

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2695 Session of  
2022

INTRODUCED BY MATZIE, MARSHALL, PISCIOTTANO, T. DAVIS, KINSEY,  
FREEMAN, GUENST, SCHLOSSBERG, McNEILL, MADDEN, SANCHEZ AND  
HOWARD, JUNE 21, 2022

REFERRED TO COMMITTEE ON HUMAN SERVICES, JUNE 21, 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 in Time of Need (HEAT ON) 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 (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 (42 U.S.C. § 8624(c)).

13 Section 3. Eligibility.

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

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

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

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

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

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

#### 18 Section 4. Allocation of funds.

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

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

30 (1) Adjustments within spending guideline maximums shall

1 be made as needed, but shall not exceed 100% of available  
2 Federal funds in any fiscal year.

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

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

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

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

28 (A) To accept applications for energy crisis  
29 benefits at sites that are geographically accessible  
30 to all households in the area to be served by the

entity.

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

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

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

#### Section 5. Leveraged resources.

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

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

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

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

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

(iii) Cash grant assistance from any nongovernmental

1 source and utility credits for LIHEAP recipients to  
2 assist in the payment of:

3 (A) Home heating costs.

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

6 (C) Home weatherization materials and  
7 installation.

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

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

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

18 (A) Cooperative member and director  
19 contributions.

20 (B) Electric cooperative matching funds.

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

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

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

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

30 (b) Allocation of grant funds.--Any leveraging incentive

1 grant award shall be used to maintain or increase benefits to  
2 LIHEAP households.

3 Section 6. Public participation and legislative oversight.

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

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

15 (2) The following apply:

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

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

25 (A) Consumer and advocacy interests.

26 (B) Participating energy vendors.

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

29 (iii) In addition to the members provided for in  
30 subparagraph (ii), the advisory committee shall include:



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

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

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

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

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

21          (3) Copies of the proposed State Plan, including a copy  
22 of public comments received, shall be forwarded to the  
23 chairperson and minority chairperson of the Consumer  
24 Protection and Professional Licensure Committee of the  
25 Senate, the chairperson and minority chairperson of the  
26 Health and Human Services Committee of the Senate, the  
27 chairperson and minority chairperson of the Consumer Affairs  
28 Committee of the House of Representatives and the chairperson  
29 and minority chairperson of the Human Services Committee of  
30 the House of Representatives for review and comment 60 days

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

5 Section 7. Monitoring and audit.

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

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

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

26 Section 8. Performance audit and allocation.

27 (a) Performance audit.--The Legislative Budget and Finance  
28 Committee shall conduct a performance audit on the use of the  
29 LIHEAP weatherization assistance program money for fiscal years  
30 July 1, 2018, through June 30, 2021, and submit to the General

1 Assembly a report based on the audit within one year of the  
2 effective date of this act.

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

11 Section 9. Effective date.

12 This act shall take effect immediately.