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## **LOW-INCOME UTILITY ASSISTANCE AND BLOCK GRANTS**

### **Federal block grant funds**

- Transfers powers and duties to administer Community Services Block Grant funds from the Department of Development (DEV) to the Department of Job and Family Services (JFS) while leaving the powers and duties unchanged.
- Aligns current law requiring the General Assembly to hold public hearings regarding the Community Services Block Grant funds with federal law requirements.
- Transfers, from DEV to JFS, the requirement to submit a waiver to the federal government for use of federal low-income home energy assistance programs (HEAP) funds from the home energy assistance block grants for weatherization purposes.

### **Low-income customer assistance program administration**

- Transfers from the DEV Director to the JFS Director the administration of the low-income customer assistance programs and the consumer education program beginning on July 1, 2026, and the energy efficiency and weatherization program.

### **Electric Partnership Plan Fund**

- Replaces the Universal Service Fund with the Electric Partnership Plan (EPP) Fund to provide funding for the low-income customer assistance and consumer education programs.
- Requires the EPP fund to consist of (1) amounts allocated to each electric distribution utility (EDU) for consumer education programs and (2) any amount necessary to fund administrative costs of the low-income customer assistance programs.

### **Percentage of Income Payment Plan (PIPP) rider**

- Beginning January 1, 2026, replaces the Universal Service rider with the PIPP rider on retail electric distribution rates as determined by the Public Utilities Commission (PUCO).
- Requires the PIPP rider to recover (1) the prudently incurred costs of providing the PIPP program for each EDU, (2) the EDUs' allocated shares for funding the low-income customer assistance programs administered by JFS, according to each EDU's annual distribution service revenues, and (3) any amount necessary to fund administrative costs of the low-income customer assistance programs.
- Requires each EDU's allocation to include a separately designated allocation equal to the EDU's share of the total amount for all EDUs not to exceed \$15 million annually for funding the consumer education program.
- Requires each EDU, by June 30 each year, to remit to JFS the EDU's allocated share for the consumer education program and the administrative costs of the low-income customer assistance programs.

- Requires PUCO to administer the PIPP rider and perform periodic audits of each EDU's PIPP rider.
- Requires PUCO to adopt rules for the administration of the PIPP rider and to cooperate with, and provide assistance to, the JFS Director regarding low-income customer assistance program administration.
- Requires PUCO (instead of DEV) to establish a competitive procurement process for the supply of competitive retail electric service for PIPP program customers and to aggregate program customers for this purpose.

### **Public Advisory Board**

- Adds the JFS Director to the Public Advisory Board (replacing the DEV Director) and requires the Board to advise the JFS Director.
- Limits the Board's duties to advising the JFS Director regarding the low-income customer assistance programs.
- Repeals the Board duty to give advice regarding the Universal Service Fund and Rider and the Advanced Energy Program and Advanced Energy Fund and repeals its advisory powers and duties regarding economic development and stability, energy, and pollution matters in Ohio under the program.
- Eliminates reimbursements to Board members for expenses incurred for the Advanced Energy Program.

### **Expired revenue sources for Advanced Energy Fund**

- Repeals the following regarding Advanced Energy Fund revenue:
  - The expired temporary Advanced Energy Rider collected by EDUs and their remittance to the Advanced Energy Fund;
  - The ten-year limitation on remittance requirements for the temporary Advanced Energy Rider;
  - The expired quarterly remittance and timing requirements for revenues from (1) payments, repayments, and collections under the Advanced Energy Program and from program income and (2) collections by an Ohio municipal electric utility or electric cooperative participating in the Advanced Energy Fund.
- Repeals the requirements regarding the use of money collected in rates, as of October 5, 1999, for non-low-income customer energy efficiency programs.

### **Repeal of obsolete reports**

- Repeals requirements for reports with due dates that have passed.

## **Federal block grant funds**

(R.C. 122.66(5101.311), 122.67(5101.312), 122.68(5101.313), 122.681(5101.314), 122.69(5101.315), 122.70(5101.316), 122.701(5101.317), 122.702(5101.318) (renumbered and amended), and 4928.75; R.C. 121.22, 122.1710, 307.985, 2915.01, 3701.033, and 5101.101 (conforming changes))

### **Community Services Block Grant**

The bill transfers, from DEV to JFS, the powers and duties to administer Community Services Block Grant funds and programs. The bill leaves unchanged those transferred powers and duties, including administering all federal funds apportioned to the state via the “Community Services Block Grant Act,” designating “community action agencies” to receive funds, and various other duties.

The bill requires the General Assembly to conduct public hearings regarding the grant funds, as required in federal law. Current law specifies these General Assembly hearings must be held each year on “the proposed use and distribution” of the grant funds as required under federal law.

### **Weatherization services**

The bill transfers, from DEV to JFS, the requirement to submit a completed waiver request every fiscal year, in accordance with federal law, for the state to expend 25% of federal low-income home energy assistance program funds from the home energy assistance block grants for weatherization services allowed under federal law.

### **Low-income customer assistance program administration**

(R.C. 4928.53, 4933.55, and 4928.56; R.C. 4928.34 and 4928.43 (conforming change))

The bill transfers the administration of existing low-income customer assistance programs from the DEV Director to the JFS Director beginning July 1, 2026. Under ongoing law, “low-income customer assistance programs” are the percentage of income payment plan program (PIPP), the home energy assistance program (HEAP), the home weatherization assistance program (HWAP), and the targeted energy efficiency and weatherization program.<sup>134</sup>

The bill also transfers from DEV to JFS the authority for the Director to establish (1) a consumer education program for customers who are eligible to participate in the low-income customer assistance programs and to adopt rules for the consumer education program and (2) an energy and efficiency and weatherization program targeted to high-cost, high-volume use structures occupied by customers who are eligible to participate in the PIPP program. With the transfer, the JFS Director is responsible for the administration and coordination of these programs and the duty to provide, to the maximum extent possible, for efficient program administration and a one-stop application and eligibility determination process for consumers. However, the bill expressly excepts the PIPP rider from JFS administration.

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<sup>134</sup> R.C. 4928.01(A)(16).

Under the bill, the JFS Director must adopt rules to ensure the effective and efficient administration of the low-income customer assistance programs and has the authority to adopt rules for the PIPP program, including rules for customer eligibility and payment and credit policies. The JFS Director also has the rulemaking authority as is conferred on the DEV Director for the Ohio Energy Credit Program.

The bill repeals the following Universal Service Fund and PIPP program provisions:

- The DEV Director’s authority to adopt rules establishing procedures for disbursing funds to suppliers and administering certain funds and requirements for remittances to the DEV Director for (1) customer payments under the PIPP program and (2) revenues from a municipal electric utility or electric cooperative that decided to participate in the PIPP program;
- The provision specifying that the DEV Director’s rulemaking authority excludes the authority to prescribe service disconnection, customer billing policies, and procedures to address complaints against PIPP program suppliers, which is authority exercised by PUCO in coordination with the DEV Director. (It is not clear if this repeal will affect PUCO duties regarding procedures for these activities and whether this repeal is merely intended to be limited to the removal of the DEV Director from this role.)
- The transfer from electric distribution utilities (EDUs) to the DEV Director the right to collect all customer arrearage payments for PIPP program debt;
- The initial (and completed) requirement that the DEV Director’s initial PIPP program rules must incorporate eligibility criteria and payment responsibility policies established in PUCO rules in effect when the PIPP program administration was transferred to DEV effective with the enactment of S.B. 3 of the 123<sup>rd</sup> General Assembly in 1999.

## **Electric Partnership Plan Fund**

(R.C. 4928.51; R.C. 4928.66 and 5117.07 (conforming changes))

The bill establishes in the state treasury the Electronic Partnership Plan (EPP) Fund as the depository and funding source for paying for the low-income customer assistance programs and administrative costs of these programs and the consumer education program. A portion of the revenues collected under the PIPP rider (see “**Percentage of Income Payment Plan (PIPP) Rider**”) must be remitted to the JFS Director and deposited in the EPP Fund. The EPP Fund replaces the Universal Service Fund which the bill repeals.

## **Percentage of Income Payment Plan (PIPP) Rider**

(R.C. 4928.52, 4928.54, 4928.543, 4928.544, and 4928.545; R.C. 4928.34 and 4928.542 (conforming changes))

Beginning January 1, 2026, the bill replaces each EDU’s existing universal service rider with the PIPP rider it establishes. Under the bill, PUCO must administer the rider and must perform periodic audits of each EDU’s rider. PUCO must adopt rules for rider administration and must cooperate with, and provide assistance to, the JFS Director as required for the Director’s administration of the low-income customer assistance program.

## **Revenues collected under the PIPP rider**

The PIPP rider is a rider on retail electric distribution service rates as rates are determined by PUCO under the competitive retail electric service law. Under the bill, the PIPP rider must recover the following:

- The prudently incurred costs of providing the PIPP rider for each EDU;
- The total of the EDUs' allocated shares as determined by PUCO as described below;
- Any additional amount necessary and sufficient to fund through the rider the administrative costs of the low-income customer assistance programs.

## **PUCO determined allocation for each EDU**

Under the bill, PUCO must allocate to each EDU a share of the funding for low-income customer assistance programs administered by the JFS Director following the transfer of program administration from DEV. Each EDU share must be allocated according to each EDU's annual distribution service revenues and must include a separately designated allocation for the EDU's share of consumer education program funding. The bill specifies that a total not to exceed \$15 million annually must be allocated among all EDUs for the consumer education funding.

The bill applies to the PIPP rider the same requirement in place for the universal service rider that the rider must be set so that it does not shift the cost of funding low-income customer assistance programs among EDU customer classes.

## **EDU remittances for deposit in the EPP Fund**

Annually on June 30, each EDU must remit to JFS for deposit in the EPP Fund, the EDU's share of the following:

- The EDU's allocation for funding the consumer education program; and
- The costs for the administration of the low-income customer assistance programs.

The bill does not expressly state what occurs with funds collected under the PIPP rider for EDUs' prudently incurred PIPP costs. Presumably, under the PUCO rulemaking authority regarding PIPP rider administration, PUCO could determine whether the funds that EDUs collect for this purpose could be retained by each EDU to cover their PIPP rider costs.

## **Customer aggregation for electric service procurement process**

The bill transfers from the DEV Director to PUCO the duty to aggregate PIPP Program customers for the purpose of conducting auctions for the ongoing competitive procurement process for the supply of competitive retail electric service for these customers. It retains the same process requirements as current law. The bill also requires PUCO rather than the DEV Director to adopt rules for a fair and unbiased auction process.

The bill repeals the requirement that PUCO design, manage, and supervise the competitive procurement process "upon the written request by the DEV Director." It also repeals the requirement that the DEV Director reimburse PUCO for its procurement process costs.

## Public Advisory Board

(R.C. 4928.58 and 4928.63)

The bill replaces the DEV Director as a member of the Public Advisory Board with the JFS Director and requires the Board to advise the JFS Director. Under ongoing law, the purpose of the 21-member Board is to ensure that energy services are provided to Ohio's low-income consumers in an affordable manner consistent with the state retail electric service policies, including among others, the policy to ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service.<sup>135</sup>

Under the bill, the Board must advise the JFS Director instead of the DEV Director regarding the low-income customer assistance programs. It repeals the Board's duty to give the DEV Director advice regarding the Universal Service Fund and the appropriate level of the Universal Service Rider, both of which are repealed by the bill.

Repealed by the bill are the Board's advisory powers and duties regarding the Advanced Energy Fund and the Advanced Energy Program. Under ongoing law, the DEV Director retains the power and duty to assist with economic development and stability, energy, and pollution matters in Ohio under the program. The bill also eliminates reimbursements to Board members for expenses incurred for the Advanced Energy Program.

## Expired revenue sources for Advanced Energy Fund

(R.C. 4928.61; R.C. 4928.34 and 4928.62 (conforming changes))

The bill repeals the following regarding Advanced Energy Fund revenue:

- The expired temporary Advanced Energy Rider collected by EDUs and their remittance to the Advanced Energy Fund;
- The ten-year limitation on remittance requirements for the temporary Advanced Energy Rider;
- The expired quarterly remittance and timing requirements for revenues from (1) payments, repayments, and collections under the Advanced Energy Program and from Program income and (2) collections by an Ohio municipal electric utility or electric cooperative participating in the Advanced Energy Fund.
- The requirements regarding the use of money collected in rates, as of October 5, 1999, for non-low-income customer energy efficiency programs.

## Repeal of obsolete reports and requirements

(R.C. 4928.06, 4928.57, 4928.581, 4928.582, and 4928.583)

The bill repeals requirements for reports (described below) with due dates that have passed.

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<sup>135</sup> R.C. 4928.02.

## **Report on effectiveness of competition in electric supply**

The bill repeals the biennial reports regarding the effectiveness of competition in the supply or competitive retail electric service in Ohio that the PUCO and the Office of the Consumers' Counsel (OCC) were required to provide to the standing committees of the General Assembly with primary jurisdiction regarding public utility legislation until 2008.

Under a related but obsolete law, the standing committees of the General Assembly with primary jurisdiction regarding public utility legislation were required to meet at least biennially to consider the effect of electric service restructuring on Ohio and to receive reports from the PUCO, OCC, and the DEV Director until the end of all market development periods under the competitive retail electric service law. The market development periods have ended, and the bill repeals this provision.

## **Low-income customer assistance/advanced energy program report**

The DEV Director was required to provide a report on the effectiveness of the low-income customer assistance programs and the consumer education program and the advanced energy program every two years until 2008 to the standing committees of the General Assembly that deal with public utility matters. The bill repeals this reporting requirement.

## **Report on revenue for low-income customer assistance programs**

Repealed under the bill are the Public Benefits Advisory Board annual report that included, for each EDU, the annual amount of revenue collected from customers for the purpose of supporting the Universal Service Fund and the low-income customer assistance programs, as well as forecast of those amounts that were to be collected in 2016, 2017, and 2018, and the requirement that the Board, from 2015 to 2018, submit the report to the Governor, Senate President, Speaker of the House, and others.

Regarding these Board reports, the bill also repeals the authority for the Board to obtain professional services as the board determines appropriate and the requirement that the DEV Director, PUCO, and each EDU promptly respond to requests by the Board for information needed to prepare the report.