
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2694 Session of
2022

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SANCHEZ, CIRESI AND HOWARD, JUNE 24, 2022

REFERRED TO COMMITTEE ON HUMAN SERVICES, JUNE 24, 2022

AN ACT

1 Providing for Low-Income Home Energy Assistance Program
2 eligibility, allocation of funds and resources; imposing
3 duties on the Department of Human Services; and providing for
4 compliance and fraud prevention procedures and for
5 performance audit and allocation of appropriations.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Home Energy
10 Assistance Heating and Cooling Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Budget billing." The proration of an estimated 12-month
16 projection of the cost of household heating based on weather,
17 energy costs and occupancy adjusted over time as required for
18 changes in assumptions versus actual experience.

19 "Customer assistance program." A plan or program sponsored

1 by a public utility for the purpose of providing universal
2 service and energy conservation, as defined by 66 Pa.C.S. § 2202
3 (relating to definitions) or 2803 (relating to definitions), in
4 which customers make monthly payments based on household income
5 and household size and under which customers must comply with
6 certain responsibilities and restrictions in order to remain
7 eligible for the Low-Income Home Energy Assistance Program.

8 "Department." The Department of Human Services of the
9 Commonwealth.

10 "Hardship fund." A fund that provides cash assistance to
11 utility customers with utility bill payment as defined in 52 Pa.
12 Code §§ 54.72 (relating to definitions) and 62.2 (relating to
13 definitions).

14 "Income." The types of income used in determining
15 eligibility for LIHEAP as provided in the State Plan for the
16 applicable fiscal year.

17 "Independent charitable organization." An organization
18 approved as a charitable organization under section 501(c)(3) of
19 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
20 § 501(c)(3)).

21 "Leveraged resources." Any LIHEAP funding resource as
22 defined in section 2607A of the Low-Income Home Energy
23 Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. § 8626a).

24 "Low-Income Home Energy Assistance Act of 1981." The Low-
25 Income Home Energy Assistance Act of 1981 (Public Law 97-35, 42
26 U.S.C. § 8621 et seq.).

27 "Low-Income Home Energy Assistance Program" or "LIHEAP." A
28 federally funded program that provides financial assistance in
29 the form of cash and crisis grants to low-income households for
30 home energy bills and is administered by the department.

1 "Participating energy vendor." An agent or company that
2 directly distributes home heating energy or services, including
3 emergency energy or services, in exchange for payment.

4 "Plan year." The Federal LIHEAP fiscal year.

5 "Poverty level." The poverty level published by the United
6 States Department of Health and Human Services and used by the
7 department in determining eligibility for LIHEAP.

8 "Secretary." The Secretary of Human Services of the
9 Commonwealth.

10 "State Plan." The State Plan for LIHEAP prepared by the
11 department as required by section 2605(c) of the Low-Income Home
12 Energy Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. §
13 8624(c)).
14 Section 3. Eligibility.

15 (a) Income verification.--The department shall verify the
16 income of LIHEAP applicants by requiring income documentation
17 from applicants. Utilities shall use department verification of
18 LIHEAP applicant approval as confirmation for enrollment
19 eligibility in a customer assistance program.

20 (b) Qualifications for LIHEAP.--A notice of termination to a
21 customer of a public utility shall be sufficient proof of a
22 crisis for a customer with the requisite income level to receive
23 a LIHEAP crisis grant from the department or its designee.

24 (c) Energy vendor participation.--As a condition of
25 receiving LIHEAP funds, all participating energy vendors must
26 provide eligible applicants budget billing over 12 months. If a
27 budget customer of a deliverable fuel vendor not regulated by
28 the Pennsylvania Public Utility Commission accepts LIHEAP funds
29 but fails to adhere to an existing vendor budget agreement, the
30 vendor may terminate the budget agreement and require

1 predelivery payment for energy for the balance of the program
2 year. Participation by a deliverable fuel customer in a budget
3 or automatic delivery plan shall not disqualify the customer
4 from receiving LIHEAP crisis benefits. The department shall
5 require all participating energy vendors to establish an annual
6 outreach plan component for all prior year LIHEAP recipients to
7 receive current year LIHEAP application notification.

8 (d) Notice of eligibility.--The department shall work with
9 all participating energy vendors in verifying an applicant's
10 eligibility for any energy assistance, including customer
11 assistance programs and hardship funds.

12 (e) Nondiscrimination.--The department shall not
13 discriminate in any aspect of Federal LIHEAP funding resource
14 administration on the basis of energy type used as the primary
15 source of home heating. Households using regulated utility
16 services for home heating shall receive full and timely crisis
17 and cash grants in accordance with 66 Pa.C.S. § 1406 (relating
18 to termination of utility service).

19 Section 4. Allocation of funds.

20 (a) General rule.--The department shall implement the State
21 Plan to utilize available funds to assist eligible households to
22 meet the costs of home heating energy and shall make payments
23 only as specified in an approved State Plan or as otherwise
24 provided by law. The department shall not seek to alter energy
25 pricing of any fuel type nor attempt to negotiate or condition
26 participation of any energy vendor in the LIHEAP program based
27 on the vendor's energy pricing.

28 (b) Allocation.--The annual LIHEAP fiscal year projected
29 budget shall conform to Federal guidelines in effect at the time
30 and shall utilize allocated Federal funds as follows:

1 (1) Adjustments within spending guideline maximums shall
2 be made as needed, but shall not exceed 100% of available
3 Federal funds in any fiscal year.

4 (2) Of the funds available to the Commonwealth, a
5 reasonable amount of crisis funds based on data from prior
6 years shall be reserved until May 31 of each program year by
7 the department for energy crisis intervention. The program
8 for which funds are reserved by this subsection shall be
9 administered by public or nonprofit entities which have
10 experience in administering energy crisis programs under the
11 Low-Income Home Energy Assistance Act of 1981 (Public Law 97-
12 35, 42 U.S.C. § 8621 et seq.), with experience in assisting
13 low-income individuals in the area to be served, the capacity
14 to undertake a timely and effective energy crisis
15 intervention program and the ability to carry out the program
16 in local communities. The program for which funds are
17 reserved under this subsection shall:

18 (i) No later than 48 hours after a household applies
19 for energy crisis benefits, provide some form of
20 assistance that will resolve the energy crisis if the
21 household is eligible to receive the benefits.

22 (ii) No later than 18 hours after a household
23 applies for crisis benefits, provide some form of
24 assistance that will resolve the energy crisis if the
25 household is eligible to receive the benefits and is in a
26 life-threatening situation.

27 (iii) Require each entity that administers the
28 program:

29 (A) To accept applications for energy crisis
30 benefits at sites that are geographically accessible

1 to all households in the area to be served by the
2 entity.

3 (B) To provide to low-income individuals who are
4 physically infirm the means:

5 (I) to submit applications for energy crisis
6 benefits without leaving their residences; or

7 (II) to travel to the sites at which the
8 applications are accepted by the entity.

9 Section 5. Leveraged resources.

10 (a) Procedure.--The department shall utilize all programs
11 and resources to maximize Federal LIHEAP funding by establishing
12 a procedure for each plan year in accordance with the following:

13 (1) The department shall provide for certification of
14 the sources and amount of all resources that may be leveraged
15 from public and private sector records for the applicable
16 plan year and inclusion of the data in the State Plan.

17 (2) The department shall use all of the following in the
18 application for the incentive program for leveraging non-
19 Federal resources and request for approval of such for
20 additional leveraged Federal LIHEAP funding:

21 (i) Customer assistance program-related and recorded
22 resources in application.

23 (ii) Discounts or credits for monthly billing and
24 arrearage forgiveness provided through utilities'
25 customer assistance programs. Sources for leveraged
26 resources shall include reduced utility residential
27 tariff rates, utility operating funds, waived late
28 payment charges, security deposit fees and reconnection
29 fees which shall be documented by the Pennsylvania Public
30 Utility Commission as sources of leveraged resources.

1 (iii) Cash grant assistance from any nongovernmental
2 source and utility credits for LIHEAP recipients to
3 assist in the payment of:

4 (A) Home heating costs.

5 (B) The repair of home heating equipment and/or
6 excavation costs to repair gas lines.

7 (C) Home weatherization materials and
8 installation.

9 (iv) The value of private nonutility-delivered fuel
10 vendor bulk fuel donations, as reported to the department
11 by private nonutility fuel vendors, hardship funds and
12 other social service agencies and utility company
13 resources.

14 (v) Community-based independent charitable
15 organization cash grants.

16 (vi) Donations or in-kind contributions provided by
17 rural electric cooperatives and independent charitable
18 organizations. The source of funds includes:

19 (A) Cooperative member and director
20 contributions.

21 (B) Electric cooperative matching funds.

22 (C) Funds from a federation of independent
23 charitable organizations.

24 (D) Heating system materials and supplies
25 donated by building and supply companies to LIHEAP
26 recipients.

27 (vii) Programs administered by municipalities that
28 provide home heating assistance to low-income households.

29 (viii) Any other resource not prohibited by Federal
30 law.

1 (b) Allocation of grant funds.--Any leveraging incentive
2 grant award shall be used to maintain or increase benefits to
3 LIHEAP households.

4 Section 6. Public participation and legislative oversight.

5 In accordance with section 2605(b)(12) of the Low-Income Home
6 Energy Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. §
7 8624(b)(12)), the department shall provide for timely public
8 participation in the development of a State Plan as follows:

9 (1) In accordance with section 2605(a)(2) of the Low-
10 Income Home Energy Assistance Act of 1981 (Public Law 97-35,
11 42 U.S.C. § 8624(a)(2)), public hearings on each fiscal year
12 LIHEAP proposed State Plan shall be held as scheduled by the
13 secretary, notice of which shall be transmitted to the
14 Legislative Reference Bureau for publication in the
15 Pennsylvania Bulletin in a timely manner.

16 (2) The following apply:

17 (i) A LIHEAP advisory committee shall advise the
18 secretary on the administration of the LIHEAP block
19 grant, including a review of the proposed plan and
20 recommendations on the final plan. The department shall
21 review and give deference to the information and
22 recommendations that are provided by the LIHEAP advisory
23 committee and that are not inconsistent with this act.

24 (ii) Members of the advisory committee shall be
25 appointed by the secretary and represent the following:

26 (A) Consumer and advocacy interests.

27 (B) Participating energy vendors.

28 (C) Other concerned citizens of this
29 Commonwealth.

30 (iii) In addition to the members provided for in

1 subparagraph (ii), the advisory committee shall include:

2 (A) The chairperson and the minority chairperson
3 of the Consumer Protection and Professional Licensure
4 Committee of the Senate or their designees.

5 (B) The chairperson and the minority chairperson
6 of the Health and Human Services Committee of the
7 Senate or their designees.

8 (C) The chairperson and the minority chairperson
9 of the Consumer Affairs Committee of the House of
10 Representatives or their designees.

11 (D) The chairperson and the minority chairperson
12 of the Human Services Committee of the House of
13 Representatives or their designees.

14 (iv) One member shall serve as the chairperson of
15 the advisory committee. The position of chairperson shall
16 change annually and the same member shall not serve as
17 chairperson more than once in any four-year period. For
18 the purpose of selecting a chairperson, the position
19 shall revolve annually among representatives of the
20 consumer and advocacy interests, energy vendors,
21 concerned citizens and legislative members.

22 (3) Copies of the proposed State Plan, including a copy
23 of public comments received, shall be forwarded to the
24 chairperson and minority chairperson of the Consumer
25 Protection and Professional Licensure Committee of the
26 Senate, the chairperson and minority chairperson of the
27 Health and Human Services Committee of the Senate, the
28 chairperson and minority chairperson of the Consumer Affairs
29 Committee of the House of Representatives and the chairperson
30 and minority chairperson of the Human Services Committee of

1 the House of Representatives for review and comment 60 days
2 prior to final plan submission to the United States
3 Department of Health and Human Services. Copies of the plan
4 shall be available for public review and comment at all
5 county assistance offices.

6 Section 7. Monitoring and audit.

7 (a) Monitoring.--In accordance with section 2605(b)(10) of
8 the Low-Income Home Energy Assistance Act of 1981 (Public Law
9 97-35, 42 U.S.C. § 8624(b)(10)), the department shall implement
10 fiscal control and fund accounting procedures to assure the
11 proper disbursement of funds, which include monitoring payments
12 and an annual audit of State Plan expenditures.

13 (b) Audit.--In accordance with section 2605(e) of the Low-
14 Income Home Energy Assistance Act of 1981 (Public Law 97-35, 42
15 U.S.C. § 8624(e)), the department shall submit annually to a
16 financial and compliance audit in accordance with the standards
17 of the Comptroller General of the United States. A copy of the
18 audit shall be submitted within 30 days after completion of the
19 audit to the Governor, the Secretary of the Senate and Chief
20 Clerk of the House of Representatives. The department shall make
21 the audit report available to the public on a timely basis.

22 (c) Department action.--If the department uncovers any
23 false, misleading or inaccurate statement by applicants,
24 participating energy vendors or State employees, the department
25 shall notify the State Inspector General or appropriate law
26 enforcement agency.

27 Section 8. Performance audit and allocation.

28 (a) Performance audit.--The Legislative Budget and Finance
29 Committee shall conduct a performance audit on the use of the
30 LIHEAP weatherization assistance program money for fiscal years

1 July 1, 2018, through June 30, 2021, and submit to the General
2 Assembly a report based on the audit within one year of the
3 effective date of this act.

4 (b) Allocation.--Commencing with fiscal year 2022-2023, the
5 allocation of LIHEAP money appropriated to the Department of
6 Community and Economic Development for the weatherization
7 assistance program shall be based on the findings of the audit
8 performed under subsection (a). Any money allocated but not
9 utilized for the weatherization assistance program during the
10 program year shall be returned to the department and used for
11 LIHEAP assistance grants.

12 Section 9. Cooling assistance.

13 (a) Authorization.--As part of the State Plan, the
14 department shall incorporate a component within LIHEAP to
15 specifically provide cooling assistance for eligible customers
16 who seek financial resources to cover cooling expenses.

17 (b) Criteria.--The other provisions of this act, including
18 eligibility, the allocation of funds, leveraged resources,
19 public participation, legislative oversight, monitoring and
20 audit, shall govern the component described in subsection (a).

21 (c) Supplemental appropriation.--After consultation with
22 relevant Federal and State entities, the department shall
23 determine the amount of a supplemental appropriation necessary
24 to implement and administer this section.

25 Section 10. Effective date.

26 This act shall take effect immediately.