

Date: March 1, 2022

Bill number: SB 770

Committee: Finance

Bill title: Public Utilities - Homeowner Utility Repair Fund - Establishment

DHS Position: Letter of Information

The Department of Human Services (the Department) respectfully submits this letter of information in regards to Senate Bill 770 (SB 770). SB 770 establishes the Homeowner Utility Repair Fund as a special, nonlapsing fund to offset the costs a low- to middle-income residential customer may incur for costs associated with a utility company's routine maintenance, repairs, or upgrades. The bill directs the Public Service Commission (PSC) to transfer funds from the Office of Home Energy Programs (OHEP) into the special repair fund. Specifically, the bill requires the transfer of unused funds from the Electric Universal Service Program (EUSP) and Maryland Energy Assistance Program (MEAP), also known as the Low Income Home Energy Assistance Program (LIHEAP).

As written, the bill carries a fiscal impact of approximately \$20 million in general funds annually. The MEAP/LIHEAP program is funded through a federal grant that is replenished annually at the beginning of each federal fiscal year. Therefore, the administration of MEAP/LIHEAP programs rely on unused funds at the end of the State fiscal year, to sustain energy assistance customers through the months of July, August, and September. If SB 770 passes, the State would need to supplement MEAP/LIHEAP funding from July through October, to ensure the continuation of benefits to energy assistance customers.

The Department appreciates the opportunity to share the aforementioned information with the Committee. We hope it is helpful during the Committee's deliberations.