

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND**

Request for Comments Related to MEAP Funding
Exhaustion

Re: Maillog No. 309906

**REPLY COMMENTS OF THE OFFICE OF PEOPLE'S COUNSEL
REGARDING MEAP FUNDING EXHAUSTION**

DAVID S. LAPP
PEOPLE'S COUNSEL

Juliana Bell
Deputy People's Counsel

Margaret Costello
Assistant People's Counsel

Maryland Office of People's Counsel
6 St. Paul Street, Suite 2102
Baltimore, Maryland 21202
(410) 767-8150

Dated: June 17, 2024

INTRODUCTION

Utility company comments related to recent Maryland Energy Assistance Program (MEAP) and Gas Arrearage Retirement Assistance (GARA) funding exhaustion for the 2023-2024 fiscal year¹ shed light on the impacts of this deficit and detail steps utilities are taking to protect customers. For example, some utilities are delaying or voluntarily halting service terminations for a period of time for customers that the Office of Home Energy Programs (OHEP) has identified as qualifying for assistance but who are unable to get it because of the exhaustion of MEAP and GARA funds.

In these reply comments, OPC requests that the Commission adopt its recommendation to encourage OHEP to clarify when it plans to distribute MEAP and GARA funding to qualified customers, thereby aiding customers, utility companies, and advocates in understanding what additional steps might be necessary to protect customers depending on how and when funding will be dispersed. OPC also recommends that the Commission immediately issue an order requiring utility companies to provide protections to customers whom OHEP found to be qualified for MEAP/GARA funding during the 2023-2024 fiscal year but who did not receive an award due to funds exhaustion. Finally, OPC recommends certain protections for qualified customers during the 2024-25 fiscal year.

¹ See Commission Notice of Request for Comments Related to MEAP Funding Exhaustion (May 28, 2024), Maillog # 309906 (“On April 22, 2024, the Maryland Public Service Commission was alerted by the Maryland Department of Human Services’ (DHS) Office of Home Energy Programs (OHEP) that there was an exhaustion of funds for the Maryland Energy Assistance Program (MEAP)¹ and the Gas Arrearage Retirement Assistance Program (GARA), and that as a result, OHEP would have to deny all customer applications to MEAP and GARA starting on April 17, 2024 and extending until June 30, 2024 (before the start of Fiscal Year 2025).”

REPLY COMMENTS AND RECOMMENDATIONS

1. The Commission should request that OHEP immediately clarify how it will distribute MEAP and GARA funding in the future.

OPC recognizes that OHEP is housed under the Maryland Department of Human Services, and that the Commission does not have the authority to direct OHEP action. OPC nonetheless encourages the Commission to urge OHEP to immediately clarify the timeline and procedures for its distribution of federal funding to customers. All parties will all benefit from having a clear understanding of OHEP’s plan for distributing federal energy-assistance funding—customers trying to plan which bills to pay when, utility companies seeking to design customer safeguards or project arrearages, advocates attempting to represent the interests of customers who qualify for funding but have yet to receive it, and the Commission in exercising its supervisory role over utilities.

The recent news that OHEP suspended MEAP and GARA funding for the remainder of the 2023-2024 fiscal year has left Maryland low-income energy consumers—who typically rely on these two programs to lessen their energy burden—without the means to pay their energy bills. For example, Columbia Gas of Maryland, Inc. stated in its comments that prior to OHEP’s funding exhaustion announcement, MEAP had notified Columbia that \$529,244 in MEAP assistance for 544 customers and \$82,000 in GARA assistance for 106 customers still was outstanding.² OPC recognizes the passage of HB 323, which automatically qualifies households who receive SNAP,

² Columbia Gas of Maryland, Inc., “RE: Notice of Request for Comments Related to MEAP Funding Exhaustion (Maillog No. 309906)” (“Columbia Comments”), filed June 4, 2024.

TANF, SSI, or VA benefits for OHEP energy assistance programs and establishes increased income guidelines.³ This legislation significantly increased the pool of individuals who qualified for funding and created a unique situation in the 2023-2024 funding year. Nonetheless, OHEP is responsible for administering the programs and should develop and share—with advocates, the utilities, the Commission and the public—a plan for 2024-2025 MEAP and GARA funding allocation and distribution.

OPC's primary concern is timing of funding distribution. While OHEP's fiscal year begins on July 1, 2024, it is unclear to OPC if MEAP and GARA funding will be distributed by OHEP soon after the fiscal year begins, or if there will be a delay between the beginning of the fiscal year and when funds are feasibly ready for distribution to consumers in the form of OHEP grants. The implications of money being distributed in summer 2024, as opposed to fall/winter 2024, could have significant ramifications for customers and would impact OPC's policy recommendations. For example, if OHEP plans to distribute funds shortly after the beginning of OHEP's 2024-2025 Fiscal Year (which begins July 1st) to qualified customers who were denied FY 23-24 energy assistance because of funding exhaustion, then OPC would be more inclined to recommend that the Commission require that utility companies enforce a shut-off moratorium for those qualified OHEP grant applicants until funds are distributed. However, if OHEP does not plan to distribute FY 24-25 funding until late in the 2024 calendar year, and applicants have their accounts protected from shut-off until the time of

³ House Bill 323, Approved by Gov. Moore on April 24, 2023

distribution, the applicants may accrue large arrearages that the FY 24-25 funding is insufficient to cover. Such a circumstance, in which customers develop large arrearages that the FY 24-25 funding will not cover, could lead to a large number of service terminations just as the 2024-25 winter season gets underway—a detrimental consequence that the Commission should seek to avoid.

OPC is, therefore, limited in the protections it can recommend until it fully understands OHEP's planned distribution timeline. Thus, the Commission should request that OHEP clarify its policies on funding distribution moving forward, giving qualified OHEP customers, utility companies, and advocates such as OPC the information they need to address the OHEP funding shortfall.

In the absence of clarity from OHEP on its funding distribution plan, OPC recommends the following actions.

- 2. The Commission should implement a moratorium on shut-offs and require power restoration through July 15, 2024 to customers who qualified for MEAP and GARA funding during the 2023-2024 fiscal year but did not receive grants due to funding exhaustion.**

OPC commends the actions of those utility companies who stated in their comments that they have already internally implemented shut-off moratoriums, paused collection activity, or flagged the accounts of customers who qualified for MEAP or GARA, but did not receive funds.⁴ These protections, even for a short window until July

⁴ Baltimore Gas and Electric, “*Re: Notice of Request for Comments Related to MEAP Funding Exhaustion*” (“BGE comments”), filed June 4, 2024; Potomac Electric Power Company, “*Re: Maryland Energy Assistance Program*” (“PEPCO Comments”), filed June 4, 2024; Southern Maryland Electric Cooperative, Inc., “*Re: Notice of Request for Comments Related to MEAP Funding Exhaustion – Response of Southern Maryland Electric Cooperative, Inc.*,” (“SMECO Comments”), filed June 4, 2024;

15, 2024, are especially important given the impacts of global warming and the predicted hot summer.⁵ Preventing shut-offs as we enter the hot summer season will protect customers who may be vulnerable without funding from MEAP/GARA. Protecting customers through July 15 will benefit OHEP as well, as the extra time will likely prevent a deluge of applications as soon as the funding window opens on July 1, 2024.

OPC requests that the Commission go a step further and *require* that all utility companies implement a shut-off moratorium until July 15, 2024 for all customers that have been impacted by the 2023-24 MEAP/GARA funding exhaustion. Many of the utility companies state in their comments that Commission intervention is not necessary, as they have already implemented protections internally.⁶ However, a Commission order would ensure uniform impact on consumers regardless of their utility. It would also ensure that utilities do not shift or change their policies during a time that is already confusing and unsettling for consumers, as well as provide external accountability for the utility companies.

In addition to protecting customers from shut-offs, OPC recommends that the Commission order that utility companies restore power to those customers who have been

Washington Gas Light Company, “*RE: Washington Gas Comments Related to MEAP Funding Exhaustion*” (“Washington Gas Comments”), filed June 4, 2024

⁵ See, for example, “*La Niña Could Bring Record-Breaking Heat To The U.S. This Summer—What To Know*” <https://www.forbes.com/sites/caileygleeson/2024/05/17/la-nia-could-bring-record-breaking-heat-to-the-us-this-summer-what-to-know/>

⁶ BGE comments, pg. 1; Chesapeake Utilities, “*RE: Maillog No. 309906 – Notice of Request for Comments Related to MEAP Funding Exhaustion*” (“Chesapeake Comments”), filed June 4, 2024; Columbia Gas of Maryland, Inc., “*RE: Notice of Request for Comments Related to MEAP Funding Exhaustion(Maillog No. 309906)*” (“Columbia Comments”), filed June 4, 2024; SMECO Comments, pg. 1; PEPCO Comments, pg. 1; Washington Gas Comments, pg. 2.

shut off since April 2024 and who were approved for MEAP/GARA funding in the 2023-24 fiscal cycle but did not receive funds. OPC recommends that the Commission require utilities to waive reconnection fees and security deposits for these customers and ensure they also are subject to the moratorium benefit discussed above (until July 15, 2024). This way, all consumers who were negatively impacted by the lack of funding in the 2023-24 year will receive the same protections.

3. Utilities should implement additional safeguards to provide aid to customers who qualify for MEAP or GARA in the 2024-25 fiscal year.

While it remains to be seen whether the 2023-2024 fiscal year's funding issues were a unique situation, OPC remains concerned about the impact of a funding shortfall on consumers into the 2024-25 fiscal cycle. Therefore, OPC requests that any Commission order issued as a result of the shortfall protect customers who apply for GARA/MEAP in the 2024-2025 fiscal year, as well.

OPC does not recommend, at this time, additional/long-term shut off protections. OPC is concerned that, should funding distribution be delayed, long-term shut-off protections could lead to growth in arrearage amounts and potential shut-offs during the winter season (if funding is not enough to cover the arrearage).

Rather, OPC recommends that the Commission enter an order requiring utilities to suspend disconnection fees and late charges and waive security deposits for customers who qualify for 2024-25 MEAP and/or GARA funding, until these funds are distributed by OHEP. We also recommend that the Commission order utilities to offer payment arrangements to this group of customers of up to six months in length, and cap down

payments at 10% of the total arrearage amount. OPC also recommends that this group of customers should not be penalized for a previous payment plan default. These protections will provide some relief to customers who qualify for assistance with their energy bills, and we hope it will avoid the risk of accrual of large arrearages that is associated with long-term moratoriums.

CONCLUSION

OPC appreciates the Commission's attention to the impact that the exhausted MEAP and GARA funds is having on customers who depend on that funding to pay their utility bills, as well as the opportunity to reply to the initial comments of the utilities. The Commission should request that OHEP clarify how and when it intends to administer MEAP and GARA funding in the future. Additionally, the Commission should enter an order stating that utilities must implement a moratorium on shut-offs until July 15, 2024 for those customers OHEP found qualified for MEAP or GARA in the 2023-24 fiscal year, but who nonetheless did not receive a grant. In addition, the Commission should require utilities to re-start service for any qualified customers who have had their service shut off since April 2024. Finally, the Commission should also protect customers who will be eligible for GARA or MEAP in the 2024-2025 fiscal year by requiring utilities to suspend disconnection fees and late charges, waive security deposits, and offer payment arrangements.

Respectfully submitted,

DAVID S. LAPP
PEOPLE'S COUNSEL

Juliana Bell
Deputy People's Counsel

/electronic signature/

Margaret Costello
Assistant People's Counsel

Maryland Office of People's Counsel
6 St. Paul Street, Suite 2102
Baltimore, Maryland 21202
Office: (410) 767-8150

June 17, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of June 2024, the foregoing Reply Comments of the Office of People’s Counsel Regarding MEAP Funding Exhaustion were e-mailed to counsel for the Maryland Public Service Commission Staff and all parties who filed comments in response to the Commission's May 28, 2024 Notice of Request for Comments Related to MEAP Funding Exhaustion.

Respectfully submitted,

/electronic signature/

Margaret Costello

Assistant People’s Counsel