



Moneys from these collected charges are to be transferred to EOC on a quarterly basis to provide energy assistance to Colorado individuals and organizations, with priority given to households where one or more persons receive:

- an Old Age Pension;
- Aid to the Needy Disabled;
- Aid to the Blind;
- Supplemental Security Disability Benefits; or
- Aid from the TANF block grant program.

EOC is required to reimburse the PUC for administrative costs, and is authorized to use up to five percent of the collected moneys for program administration.

***Opt-Out Mechanism.*** All utility customers must be given an opt-out mechanism whereby the charge will not be collected. Additional moneys may also be used by EOC as necessary to cover the administrative costs associated with this opt-out provision. A toll-free number where customers can call to opt-out of the program is required to be identified on each bill. Six months prior to program implementation, EOC is required to establish a centralized statewide call center to take calls from customers choosing to opt out of the program. EOC is required to maintain a centralized website providing opt-out information for a six-month period. The PUC is required to promulgate rules to:

- establish a simple, comprehensive opt-out mechanism;
- ensure customers are notified of the opt-out provision at least four times prior to September 1, 2006 and twice annually thereafter; and
- ensure that adequate notice of the provision is given to all customers.

***Self-Certification and Exemption Options.*** The bill specifies that municipally-owned gas and electric utilities and rural electric cooperatives, through a self-certification process, may implement alternative energy assistance programs. In order for the utility or cooperative to self-certify, the alternative program is required to meet the following criteria:

- program funding is determined by the governing body;
- program funding is distributed exclusively to customers challenged with paying energy bills for financial reasons, including seniors on fixed incomes, individuals with disabilities, and low-income individuals; and
- beginning 12 months after program implementation, program information is distributed to customers annually by written notice or local newspaper publication.

A utility or cooperative may exempt itself from the requirements of this bill if it determines that a limited number of people qualifying for energy assistance live in its service area. If the administrative costs of the program ever exceed the revenues collected in a calendar year for any municipally owned utility or rural electric cooperative, the requirements of this bill terminate immediately for that entity.

***Administrative Costs.*** Reasonable administrative costs incurred by a utility to collect the charge and provide an opt-out mechanism may be reimbursed from moneys collected, and this amount

shall be established by the Public Utilities Commission (PUC) by rule. The PUC is also required to determine how the charge will be imposed on customers who are billed through multiple meters at a single address.

This bill will be repealed on January 1, 2011, unless at any point after September 1, 2007, the administrative costs exceed revenue. In that case, the bill is repealed immediately.

### **Background**

The EOC is a non-profit entity that works to provide energy assistance, energy conservation and energy education to low-income households. Originally under the authority of the Colorado Commission on Low-Income Energy Assistance, EOC currently operates under an independent board of directors. EOC is authorized to raise private funds, averaging about \$4 to \$5 million in recent years. EOC works in partnership and in concert with the Low-Income Energy Assistance Program (LEAP) within the Department of Human Services. The two organizations share publicity and the EOC provides LEAP with funds to cover about 10 percent of their budget.

### **State Expenditures**

*Department of Regulatory Agencies, Public Utilities Commission.* This bill requires the PUC to promulgate rules regarding: (1) how the energy assistance charge is imposed upon customers billed through multiple meters at a single address; (2) how the opt-out mechanism for gas and electric customers is established; (3) how utilities are to be reimbursed for the costs they incur in setting up the collection mechanism for the charges and for the on-going administration of the opt-out provision; and (4) how periodic notice shall be given to customers to ensure easy participation in the opt-out provision. These specified rule-making responsibilities are currently included in the PUC's daily work load and thus may be absorbed within existing resources.

### **Local Government Impact**

The bill will increase revenues and expenses for municipally owned utilities and rural electric cooperatives who do not choose to self-certify. However, these utilities are held harmless as the costs of collecting the charge and administering the opt-out mechanism are reimbursed from any energy assistance moneys received.

### **State Appropriations**

No new state appropriations will be required in FY 2005-06 to implement this bill.

### **Departments Contacted**

Local Affairs

Regulatory Agencies