

FEB 25 2002
COMMERCE AND REGULATION

HOUSE FILE 2528
BY MYERS

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to energy, by providing for submission of energy
2 reports by certain utilities, expanding the applicability of
3 the moratorium on utility disconnections during the winter,
4 and providing energy assistance for low-income consumers.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HF 2528

1 Section 1. Section 216A.102, Code 2001, is amended to read
2 as follows:

3 216A.102 ENERGY CRISIS ASSISTANCE FUND.

4 1. An energy ~~crisis~~ assistance fund is created in the
5 state treasury. Moneys deposited in the fund shall be used to
6 assist low-income families who qualify for the low-income
7 heating energy assistance program to avoid loss of essential
8 heating, to assist low-income customers with weatherization
9 measures to improve energy efficiency related to winter
10 heating and summer cooling, and to supplement the energy
11 assistance received under the federal low-income heating
12 energy assistance program for the payment of winter heating
13 electric or gas utility bills.

14 2. The fund may receive moneys including, but not limited
15 to, the following:

16 a. Moneys appropriated by the general assembly for the
17 fund.

18 ~~b.--Moneys-credited-to-the-fund-under-section-473.11-~~

19 ~~c.--After-July-17-1988,-unclaimed-patronage-dividends-of~~
20 ~~electric-cooperative-corporations-or-associations-shall-be~~
21 ~~applied-to-the-fund-following-the-time-specified-in-section~~
22 ~~556.12-for-claiming-the-dividend-from-the-holder-~~

23 ~~d. b.~~ The fund may also receive contributions Moneys
24 credited to the fund from customer contribution funds
25 established under section 476.66.

26 c. Any other moneys available to, obtained, or accepted by
27 the division for placement in the fund.

28 3. Under rules developed by the division of community
29 action agencies of the department of human rights, the fund
30 may also be used to negotiate reconnection of essential
31 utility services with the energy provider.

32 4. Notwithstanding section 12C.7, subsection 2, interest
33 or earnings on moneys deposited in the energy assistance fund
34 shall be credited to the fund. Notwithstanding section 8.33,
35 moneys remaining in the energy assistance fund at the end of a

1 fiscal year shall not revert but shall remain available for
2 the purposes intended.

3 Sec. 2. Section 476.1A, Code Supplement 2001, is amended
4 by adding the following new subsection:

5 NEW SUBSECTION. 8. Filing a study of assessment of
6 potential energy and capacity savings available from actual
7 and projected customer usage by applying commercially
8 available technology and improved operating practices to
9 energy-using equipment and buildings.

10 Sec. 3. Section 476.1B, subsection 1, Code Supplement
11 2001, is amended by adding the following new paragraph:

12 NEW PARAGRAPH. o. Filing a study of assessment of
13 potential energy and capacity savings available from actual
14 and projected customer usage by applying commercially
15 available technology and improved operating practices to
16 energy-using equipment and buildings.

17 Sec. 4. Section 476.1C, subsection 1, unnumbered paragraph
18 2, Code 2001, is amended to read as follows:

19 Gas public utilities having fewer than two thousand
20 customers shall be subject to the assessment of fees for the
21 support of the Iowa energy center created in section 266.39C
22 and the center for global and regional environmental research
23 created by the state board of regents, and shall file energy
24 efficiency plans and energy efficiency results with the board,
25 and shall file a study of assessment of potential energy and
26 capacity savings available from actual and projected customer
27 usage by applying commercially available technology and
28 improved operating practices to energy-using equipment and
29 buildings. The energy efficiency plans as a whole shall be
30 cost-effective. The board may waive all or part of the energy
31 efficiency filing requirements if the gas utility demonstrates
32 superior results with existing energy efficiency efforts.

33 Sec. 5. Section 476.6, subsection 19, paragraphs a and b,
34 Code Supplement 2001, are amended to read as follows:

35 a. Gas and electric utilities, whether or not required to

1 be rate-regulated under this chapter, shall file energy
2 efficiency plans with the board. An energy efficiency plan
3 and budget shall include a range of programs, tailored to the
4 needs of all customer classes, including residential,
5 commercial, and industrial customers, for energy efficiency
6 opportunities. The plans shall include programs for qualified
7 low-income persons including a cooperative program with any
8 community action agency within the utility's service area to
9 implement countywide or communitywide energy efficiency
10 programs for qualified low-income persons. Rate-regulated gas
11 and electric utilities shall utilize Iowa agencies and Iowa
12 contractors to the maximum extent cost-effective in their
13 energy efficiency plans filed with the board.

14 b. A gas and electric utility, whether or not required to
15 be rate-regulated under this chapter, shall assess potential
16 energy and capacity savings available from actual and
17 projected customer usage by applying commercially available
18 technology and improved operating practices to energy-using
19 equipment and buildings. The utility shall submit the
20 assessment to the board. Upon receipt of the assessment, the
21 board shall consult with the energy bureau of the division of
22 energy and geological resources of the department of natural
23 resources to develop specific capacity and energy savings
24 performance standards for each utility. The utility shall
25 submit an energy efficiency plan which that shall include
26 economically achievable programs designed to attain these
27 energy and capacity performance standards.

28 Sec. 6. Section 476.20, subsections 2 and 3, Code 2001,
29 are amended to read as follows:

30 2. a. The board shall establish rules requiring a
31 regulated public utility furnishing gas or electricity to
32 include in the utility's notice of pending disconnection of
33 service a written statement advising the customer that the
34 customer may be eligible to participate in the low income home
35 energy assistance program or weatherization assistance program

1 administered by the division of community action agencies of
2 the department of human rights.

3 b. The written statement shall ~~list~~ include the following
4 information:

5 (1) The address and telephone number of the local agency
6 which that is administering the customer's low income home
7 energy assistance program and the weatherization assistance
8 program. ~~The-written-statement-shall-also-state~~

9 (2) A statement that the customer is advised to contact
10 the public utility to settle any of the customer's complaints
11 with the public utility, but if a complaint is not settled to
12 the customer's satisfaction, the customer may file the a
13 complaint with the board. ~~The-written-statement-shall-include~~
14 the

15 (3) The address and phone number of the board.

16 (4) If the notice of pending disconnection of service
17 applies to a residence, the written statement shall advise
18 that the disconnection does not apply from November 1 through
19 April 1 ~~for-a-resident-who-is-a-"head-of-household",-as~~
20 ~~defined-by-law,-and-who-has-been-certified-to-the-public~~
21 ~~utility-by-the-local-agency-which-is-administering-the-low~~
22 ~~income-home-energy-assistance-program-and-weatherization~~
23 ~~assistance-program-as-being-eligible-for-either-the-low-income~~
24 ~~home-energy-assistance-program-or-weatherization-assistance~~
25 ~~program,-and-that-if-such-a-resident-resides-within-the~~
26 ~~serviced-residence,-the-customer-should-promptly-have-the~~
27 ~~qualifying-resident-notify-the-local-agency-which-is~~
28 ~~administering-the-low-income-home-energy-assistance-program~~
29 ~~and-weatherization-assistance-program~~ if the customer meets
30 the conditions described in subsection 3, paragraph "b".

31 c. The board shall establish rules requiring that the
32 written notice contain additional information as it deems
33 necessary and appropriate.

34 3. a. The board shall establish rules which shall be
35 uniform with respect to all public utilities furnishing gas or

1 electricity relating to disconnection of service. This
2 subsection applies both to regulated utilities and to
3 municipally owned utilities and unincorporated villages which
4 own their own distribution systems, and violations of this
5 subsection subject the utilities to civil penalties under
6 section 476.51.

7 ~~A-qualified-applicant-for-the-low-income-home-energy~~
8 ~~assistance-program-or-the-weatherization-assistance-program~~
9 ~~who-is-also-a-"head-of-household",-as-defined-in-section~~
10 ~~422.4,-subsection-7,-shall-be-promptly-certified-by-the-local~~
11 ~~agency-administering-the-applicant's-program-to-the~~
12 ~~applicant's-public-utility-that-the-resident-is-a-"head-of~~
13 ~~household"-as-defined-in-section-422.4,-subsection-7,-and-is~~
14 ~~qualified-for-the-low-income-home-energy-assistance-program-or~~
15 ~~weatherization-assistance-program.--Notwithstanding-subsection~~
16 ~~17-a~~

17 b. A public utility furnishing gas or electricity shall
18 not disconnect service from November 1 through April 1 to a
19 residence which has a resident that has been certified under
20 this paragraph where the customer currently is, or has been at
21 any time during the previous twelve months, a participant in
22 any state or federal assistance program that uses, as an
23 eligibility criterion, income at or below one hundred eighty-
24 five percent of the most recent federal poverty guidelines
25 published by the United States department of health and human
26 services, or whose projected adjusted gross income due to a
27 demonstrated change in economic circumstances would make the
28 customer eligible for such state or federal assistance. The
29 public utility may perform income verification.

30 Sec. 7. Section 476.66, Code 2001, is amended to read as
31 follows:

32 476.66 CUSTOMER CONTRIBUTION-FUND CONTRIBUTIONS FOR THE
33 ENERGY ASSISTANCE FUND.

34 1. The utilities board shall adopt rules which shall
35 require each electric and gas public utility to establish-a do

1 all of the following:

2 a. Collect contributions for the energy assistance fund,
3 whose purposes shall include the receiving receipt of
4 contributions to assist ~~the-utility's~~ all gas and electric
5 low-income customers with weatherization measures to improve
6 energy efficiency related to winter heating and summer
7 cooling, and to supplement the energy assistance received
8 under the federal low-income heating energy assistance program
9 for the payment of winter heating electric or gas utility
10 bills. Contributions collected pursuant to this provision
11 shall be credited to the energy assistance fund established in
12 section 216A.102.

13 ~~2--The rules shall require each utility to periodically~~
14 b. Periodically notify its customers of the availability
15 and purpose of the fund and ~~to~~ provide them with forms on
16 which they can authorize ~~the~~ their utility to bill their
17 contribution to the fund on a monthly basis.

18 ~~3-~~ 2. The rules shall permit the following:

19 a. The fund ~~to~~ may accept matching funds from persons or
20 organizations who wish to provide assistance for customers of
21 the utility.

22 ~~4-~~ b. The A utility may be reimbursed by the fund for the
23 administrative costs of the billings, disbursements, notices
24 to customers, and financial recordkeeping. However, such
25 reimbursement shall not exceed five percent of the total
26 revenues collected.

27 ~~5-~~ 3. The utility division of community action agencies of
28 the department of human rights shall ~~establish a board or~~
29 ~~committee to~~ determine the appropriate distribution of the
30 funds. ~~The board or committee shall include representatives~~
31 ~~from community or regional organizations which are active in~~
32 ~~assisting citizens with payment of their winter heating bills-~~

33 ~~6-~~ a. The rules established by the utilities board shall
34 require an annual report to be filed for each the fund. The
35 utilities board shall compile an annual statewide report of

1 the fund results.

2 b. The division of community action agencies of the
3 department of human rights shall prepare an annual report of
4 the unmet need for energy assistance and weatherization.

5 c. Both reports shall be submitted to the appropriations
6 committees of the general assembly on the first day of the
7 following session.

8 ~~7.--Existing-programs-to-receive-customer-contributions~~
9 ~~established-by-public-utilities-shall-be-construed-to-meet-the~~
10 ~~requirements-of-this-section.--Such-plans-shall-be-subject-to~~
11 ~~review-by-the-utilities-board.--If-determined-not-to-be-in~~
12 ~~compliance-with-the-provisions-of-this-section,they-shall-be~~
13 ~~given-until-July-1989-to-modify-their-operation-so-as-to-be-in~~
14 ~~compliance.~~

15 EXPLANATION

16 This bill relates to energy, by providing for submission of
17 energy reports by certain utilities, expanding the
18 applicability of the moratorium on utility disconnections
19 during the winter, and providing energy assistance for low-
20 income consumers.

21 The bill amends Code section 476.6 to provide that all gas
22 and electric utilities shall file energy efficiency plans and
23 studies of assessment of potential energy savings with the
24 utilities board. Currently, all utilities file the energy
25 efficiency plans, but only the rate-regulated gas and electric
26 utilities file the studies of assessment of potential energy
27 savings. Related amendments are made to Code sections 476.1A,
28 476.1B, and 476.1C, which address board authority over
29 electric cooperatives, municipal utilities, and certain gas
30 utilities.

31 The bill amends Code section 476.20 to provide that the
32 moratorium on disconnection applies to any customer who
33 currently is or has been at any time during the last 12 months
34 a participant in a state or federal assistance program that
35 uses income eligibility at or below 185 percent of the federal

1 poverty guidelines, rather than just for low-income home
2 energy assistance program (LIHEAP) participants. The bill
3 provides that the utility may perform income verification.
4 The bill amends Code section 476.66 to provide that
5 customer contributions collected to assist low-income persons
6 with heating bills should be credited to a single fund, the
7 energy assistance fund, rather than the current customer
8 contribution funds managed by each utility. Utilities are
9 still required to periodically notify customers of the
10 availability of the energy assistance fund, and may be
11 reimbursed for certain administrative costs. The division of
12 community action agencies, department of human rights, shall
13 determine the distribution of the fund, which is created in
14 Code section 216A.102 as amended. The primary source of
15 moneys for the energy assistance fund is customer
16 contributions, but moneys may also be appropriated by the
17 general assembly and be received from other sources. The fund
18 provides that interest earned on moneys in the fund remains in
19 the fund, and moneys in the fund do not revert at the end of
20 the fiscal year.

21
22
23
24
25
26
27
28
29
30
31
32
33
34
35