



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1842

Introduced 2/9/2023, by Sen. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

| | |
|----------------|-----------------------------|
| 305 ILCS 20/2 | from Ch. 111 2/3, par. 1402 |
| 305 ILCS 20/4 | from Ch. 111 2/3, par. 1404 |
| 305 ILCS 20/5 | from Ch. 111 2/3, par. 1405 |
| 305 ILCS 20/6 | from Ch. 111 2/3, par. 1406 |
| 305 ILCS 20/13 | |
| 305 ILCS 20/18 | |

Amends the Energy Assistance Act. Authorizes the Department of Commerce and Economic Opportunity to institute a year-round program (rather than program) to ensure the availability and affordability of heating and electric service to low income utility customers. Requires the Department to take all actions necessary to ensure year-round access to energy assistance by no later than July 1, 2024. Provides that, in setting the annual eligibility level for assistance under the Act, the Department shall not set a limit higher than 200% (rather than 150%) of the federal nonfarm poverty level as established by the federal Office of Management and Budget or 60% of the State median income for the current State fiscal year as established by the U.S. Department of Health and Human Services. Provides that the Department shall ensure that persons applying for energy assistance shall have the ability to establish eligibility through proof of enrollment in other State and federal assistance programs. Makes changes to provisions concerning the monthly Energy Assistance Charge assessed on customer accounts by public utilities, electric cooperatives, and municipal utilities. Provides that, beginning January 1, 2024 and for the next 10 years thereafter, electric and gas utilities shall annually contribute to the Supplemental Low-Income Energy Assistance Fund 5% net operating income based on their most recent rate order approved by the Illinois Commerce Commission. Makes changes concerning the Percentage of Income Payment Plan and other matters. Provides that an energy provider that receives payments from the Department from the Supplemental Low-Income Energy Assistance Fund, that provides confirmation to an administering agency that an applicant is a customer, shall ensure that the applicant customer is not disconnected from energy service while an application is pending.

LRB103 27290 KTG 53661 b

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Energy Assistance Act is amended by
5 changing Sections 2, 4, 5, 6, 13, and 18 as follows:

6 (305 ILCS 20/2) (from Ch. 111 2/3, par. 1402)

7 Sec. 2. Findings and Intent.

8 (a) The General Assembly finds that:

9 (1) the health, welfare, and prosperity of the people
10 of the State of Illinois require that all utility
11 customers ~~citizens~~ receive essential levels of heat and
12 electric service regardless of economic circumstance;

13 (2) public utilities and other entities providing such
14 services are entitled to receive proper payment for
15 services actually rendered;

16 (3) variability of Federal low income energy
17 assistance funding necessitates a State response to ensure
18 the continuity and the further development of energy
19 assistance and related policies and programs within
20 Illinois;

21 (4) energy assistance policies and programs in effect
22 in Illinois have benefited all Illinois utility customers
23 ~~citizens~~, and should therefore be continued with the

1 modifications provided herein; and

2 (5) low-income households are unable to afford
3 essential utility services and other necessities, such as
4 food, shelter, and medical care; the health and safety of
5 those who are unable to afford essential utility services
6 suffer when monthly payments for these services exceed a
7 reasonable percentage of the customer's household income;
8 costs of collecting past due bills and uncollectible
9 balances are reflected in rates paid by all ratepayers;
10 society benefits if essential utility services are
11 affordable and arrearages and disconnections are minimized
12 for those most in need.

13 (b) Consistent with its findings, the General Assembly
14 declares that it is the policy of the State that:

15 (1) a comprehensive low income energy assistance
16 policy and program should be established which
17 incorporates income assistance, home weatherization, and
18 other measures to ensure that utility customers ~~citizens~~
19 have access to affordable energy services;

20 (2) the ability of public utilities and other entities
21 to receive just compensation for providing services should
22 not be jeopardized by this policy;

23 (3) resources applied in achieving this policy should
24 be coordinated and efficiently utilized through the
25 integration of public programs and through the targeting
26 of assistance; and

1 (4) the State should utilize all appropriate and
2 available means to fund this program and, to the extent
3 possible, should identify and utilize sources of funding
4 which complement State tax revenues.

5 (Source: P.A. 96-33, eff. 7-10-09.)

6 (305 ILCS 20/4) (from Ch. 111 2/3, par. 1404)

7 Sec. 4. Energy Assistance Program.

8 (a) The Department of Commerce and Economic Opportunity is
9 hereby authorized to institute a year-round program to ensure
10 the availability and affordability of heating and electric
11 service to low income utility customers ~~citizens~~. The
12 Department shall implement the program by rule promulgated
13 pursuant to the Illinois Administrative Procedure Act. The
14 program shall be consistent with the purposes and objectives
15 of this Act and with all other specific requirements provided
16 herein. The Department may enter into such contracts and other
17 agreements with local agencies as may be necessary for the
18 purpose of administering the energy assistance program. The
19 Department shall take all actions necessary to ensure
20 year-round access to energy assistance provided under this
21 Section by no later than July 1, 2024.

22 (b) Nothing in this Act shall be construed as altering or
23 limiting the authority conferred on the Illinois Commerce
24 Commission by the Public Utilities Act to regulate all aspects
25 of the provision of public utility service, including but not

1 limited to the authority to make rules and adjudicate disputes
2 between utilities and customers related to eligibility for
3 utility service, deposits, payment practices, discontinuance
4 of service, and the treatment of arrearages owing for
5 previously rendered utility service.

6 (c) The Department of Commerce and Economic Opportunity is
7 authorized to institute an outreach program directed at
8 low-income minority heads of households and heads of
9 households age 60 or older. The Department shall implement the
10 program through rules adopted pursuant to the Illinois
11 Administrative Procedure Act. The program shall be consistent
12 with the purposes and objectives of this Act and with all other
13 specific requirements set forth in this subsection (c).

14 (Source: P.A. 95-331, eff. 8-21-07; 95-532, eff. 8-28-07;
15 96-154, eff. 1-1-10.)

16 (305 ILCS 20/5) (from Ch. 111 2/3, par. 1405)

17 Sec. 5. Policy Advisory Council.

18 (a) Within the Department of Commerce and Economic
19 Opportunity is created a Low Income Energy Assistance Policy
20 Advisory Council.

21 (b) The Council shall be chaired by the Director of
22 Commerce and Economic Opportunity or his or her designee. The
23 ~~There shall be 19 members of the~~ Low Income Energy Assistance
24 Policy Advisory Council shall include ~~, including~~ the
25 chairperson and the following members:

1 (1) one member designated by the Illinois Commerce
2 Commission;

3 (2) (blank);

4 (2.5) one member designated by the Office of the
5 Attorney General;

6 (3) one member designated by the Illinois Energy
7 Association to represent electric public utilities serving
8 in excess of 1 million customers in this State;

9 (4) one member agreed upon by gas public utilities
10 that serve more than 500,000 and fewer than 1,500,000
11 customers in this State;

12 (5) one member agreed upon by gas public utilities
13 that serve 1,500,000 or more customers in this State;

14 (6) one member designated by the Illinois Energy
15 Association to represent combination gas and electric
16 public utilities;

17 (7) one member agreed upon by the Illinois Municipal
18 Electric Agency and the Association of Illinois Electric
19 Cooperatives;

20 (8) one member agreed upon by the Illinois Industrial
21 Energy Consumers;

22 (9) three members designated by the Department to
23 represent low income energy consumers;

24 (10) two members designated by the Illinois Community
25 Action Association to represent local agencies that assist
26 in the administration of this Act;

1 (11) one member designated by the Citizens Utility
2 Board to represent residential energy consumers;

3 (12) one member designated by the Illinois Retail
4 Merchants Association to represent commercial energy
5 customers;

6 (13) one member designated by the Department to
7 represent independent energy providers; and

8 (14) three members designated by the Mayor of the City
9 of Chicago.

10 (c) Designated and appointed members shall serve 2 year
11 terms and until their successors are appointed and qualified.
12 The designating organization shall notify the chairperson of
13 any changes or substitutions of a designee within 10 business
14 days of a change or substitution. Members shall serve without
15 compensation, but may receive reimbursement for actual costs
16 incurred in fulfilling their duties as members of the Council.

17 (d) The Council shall have the following duties:

18 (1) to monitor the administration of this Act to
19 ensure effective, efficient, and coordinated program
20 development and implementation;

21 (2) to assist the Department in developing and
22 administering rules and regulations required to be
23 promulgated pursuant to this Act in a manner consistent
24 with the purpose and objectives of this Act;

25 (3) to facilitate and coordinate the collection and
26 exchange of all program data and other information needed

1 by the Department and others in fulfilling their duties
2 pursuant to this Act;

3 (4) to advise the Department on the proper level of
4 support required for effective administration of the Act;

5 (5) to provide a written opinion concerning any
6 regulation proposed pursuant to this Act, and to review
7 and comment on any energy assistance or related plan
8 required to be prepared by the Department;

9 (6) to advise the Department on the use of funds
10 collected pursuant to Section 11 of this Act, and on any
11 changes to existing low income energy assistance programs
12 to make effective use of such funds, so long as such uses
13 and changes are consistent with the requirements of the
14 Act.

15 (Source: P.A. 97-916, eff. 8-9-12.)

16 (305 ILCS 20/6) (from Ch. 111 2/3, par. 1406)

17 Sec. 6. Eligibility, conditions of participation, and
18 energy assistance.

19 (a) Any person who is a resident of the State of Illinois
20 and whose household income is not greater than an amount
21 determined annually by the Department, in consultation with
22 the Policy Advisory Council, may apply for assistance pursuant
23 to this Act in accordance with regulations promulgated by the
24 Department. In setting the annual eligibility level, the
25 Department shall consider the amount of available funding and

1 may not set a limit higher than 200% ~~150%~~ of the federal
2 nonfarm poverty level as established by the federal Office of
3 Management and Budget or 60% of the State median income for the
4 current State fiscal year as established by the U.S.
5 Department of Health and Human Services, ~~except that for the~~
6 ~~period from the effective date of this amendatory Act of the~~
7 ~~101st General Assembly through June 30, 2021, the Department~~
8 ~~may establish limits not higher than 200% of that poverty~~
9 ~~level.~~ The Department, in consultation with the Policy
10 Advisory Council, may adjust the percentage of poverty level
11 annually in accordance with federal guidelines and based on
12 funding availability.

13 (b) Applicants who qualify for assistance pursuant to
14 subsection (a) of this Section shall, subject to appropriation
15 from the General Assembly and subject to availability of funds
16 to the Department, receive energy assistance as provided by
17 this Act. The Department, upon receipt of monies authorized
18 pursuant to this Act for energy assistance, shall commit funds
19 for each qualified applicant in an amount determined by the
20 Department. In determining the amounts of assistance to be
21 provided to or on behalf of a qualified applicant, the
22 Department shall ensure that the highest amounts of assistance
23 go to households with the greatest energy costs in relation to
24 household income. The Department shall include factors such as
25 energy costs, household size, household income, and region of
26 the State when determining individual household benefits. In

1 setting assistance levels, the Department shall attempt to
2 provide assistance to approximately the same number of
3 households who participated in the 1991 Residential Energy
4 Assistance Partnership Program. Such assistance levels shall
5 be adjusted annually on the basis of funding availability and
6 energy costs. In promulgating rules for the administration of
7 this Section the Department shall assure that a minimum of 1/3
8 of funds available for benefits to eligible households with
9 the lowest incomes and that elderly households, households
10 with children under the age of 6 years old, and households with
11 persons with disabilities are offered a priority application
12 period.

13 (c) If the applicant is not a customer of record of an
14 energy provider for energy services or an applicant for such
15 service, such applicant shall receive a direct energy
16 assistance payment in an amount established by the Department
17 for all such applicants under this Act; provided, however,
18 that such an applicant must have rental expenses for housing
19 greater than 30% of household income.

20 (c-1) This subsection shall apply only in cases where: (1)
21 the applicant is not a customer of record of an energy provider
22 because energy services are provided by the owner of the unit
23 as a portion of the rent; (2) the applicant resides in housing
24 subsidized or developed with funds provided under the Rental
25 Housing Support Program Act or under a similar locally funded
26 rent subsidy program, or is the voucher holder who resides in a

1 rental unit within the State of Illinois and whose monthly
2 rent is subsidized by the tenant-based Housing Choice Voucher
3 Program under Section 8 of the U.S. Housing Act of 1937; and
4 (3) the rental expenses for housing are no more than 30% of
5 household income. In such cases, the household may apply for
6 an energy assistance payment under this Act and the owner of
7 the housing unit shall cooperate with the applicant by
8 providing documentation of the energy costs for that unit. Any
9 compensation paid to the energy provider who supplied energy
10 services to the household shall be paid on behalf of the owner
11 of the housing unit providing energy services to the
12 household. The Department shall report annually to the General
13 Assembly on the number of households receiving energy
14 assistance under this subsection and the cost of such
15 assistance. The provisions of this subsection (c-1), other
16 than this sentence, are inoperative after August 31, 2012.

17 (d) If the applicant is a customer of an energy provider,
18 such applicant shall receive energy assistance in an amount
19 established by the Department for all such applicants under
20 this Act, such amount to be paid by the Department to the
21 energy provider supplying winter energy service to such
22 applicant. Such applicant shall:

23 (i) make all reasonable efforts to apply to any other
24 appropriate source of public energy assistance; and

25 (ii) sign a waiver permitting the Department to
26 receive income information from any public or private

1 agency providing income or energy assistance and from any
2 employer, whether public or private.

3 (e) Any qualified applicant pursuant to this Section may
4 receive or have paid on such applicant's behalf an emergency
5 assistance payment to enable such applicant to obtain access
6 to winter energy services. Any such payments shall be made in
7 accordance with regulations of the Department.

8 (f) The Department may, if sufficient funds are available,
9 provide additional benefits to certain qualified applicants:

10 (i) for the reduction of past due amounts owed to
11 energy providers;

12 (ii) to assist the household in responding to
13 excessively high summer temperatures or energy costs.
14 Households containing elderly members, children, a person
15 with a disability, or a person with a medical need for
16 conditioned air shall receive priority for receipt of such
17 benefits; and

18 (iii) for the installation of energy conservation
19 measures, health and safety measures, healthy home
20 measures, home improvement measures to help alleviate
21 deferrals from weatherization activities, and renewable
22 energy retrofits.

23 (g) The Department shall ensure that persons applying for
24 assistance provided for under this Section shall have the
25 ability to establish eligibility through proof of enrollment
26 in other State and federal assistance programs with income

1 eligibility requirements that do not exceed 60% of State
2 median income or 200% the federal nonfarm poverty level,
3 whichever is greater. The Department shall take all measures
4 necessary to coordinate State assistance program databases to
5 minimize applicant proof of eligibility requirements to enable
6 verification of participation in other means-tested programs
7 administered by other agencies, and in a manner that protects
8 the privacy of an individual's personal information provided
9 to such agencies.

10 (Source: P.A. 101-636, eff. 6-10-20; 102-16, eff. 6-17-21;
11 102-176, eff. 6-1-22; 102-699, eff. 4-19-22.)

12 (305 ILCS 20/13)

13 (Section scheduled to be repealed on January 1, 2025)

14 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

15 (a) The Supplemental Low-Income Energy Assistance Fund is
16 hereby created as a special fund in the State Treasury. The
17 Supplemental Low-Income Energy Assistance Fund is authorized
18 to receive moneys from voluntary donations from individuals,
19 foundations, corporations, and other sources, moneys received
20 pursuant to Section 17, and, by statutory deposit, the moneys
21 collected pursuant to this Section. The Fund is also
22 authorized to receive voluntary donations from individuals,
23 foundations, corporations, and other sources. Subject to
24 appropriation, the Department shall use moneys from the
25 Supplemental Low-Income Energy Assistance Fund for: (i)

1 payments to electric or gas public utilities, municipal
2 electric or gas utilities, and electric cooperatives on behalf
3 of their customers who are participants in the program
4 authorized by Sections 4 and 18 of this Act; (ii) the provision
5 of weatherization services, including, but not limited to, the
6 installation of energy conservation measures, health and
7 safety measures, healthy home measures, home improvement
8 measures to alleviate the deferrals of certain projects,
9 including, but not limited to, roofs and foundation repairs,
10 and renewable energy retrofits; and (iii) administration of
11 the Supplemental Low-Income Energy Assistance Fund. All other
12 deposits outside of the Energy Assistance Charge as set forth
13 in subsection (b) are not subject to the percentage
14 restrictions related to administrative and weatherization
15 expenses provided in this subsection. The yearly expenditures
16 for weatherization may not exceed 10% of the amount collected
17 during the year pursuant to this Section, except when unspent
18 funds from the Supplemental Low-Income Energy Assistance Fund
19 are reallocated from a previous year; any unspent balance of
20 the 10% weatherization allowance may be utilized for
21 weatherization expenses in the year they are reallocated. The
22 yearly administrative expenses of the Supplemental Low-Income
23 Energy Assistance Fund may not exceed 13% of the amount
24 collected during that year pursuant to this Section, except
25 when unspent funds from the Supplemental Low-Income Energy
26 Assistance Fund are reallocated from a previous year; any

1 unspent balance of the 13% administrative allowance may be
2 utilized for administrative expenses in the year they are
3 reallocated. Of the 13% administrative allowance, no less than
4 8% shall be provided to Local Administrative Agencies for
5 administrative expenses.

6 (b) Notwithstanding the provisions of Section 16-111 of
7 the Public Utilities Act but subject to subsection (k) of this
8 Section, each public utility, electric cooperative, as defined
9 in Section 3.4 of the Electric Supplier Act, and municipal
10 utility, as referenced in Section 3-105 of the Public
11 Utilities Act, that is engaged in the delivery of electricity
12 or the distribution of natural gas within the State of
13 Illinois shall, effective January 1, 2021, assess each of its
14 customer accounts a monthly Energy Assistance Charge for the
15 Supplemental Low-Income Energy Assistance Fund. The delivering
16 public utility, municipal electric or gas utility, or electric
17 or gas cooperative for a self-assessing purchaser remains
18 subject to the collection of the fee imposed by this Section.
19 The monthly charge shall be as follows:

20 (1) Base Energy Assistance Charge per month on each
21 account for residential electrical service;

22 (2) Base Energy Assistance Charge per month on each
23 account for residential gas service;

24 (3) Ten times the Base Energy Assistance Charge per
25 month on each account for non-residential electric service
26 which had less than 10 megawatts of peak demand during the

1 previous calendar year;

2 (4) Ten times the Base Energy Assistance Charge per
3 month on each account for non-residential gas service
4 which had distributed to it less than 4,000,000 therms of
5 gas during the previous calendar year;

6 (5) Seven hundred and fifty ~~Three hundred and~~
7 ~~seventy five~~ times the Base Energy Assistance Charge per
8 month on each account for non-residential electric service
9 which had 10 megawatts or greater of peak demand during
10 the previous calendar year; and

11 (6) Seven hundred and fifty ~~Three hundred and~~
12 ~~seventy five~~ times the Base Energy Assistance Charge per
13 month on each account for non-residential gas service
14 which had 4,000,000 or more therms of gas distributed to
15 it during the previous calendar year.

16 For any utility included in the Percentage of Income
17 Payment Plan (PIPP) program, the Base Energy Assistance Charge
18 shall be \$0.96 per month beginning July 1, 2023, with \$0.16 per
19 month of that amount being available to the utility for an
20 Arrearage Reduction Program. For any utility not included in
21 the PIPP program, the Base Energy Assistance Charge shall be
22 \$0.80 per month beginning July 1, 2023.

23 The Base Energy Assistance Charge shall be \$0.48 per month
24 for the calendar year beginning January 1, 2022 and shall
25 increase by \$0.16 per month for any calendar year, provided no
26 less than 80% of the previous State fiscal year's available

1 Supplemental Low-Income Energy Assistance Fund funding was
2 exhausted. The maximum Base Energy Assistance Charge shall not
3 exceed \$0.96 per month for any calendar year.

4 The incremental change to such charges imposed by Public
5 Act 99-933 and this amendatory Act of the 102nd General
6 Assembly shall not (i) be used for any purpose other than to
7 directly assist customers and (ii) be applicable to utilities
8 serving less than 100,000 customers in Illinois on January 1,
9 2021. The incremental change to such charges imposed by this
10 amendatory Act of the 102nd General Assembly are intended to
11 increase utilization of the Percentage of Income Payment Plan
12 (PIPP or PIP Plan) and the Low Income Home Energy Assistance
13 Program (LIHEAP) and shall be applied such that PIP Plan and
14 LIHEAP enrollment is at least doubled, as compared to 2020
15 enrollment, by 2024.

16 In addition, electric and gas utilities ~~have committed,~~
17 ~~and shall contribute, beginning on January 1, 2024 and~~
18 ~~continuing for 10 years thereafter, an annual contribution of~~
19 ~~5% of net operating income based on their most recent rate~~
20 ~~order approved by the Illinois Commerce Commission to the~~
21 ~~Supplemental Low-Income Energy Assistance Fund. a one-time~~
22 ~~payment of \$22 million to the Fund, within 10 days after the~~
23 ~~effective date of the tariffs established pursuant to Sections~~
24 ~~16-111.8 and 19-145 of the Public Utilities Act to be used for~~
25 ~~the Department's cost of implementing the programs described~~
26 ~~in Section 18 of this amendatory Act of the 96th General~~

1 ~~Assembly, the Arrearage Reduction Program described in Section~~
2 ~~18, and the programs described in Section 8-105 of the Public~~
3 ~~Utilities Act. If a utility elects not to file a rider within~~
4 ~~90 days after the effective date of this amendatory Act of the~~
5 ~~96th General Assembly, then the contribution from such utility~~
6 ~~shall be made no later than February 1, 2010.~~

7 (c) For purposes of this Section:

8 (1) "residential electric service" means electric
9 utility service for household purposes delivered to a
10 dwelling of 2 or fewer units which is billed under a
11 residential rate, or electric utility service for
12 household purposes delivered to a dwelling unit or units
13 which is billed under a residential rate and is registered
14 by a separate meter for each dwelling unit;

15 (2) "residential gas service" means gas utility
16 service for household purposes distributed to a dwelling
17 of 2 or fewer units which is billed under a residential
18 rate, or gas utility service for household purposes
19 distributed to a dwelling unit or units which is billed
20 under a residential rate and is registered by a separate
21 meter for each dwelling unit;

22 (3) "non-residential electric service" means electric
23 utility service which is not residential electric service;
24 and

25 (4) "non-residential gas service" means gas utility
26 service which is not residential gas service.

1 (d) Within 30 days after the effective date of this
2 amendatory Act of the 96th General Assembly, each public
3 utility engaged in the delivery of electricity or the
4 distribution of natural gas shall file with the Illinois
5 Commerce Commission tariffs incorporating the Energy
6 Assistance Charge in other charges stated in such tariffs,
7 which shall become effective no later than the beginning of
8 the first billing cycle following such filing.

9 (e) The Energy Assistance Charge assessed by electric and
10 gas public utilities shall be considered a charge for public
11 utility service.

12 (f) By the 20th day of the month following the month in
13 which the charges imposed by the Section were collected, each
14 public utility, municipal utility, and electric cooperative
15 shall remit to the Department of Revenue all moneys received
16 as payment of the Energy Assistance Charge on a return
17 prescribed and furnished by the Department of Revenue showing
18 such information as the Department of Revenue may reasonably
19 require; provided, however, that a utility offering an
20 Arrearage Reduction Program or Supplemental Arrearage
21 Reduction Program pursuant to Section 18 of this Act shall be
22 entitled to net those amounts necessary to fund and recover
23 the costs of such Programs as authorized by that Section that
24 is no more than the incremental change in such Energy
25 Assistance Charge authorized by Public Act 96-33. If a
26 customer makes a partial payment, a public utility, municipal

1 utility, or electric cooperative may elect either: (i) to
2 apply such partial payments first to amounts owed to the
3 utility or cooperative for its services and then to payment
4 for the Energy Assistance Charge or (ii) to apply such partial
5 payments on a pro-rata basis between amounts owed to the
6 utility or cooperative for its services and to payment for the
7 Energy Assistance Charge.

8 If any payment provided for in this Section exceeds the
9 distributor's liabilities under this Act, as shown on an
10 original return, the Department may authorize the distributor
11 to credit such excess payment against liability subsequently
12 to be remitted to the Department under this Act, in accordance
13 with reasonable rules adopted by the Department. If the
14 Department subsequently determines that all or any part of the
15 credit taken was not actually due to the distributor, the
16 distributor's discount shall be reduced by an amount equal to
17 the difference between the discount as applied to the credit
18 taken and that actually due, and that distributor shall be
19 liable for penalties and interest on such difference.

20 (g) The Department of Revenue shall deposit into the
21 Supplemental Low-Income Energy Assistance Fund all moneys
22 remitted to it in accordance with subsection (f) of this
23 Section. The utilities shall coordinate with the Department to
24 establish an equitable and practical methodology for
25 implementing this subsection (g) beginning with the 2010
26 program year.

1 (h) On or before December 31, 2002, the Department shall
2 prepare a report for the General Assembly on the expenditure
3 of funds appropriated from the Low-Income Energy Assistance
4 Block Grant Fund for the program authorized under Section 4 of
5 this Act.

6 (i) The Department of Revenue may establish such rules as
7 it deems necessary to implement this Section.

8 (j) The Department of Commerce and Economic Opportunity
9 may establish such rules as it deems necessary to implement
10 this Section.

11 (k) The charges imposed by this Section shall only apply
12 to customers of municipal electric or gas utilities and
13 electric or gas cooperatives if the municipal electric or gas
14 utility or electric or gas cooperative makes an affirmative
15 decision to impose the charge. If a municipal electric or gas
16 utility or an electric cooperative makes an affirmative
17 decision to impose the charge provided by this Section, the
18 municipal electric or gas utility or electric cooperative
19 shall inform the Department of Revenue in writing of such
20 decision when it begins to impose the charge. If a municipal
21 electric or gas utility or electric or gas cooperative does
22 not assess this charge, the Department may not use funds from
23 the Supplemental Low-Income Energy Assistance Fund to provide
24 benefits to its customers under the program authorized by
25 Section 4 of this Act.

26 In its use of federal funds under this Act, the Department

1 may not cause a disproportionate share of those federal funds
2 to benefit customers of systems which do not assess the charge
3 provided by this Section.

4 This Section is repealed on January 1, 2025 unless renewed
5 by action of the General Assembly.

6 (Source: P.A. 102-16, eff. 6-17-21; 102-176, eff. 6-1-22;
7 102-671, eff. 11-30-21; 102-673, eff. 11-30-21; 102-699, eff.
8 4-19-22.)

9 (305 ILCS 20/18)

10 Sec. 18. Financial assistance; payment plans.

11 (a) The Percentage of Income Payment Plan (PIPP or PIP
12 Plan) is hereby created as a mandatory bill payment assistance
13 program for low-income residential customers of utilities
14 serving more than 100,000 retail customers as of January 1,
15 2021. The PIP Plan will:

16 (1) bring participants' gas and electric bills into
17 the range of affordability;

18 (2) provide incentives for participants to make timely
19 payments;

20 (3) encourage participants to reduce usage and
21 participate in conservation and energy efficiency measures
22 that reduce the customer's bill and payment requirements;

23 (4) identify participants whose homes are most in need
24 of weatherization; and

25 (5) endeavor to maximize participation and spend at

1 least 80% of the funding available for the year.

2 (b) For purposes of this Section:

3 (1) "LIHEAP" means the energy assistance program
4 established under the Illinois Energy Assistance Act and
5 the Low-Income Home Energy Assistance Act of 1981.

6 (2) "Plan participant" is an eligible participant who
7 is also eligible for the PIPP and who will receive either a
8 percentage of income payment credit under the PIPP
9 criteria set forth in this Act or a benefit pursuant to
10 Section 4 of this Act. Plan participants are a subset of
11 eligible participants.

12 (3) "Pre-program arrears" means the amount a plan
13 participant owes for gas or electric service at the time
14 the participant is determined to be eligible for the PIPP
15 or the program set forth in Section 4 of this Act.

16 (4) "Eligible participant" means any person who has
17 applied for, been accepted and is receiving residential
18 service from a gas or electric utility and who is also
19 eligible for LIHEAP or otherwise satisfies the eligibility
20 criteria set forth in paragraph (1) of subsection (c).

21 (c) The PIP Plan shall be administered as follows:

22 (1) The Department shall coordinate with Local
23 Administrative Agencies (LAAs), to determine eligibility
24 for the Illinois Low Income Home Energy Assistance Program
25 (LIHEAP) pursuant to the Energy Assistance Act, provided
26 that eligible income shall be no more than 200% ~~150%~~ of the

1 poverty level or 60% of the State median income, ~~except~~
2 ~~that for the period from the effective date of this~~
3 ~~amendatory Act of the 101st General Assembly through June~~
4 ~~30, 2021, eligible income shall be no more than 200% of the~~
5 ~~poverty level~~. Applicants will be screened to determine
6 whether the applicant's projected payments for electric
7 service or natural gas service over a 12-month period
8 exceed the criteria established in this Section. The
9 Department, in consultation with the Policy Advisory
10 Council, may adjust the percentage of poverty level
11 annually to determine income eligibility. To maintain the
12 financial integrity of the program, the Department may
13 limit eligibility to households with income below 125% of
14 the poverty level.

15 (2) The Department shall establish the percentage of
16 income formula to determine the amount of a monthly credit
17 for participants with eligible income based on poverty
18 level. Credits will be applied to PIP Plan participants'
19 utility bills based on the portion of the bill that is the
20 responsibility of the participant provided that the
21 percentage shall be no more than a total of 6% of the
22 relevant income for gas and electric utility bills
23 combined, but in any event no less than \$10 per month,
24 unless the household does not pay directly for heat, in
25 which case its payment shall be 2.4% of income but in any
26 event no less than \$5 per month. The Department, in

1 consultation with the Policy Advisory Council, may adjust
2 such monthly credit amounts annually and may establish a
3 minimum credit amount based on the cost of administering
4 the program and may deny credits to otherwise eligible
5 participants if the cost of administering the credit
6 exceeds the actual amount of any monthly credit to a
7 participant. If the participant takes both gas and
8 electric service, 50% of the credit shall be allocated to
9 the entity that provides the participant's primary energy
10 supply for heating. Each participant shall enter into a
11 levelized payment plan for, as applicable, gas and
12 electric service and such plans shall be implemented by
13 the utility so that a participant's usage and required
14 payments are reviewed and adjusted regularly, but no more
15 frequently than quarterly. Nothing in this Section is
16 intended to prohibit a customer, who is otherwise eligible
17 for LIHEAP, from participating in the program described in
18 Section 4 of this Act. Eligible participants who receive
19 such a benefit shall be considered plan participants and
20 shall be eligible to participate in the Arrearage
21 Reduction Program described in item (5) of this subsection
22 (c).

23 (3) The Department shall remit, through the LAAs, to
24 the utility or participating alternative supplier that
25 portion of the plan participant's bill that is not the
26 responsibility of the participant. In the event that the

1 Department fails to timely remit payment to the utility,
2 the utility shall be entitled to recover all costs related
3 to such nonpayment through the automatic adjustment clause
4 tariffs established pursuant to Section 16-111.8 and
5 Section 19-145 of the Public Utilities Act. For purposes
6 of this item (3) of this subsection (c), payment is due on
7 the date specified on the participant's bill. The
8 Department, the Department of Revenue and LAAs shall adopt
9 processes that provide for the timely payment required by
10 this item (3) of this subsection (c).

11 (4) A plan participant is responsible for all actual
12 charges for utility service in excess of the PIPP credit.
13 Notwithstanding this requirement, any actual charges
14 incurred by plan participants still owed at the time of a
15 PIP program annual benefit reconciliation that exceed the
16 plan benefit cap provided for by the Department shall be
17 categorized as pre-program arrears in the following
18 calendar year and not be included in the calculation of
19 the levelized payment plan. Pre-program arrears that are
20 included in the Arrearage Reduction Program described in
21 item (5) of this subsection (c) shall not be included in
22 the calculation of the levelized payment plan. Emergency
23 or crisis assistance payments shall not affect the amount
24 of any PIPP credit to which a participant is entitled.

25 (5) Electric and gas utilities subject to this Section
26 shall implement an Arrearage Reduction Program (ARP) for

1 plan participants as follows: for each month that a plan
2 participant timely pays his or her utility bill, the
3 utility shall apply a credit to a portion of the
4 participant's pre-program arrears, if any, equal to
5 one-twelfth of such arrearage provided that the total
6 amount of arrearage credits shall equal no more than
7 \$1,000 annually for each participant for gas and no more
8 than \$1,000 annually for each participant for electricity.
9 In the third year of the PIPP, the Department, in
10 consultation with the Policy Advisory Council established
11 pursuant to Section 5 of this Act, shall determine by rule
12 an appropriate per participant total cap on such amounts,
13 if any. Those plan participants participating in the ARP
14 shall not be subject to the imposition of any additional
15 late payment fees on pre-program arrears covered by the
16 ARP. In all other respects, the utility shall bill and
17 collect the monthly bill of a plan participant pursuant to
18 the same rules, regulations, programs and policies as
19 applicable to residential customers generally.
20 Participation in the Arrearage Reduction Program shall be
21 limited to the maximum amount of funds available as set
22 forth in subsection (f) of Section 13 of this Act. In the
23 event any donated funds under Section 13 of this Act are
24 specifically designated for the purpose of funding the
25 ARP, the Department shall remit such amounts to the
26 utilities upon verification that such funds are needed to

1 fund the ARP. Nothing in this Section shall preclude a
2 utility from continuing to implement, and apply credits
3 under, an ARP in the event that the PIPP or LIHEAP is
4 suspended due to lack of funding such that the plan
5 participant does not receive a benefit under either the
6 PIPP or LIHEAP.

7 (5.5) In addition to the ARP described in paragraph
8 (5) of this subsection (c), utilities may also implement a
9 Supplemental Arrearage Reduction Program (SARP) for
10 eligible participants who are not able to become plan
11 participants due to PIPP timing or funding constraints. If
12 a utility elects to implement a SARP, it shall be
13 administered as follows: for each month that a SARP
14 participant timely pays his or her utility bill, the
15 utility shall apply a credit to a portion of the
16 participant's pre-program arrears, if any, equal to
17 one-twelfth of such arrearage, provided that the utility
18 may limit the total amount of arrearage credits to no more
19 than \$1,000 annually for each participant for gas and no
20 more than \$1,000 annually for each participant for
21 electricity. SARP participants shall not be subject to the
22 imposition of any additional late payment fees on
23 pre-program arrears covered by the SARP. In all other
24 respects, the utility shall bill and collect the monthly
25 bill of a SARP participant under the same rules,
26 regulations, programs, and policies as applicable to

1 residential customers generally. Participation in the SARP
2 shall be limited to the maximum amount of funds available
3 as set forth in subsection (f) of Section 13 of this Act.
4 In the event any donated funds under Section 13 of this Act
5 are specifically designated for the purpose of funding the
6 SARP, the Department shall remit such amounts to the
7 utilities upon verification that such funds are needed to
8 fund the SARP.

9 (6) The Department may terminate a plan participant's
10 eligibility for the PIP Plan upon notification by the
11 utility that the participant's monthly utility payment is
12 more than 75 days past due. One-twelfth of a customer's
13 arrearage shall be deducted from the total arrearage owed
14 for each on-time payment made by the customer.

15 (7) The Department, in consultation with the Policy
16 Advisory Council, may adjust the number of PIP Plan
17 participants annually, if necessary, to match the
18 availability of funds. Any plan participant who qualifies
19 for a PIPP credit under a utility's PIPP shall be entitled
20 to participate in and receive a credit under such
21 utility's ARP for so long as such utility has ARP funds
22 available, regardless of whether the customer's
23 participation under another utility's PIPP or ARP has been
24 curtailed or limited because of a lack of funds.

25 (8) The Department shall fully implement the PIPP at
26 the earliest possible date it is able to effectively

1 administer the PIPP. Within 90 days of the effective date
2 of this amendatory Act of the 96th General Assembly, the
3 Department shall, in consultation with utility companies,
4 participating alternative suppliers, LAAs and the Illinois
5 Commerce Commission (Commission), issue a detailed
6 implementation plan which shall include detailed testing
7 protocols and analysis of the capacity for implementation
8 by the LAAs and utilities. Such consultation process also
9 shall address how to implement the PIPP in the most
10 cost-effective and timely manner, and shall identify
11 opportunities for relying on the expertise of utilities,
12 LAAs and the Commission. Following the implementation of
13 the testing protocols, the Department shall issue a
14 written report on the feasibility of full or gradual
15 implementation. The PIPP shall be fully implemented by
16 September 1, 2011, but may be phased in prior to that date.

17 (9) As part of the screening process established under
18 item (1) of this subsection (c), the Department and LAAs
19 shall assess whether any energy efficiency or demand
20 response measures are available to the plan participant at
21 no cost, and if so, the participant shall enroll in any
22 such program for which he or she is eligible. The LAAs
23 shall assist the participant in the applicable enrollment
24 or application process.

25 (10) Each alternative retail electric and gas supplier
26 serving residential customers shall elect whether to

1 participate in the PIPP or ARP described in this Section.
2 Any such supplier electing to participate in the PIPP
3 shall provide to the Department such information as the
4 Department may require, including, without limitation,
5 information sufficient for the Department to determine the
6 proportionate allocation of credits between the
7 alternative supplier and the utility. If a utility in
8 whose service territory an alternative supplier serves
9 customers contributes money to the ARP fund which is not
10 recovered from ratepayers, then an alternative supplier
11 which participates in ARP in that utility's service
12 territory shall also contribute to the ARP fund in an
13 amount that is commensurate with the number of alternative
14 supplier customers who elect to participate in the
15 program.

16 (11) The PIPP shall be designed and implemented each
17 year to maximize participation and spend at least 80% of
18 the funding available for the year.

19 (d) The Department, in consultation with the Policy
20 Advisory Council, shall develop and implement a program to
21 educate customers about the PIP Plan and about their rights
22 and responsibilities under the percentage of income component.
23 The Department, in consultation with the Policy Advisory
24 Council, shall establish a process that LAAs shall use to
25 contact customers in jeopardy of losing eligibility due to
26 late payments. The Department shall ensure that LAAs are

1 adequately funded to perform all necessary educational tasks.

2 (e) The PIPP shall be administered in a manner which
3 ensures that credits to plan participants will not be counted
4 as income or as a resource in other means-tested assistance
5 programs for low-income households or otherwise result in the
6 loss of federal or State assistance dollars for low-income
7 households.

8 (f) In order to ensure that implementation costs are
9 minimized, the Department and utilities shall work together to
10 identify cost-effective ways to transfer information
11 electronically and to employ available protocols that will
12 minimize their respective administrative costs as follows:

13 (1) The Commission may require utilities to provide
14 such information on customer usage and billing and payment
15 information as required by the Department to implement the
16 PIP Plan and to provide written notices and communications
17 to plan participants.

18 (2) Each utility and participating alternative
19 supplier shall file annual reports with the Department and
20 the Commission that cumulatively summarize and update
21 program information as required by the Commission's rules.
22 The reports shall track implementation costs and contain
23 such information as is necessary to evaluate the success
24 of the PIPP.

25 (2.5) The Department shall annually prepare and submit
26 a report to the General Assembly, the Commission, and the

1 Policy Advisory Council that identifies the following
2 amounts for the most recently completed year: total monies
3 collected under subsection (b) of Section 13 of this Act
4 for all PIPPs implemented in the State; monies allocated
5 to each utility for implementation of its PIPP; and monies
6 allocated to each utility for other purposes, including a
7 description of each of those purposes. The Commission
8 shall publish the report on its website.

9 (3) The Department and the Commission shall have the
10 authority to promulgate rules and regulations necessary to
11 execute and administer the provisions of this Section.

12 (g) Each utility shall be entitled to recover reasonable
13 administrative and operational costs incurred to comply with
14 this Section from the Supplemental Low Income Energy
15 Assistance Fund. The utility may net such costs against monies
16 it would otherwise remit to the Funds, and each utility shall
17 include in the annual report required under subsection (f) of
18 this Section an accounting for the funds collected. An energy
19 provider that receives payments from the Department from the
20 Supplemental Low-Income Energy Assistance Fund, that provides
21 confirmation to an administering agency that an applicant is a
22 customer, shall ensure that the applicant customer is not
23 disconnected from energy service while an application is
24 pending.

25 (Source: P.A. 101-636, eff. 6-10-20; 102-176, eff. 6-1-22.)