



Rhode Island Department of Human Services
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April 25, 2023

The Honorable Joseph J. Solomon, Jr.
Chairman, House Committee on Corporations
State House
82 Smith Street
Providence, Rhode Island 02903

RE: H5847 – Relating to Public Utilities and Carriers – Public Utilities Commission

Dear Chair Solomon,

I am writing regarding H5847, scheduled to be heard before the House Committee on Corporations. The bill would create an income-sensitive tiered subsidy program to ensure that home energy utility costs are affordable for eligible low-income households.

The RI Department of Human Services (DHS), which administers the federal Low-Income Home Energy Assistance Program (LIHEAP), appreciates the ongoing efforts of the General Assembly to help address the energy cost burdens of Rhode Island residents with the greatest need. While the intent of the bill is commendable, the Department has concerns which are outlined for your review:

- **Income-Eligibility Levels are Misaligned**

H 5847 would require tiered energy rates to be afforded to households with income levels at three different levels: at or below 150% of the federal poverty level (FPL), the current standard to qualify for LIHEAP assistance (60% of the state median income or approximately 250% of FPL), and income levels qualifying for Medicaid ranging from 121% to 266% of FPL. These qualifying income levels do not align. These varied eligibility levels may also lead to confusion since the different programs have distinct ways of calculating gross and net incomes.

- **Deliverable Fuels**

This bill does not address the needs of those heating their homes through unregulated fuel distributors, particularly deliverable fuels. As a result, a significant number of Rhode Islanders would be left out of this tiered subsidy system.

- **Higher Costs for All Ratepayers**

The cost for any discount is typically rolled into the utility rates applied to all ratepayers in the state. While the cost of this proposed tiered rate program is unknown, regular ratepayers may see an increase in utility rates. The only available resource is the LIHEAP Enhancement Fund. Using these funds for another program would adversely affect the impact of LIHEAP grants to current customers.

DHS is committed to supporting Rhode Islanders through the delivery of critical services, including energy assistance resources. The Department appreciates the committee's support in helping Rhode Islanders manage their energy costs and looks forward to working with the sponsor toward this aim. Please contact me if you have any questions or need more information.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Merolla-Brito". The signature is written in a cursive, slightly slanted style.

Kimberly Merolla-Brito
Acting Director, RI Department of Human Services

CC: The Honorable Members of the House Committee on Corporations
The Honorable Scott A. Slater
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker