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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To direct the Secretary of Energy to provide funding to electric and natural gas utility service providers to eliminate the arrears of residential customers of such service providers, support implementation of and participation in percentage of income payment programs and other energy affordability measures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TONKO introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To direct the Secretary of Energy to provide funding to electric and natural gas utility service providers to eliminate the arrears of residential customers of such service providers, support implementation of and participation in percentage of income payment programs and other energy affordability measures, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘End Energy Hardship Act’’.

SEC. 2. UTILITY AFFORDABILITY PROGRAM.

(a) IN GENERAL.—The Secretary shall carry out a program to improve the near-term and sustained affordability of service provided by eligible entities.

(b) PHASE 1.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the Secretary shall, not later than 12 months after the date of enactment of this section, provide funding to eligible entities on a competitive basis in accordance with this subsection.

(2) AMOUNTS.—The funding provided under paragraph (1) to an eligible entity shall be in an amount no greater than the aggregate total arrears of residential customers served by such eligible entity.

(3) USE OF FUNDS.—

(A) IN GENERAL.—An eligible entity that receives funding under paragraph (1) may only use such funding to eliminate the arrears of residential customers served by such eligible entity.

(B) PRIORITIZATION.—To the extent funding received by an eligible entity under paragraph (1) is insufficient to eliminate the arrears of all residential customers served by the eligible entity, the eligible entity shall prioritize the elimination of—

(i) first, the arrears of each residential customer served by the eligible entity that were incurred prior to the date of enactment of this section;

(ii) second, the arrears of each residential customer served by the eligible entity who has a gross household income at or below the greater of—

(I) 150 percent of the Federal poverty level; and

(II) 60 percent of the median income of the State in which the residential customer resides; and

(iii) third, the arrears of each residential customer who is part of a household served by the eligible entity that includes—

(I) 1 or more individuals who have attained 60 years of age;

(II) 1 or more individuals who are disabled;

(III) 1 or more individuals who have not yet attained 6 years of age; or

(IV) 1 or more individuals who have a medical condition that requires service by an eligible entity.

(4) TERMS AND CONDITIONS.—

(A) QUALIFIED PERCENTAGE OF INCOME PAYMENT PROGRAM.—

(i) IN GENERAL.—An eligible entity that receives funding under paragraph (1) shall implement a Qualified Percentage of Income Payment Program or an alternative energy affordability program described in clause (ii) for a period of not fewer than 60 consecutive months beginning not later than 12 months after the date on which the eligible entity receives such funding.

(ii) ALTERNATIVE ENERGY AFFORDABILITY PROGRAMS.—An alternative energy affordability program described in this clause is an energy affordability program, such as a tiered discount program, that the Secretary determines—

(I) is designed to provide assistance—

(aa) with respect to amounts charged by an eligible entity;

(bb) to residential customers served by the eligible entity who are eligible to enroll in a Qualified Percentage of Income Payment Program; and

(cc) that is roughly equivalent to the assistance provided by a Qualified Percentage of Income Payment Program; and

(II) meets other appropriate design requirements for energy affordability programs.

(iii) AUTOMATIC ENROLLMENT.—An eligible entity that receives funding under paragraph (1) shall, to the extent possible, enroll each residential customer served by the eligible entity who has a gross household income described in subsection (j)(5)(B), and with respect to whom the eligible entity has eliminated arrears, in the Qualified Percentage of Income Payment

Program or alternative energy affordability program implemented pursuant to clause (i).

(B) DEMONSTRATION OF COMPLIANCE.—For any eligible entity with respect to which a State agency has ratemaking authority, the Secretary shall condition the obligation of funding to such eligible entity under paragraph (1) on the eligible entity—

(i) filing a tariff with such State agency to—

(I) establish a Qualified Percentage of Income Payment Program or an alternative energy affordability program described in subparagraph (A)(ii); or

(II) amend an existing program to be a Qualified Percentage of Income Payment Program or an alternative energy affordability program described in subparagraph (A)(ii); or

(ii) submitting documentation to the Secretary that demonstrates that such entity administers an existing Qualified Percentage of Income Payment Program or an alternative energy affordability program described in subparagraph (A)(ii).

(C) CESSATION OF ARREARS COLLECTIONS AND DISCONNECTIONS.—An eligible entity that receives funding under paragraph (1) shall stop issuing late fees or penalties to, carrying out any arrears collection with respect to (including the sale of debt to third parties), and disconnecting the service of a residential customer served by the eligible entity for arrears of the residential customer that are expected to be eliminated by funding received under paragraph (1).

(D) PROHIBITION ON DOUBLE RECOVERY.—An eligible entity that receives funding under paragraph (1) may not collect revenue from the ratepayers of such eligible entity to cover the costs of arrears expected to be eliminated by such funding.

(E) DATA SHARING.—An eligible entity that receives funding under paragraph (1) shall coordinate, and seek to enter into agreements to exchange data, with State agencies and, as appropriate, nonprofit organizations responsible for verifying income eligibility and enrolling residential customers in relevant (as determined by the Secretary) Federal and State energy affordability and energy efficiency programs.

(F) ADMINISTRATIVE COSTS.—An eligible entity that receives funding under paragraph (1) may use not more than 10 percent of such funding for administrative costs associated with—

(i) eliminating the arrears of residential customers served by the eligible entity;

(ii) establishing a Qualified Percentage of Income Payment Program or an alternative energy affordability program described in subparagraph (A)(ii); and

(iii) complying with any other requirement established by this paragraph.

(G) REPORTING.—An eligible entity that receives funding under paragraph (1) shall report to the Secretary on—

(i) the use of such funding by the eligible entity;

(ii) compliance by the eligible entity with the requirements of this paragraph; and

(iii) other efforts by the eligible entity to reduce the arrears of, and improve energy affordability for, residential customers served by the eligible entity.

(c) PHASE 2.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the Secretary shall, not earlier than 24 months after the date of enactment of this section, provide any funding appropriated to carry out this section that is not expended under subsection (b) to each eligible entity that received funding under subsection (b) in accordance with this subsection.

(2) AMOUNTS.—The funding provided under paragraph (1) to an eligible entity shall be in an amount that is proportionate to the number of residential customers served by such eligible entity.

(3) USE OF FUNDS.—An eligible entity that receives funding under paragraph (1) shall use such funding to provide a credit to each residential customer served by such eligible entity in an equal amount.

(d) TECHNICAL ASSISTANCE.—In carrying out the program described in subsection (a), the Secretary shall offer technical assistance to eligible entities, States, Indian

Tribes, and nonprofit organizations to support the development and implementation of, participation in, and public education about Qualified Percentage of Income Payment Programs and other energy affordability measures, which may include arrears management programs, eligible entity bill discount rates, eligible entity bill rebates, home energy audits, assistance provided pursuant to the Low-Income Home Energy Assistance Act of 1981, and residential energy and energy efficiency programs.

(e) SUPPORT FOR QUALIFIED PERCENTAGE OF INCOME PAYMENT PROGRAMS.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the Secretary shall, subject to the availability of funds, provide funding to eligible entities or States to offset the costs that an eligible entity may pass on to residential customers served by the eligible entity that are associated with the implementation by the eligible entity of a Qualified Percentage of Income Payment Program, which may include software and technology upgrades necessary to support the administration of the Qualified Percentage of Income Payment Program and the non-administrative costs of carrying out the Qualified Percentage of Income Payment Program.

(2) ELIGIBILITY.—To be eligible to receive funding under this subsection, an eligible entity shall—

(A) demonstrate that a significant number, as determined by the Secretary, of residential customers served by the eligible entity that have a gross household income described in subsection (j)(5)(B) are enrolled in a Qualified Percentage of Income Payment Program; and

(B) for any eligible entity that is a for-profit entity, be required to match 10 percent of funding received under this subsection with funding provided by the owners of such eligible entity.

(f) DATA COLLECTION AND REPORTING.—

(1) DATA COLLECTION.—Beginning not later than 12 months after the date of enactment of this section, the Administrator of the Energy Information Administration shall annually collect data from each eligible entity relating to—

(A) the aggregate amount of arrears older than 90 days of residential customers served by the eligible entity, with the aggregate amounts of arrears older than 90, 120, and 180 days disaggregated;

(B) the number of residential customers served by the eligible entity who have arrears older than 90 days, with the numbers of residential customers who have arrears older than 90, 120, and 180 days disaggregated;

(C) the number of instances of disconnection of service by the eligible entity due to an unpaid or overdue balance; and

(D) the number of residential customers served by the eligible entity who are enrolled in a Qualified Percentage of Income Payment Program.

(2) COORDINATION.—The Administrator of the Energy Information Administration shall, to the extent practicable, coordinate the data collection required under this subsection with the existing data collection efforts of the Energy Information Administration to avoid the duplication of reporting burdens on eligible entities.

(3) REPORTS.—The Administrator of the Energy Information Administration shall annually publish a report, which shall include metrics, disaggregated by State and zip code, related to data collected pursuant to paragraph (1).

(g) FAILURE TO COMPLY WITH REQUIREMENTS.—If the Secretary determines that an eligible entity has failed to comply with the requirements of this section, the Secretary shall require repayment of any funding provided to the eligible entity under this section.

(h) REPORT TO CONGRESS.—Not later than 6 years after the date of enactment of this Act, the Secretary shall report to Congress on—

(1) the effectiveness of Qualified Percentage of Income Payment Programs, or any alternative energy affordability programs described in subsection (b)(4)(A)(ii), that have received funding or technical assistance under this section; and

(2) recommendations to improve the design of such programs, increase the enrollment of residential customers in such programs, and increase the participation in relevant Federal and State energy affordability and energy efficiency programs of residential customers who are eligible for such programs.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) PHASES I AND II.—There is authorized to be appropriated to the Secretary $25,000,000,000 to remain available until expended to carry out subsections (b) and (c).

(2) TECHNICAL ASSISTANCE; SUPPORT FOR QUALIFIED PERCENTAGE OF INCOME PAYMENT PROGRAMS; DATA COLLECTION AND REPORTING.—There is authorized to be appropriated to the Secretary $1,000,000,000 for each of fiscal years 2027 through 2031 to carry out subsections (d), (e), and (f).

(j) DEFINITIONS.—In this section:

(1) ARREARS.—The term ‘‘arrears’’ means any unpaid or overdue balance a residential customer owes to an eligible entity.

(2) COLLECTION.—The term ‘‘arrears collection’’ means an action taken by an eligible entity to recover the arrears of a residential customer served by the eligible entity, including filing a lien against the residential customer or authorizing a third party to collect such arrears.

(3) ELIGIBLE ENTITY.—The term ‘‘eligible entity’’ means a distribution utility that provides electric or natural gas utility service to a retail or end-use customer.

(4) INDIAN TRIBE.—The term ‘‘Indian Tribe’’ has the meaning given such term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(5) QUALIFIED PERCENTAGE OF INCOME PAYMENT PROGRAM.—The term ‘‘Qualified Percentage of Income Payment Program’’ means a program that—

(A) is administered by an eligible entity, or administered by a State with the participation of an eligible entity;

(B) enrolls residential customers served by the eligible entity who have a gross household income at or below the greater of—

(i) 150 percent of the Federal poverty level; and

(ii) 60 percent of the median income of the State in which such residential customers reside;

(C) automatically enrolls residential customers served by the eligible entity who participate in another low-income assistance program that the Secretary identifies as having eligibility requirements for enrollment in the low-income assistance program that are identical to or more stringent than the program;

(D) limits the monthly amount charged to each residential customer enrolled in the program for service provided by an eligible entity to a fixed percentage of the gross household income of such customer, which percentage shall be not more than—

(i) for such a customer with natural gas heating, 6 percent of the gross household income of such customer, provided that the monthly amount charged for electric service shall be not more than 3 percent of such gross household income and the monthly amount charged for such heating service shall be not more than 3 percent of such gross household income; or

(ii) for such a customer with electric heating, 6 percent of the gross household income of such customer;

(E) may implement a system that tiers the monthly amount charged to a residential customer enrolled in the program (in an amount not to exceed the amount allowed under subparagraph (C)) based on the gross household income of the residential customer described in subparagraph (B);

(F) supports, coordinates with, and shares data with relevant State agencies and, as appropriate, nonprofit organizations that support the enrollment of residential customers in the program, including data relating to verifying that a residential customer has a gross household income described in subparagraph (B);

(G) promotes access to home energy audits, weatherization services, and other residential energy and energy efficiency programs that improve energy affordability for residential customers enrolled in the program;

(H) prohibits the service disconnection of any residential customer enrolled in the program, provided that the residential customer makes a full and timely payment of each monthly amount charged to the customer after the date on which the customer is enrolled in such program; and

(I) implements an arrears management program that forgives no more than 1/12th of the arrears of a residential customer enrolled in the program upon the full and timely payment of the most recent monthly amount charged to the customer.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any territory or possession of the United States.