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 continuing law requirements for 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, the consumer education program, and the energy efficiency and weatherization program.
- Requires the JFS Director to begin administering the low-income customer assistance programs, beginning July 1, 2026.

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.
- Transfers from DEV to PUCO the requirement 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.

DEV to JFS program transfer implementation

- Requires DEV to transfer the entirety of its responsibility of managing the following programs to JFS before July 1, 2027: (1) the low-income customer assistance programs, (2) the consumer education program, (3) the community services block grant, and (4) the EPP Fund.
- Requires any business commenced but not completed by July 1, 2027, within DEV that is planned to be transferred to be completed by JFS in the same manner and with the same effect as if completed by DEV.
- Includes various provisions to implement the transfer, such as requiring the creation of a detailed organizational plan, allowing the JFS Director and DEV Director to jointly or separately enter into staff training and development contracts, transferring employees and records, and requiring the continuation of rules relating to the transferred programs.

Public Benefits Advisory Board

- Replaces the DEV Director with the JFS Director on the Public Benefits Advisory Board 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. 4928.75, 5101.311, 5101.312, 5101.313, 5101.314, 5101.315, 5101.316, 5101.317, and 5101.318; R.C. 121.22, 122.1710, 307.985, 2915.01, 3701.033, and 5101.101 (conforming changes))

Community Services Block Grant

The act transfers, from the Department of Development (DEV) to the Department of Job and Family Services (JFS), the powers and duties to administer Community Services Block Grant funds and programs. It 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 act requires the General Assembly to conduct public hearings regarding the grant funds, as required in federal law. Prior law specified these General Assembly hearings were to be held each year on "the proposed use and distribution" of the grant funds as required under federal law.

Weatherization services

The act 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. 4928.51, 4928.53, 4933.55, and 4928.56; R.C. 4928.34 and 4928.43 (conforming change))

The act transfers the administration of low-income customer assistance programs from the DEV Director to the JFS Director beginning July 1, 2026. "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.[196]

The act 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 PIPP rider is expressly exempt from JFS administration.

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 act 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 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 the Public Utilities Commission (PUCO) in coordination with the Director.
- 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 123rd General Assembly in 1999.

Electric Partnership Plan Fund

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

The act 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

[196] R.C. 4928.01(A)(16).

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.

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 act replaces each EDU's universal service rider with the PIPP rider it establishes. PUCO must administer the PIPP 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 and must recover the following:

- The prudently incurred costs of providing the PIPP rider for each EDU;
- The total of the EDUs' allocated shares 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

The act requires PUCO to allocate to each EDU a share of the funding for low-income customer assistance programs administered by JFS. Each EDU share must be allocated according to its annual distribution service revenues and must include a separately designated allocation not to exceed $15 million annually for the EDU's share of consumer education program funding.

The act 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.

Customer aggregation for electric service procurement process

The act 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. The process requirements for aggregating PIPP Program customers are unchanged. Additionally, PUCO rather than the DEV Director is required to adopt rules for a fair and unbiased auction process.

The act repeals the requirements that (1) PUCO design, manage, and supervise the competitive procurement process "upon the written request by the DEV Director" and (2) that the DEV Director reimburse PUCO for its procurement process costs.

DEV to JFS program transfer implementation

(Section 525.20)

The act requires DEV, notwithstanding any law to the contrary, to transfer the entirety of its responsibility of managing the following programs to JFS before July 1, 2027:

1. Low-income customer assistance programs;
2. Consumer education program;
3. Community services block grant; and
4. EPP Fund.

Any business commenced but not completed by July 1, 2027, within DEV that is planned to be transferred must be completed by JFS in the same manner and with the same effect as if completed by DEV.

Organizational plan and memorandum of understanding

By July 1, 2026, the JFS and DEV Directors, or their designees, must develop a detailed organizational plan to implement the transfer of duties and functions of the above programs. The Directors must enter into a memorandum of understanding to implement the transfer of duties and functions of the programs.

Staff training and development

The JFS and DEV Directors may jointly or separately contract with public or private entities for staff training and development to facilitate the transfer, which is exempt from the competitive selection requirements of Ohio law.[197]

Employee transfer

All DEV employees and resources identified by the DEV Director to be associated with the transferred programs are transferred to JFS on July 1, 2027, or an earlier date identified by the Directors. The act also includes related provisions that:

- Subject to the continuing law layoff provisions, states that transferred employees retain their same positions and benefits.[198] Any changes to an employee's position or benefits that occur after the employee is transferred are subject to the State Personnel Law.

[197] R.C. 127.16.

[198] R.C. 124.321 to 124.381, not in the act.

Actions taken in connection with transferring the employees are not appealable to the State Personnel Board of Review.

- Allows the JFS Director to establish, change, and abolish positions for JFS, and to assign, classify, reclassify, transfer, reduce, promote, or demote all JFS employees not subject to the collective bargaining law.
- Grants authority for the JFS Director to assign or reassign an exempt employee to a bargaining unit classification if the Director determines that the bargaining unit classification is proper. If an employee in the E-1 pay range is to be assigned, reassigned, classified, reclassified, transferred, reduced, or demoted to a position in a lower classification, then both (1) the JFS Director, or in the case of a position transferred outside of JFS, the DEV Director, must assign the employee to the appropriate classification and place the employee in Step X and (2) the employee shall not receive any increase in compensation until the maximum rate of pay for that classification exceeds the employee's compensation.
- Specifies that the transfer of programs and duties, and the reassignment of certain functions, are not appropriate subjects for collective bargaining under the collective bargaining law.
- Permits the JFS Director, with OBM approval, to establish a retirement incentive plan for eligible employees of agencies who are Public Employees Retirement System members whose job duties will be transferred to JFS. Notwithstanding the retirement incentive plan law, such a retirement incentive plan must remain in effect until December 31, 2027.[199]

Records transfer

All contracts, records, documents, files, equipment, assets, and other materials of the programs and staff resources transferred are to be transferred to JFS, effective July 1, 2027, or an earlier date identified by the DEV and JFS Directors,.

Rule continuation or modification

All rules, orders, and determinations made or undertaken related to the transferred programs continue in effect as rules, orders, and determinations of JFS until modified or rescinded by JFS. If necessary to ensure the integrity of the numbering of the Administrative Code and at the request of the JFS Director, the Director of the Legislative Service Commission may renumber the rules related to the transferred programs.

OBM budget and accounting changes

The OBM Director must make budget and accounting changes to implement the transfer of duties, functions, and programs to JFS, including administrative organization, renaming of funds, creation of new funds, transfer of state funds, and consolidation of funds. The OBM Director can, if necessary, cancel or establish encumbrances or parts of encumbrances in the

[199] R.C. 145.297, not in the act.

appropriate funds and appropriation items for the same purposes and for payment to the same vendor. The act appropriates such encumbrances. If necessary for the continued efficient administration of the programs, the OBM Director may transfer appropriations between JFS and DEV to continue levels of program services and efficiently deliver state funding to those programs, and such changes are appropriated under the act.

Public Benefits Advisory Board

(R.C. 4928.58 and 4928.63)

The act replaces the DEV Director as a member of the Public Benefits 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.[200]

Under the act, 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 advice regarding the Universal Service Fund and the appropriate level of the Universal Service Rider, both of which the act repeals.

The Board's advisory powers and duties regarding the Advanced Energy Fund and the Advanced Energy Program are repealed. 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 act 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 act 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.

[200] R.C. 4928.02, not in the act.

Repeal of obsolete reports and requirements

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

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

Report on effectiveness of competition in electric supply

The act repeals the biennial reports regarding the effectiveness of competition in the supply or competitive retail electric service in Ohio that 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.

Also repealed is the requirement that the standing committees with primary jurisdiction regarding public utility legislation meet at least biennially to consider the effect of electric service restructuring on Ohio and to receive reports from 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.

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. This reporting requirement is repealed.

Report on revenue for low-income customer assistance programs

The act repeals the obsolete requirement for a Public Benefits Advisory Board annual report that included, for each EDU, the annual amount of revenue collected from customers to support 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. The Board was required to submit them from 2015 to 2018 to the Governor, Senate President, Speaker of the House, and others.