



General Assembly

Substitute Bill No. 5426

February Session, 2024



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2 statutes is repealed and the following is substituted in lieu thereof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.*