor or utility vendor that will endanger health, safety,
26	<u>or welfare.</u>
~=	
27	(c) <u>"Fuel vendor" means a person that distributes, transports, produces, or offers</u>
28	for sale coal products, fuel oil, kerosene, bottled gas, propane, or wood for fuel use or
29	<u>consumption in the State.</u>
20	(1) "Off"
30	(d) <u>"Office" means the Office of Home Energy Programs.</u>
31	(e) <u>"Program" means the Energy Assistance Program.</u>
ΟI	<u>110gram means the Energy Assistance 110gram.</u>
32	(f) <u>"Utility vendor" means a person that distributes, transports, or produces</u>
33	natural gas or electricity for use or consumption in the State.

	14	HOUSE BILL 606
1	<u>5–5A–07.</u>	
2	<u>(a)</u> <u>(1)</u>	<u>The Office shall:</u>
$egin{array}{c} 3 \\ 4 \\ 5 \\ 6 \end{array}$		(i) <u>carry out an energy emergency crisis intervention program to</u> ome households, including the near poor, the elderly, households with ose on fixed incomes from experiencing danger to health or survival as a gy emergency;
7 8	emergency;	(ii) establish intake procedures for those experiencing an energy
9 10	applicants; and	(iii) establish guidelines for the income and program eligibility of
$\begin{array}{c} 11 \\ 12 \end{array}$	intervention prog	(iv) identify local public or private agencies to administer the crisis gram.
$\begin{array}{c} 13\\14\\15\end{array}$	(2) vendors that ha program.	(i) <u>The Office shall make payments to fuel vendors and utility</u> ave provided service to persons qualifying for the crisis intervention
16		(ii) The amount of assistance shall be based on need.
$17 \\ 18 \\ 19$	<u>(b) (1)</u> programs to mak costs.	<u>The Office shall carry out one or more fuel and utility assistance</u> <u>as payments on behalf of qualified households to defray fuel and utility</u>
20	<u>(2)</u>	The Office shall determine program and income eligibility guidelines.
21	<u>(3)</u>	The amount of assistance shall be based on need.
22 23 24 25 26 27 28 29 30	TRANSFERRED 2021 FOR FISCA IN THE OFFIC ARREARAGE R CUSTOMERS UN PROGRAM UND ADDRESS THE C	E REVENUES FROM THE REGIONAL GREENHOUSE GAS INITIATIVE TO THE OFFICE BY CH. (HOUSE BILL 606), § 3 OF THE ACTS OF L YEARS 2021 AND 2022 SHALL BE DISTRIBUTED TO A SPECIAL FUND E, TO BE USED ONLY FOR PROVIDING BILL ASSISTANCE AND ETIREMENT FOR RESIDENTIAL ELECTRIC AND NATURAL GAS NDER THE PROGRAM AND THE ELECTRIC UNIVERSAL SERVICE DER § 7–512.1 OF THE PUBLIC UTILITIES ARTICLE, IN ORDER TO GREATEST NEED FOR RESTORING AND CONTINUING THESE UTILITY HE DISCRETION OF THE OFFICE.
31 32 33	<u>SECTION</u> provision of law, the Regional Gr	3. AND BE IT FURTHER ENACTED, That, notwithstanding any other for each of fiscal years 2021 and 2022, \$10,000,000 of the revenue from reenhouse Gas Initiative that would otherwise be deposited into the

34 <u>Strategic Energy Investment Fund in the manner defined by § 9–20B–05(g) of the State</u>

1			ele but is not otherwise appropriated in the State budget may instead be
$\frac{2}{3}$	-		special fund to support additional demand for electric and heating increase in eligibility from 175% of the federal poverty level to 200% of
3 4			ty level for households with individuals at least 67 years old. The
$\frac{1}{5}$		-	iman Services is authorized to process a special fund budget amendment
6			in fiscal year 2021 and up to the amount of any remaining funds in fiscal
7			funds shall remain available until fully expended.
8	SECT		4. AND BE IT FURTHER ENACTED, That:
0	<u>BEC1</u>	<u>10N 4</u>	E AND DE IT FORTIER ENACTED, THAL
9	<u>(a)</u>	Ther	<u>e is a Workgroup on Low–Income Utility Assistance.</u>
10	<u>(b)</u>	The r	ourpose of the Workgroup is to examine the forms of federal, State, local,
11	<u>and private</u>	assia	stance available to low-income residential electric and natural gas
12	<u>customers.</u>		
13	<u>(c)</u>	<u>The V</u>	Workgroup consists of:
14		<u>(1)</u>	the Secretary of Human Services or the Secretary's designee;
15		(2)	the Secretary of Housing and Community Development, or the
16	Secretary's		
	<u></u>		
17		<u>(3)</u>	the Attorney General, or the Attorney General's designee;
18		(4)	the Chairman of the Public Service Commission, or the Chairman's
19	<u>designee;</u>	<u></u>	
2.0		(-)	
20		<u>(5)</u>	the People's Counsel, or the People's Counsel's designee;
21		(6)	one member of the Senate of Maryland, appointed by the President of
$\overline{22}$	<u>the Senate;</u>	<u></u>	
23		<u>(7)</u>	one member of the House of Delegates, appointed by the Speaker of the
24	<u>House; and</u>		
25		<u>(8)</u>	the following members appointed by the Governor:
26	• 1 . • 1	1	(i) two members representing the interests of low-income
27	residential e	lectric	<u>c and natural gas customers; and</u>
28			(ii) two members representing natural gas and electric utilities.
20			(ii) two members representing natural gas and electric dimines.
29	(d)	The S	Secretary of Human Services or the Secretary's designee shall serve as
30	the chair of		· · ·
01		(1) -	
31	(e)	The I	Department of Human Services shall staff the Workgroup.

HOUSE	BILL	606
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1	(f) <u>The Workgroup shall study:</u>
$2 \\ 3 \\ 4 \\ 5$	(1) <u>the different systems and forms of financial assistance available to</u> <u>low-income electric and natural gas customers in the State from federal, State, local, and</u> <u>private sources, especially the Electric Universal Service Program and the Maryland</u> <u>Energy Assistance Program;</u>
6 7 8	(2) <u>inefficiencies and gaps in the availability, qualification, and processing</u> of applications for and delivery of financial assistance to low–income electric and natural gas customers;
9 10 11	(3) <u>the feasibility of establishing a new natural gas universal service</u> <u>program, or the expansion of existing programs to cover low–income natural gas customers,</u> <u>including the characteristics of any new or expanded program:</u>
$12 \\ 13 \\ 14$	(4) <u>coordination of benefits under existing financial assistance programs</u> for low-income electric and natural gas customers and means to improve coordination so as to extend and enhance the effectiveness of these programs;
$15 \\ 16 \\ 17$	(5) anticipated short-term and long-term demand for financial assistance for low-income electric and natural gas customers in the wake of the COVID-19 pandemic and systemic economic inequities, particularly in disadvantaged communities;
18 19	(6) <u>the feasibility of establishing one or more financial assistance programs</u> for small businesses in low–income communities; and
$\begin{array}{c} 20\\ 21 \end{array}$	(7) any other matter the Workgroup considers relevant and helpful to addressing the needs of low-income utility customers.
$22 \\ 23 \\ 24 \\ 25$	(g) <u>The Workgroup shall submit a report of the study, findings, and</u> recommendations, including recommended legislation and regulatory changes, to the <u>Senate Finance Committee and the House Economic Matters Committee, in accordance</u> with § 2–1257 of the State Government Article, on or before January 1, 2022.
26 27 28 29	SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall remain effective through June 30, 2023, and, at the end of June 30, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.
30 31 32 33 34	<u>SECTION 6.</u> AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is on acted

enacted.