

SENATE BILL 771

O1, M5

6lr2432

CF 6lr2724

By: Senator Ferguson

Introduced and read first time: February 6, 2026

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Human Services – Energy Assistance Programs – Administration and Funding**

3 FOR the purpose of transferring the administration of the electric universal service
4 program from the Public Service Commission to the Office of Home Energy Programs
5 in the Department of Human Services; altering the authorized uses of the Strategic
6 Energy Investment Fund to include fuel assistance programs; and generally relating
7 to the administration and funding of energy assistance programs.

8 BY renumbering

9 Article – Human Services

10 Section 5–5A–08 through 5–5A–10

11 to be Section 5–5A–09 through 5–5A–11, respectively

12 Annotated Code of Maryland

13 (2019 Replacement Volume and 2025 Supplement)

14 BY transferring

15 Article – Public Utilities

16 Section 7–512.1

17 Annotated Code of Maryland

18 (2025 Replacement Volume and 2025 Supplement)

19 to be

20 Article – Human Services

21 Section 5–5A–08

22 Annotated Code of Maryland

23 (2019 Replacement Volume and 2025 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Housing and Community Development

26 Section 2–102(a)(10)

27 Annotated Code of Maryland

28 (2019 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Human Services
3 Section 5–101(a), (b), and (c), 5–5A–02 and 5–5A–03
4 Annotated Code of Maryland
5 (2019 Replacement Volume and 2025 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Human Services
8 Section 5–5A–01
9 Annotated Code of Maryland
10 (2019 Replacement Volume and 2025 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Human Services
13 Section 5–5A–08
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2025 Supplement)
16 (As enacted by Section 2 of this Act)

17 BY repealing and reenacting, without amendments,
18 Article – Public Utilities
19 Section 7–505(b)(1)
20 Annotated Code of Maryland
21 (2025 Replacement Volume and 2025 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Public Utilities
24 Section 7–505(b)(2) and 7–510.3(o)
25 Annotated Code of Maryland
26 (2025 Replacement Volume and 2025 Supplement)

27 BY repealing and reenacting, without amendments,
28 Article – State Government
29 Section 9–20B–01(a) and (b) and 9–20B–05(a)
30 Annotated Code of Maryland
31 (2021 Replacement Volume and 2025 Supplement)

32 BY repealing and reenacting, with amendments,
33 Article – State Government
34 Section 9–20B–05(f)(3) and (g)(1)
35 Annotated Code of Maryland
36 (2021 Replacement Volume and 2025 Supplement)

37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
38 That Section(s) 5–5A–08 through 5–5A–10 of Article – Human Services of the Annotated
39 Code of Maryland be renumbered to be Section(s) 5–5A–09 through 5–5A–11, respectively.

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7-512.1 of
2 Article – Public Utilities of the Annotated Code of Maryland be transferred to be Section(s)
3 5-5A-08 of Article – Human Services of the Annotated Code of Maryland.

4 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
5 as follows:

6 **Article – Housing and Community Development**

7 2-102.

8 (a) The Department shall:

9 (10) develop and implement a weatherization program in accordance with
10 Title 4 of this article and administer the low-income weatherization component of the
11 electric universal service program in accordance with [§ 7-512.1 of the Public Utilities
12 Article] **§ 5-5A-08 OF THE HUMAN SERVICES ARTICLE.**

13 **Article – Human Services**

14 5-101.

15 (a) In this title the following words have the meanings indicated.

16 (b) “Administration” means the Family Investment Administration.

17 (c) “Department” means the Department of Human Services.

18 5-5A-01.

19 (a) In this subtitle the following words have the meanings indicated.

20 (B) **“COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.**

21 [(b)] (C) “Energy emergency” means a lack of fuel or the imminent
22 discontinuation of energy services supplied by a fuel vendor or utility vendor that will
23 endanger health, safety, or welfare.

24 [(c)] (D) “Fuel vendor” means a person that distributes, transports, produces, or
25 offers for sale coal products, fuel oil, kerosene, bottled gas, propane, or wood for fuel use or
26 consumption in the State.

27 [(d)] (E) “Office” means the Office of Home Energy Programs.

28 [(e)] (F) “Program” means the Energy Assistance Program.

1 [(f)] (G) "Utility vendor" means a person that distributes, transports, or
2 produces natural gas or electricity for use or consumption in the State.

3 5-5A-02.

4 There is an Office of Home Energy Programs in the Administration.

5 5-5A-03.

6 The purpose of the Office is to carry out this subtitle.

7 5-5A-08.

8 (a) (1) (I) [The Commission shall establish] **THERE IS** an electric
9 universal service program [to assist electric customers with annual incomes at or below
10 200% of the federal poverty level] **IN THE OFFICE**.

11 **(II) THE OFFICE SHALL IMPLEMENT AND ADMINISTER THE**
12 **ELECTRIC UNIVERSAL SERVICE PROGRAM.**

13 **(III) THE PURPOSE OF THE ELECTRIC UNIVERSAL SERVICE**
14 **PROGRAM IS TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR**
15 **BELOW 200% OF THE FEDERAL POVERTY LEVEL.**

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

17 (i) bill assistance;

18 (ii) low-income residential weatherization; and

19 (iii) the retirement of arrearages for electric customers who have not
20 received assistance in retiring arrearages under the **ELECTRIC** universal service program
21 within the preceding 5 fiscal years.

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

25 (4) [(i) The Department of Human Services, through the Office of Home
26 Energy Programs, is responsible for administering the bill assistance and the arrearage
27 retirement components of the electric universal service program.

28 (ii)] The [Department of Human Services] **OFFICE** may:

1 [1.] (I) establish minimum and maximum benefits
2 available to an electric customer under the bill assistance and arrearage retirement
3 components; and

4 [2.] (II) coordinate benefits under the electric universal
5 service program with benefits under the Maryland Energy Assistance Program and other
6 available energy assistance programs.

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

11 (6) The Commission has oversight responsibility for the bill assistance and
12 the arrearage retirement components of the electric universal service program and any
13 other funds expended under this section.

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

19 (8) (i) If an applicant for bill assistance or arrearage retirement is to be
20 denied due to deficient documentation, the [Department of Human Services] **OFFICE** shall:

21 1. promptly provide notice of the deficiency to the applicant;
22 and

23 2. afford the applicant ample opportunity of not less than 3
24 months to cure the deficiency.

25 (ii) An electric company may not begin the process to terminate
26 service to an applicant while the applicant is curing a deficiency under this paragraph.

27 (9) Notwithstanding paragraph (2)(iii) of this subsection, any assistance
28 received for arrearage retirement by a customer in calendar years 2020 and 2021 may not
29 be counted toward the limitation on the number of times the customer may receive
30 assistance for arrearage retirement.

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

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

10 (i) bill assistance and the retirement of arrearages for customers
11 who are eligible to receive assistance at the time services are provided;

12 (ii) targeted and enhanced low-income residential weatherization
13 designed to remediate households that are considered ineligible to participate in other
14 State energy efficiency programs due to significant health and safety hazards;

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

18 (iv) an arrearage prevention program for low-income customers.

19 (5) An electric company shall recover electric universal service program
20 costs in accordance with § 7-512 of [this subtitle] **THE PUBLIC UTILITIES ARTICLE**.

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

26 (8) The Commission may not assess the electric universal service
27 surcharge on a per kilowatt-hour basis.

28 (c) (1) On or before January 1 of each year, the Commission shall report,
29 subject to § 2-1257 of the State Government Article, to the General Assembly on the electric
30 universal service program, including:

31 (i) subject to subsection (e) of this section, a recommendation on the
32 total amount of funds for the **ELECTRIC UNIVERSAL SERVICE** program for the following
33 fiscal year based on:

2. how bill assistance and arrearage retirement payments
2 were calculated during the preceding fiscal year;

(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 federal poverty level and the basis for this determination;

15 (iv) the amount of funds needed, as determined by the Commission,
16 for bill assistance and arrearage retirement, respectively, for customers for whom income
17 limitations may be waived under subsection (a)(7) of this section, and the basis for each
18 determination:

19 (v) the impact on customers' rates, including the allocation among
20 customer classes, from collecting the total amount recommended by the Commission under
21 item (i) of this paragraph; and

22 (vi) the impact of using other federal poverty level benchmarks on
23 costs and the effectiveness of the electric universal service program.

24 (2) (i) To assist the Commission in preparing its recommendations
25 under paragraph (1) of this subsection, the Office [of Home Energy Programs] shall report
26 to the Commission each year on:

5 C. any other federal, State, local, or private source.

(ii) The Office [of Home Energy Programs] may satisfy the reporting 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 Programs] submits to the federal government.

10 (iii) The Commission shall include the information provided by the
11 Office [of Home Energy Programs] under subparagraph (i) of this paragraph in its report
12 to the General Assembly under paragraph (1) of this subsection.

20 (d) (1) On or before January 1 of each year, the Department of Housing and
21 Community Development shall report, in accordance with § 2-1257 of the State
22 Government Article, to the General Assembly on the low-income residential
23 weatherization component of the electric universal service program, including:

24 (i) the amount of funds expended during the preceding fiscal year;

(ii) the level of participation during the preceding fiscal year, including the number of households served in each area of the State; and

(iii) the types of projects, including the average cost per unit, provided to households during the preceding fiscal year.

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

3 (2) \$9.6 million shall be collected from the residential class.

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

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

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

11 (ii) The fund is a continuing, nonlapsing fund that is not subject to §
12 7-302 of the State Finance and Procurement Article.

15 (4) The Department [of Human Services], with oversight by the
16 Commission, shall disburse the bill assistance and arrearage retirement funds in
17 accordance with the provisions of this section.

31 (ii) If the Commission determines that an extension is needed, the
32 Commission may extend up to an additional 6 months the period in which unexpended bill

1 assistance and arrearage retirement funds may be made available for disbursement under
2 subparagraph (i) of this paragraph.

27 (h) (1) An arrearage prevention program under subsection (b)(4)(iv) of this
28 section is intended to prevent or reduce arrearages for low-income customers who have
29 participated in a low-income residential weatherization program.

30 (2) (i) The ARREARAGE PREVENTION program is intended as a
31 one-time grant of money to establish ongoing arrearage prevention activities in the State.

32 (ii) The Department [of Human Services], in consultation with the
33 Commission, will select for the **ARREARAGE PREVENTION** program up to two public or
34 private entities as program recipients to administer the program.

35 (iii) At least one **ARREARAGE PREVENTION** program recipient must
36 primarily serve customers in a major urban area of the State

(3) [A] AN ARREARAGE PREVENTION program recipient must demonstrate significant efforts to:

3 (i) secure additional private investment in rooftop solar
4 installation, including the use of **ARREARAGE PREVENTION** program money for credit
5 enhancement, direct project support, or support for program recipients and customers; and

6 (ii) provide employment in solar installation to unemployed and
7 underemployed individuals, with preference for those who reside in the local jurisdiction
8 where the installations will occur.

Article – Public Utilities

13 7-505.

14 (b) (1) The Commission shall issue the orders or adopt the regulations
15 required under this subsection before the implementation of customer choice.

19 7-510.3.

20 (o) The Commission shall establish procedures for an electric customer that is
21 receiving electricity supply through a community choice aggregator to receive any bill
22 assistance credit or arrearage assistance to which the customer may be entitled under [§
23 7-512.1 of this subtitle] **§ 5-5A-08 OF THE HUMAN SERVICES ARTICLE** or any other
24 federal or State bill and arrearage assistance administered by the Office of Home Energy
25 Programs.

Article – State Government

27 9-20B-01.

28 (a) In this subtitle the following words have the meanings indicated.

29 (b) "Administration" means the Maryland Energy Administration.

30 9-20B-05.

31 (a) There is a Maryland Strategic Energy Investment Fund.

(f) The Administration shall use the Fund:

2 (3) to provide supplemental funds for low-income energy assistance
3 through [the Electric Universal Service Program established under § 7-512.1 of the Public
4 Utilities Article and other] electric **AND FUEL** assistance programs in the Department of
5 Human Services;

6 (g) Proceeds received by the Fund from the sale of allowances under § 2–1002(g)
7 of the Environment Article shall be allocated as follows:

(1) at least 50% shall be credited to an energy assistance account to be used for [the Electric Universal Service Program and other] electricity **AND FUEL** assistance programs in the Department of Human Services;

11 SECTION 4. AND BE IT FURTHER ENACTED, That the publisher of the
12 Annotated Code of Maryland, in consultation with and subject to the approval of the
13 Department of Legislative Services, shall correct, with no further action required by the
14 General Assembly, cross-references and terminology rendered incorrect by this Act. The
15 publisher shall adequately describe any correction that is made in an editor's note following
16 the section affected.

17 SECTION 5. AND BE IT FURTHER ENACTED, That all employees who are
18 transferred to the Department of Human Services as a result of this Act shall be transferred
19 without diminution of their rights, benefits, employment, or retirement status.

20 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2026.