
OLR Bill Analysis

sHB 5426

AN ACT CONCERNING FUEL VENDOR REIMBURSEMENT UNDER THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM, A COMMON HEATING ASSISTANCE APPLICATION, AND STUDIES REGARDING BULK FUEL PURCHASES AND VENDOR PAYMENT BEST PRACTICES.

SUMMARY

This bill makes various changes affecting state low-income energy assistance programs, by requiring the Department of Social Services (DSS) commissioner to do the following:

1. set new pricing standards for deliverable fuel in the Connecticut Energy Assistance Program (CEAP), starting November 1, 2025 (§ 1);
2. include the new pricing standards in the Low-Income Home Energy Assistance Program (LIHEAP) annual report, starting August 1, 2025 (§ 1);
3. convene a working group to study other states' best practices to fairly compensate deliverable fuel vendors in LIHEAP-funded energy assistance programs (§ 3);
4. consult with the Low-Income Energy Advisory Board (LIEAB) to develop and implement a common application and benefits portal, designed for ease of use, for LIHEAP benefits and Operation Fuel, Inc. by July 1, 2025 (§ 4); and
5. consult with the administrative services commissioner, to (a) study the benefits and drawbacks of bulk state purchases of deliverable fuel for CEAP and (b) report her findings and recommendations to the Appropriations, Energy and Technology, and Human Services committees by January 1, 2025

(§ 2).

The bill also makes permanent a one-time 2016 requirement that LIEAB report to the legislature on its recommendations for coordinating and optimizing energy efficiency and assistance programs, starting by January 1, 2025, and annually after that.

EFFECTIVE DATE: Upon passage, except provisions on LIEAB's reporting requirement are effective October 1, 2024.

§ 1 — CEAP DELIVERABLE FUEL PRICING STANDARDS

The bill requires the DSS commissioner to set new pricing standards for deliverable fuel in CEAP, starting with the program period beginning November 1, 2025. The standards must fairly compensate fuel vendors for costs incurred in fuel purchase and delivery while also maintaining the maximum funding amount for benefit recipients.

It also requires the commissioner to include these pricing standards in LIHEAP's annual report starting August 1, 2025. (LIHEAP is the federal block grant that funds CEAP.)

§ 3 — DELIVERABLE FUEL WORKING GROUP

The bill requires the DSS commissioner to convene a working group to study best practices used in other states to fairly compensate deliverable fuel vendors in LIHEAP-funded energy assistance programs, while still maintaining maximum funding to benefit participants.

Under the bill, the working group must include (1) members of an organization representing deliverable fuel vendors in the state and (2) a representative from a community action agency that contracts with DSS to administer CEAP. The DSS commissioner serves as chairperson of the working group, which must convene within 30 days after the bill's passage.

The bill requires the commissioner to report on the study and recommendations to the Appropriations, Energy and Technology, and Human Services committees by January 1, 2025. The working group

terminates on January 1, 2025, or when it submits the report, whichever is later.

§ 5 — LIEAB REPORTING REQUIREMENT

Existing law requires LIEAB to recommend ways to improve the implementation of heating assistance programs, particularly those created to benefit low-income households, by coordinating and optimizing energy efficiency and assistance programs. Current law required LIEAB to report on these recommendations once, by January 1, 2016, to the Appropriations, Energy and Technology, and Human Services committees. The bill instead makes this report an annual requirement, starting by January 1, 2025.

Among other things, these recommendations must consider how the Department of Energy and Environmental Protection, DSS, community action agencies, electric distribution companies, and municipal electric utilities can securely share relevant data. The bill specifies that this includes data obtained from the common application and benefits portal established under the bill.

Under existing law and the bill, LIEAB's recommendations must also consider the following:

1. current energy assistance and efficiency programs' costs and benefits and how to maximize customer benefits through their participation in these programs;
2. how to streamline the programs' application process and possibly develop joint electronic applications;
3. how to make the programs more accessible and feasible for renters, including how to best secure landlord permissions; and
4. coordination efforts to best improve boiler and furnace replacement programs.

BACKGROUND

Related Bill

sSB 384, favorably reported by the Energy and Technology Committee, broadens LIEAB's purpose to include water assistance and replaces the 2016 reporting requirement with a more general biennial report on program coordination.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 16 Nay 6 (03/19/2024)