

HB 2172

Affordability and disconnection protections:

HB 2172 amends the Public Utilities Act to include Illinois Commerce Commission (ICC) assessment of affordability as a core goal and objective of utility regulation. The bill prohibits utilities from disconnection of utility service, *due to inability to pay*, to persons 65 years of age or older, households with children 6 years of age or under, and persons with certified medical conditions that an existing health condition will be exacerbated by disconnection from essential utility service. HB 2172 also prohibits the acceleration of disconnection of essential utility service based on a utility's payment risk assessment of a customer. The bill requires a utility, prior to disconnection, to assess whether a customer may be eligible for energy assistance programs under the Energy Assistance Act, provides the customer with specific information as to where and how to obtain energy assistance, and to cease disconnection activity for 60 days to allow the customer to apply for and establish eligibility for said energy assistance. Stated another way, a utility shall not disconnect any customer who is in the process of apply for LIHEAP or PIPP while the customer's application for energy assistance is pending if the utility has been notified by a community action agency that the customer has a pending application.

Clarifies the definition of low-income utility customer:

The bill defines "low-income customer" as an income-qualified residential customer whose income falls at or below 80% of the area median income. It also provides a list of various assistance programs and methodologies for demonstrating low-income status. The establishment of low-income status can either be done at the community action agency level (where customers already apply for LIHEAP and PIPP) or through sending proof of eligibility to the utility. Notwithstanding any other provision of the Act, nothing shall prohibit a utility from accepting a customer's self-certification that the customer qualifies for low-income customer status for the purpose establishing eligibility for programs and protections identified in this Act. A utility shall not be obligated to conduct an independent authentication of the documentation provided by the prospective or existing customer, and shall not be held liable if the documentation provided by the prospective or existing customer is determined to be fraudulent.

ICC engagement and reporting requirements:

HB 2172 requires the ICC to hold quarterly public meetings with a minimum of three commissioners in attendance that permit members of the public to communicate issues of concern regarding utility rates and policies. The bill adds to the ICC's existing annual reporting obligations to the General Assembly an assessment of the impact of its rulings on the rates of utility customers, including general rate increases granted, rider surcharges assessed by the utilities, and how it ensured that certain communities or customers were not disproportionately impacted by utility rate and policies in terms of equity, affordability, and environmental impact, consistent with its obligations under amended Section 4-304.

It requires the Commission to maintain a staff consisting of experts in computer systems, public policy, consumer advocacy, accounting, engineering, and other professional disciplines necessary to ensure the equitable regulation of public utility rates, policies, and other utility obligations created under this Act. The bill also requires the Commission to include conclusions and findings of fact that explain how the Commission assessed the affordability of utility rates for low-income customers in any general rate increase or tariff filing that impacts utility rates, the evidence presented in the proceeding relied upon by the Commission to conclude that the rate or rates approved are affordable to low-income customers, and how public comments, both oral and written, were considered and incorporated in the Commission's conclusions and findings.

Allocation of existing energy efficiency program budgets consistent with the proportion of low-income customers residing within the utility's service territory, notwithstanding annual energy efficiency target goals:

The bill provides that the electric and gas utilities set annual energy efficiency program budgets designated for low-income customers, at a minimum, in an amount proportional to the percentage of low-income customers within the utilities' service territory.

Specific age- and child-protection disconnection protections for those experiencing unaffordability, and ongoing medical conditions:

HB 2172 provides that a utility shall not disconnect service of: (1) low-income customers 65 years of age or older due to inability to afford the monthly bill; (2) low-income customers with children in the household under the age of 6 due to inability to afford the monthly bill; and (3) customers who have provided a medical certification exemption.

Weather-related disconnection protections; incorporation of heat index during the summer:

Provides that if gas or electricity is used as the only source of space cooling, then a utility with over 100,000 residential customers may not terminate gas or electric utility service to the residential user, including all tenants of mastermetered apartment buildings: (1) on any day when the National Weather Service forecast for the following 24 hours covering the area of the utility in which the residence is located includes a forecast that the temperature or heat index will be 85 (rather than the current 95) degrees Fahrenheit or above; or (2) on any day preceding or during a holiday or weekend when a forecast indicates that the temperature or heat index will be 85 (rather than 95) degrees Fahrenheit or above during the holiday or weekend. The bill also clarifies that no utility shall disconnect a customer from December 1 through March 31 (winter prohibition).

More flexible and affordable deferred payment arrangements (DPAs) and medical certification protections:

HB 2172 revises existing DPA requirements to make them more affordable in an effort to reduce the existing, very high default rate of customer DPAs. It also revises the existing exemption from disconnection due to a medical condition to allow for renewal every six months, as certified by a qualified medical professional, for as long as the medical condition exists.

Requires electric and gas utilities to establish discount rate tariffs for qualified low-income customers:



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The bill requires electric and gas utilities to establish tiered, discounted utility rates for qualified low-income customers, with the cost recovered from all customer classes.

Removal of existing financial incentive for utilities to disconnect customers and assess late fees: Currently, in order to recover their bad debt (uncollectibles) in rates, a utility has to show that they've assessed late fees, sent disconnection notices and disconnected customers. HB 2172 flips that punitive approach to utility collection practices to require a utility to show evidence of customer outreach, the offering of a discount rate, and disconnection reduction in the top 20 zip codes with the highest disconnection rates in order to recover bad debt in rates.

Prohibitions on utility credit reporting and reconnection fees for utilities utilizing smart meters: HB 2172 prohibits a utility from reporting a customer to a credit reporting agency for any reason. The bill also prohibits the assessment of reconnection fees to a customer who receives service via a smart meter.

Improvement of existing intervenor compensation statute:

The CEJA law, passed in 2021, created a new intervenor compensation statute designed to increase participation in ICC proceedings at the community-based organization level. However, the statute was flawed in that it required an entity to “win” their issue before the Commission in order to receive compensation, and to prove financial need – a vague criterion. HB 2172 removes these references and clarifies, too, that the Citizens Utility Board can also receive compensation from the fund. The HB 2172 amendments also require the utilities to replenish the intervenor compensation fund in the amounts already designated in the statute if and when the fund is depleted.