



House of Representatives

General Assembly

File No. 333

February Session, 2024

Substitute House Bill No. 5426

House of Representatives, April 8, 2024

The Committee on Human Services reported through REP. GILCHREST of the 18th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

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.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-41a of the 2024 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) The Commissioner of Social Services shall submit to the joint
5 standing committees of the General Assembly having cognizance of
6 energy planning and activities, appropriations, and human services the
7 following on the implementation of the block grant program authorized
8 under the Low-Income Home Energy Assistance Act of 1981, as
9 amended:

10 (1) Not later than August first, annually, a Connecticut energy
11 assistance program annual plan which establishes guidelines for the use

12 of funds authorized under the Low-Income Home Energy Assistance
13 Act of 1981, as amended, and includes the following:

14 (A) Criteria for determining which households are to receive
15 emergency assistance;

16 (B) A description of systems used to ensure referrals to other energy
17 assistance programs and the taking of simultaneous applications, as
18 required under section 16a-41;

19 (C) A description of outreach efforts;

20 (D) Estimates of the total number of households eligible for assistance
21 under the program and the number of households in which one or more
22 elderly or physically disabled individuals eligible for assistance reside;

23 (E) Design of a basic grant for eligible households that does not
24 discriminate against such households based on the type of energy used
25 for heating; [and]

26 (F) A payment plan for fuel deliveries beginning November 1, 2023,
27 that ensures a vendor of deliverable fuel who completes deliveries
28 authorized by a community action agency that contracts with the
29 commissioner to administer a fuel assistance program is provided the
30 option to be paid electronically by the community action agency and is
31 paid not later than ten business days after the date the community action
32 agency receives an authorized fuel slip or invoice for payment from the
33 vendor; and

34 (G) Commencing not later than August 1, 2025, pricing standards for
35 deliverable fuel that fairly compensate fuel vendors for costs incurred
36 in fuel purchase and delivery while maintaining the maximum amount
37 of funding to benefit recipients of the program;

38 (2) Not later than January thirtieth, annually, a report covering the
39 preceding months of the program year, including:

40 (A) In each community action agency geographic area, the number of

41 fuel assistance applications filed, approved and denied, and the number
42 of emergency assistance requests made, approved and denied;

43 (B) In each such area, the total amount of fuel and emergency
44 assistance, itemized by such type of assistance, and total expenditures
45 to date;

46 (C) For each state-wide office of each state agency administering the
47 program and each community action agency, administrative expenses
48 under the program, by line item, and an estimate of outreach
49 expenditures; and

50 (D) A list of community action agencies that failed to make timely
51 payments to vendors of deliverable fuel in the Connecticut energy
52 assistance program and the steps taken by the commissioner to ensure
53 future timely payments by such agencies; and

54 (3) Not later than November first, annually, a report covering the
55 preceding twelve calendar months, including:

56 (A) In each community action agency geographic area, (i) seasonal
57 totals for the categories of data submitted under subdivision (1) of this
58 subsection, (ii) the number of households receiving fuel assistance in
59 which elderly or physically disabled individuals reside, and (iii) the
60 average combined benefit level of fuel, emergency and renter assistance;

61 (B) The number of homeowners and tenants whose heat or total
62 energy costs are not included in their rent receiving fuel and emergency
63 assistance under the program by benefit level;

64 (C) The number of homeowners and tenants whose heat is included
65 in their rent and who are receiving assistance, by benefit level; and

66 (D) The number of households receiving assistance, by energy type
67 and total expenditures for each energy type.

68 (b) The Commissioner of Social Services shall implement a program
69 to purchase deliverable fuel for low-income households participating in

70 the Connecticut energy assistance program and the state-appropriated
71 fuel assistance program. The commissioner shall ensure an adequate
72 supply of vendors for the program by (1) establishing county and
73 regional pricing standards for deliverable fuel, (2) reimbursing fuel
74 providers based on the price of the fuel on the date of delivery, and (3)
75 allowing a vendor to electronically submit an authorized fuel slip or
76 invoice for payment. Commencing with the energy assistance program
77 period beginning November 1, 2025, the commissioner shall ensure an
78 adequate supply of vendors for the program by establishing new pricing
79 standards for deliverable fuel that fairly compensate fuel vendors for
80 costs incurred in fuel purchase and delivery while maintaining the
81 maximum amount of funding to benefit recipients of the program. Not
82 later than August 1, 2025, the commissioner shall include such pricing
83 standards in the annual plan for the program required pursuant to
84 subsection (a) of this section.

85 (c) The commissioner shall ensure that no fuel vendor discriminates
86 against fuel assistance program recipients who are under the vendor's
87 standard payment, delivery, service or other similar plans. The
88 commissioner may take advantage of programs offered by fuel vendors
89 that reduce the cost of the fuel purchased, including, but not limited to,
90 fixed price, capped price, prepurchase or summer-fill programs that
91 reduce program cost and that make the maximum use of program
92 revenues. As funding allows, the commissioner shall ensure that all
93 agencies administering the fuel assistance program shall make
94 payments to program fuel vendors in advance of the delivery of energy
95 where vendor provided price-management strategies require payments
96 in advance.

97 (d) Each community action agency administering a fuel assistance
98 program shall submit reports, as requested by the Commissioner of
99 Social Services, concerning pricing information from vendors of
100 deliverable fuel participating in the program. Such information shall
101 include, but not be limited to, the state-wide or regional retail price per
102 unit of deliverable fuel, the reduced price per unit paid by the state for
103 the deliverable fuel in utilizing price management strategies offered by

104 program vendors for all consumers, the number of units delivered to the
105 state under the program and the total savings under the program due
106 to the purchase of deliverable fuel utilizing price-management
107 strategies offered by program vendors for all consumers.

108 (e) If funding allows, the Commissioner of Social Services, in
109 consultation with the Secretary of the Office of Policy and Management,
110 shall require that, each community action agency administering a fuel
111 assistance program begin accepting applications for the program not
112 later than September first of each year.

113 (f) Not later than November 1, 2023, the Commissioner of Social
114 Services shall require each community action agency administering a
115 fuel assistance program to make payment to a vendor of deliverable fuel
116 not later than ten business days after the community action agency
117 receives an authorized fuel slip or invoice for payment from the vendor
118 and to give the vendor the options of (1) being paid electronically, and
119 (2) submitting electronically an authorized fuel slip or invoice for
120 payment.

121 (g) The Commissioner of Social Services shall submit each plan or
122 report described in subsection (a) of this section to the Low-Income
123 Energy Advisory Board, established pursuant to section 16a-41b, as
124 amended by this act, not later than seven days prior to submitting such
125 plan or report to the joint standing committee of the General Assembly
126 having cognizance of matters relating to energy and technology,
127 appropriations and human services.

128 Sec. 2. (*Effective from passage*) The Commissioner of Social Services, in
129 consultation with the Commissioner of Administrative Services, shall
130 study the benefits and drawbacks of bulk state purchases of deliverable
131 fuel for the state energy assistance program funded under the Low-
132 Income Home Energy Assistance Act of 1981, as amended from time to
133 time. Not later than January 1, 2025, the Commissioner of Social Services
134 shall file a report, in accordance with the provisions of section 11-4a of
135 the general statutes, with the joint standing committees of the General
136 Assembly having cognizance of matters relating to appropriations,

137 energy and technology and human services on the results of the study
138 and recommendations on such bulk purchasing.

139 Sec. 3. (*Effective from passage*) (a) The Commissioner of Social Services
140 shall convene a working group with members of an organization
141 representing deliverable fuel vendors in the state and a representative
142 of a community action agency that contracts with the commissioner to
143 administer the state energy assistance program funded under the Low-
144 Income Home Energy Assistance Act of 1981, as amended from time to
145 time.

146 (b) The working group shall convene not later than thirty days after
147 the effective date of this section and shall study best practices utilized in
148 other states to fairly compensate deliverable fuel vendors participating
149 in energy assistance programs while maintaining the maximum amount
150 of funding to benefit recipients of such programs. The commissioner, or
151 the commissioner's designee, shall serve as chairperson of the working
152 group.

153 (c) Not later than January 1, 2025, the commissioner, in accordance
154 with the provisions of section 11-4a of the general statutes, shall file a
155 report with the joint standing committees of the General Assembly
156 having cognizance of matters relating to appropriations, energy and
157 technology and human services on the results of the study. The report
158 shall include the recommendations of the working group concerning
159 compensation of deliverable fuel vendors in the state that participate in
160 the state energy assistance program funded under the Low-Income
161 Home Energy Assistance Act of 1981, as amended from time to time.
162 The working group shall terminate on the date the report is submitted,
163 or January 1, 2025, whichever is later.

164 Sec. 4. (NEW) (*Effective from passage*) The Commissioner of Social
165 Services, in consultation with the Low Income Energy Advisory Board,
166 shall develop a common application and benefits portal for use by
167 applicants for (1) low-income home energy assistance benefits
168 administered pursuant to section 16a-41a of the general statutes, as
169 amended by this act, and (2) Operation Fuel, Incorporated. The common

170 application and benefits portal shall be designed for ease of use and
171 shall be implemented not later than July 1, 2025.

172 Sec. 5. Subsection (e) of section 16a-41b of the general statutes is
173 repealed and the following is substituted in lieu thereof (*Effective October*
174 *1, 2024*):

175 (e) The Low-Income Energy Advisory Board shall convene and
176 devise recommendations to improve the implementation of heating
177 assistance programs, particularly those created to benefit low-income
178 households, through coordination and optimization of existing energy
179 efficiency and energy assistance programs. Such recommendations shall
180 consider: (1) How the Department of Energy and Environmental
181 Protection, Department of Social Services, community action agencies,
182 as defined in section 17b-885, electric distribution companies, as defined
183 in section 16-1, and municipal electric utilities, as defined in section 7-
184 233b, can securely share heating assistance program applicant data,
185 including data obtained from the application and benefits portal
186 established on or before July 1, 2025, pursuant to section 4 of this act,
187 with respect to customer energy usage levels, past participation and
188 eligibility for energy assistance and energy efficiency programs, and
189 other data deemed relevant to improve coordination among such
190 programs and program administrators; (2) the costs and benefits of
191 current energy assistance and energy efficiency programs and how to
192 maximize customer benefits through such customers' participation in
193 any combination of energy assistance and energy efficiency programs;
194 (3) how to streamline the application process for energy assistance and
195 energy efficiency program applicants and the possible development of
196 joint electronic applications; (4) how to make energy assistance and
197 energy efficiency programs more accessible and feasible for tenants in
198 rental housing units, including, but not limited to, how to best secure
199 landlord permission for such services; and (5) coordination efforts to
200 best improve boiler and furnace replacement programs. Not later than
201 January 1, [2016] 2025, and annually thereafter, the Low-Income Energy
202 Advisory Board shall report such recommendations, in accordance with
203 section 11-4a, to the joint standing committees of the General Assembly

204 having cognizance of matters relating to energy, appropriations and
205 human services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16a-41a
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>October 1, 2024</i>	16a-41b(e)

Statement of Legislative Commissioners:

In Section 3(b), "in such" was changed to "participating in" for clarity; in Section 4, "use by applicants for" was added before subdivision (1) for clarity; in Section 4(2) "Inc." was changed to "Incorporated" and "common application and benefits" was added before "portal" for accuracy; and in subdivision 5(e), "on or before July 1, 2025," was inserted after "established" for clarity.

HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Social Services, Dept.	FF - Cost	See Below	See Below

Note: FF=Federal Funds

Municipal Impact: None

Explanation

The bill results in a cost to the Department of Social Services (DSS) of approximately \$500,000 in FY 25 associated with system adjustments. The bill requires DSS to develop and implement a common application and benefits portal for the Low-Income Home Energy Assistance Program (LIHEAP) and Operation Fuel, Inc, by 7/1/25. It is anticipated that DSS would include the costs for such adjustments in the federal LIHEAP allocation plan.

The bill also requires DSS to establish pricing standards for deliverable fuel under LIHEAP, by 8/1/25, to fairly compensate fuel vendors while maintaining the maximum amount of funding for benefits under the program.

While the requirements of the bill do not result in a net fiscal impact to the state, they will impact the allocation of federal funds supporting LIHEAP.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to deliverable fuel pricing standards.

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)