



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 2406

2 AMENDMENT NO. _____. Amend Senate Bill 2406 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Energy Assistance Act is amended by
5 changing Sections 6 and 18 as follows:

6 (305 ILCS 20/6) (from Ch. 111 2/3, par. 1406)

7 Sec. 6. Eligibility, Conditions of Participation, and
8 Energy Assistance.

9 (a) Any person who is a resident of the State of Illinois
10 and whose household income is not greater than an amount
11 determined annually by the Department, in consultation with the
12 Policy Advisory Council, may apply for assistance pursuant to
13 this Act in accordance with regulations promulgated by the
14 Department. In setting the annual eligibility level, the
15 Department shall consider the amount of available funding and
16 may not set a limit higher than 200% ~~150%~~ of the federal

1 nonfarm poverty level as established by the federal Office of
2 Management and Budget; ~~except that for the period ending June~~
3 ~~30, 2013, the Department may not establish limits higher than~~
4 ~~200% of that poverty level or the maximum level provided for by~~
5 ~~federal guidelines.~~

6 (b) Applicants who qualify for assistance pursuant to
7 subsection (a) of this Section shall, subject to appropriation
8 from the General Assembly and subject to availability of funds
9 to the Department, receive energy assistance as provided by
10 this Act. The Department, upon receipt of monies authorized
11 pursuant to this Act for energy assistance, shall commit funds
12 for each qualified applicant in an amount determined by the
13 Department. In determining the amounts of assistance to be
14 provided to or on behalf of a qualified applicant, the
15 Department shall ensure that the highest amounts of assistance
16 go to households with the greatest energy costs in relation to
17 household income. The Department shall include factors such as
18 energy costs, household size, household income, and region of
19 the State when determining individual household benefits. In
20 setting assistance levels, the Department shall attempt to
21 provide assistance to approximately the same number of
22 households who participated in the 1991 Residential Energy
23 Assistance Partnership Program. Such assistance levels shall
24 be adjusted annually on the basis of funding availability and
25 energy costs. In promulgating rules for the administration of
26 this Section the Department shall assure that a minimum of 1/3

1 of funds available for benefits to eligible households with the
2 lowest incomes and that elderly households and households with
3 persons with disabilities are offered a priority application
4 period.

5 (c) If the applicant is not a customer of record of an
6 energy provider for energy services or an applicant for such
7 service, such applicant shall receive a direct energy
8 assistance payment in an amount established by the Department
9 for all such applicants under this Act; provided, however, that
10 such an applicant must have rental expenses for housing greater
11 than 30% of household income.

12 (c-1) This subsection shall apply only in cases where: (1)
13 the applicant is not a customer of record of an energy provider
14 because energy services are provided by the owner of the unit
15 as a portion of the rent; (2) the applicant resides in housing
16 subsidized or developed with funds provided under the Rental
17 Housing Support Program Act or under a similar locally funded
18 rent subsidy program, or is the voucher holder who resides in a
19 rental unit within the State of Illinois and whose monthly rent
20 is subsidized by the tenant-based Housing Choice Voucher
21 Program under Section 8 of the U.S. Housing Act of 1937; and
22 (3) the rental expenses for housing are no more than 30% of
23 household income. In such cases, the household may apply for an
24 energy assistance payment under this Act and the owner of the
25 housing unit shall cooperate with the applicant by providing
26 documentation of the energy costs for that unit. Any

1 compensation paid to the energy provider who supplied energy
2 services to the household shall be paid on behalf of the owner
3 of the housing unit providing energy services to the household.
4 The Department shall report annually to the General Assembly on
5 the number of households receiving energy assistance under this
6 subsection and the cost of such assistance. The provisions of
7 this subsection (c-1), other than this sentence, are
8 inoperative after August 31, 2012.

9 (d) If the applicant is a customer of an energy provider,
10 such applicant shall receive energy assistance in an amount
11 established by the Department for all such applicants under
12 this Act, such amount to be paid by the Department to the
13 energy provider supplying winter energy service to such
14 applicant. Such applicant shall:

15 (i) make all reasonable efforts to apply to any other
16 appropriate source of public energy assistance; and

17 (ii) sign a waiver permitting the Department to receive
18 income information from any public or private agency
19 providing income or energy assistance and from any
20 employer, whether public or private.

21 (e) Any qualified applicant pursuant to this Section may
22 receive or have paid on such applicant's behalf an emergency
23 assistance payment to enable such applicant to obtain access to
24 winter energy services. Any such payments shall be made in
25 accordance with regulations of the Department.

26 (f) The Department may, if sufficient funds are available,

1 provide additional benefits to certain qualified applicants:

2 (i) for the reduction of past due amounts owed to
3 energy providers; and

4 (ii) to assist the household in responding to
5 excessively high summer temperatures or energy costs.
6 Households containing elderly members, children, a person
7 with a disability, or a person with a medical need for
8 conditioned air shall receive priority for receipt of such
9 benefits.

10 (Source: P.A. 99-143, eff. 7-27-15.)

11 (305 ILCS 20/18)

12 Sec. 18. Financial assistance; payment plans.

13 (a) The Percentage of Income Payment Plan (PIPP or PIP
14 Plan) is hereby created as a mandatory bill payment assistance
15 program for low-income residential customers of utilities
16 serving more than 100,000 retail customers as of January 1,
17 2009. The PIP Plan will:

18 (1) bring participants' gas and electric bills into the
19 range of affordability;

20 (2) provide incentives for participants to make timely
21 payments;

22 (3) encourage participants to reduce usage and
23 participate in conservation and energy efficiency measures
24 that reduce the customer's bill and payment requirements;
25 and

1 (4) identify participants whose homes are most in need
2 of weatherization.

3 (b) For purposes of this Section:

4 (1) "LIHEAP" means the energy assistance program
5 established under the Illinois Energy Assistance Act and
6 the Low-Income Home Energy Assistance Act of 1981.

7 (2) "Plan participant" is an eligible participant who
8 is also eligible for the PIPP and who will receive either a
9 percentage of income payment credit under the PIPP criteria
10 set forth in this Act or a benefit pursuant to Section 4 of
11 this Act. Plan participants are a subset of eligible
12 participants.

13 (3) "Pre-program arrears" means the amount a plan
14 participant owes for gas or electric service at the time
15 the participant is determined to be eligible for the PIPP
16 or the program set forth in Section 4 of this Act.

17 (4) "Eligible participant" means any person who has
18 applied for, been accepted and is receiving residential
19 service from a gas or electric utility and who is also
20 eligible for LIHEAP.

21 (c) The PIP Plan shall be administered as follows:

22 (1) The Department shall coordinate with Local
23 Administrative Agencies (LAAs), to determine eligibility
24 for the Illinois Low Income Home Energy Assistance Program
25 (LIHEAP) pursuant to the Energy Assistance Act, provided
26 that eligible income shall be no more than 200% ~~150%~~ of the

1 poverty level. Applicants will be screened to determine
2 whether the applicant's projected payments for electric
3 service or natural gas service over a 12-month period
4 exceed the criteria established in this Section. ~~To~~
5 ~~maintain the financial integrity of the program, the~~
6 ~~Department may limit eligibility to households with income~~
7 ~~below 125% of the poverty level.~~

8 (2) The Department shall establish the percentage of
9 income formula to determine the amount of a monthly credit,
10 not to exceed \$150 per month per household, not to exceed
11 \$1,800 annually, that will be applied to PIP Plan
12 participants' utility bills based on the portion of the
13 bill that is the responsibility of the participant provided
14 that the percentage shall be no more than a total of 6% of
15 the relevant income for gas and electric utility bills
16 combined, but in any event no less than \$10 per month,
17 unless the household does not pay directly for heat, in
18 which case its payment shall be 2.4% of income but in any
19 event no less than \$5 per month. The Department may
20 establish a minimum credit amount based on the cost of
21 administering the program and may deny credits to otherwise
22 eligible participants if the cost of administering the
23 credit exceeds the actual amount of any monthly credit to a
24 participant. If the participant takes both gas and electric
25 service, 66.67% of the credit shall be allocated to the
26 entity that provides the participant's primary energy

1 supply for heating. Each participant shall enter into a
2 levelized payment plan for, as applicable, gas and electric
3 service and such plans shall be implemented by the utility
4 so that a participant's usage and required payments are
5 reviewed and adjusted regularly, but no more frequently
6 than quarterly. Nothing in this Section is intended to
7 prohibit a customer, who is otherwise eligible for LIHEAP,
8 from participating in the program described in Section 4 of
9 this Act. Eligible participants who receive such a benefit
10 shall be considered plan participants and shall be eligible
11 to participate in the Arrearage Reduction Program
12 described in item (5) of this subsection (c).

13 (3) The Department shall remit, through the LAAs, to
14 the utility or participating alternative supplier that
15 portion of the plan participant's bill that is not the
16 responsibility of the participant. In the event that the
17 Department fails to timely remit payment to the utility,
18 the utility shall be entitled to recover all costs related
19 to such nonpayment through the automatic adjustment clause
20 tariffs established pursuant to Section 16-111.8 and
21 Section 19-145 of the Public Utilities Act. For purposes of
22 this item (3) of this subsection (c), payment is due on the
23 date specified on the participant's bill. The Department,
24 the Department of Revenue and LAAs shall adopt processes
25 that provide for the timely payment required by this item
26 (3) of this subsection (c).

1 (4) A plan participant is responsible for all actual
2 charges for utility service in excess of the PIPP credit.
3 Pre-program arrears that are included in the Arrearage
4 Reduction Program described in item (5) of this subsection
5 (c) shall not be included in the calculation of the
6 levelized payment plan. Emergency or crisis assistance
7 payments shall not affect the amount of any PIPP credit to
8 which a participant is entitled.

9 (5) Electric and gas utilities subject to this Section
10 shall implement an Arrearage Reduction Program (ARP) for
11 plan participants as follows: for each month that a plan
12 participant timely pays his or her utility bill, the
13 utility shall apply a credit to a portion of the
14 participant's pre-program arrears, if any, equal to
15 one-twelfth of such arrearage provided that the total
16 amount of arrearage credits shall equal no more than \$1,000
17 annually for each participant for gas and no more than
18 \$1,000 annually for each participant for electricity. In
19 the third year of the PIPP, the Department, in consultation
20 with the Policy Advisory Council established pursuant to
21 Section 5 of this Act, shall determine by rule an
22 appropriate per participant total cap on such amounts, if
23 any. Those plan participants participating in the ARP shall
24 not be subject to the imposition of any additional late
25 payment fees on pre-program arrears covered by the ARP. In
26 all other respects, the utility shall bill and collect the

1 monthly bill of a plan participant pursuant to the same
2 rules, regulations, programs and policies as applicable to
3 residential customers generally. Participation in the
4 Arrearage Reduction Program shall be limited to the maximum
5 amount of funds available as set forth in subsection (f) of
6 Section 13 of this Act. In the event any donated funds
7 under Section 13 of this Act are specifically designated
8 for the purpose of funding the ARP, the Department shall
9 remit such amounts to the utilities upon verification that
10 such funds are needed to fund the ARP. Nothing in this
11 Section shall preclude a utility from continuing to
12 implement, and apply credits under, an ARP in the event
13 that the PIPP or LIHEAP is suspended due to lack of funding
14 such that the plan participant does not receive a benefit
15 under either the PIPP or LIHEAP.

16 (5.5) In addition to the ARP described in paragraph (5)
17 of this subsection (c), utilities may also implement a
18 Supplemental Arrearage Reduction Program (SARP) for
19 eligible participants who are not able to become plan
20 participants due to PIPP timing or funding constraints. If
21 a utility elects to implement a SARP, it shall be
22 administered as follows: for each month that a SARP
23 participant timely pays his or her utility bill, the
24 utility shall apply a credit to a portion of the
25 participant's pre-program arrears, if any, equal to
26 one-twelfth of such arrearage, provided that the utility

1 may limit the total amount of arrearage credits to no more
2 than \$1,000 annually for each participant for gas and no
3 more than \$1,000 annually for each participant for
4 electricity. SARP participants shall not be subject to the
5 imposition of any additional late payment fees on
6 pre-program arrears covered by the SARP. In all other
7 respects, the utility shall bill and collect the monthly
8 bill of a SARP participant under the same rules,
9 regulations, programs, and policies as applicable to
10 residential customers generally. Participation in the SARP
11 shall be limited to the maximum amount of funds available
12 as set forth in subsection (f) of Section 13 of this Act.
13 In the event any donated funds under Section 13 of this Act
14 are specifically designated for the purpose of funding the
15 SARP, the Department shall remit such amounts to the
16 utilities upon verification that such funds are needed to
17 fund the SARP.

18 (6) The Department may terminate a plan participant's
19 eligibility for the PIP Plan upon notification by the
20 utility that the participant's monthly utility payment is
21 more than 45 days past due.

22 (7) The Department, in consultation with the Policy
23 Advisory Council, may adjust the number of PIP Plan
24 participants annually, if necessary, to match the
25 availability of funds. Any plan participant who qualifies
26 for a PIPP credit under a utility's PIPP shall be entitled

1 to participate in and receive a credit under such utility's
2 ARP for so long as such utility has ARP funds available,
3 regardless of whether the customer's participation under
4 another utility's PIPP or ARP has been curtailed or limited
5 because of a lack of funds.

6 (8) The Department shall fully implement the PIPP at
7 the earliest possible date it is able to effectively
8 administer the PIPP. Within 90 days of the effective date
9 of this amendatory Act of the 96th General Assembly, the
10 Department shall, in consultation with utility companies,
11 participating alternative suppliers, LAAs and the Illinois
12 Commerce Commission (Commission), issue a detailed
13 implementation plan which shall include detailed testing
14 protocols and analysis of the capacity for implementation
15 by the LAAs and utilities. Such consultation process also
16 shall address how to implement the PIPP in the most
17 cost-effective and timely manner, and shall identify
18 opportunities for relying on the expertise of utilities,
19 LAAs and the Commission. Following the implementation of
20 the testing protocols, the Department shall issue a written
21 report on the feasibility of full or gradual
22 implementation. The PIPP shall be fully implemented by
23 September 1, 2011, but may be phased in prior to that date.

24 (9) As part of the screening process established under
25 item (1) of this subsection (c), the Department and LAAs
26 shall assess whether any energy efficiency or demand

1 response measures are available to the plan participant at
2 no cost, and if so, the participant shall enroll in any
3 such program for which he or she is eligible. The LAAs
4 shall assist the participant in the applicable enrollment
5 or application process.

6 (10) Each alternative retail electric and gas supplier
7 serving residential customers shall elect whether to
8 participate in the PIPP or ARP described in this Section.
9 Any such supplier electing to participate in the PIPP shall
10 provide to the Department such information as the
11 Department may require, including, without limitation,
12 information sufficient for the Department to determine the
13 proportionate allocation of credits between the
14 alternative supplier and the utility. If a utility in whose
15 service territory an alternative supplier serves customers
16 contributes money to the ARP fund which is not recovered
17 from ratepayers, then an alternative supplier which
18 participates in ARP in that utility's service territory
19 shall also contribute to the ARP fund in an amount that is
20 commensurate with the number of alternative supplier
21 customers who elect to participate in the program.

22 (d) The Department, in consultation with the Policy
23 Advisory Council, shall develop and implement a program to
24 educate customers about the PIP Plan and about their rights and
25 responsibilities under the percentage of income component. The
26 Department, in consultation with the Policy Advisory Council,

1 shall establish a process that LAAs shall use to contact
2 customers in jeopardy of losing eligibility due to late
3 payments. The Department shall ensure that LAAs are adequately
4 funded to perform all necessary educational tasks.

5 (e) The PIPP shall be administered in a manner which
6 ensures that credits to plan participants will not be counted
7 as income or as a resource in other means-tested assistance
8 programs for low-income households or otherwise result in the
9 loss of federal or State assistance dollars for low-income
10 households.

11 (f) In order to ensure that implementation costs are
12 minimized, the Department and utilities shall work together to
13 identify cost-effective ways to transfer information
14 electronically and to employ available protocols that will
15 minimize their respective administrative costs as follows:

16 (1) The Commission may require utilities to provide
17 such information on customer usage and billing and payment
18 information as required by the Department to implement the
19 PIP Plan and to provide written notices and communications
20 to plan participants.

21 (2) Each utility and participating alternative
22 supplier shall file annual reports with the Department and
23 the Commission that cumulatively summarize and update
24 program information as required by the Commission's rules.
25 The reports shall track implementation costs and contain
26 such information as is necessary to evaluate the success of

1 the PIPP.

2 (3) The Department and the Commission shall have the
3 authority to promulgate rules and regulations necessary to
4 execute and administer the provisions of this Section.

5 (g) Each utility shall be entitled to recover reasonable
6 administrative and operational costs incurred to comply with
7 this Section from the Supplemental Low Income Energy Assistance
8 Fund. The utility may net such costs against monies it would
9 otherwise remit to the Funds, and each utility shall include in
10 the annual report required under subsection (f) of this Section
11 an accounting for the funds collected.

12 (Source: P.A. 99-906, eff. 6-1-17.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.".