

2024 -- H 7286

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Representatives Slater, Morales, DeSimone, Stewart, Diaz, Alzate, Potter,
and Cruz

Date Introduced: January 26, 2024

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public
2 Utilities Commission" is hereby amended to read as follows:

3 **39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan.**

4 (a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter
5 "LIHEAP Enhancement Plan") is hereby created to supplement the federal Low Income Home
6 Energy Assistance Program ("LIHEAP") funding being received by customers of Rhode Island
7 electric and gas distribution companies.

8 (b) Within a period of time sufficient to accomplish the purposes of this section, but not
9 longer than ninety (90) days after the effective date of this chapter, the department of human
10 services shall develop a recommended monthly "LIHEAP enhancement charge" rate for the
11 following year and make a filing with the commission pursuant to this chapter recommending rates.
12 Thereafter annually, but no later than October 15 of each year, the department shall make filings
13 with the commission to recommend the LIHEAP enhancement charge rates for each class of
14 electric and natural gas distribution company customer for the following year.

15 (c) A LIHEAP enhancement charge approved by the commission shall have the following
16 limitations:

17 (1) For electric distribution company customers, the charge shall not be more than ten
18 dollars (\$10.00) per year.

19 (2) For natural gas distribution company customers, the charge shall not be more than ten

1 dollars (\$10.00) per year.

2 (3) The total projected annual revenue for the LIHEAP enhancement plan through charges
3 to all electric and natural gas distribution company customers shall not exceed seven million five
4 hundred thousand dollars (\$7,500,000) and shall not be below six million five hundred thousand
5 dollars (\$6,500,000).

6 A minimum of five percent (5%) shall be allocated to provide assistance to customers who
7 are seeking LIHEAP certification for the sole purpose of entering into an arrearage plan as defined
8 in § 39-2-1(d)(2) between April 15 and September 30 of each year. Such customers must be a
9 homeless family or individual transitioning from a shelter into housing and who have provided
10 documentation acceptable to the department of human services. Any funds remaining at the end of
11 the fiscal year shall be available for the upcoming winter season.

12 (d) The commission shall open a docket, to consider for approval, LIHEAP enhancement
13 charge rates proposed by the department. In reviewing the recommended rates, the commission
14 shall give due consideration to the recommendations of the department and the standards set forth
15 in subsection (c). The commission shall issue a decision within sixty (60) days after said
16 recommendations and report are filed with the commission establishing the enhancement plan
17 charge rates.

18 (e) The electric or gas distribution company shall use the funds collected through this
19 enhancement plan charge to provide a credit to customers' accounts that are ~~receiving federal~~
20 ~~LIHEAP assistance payments~~ enrolled in a percentage of income payment rate as approved by the
21 commission pursuant to § 39-2-1.5 in a manner determined by the department of human services.
22 The department of human services shall designate to the gas- or electric distribution company the
23 qualifying customer accounts and the amounts to be credited to those customer accounts, provided
24 that the total amount to be credited to those accounts shall be fully funded by, and not exceed, the
25 total amount collected through the enhancement plan charge. The electric or gas distribution
26 company's added administrative expenses to process the credit assignments provided to it by the
27 department of human services will be recoverable either from the LIHEAP enhancement charge or
28 through a separate charge approved by the public utilities commission.

29 (f) As used in this section, "electric and natural gas distribution company" means a
30 company as defined in § 39-1-2(a)(12), but not including the Block Island Power Company or the
31 Pascoag Utility District.

32 SECTION 2. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"
33 is hereby amended by adding thereto the following section:

34 **39-2-1.5. Tiered percentage of income payment program.**

1 (a) Notwithstanding any other law to the contrary, the public utilities commission is
2 authorized to approve rates to residential customers of an electric distribution company, as defined
3 in § 39-1-2(a)(12) or a gas distribution company included as a public utility in § 39-1-2(a)(20) that
4 has greater than one hundred thousand (100,000) customers, whose household income is at or
5 below one hundred fifty percent (150%) of the federal poverty level and who are eligible to receive
6 assistance through the low income home energy assistance program (LIHEAP) or are enrolled in
7 Medicaid, that provide one or more tiers of discount off the residential rate based on income levels,
8 regardless of whether the utility has proposed such rates.

9 (1) For purposes of calculating a customer's income for determination of the appropriate
10 tier, any LIHEAP or LIHEAP enhancement grant shall count toward the calculation of income.

11 (2) Each tier of discount rate shall provide a fixed per bill discount to all eligible customers
12 within the applicable tiered class.

13 (3) The fixed per bill discount shall be designed to approximate an average annual electric
14 expense of not more than three percent (3%) of the income of customers within the applicable tiered
15 class for customers who do not use electric as their primary source of heat, or six percent (6%) of
16 the income of customers within the applicable tiered class who use electric as their primary source
17 of heat.

18 (4) The fixed per bill discount shall be designed to approximate an average annual natural
19 gas expense of not more than three percent (3%) of the income of customers within the applicable
20 tiered class for eligible customers who use gas as their primary source of heat.

21 (5) To establish the discount tiers and customer eligibility, the commission may consider
22 targeted annual average expense.

23 (6) Notwithstanding the foregoing, a maximum annual benefit shall be established by the
24 commission with input from the electric distribution company, the division of public utilities and
25 carriers, and stakeholders.

26 (b) The cost of the discount, including administrative costs, not funded through other
27 sources, shall be collected in rates from all other customers of the electric and gas distribution
28 companies in a manner determined just and reasonable by the commission.

29 (c) In setting the number of tiers of discount rates under this section, the commission shall
30 balance the level of discount with the administrative costs that would be incurred to implement the
31 rate structure.

32 (d) The tiers and percentage discount rates shall be set initially no later than December 31,
33 2025, in effect for ninety (90) days after the tiers and percentage discount rates are set and
34 thereafter, they will subsequently be set no less frequently than in each of the electric or gas

1 distribution company's respective base distribution rate cases.

2 (e) An electric or gas distribution company shall enroll an eligible customer in the
3 appropriate tier at such time as the electric or gas distribution company receives proof of LIHEAP
4 eligibility or enrollment in Medicaid and verification of income level as certified by the department
5 of human services and/or subcontractors of the department such as a community action program or
6 other community-based agency which shares in the process of determining eligibility for LIHEAP
7 benefits or in some other manner determined to be efficient and cost effective by the commission.

8 (f) Customers enrolled in the tiered discount rate under this section shall be offered energy
9 efficiency programs as appropriate upon enrollment.

10 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

1 This act would create an income-sensitive tiered subsidy program to ensure that home
2 energy utility costs are affordable for eligible low-income households.

3 This act would take effect upon passage.

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