It is enacted by the General Assembly as follows:

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


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

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

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

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

(2) For natural gas distribution company customers, the charge shall not be more than ten
dollars ($10.00) per year.

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

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

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

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

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

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

39-2-1.5. Tiered percentage of income payment program.
(a) Notwithstanding any other law to the contrary, the public utilities commission is authorized to approve rates to residential customers of an electric distribution company, as defined in § 39-1-2(a)(12) or a gas distribution company included as a public utility in § 39-1-2(a)(20) that has greater than one hundred thousand (100,000) customers, whose household income is at or below one hundred fifty percent (150%) of the federal poverty level and who are eligible to receive assistance through the low income home energy assistance program (LIHEAP) or are enrolled in Medicaid, that provide one or more tiers of discount off the residential rate based on income levels, regardless of whether the utility has proposed such rates.

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

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

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

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

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

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

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

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

(d) The tiers and percentage discount rates shall be set initially no later than December 31, 2024, for effect ninety (90) days after the tiers and percentage discount rates are set and thereafter, they will subsequently be set no less frequently than in each of the electric or gas distribution
company’s respective base distribution rate cases.

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

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

SECTION 3. This act shall take effect upon passage.
This act would create an income-sensitive tiered subsidy program to ensure that home energy utility costs are affordable for eligible low-income households.

This act would take effect upon passage.