



HB21-1105

SHORT TITLE: Low-Income Utility Payment Assistance Contributions

LONG TITLE: Concerning utility customers' financial contributions for low-income utility assistance.

COMMITTEES: House Finance Committee

SPONSORS: Rep. Kennedy/Sen. Hansen

PURPOSE OF THE BILL: To remove the Low-Income Energy program from Tier 2 Severance Tax funding and substitute funding through a monthly surcharge on customers of investor-owned utilities; to include water utilities on the Legislative Commission on Low Income Energy Assistance, adding “Water” to the Commission’s name and purview. The Commission is charged with:

- serving as a policy advisor to the Colorado Energy Office with respect to any U.S. Department of Energy grant award;
- serving as an advisory council to any Colorado water utilities that provide or seek to provide water assistance and efficiency programs to their customers; and
- reviewing annual budget submissions from Energy Outreach Colorado regarding the organization's use of the energy assistance system benefit charge.

In part, the bill creates a voluntary, opt-in program among water utilities to help finance water assistance for low-income customers provided by Energy Outreach Colorado. A water utility is defined as a water corporation or municipal water provider that provides retail water service to Colorado customers.

PROPOSERS OF THE BILL: Advocates for low-income Coloradans; Dept. of Human Services?

POTENTIAL STAKEHOLDERS: Dept. of Human Services, advocates for low-income Coloradans, Dept. of Natural Resources, electric and water utilities.

BACKGROUND: The program for low-income energy assistance has been funded as a Tier 2 program with funding from severance tax. Those funds are not currently available, and a more stable source of funding is sought. During discussions during the Special Session, the issue of assistance with water bills was raised, to which this legislation addresses by adding a voluntary effort by water utilities. A water representative is added along with a name change to the Legislative Commission on Low Income Energy and Water Assistance.

Is this bill necessary this year? There is no deadline for enactment; however, based on the December 2020 Legislative Council Staff revenue forecast, Tier 2 programs, including Energy Outreach Colorado's direct bill assistance program, are not projected to receive any transfers from the Severance Tax Operational Fund in the near-term.

How does the bill change current law? Assistance for water payments was not previously included under Low Income Energy Assistance programs.

Does the bill affect the prior appropriations system? No.

How is the bill implemented? For electric utilities through a monthly benefits surcharge on customers; water assistance is through a voluntary program implemented by water utilities.

Practical considerations: How will water customers feel about a potential surcharge?

Fiscal Impact: An extensive discussion of this bill is found in the fiscal note http://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_hb1105_00.pdf