FEB 5 1990

Place On Calendar

HOUSE FILE 2294 BY COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

(SUCCESSOR TO HSB 561)

| Passed | House | , Date | e <u>2-9</u> . | - 90 (p. 362) | Passed | Senate, | Date | |
|----------|-------|--------|----------------|---------------|--------|---------|------|-------------|
| Vote: | Ayes | 80 | Nays | 12 | Vote: | Ayes | Nays | |
| Approved | | | | | | | | |

A BILL FOR

- 1 An Act relating to the establishment of an Iowa affordable
- heating program.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2294

H-5083

- Amend House File 2294 as follows:
- 1. Page 1, line 15, by inserting after the word
- 3 "in" the following: "annual".
- 2. Page 3, by striking lines 23 through 25, and
- 5 inserting the following: "annual level payment plan
- 6 after all forms of assistance are credited. A monthly
- 7 level payment shall be established. However, each
- 8 level payment shall not be less than a monthly minimum
- 9 as established by division rule."
- 3. Page 3, line 30, by striking the word
- 11 "minimum".
- Page 4, line 3, by striking the word
- 13 "minimum".

By HATCH of Polk

H-5083 FILED FEBRUARY 6, 1990 adepted 2/4 p. 2617

HOUSE FILE 2294

H-5116

- Amend House File 2294 as follows:
- 1. Page 1, by inserting after line 34, the
- 3 following:
- "f. Participate in counseling, provided by the
- 5 administering agency, regarding energy efficiency."

By MCKEAN of Jones

H-5116 FILED FEBRUARY 8, 1990

4 instead 2/4 (1 ... 1)

- 1 Section 1. <u>NEW SECTION</u>. 601K.103 IOWA AFFORDABLE HEATING 2 PROGRAM ESTABLISHED.
- 3 1. The division shall establish an Iowa affordable heating
- 4 program for the purpose of assisting low-income persons in
- 5 paying for primary heating fuel costs.
- 6 2. In order to be eligible for participation in the Iowa
- 7 affordable heating program, an applicant must meet all of the
- 8 following requirements:
- 9 a. Meet the income guidelines established pursuant to the
- 10 federal low-income home energy assistance program, with income
- 11 at or below one hundred percent of the federal poverty income
- 12 guidelines established by the office of management and budget.
- 13 The division may adjust the income threshold by rule as
- 14 necessitated by budgetary restrictions.
- 508315 b. Participate in level payment plans for both gas and
 - 16 electric services if such plans are available to the
 - 17 participant. The division shall develop an alternative plan
 - 18 for participants whose energy providers do not provide such
 - 19 plans.
 - 20 c. Participate in the weatherization assistance program,
 - 21 if eligible.
 - 22 d. Have insufficient finances, as determined by rule,
 - 23 which prohibit the payment of the entire cost of the heating
 - 24 of the applicant's home.
 - 25 e. Submit to the administering agency within thirty days
 - 26 of application for participation in the program third-party
 - 27 verification of all of the following:
 - 28 (1) The gross income of all of the members of the
 - 29 applicant's household in accordance with the rules adopted for
 - 30 the low-income home energy assistance program.
 - 31 (2) The applicant's unreimbursed medical expenses for the
 - 32 time period corresponding to that used for the income
 - 33 calculation with proof of personal responsibility for these
 - 34 expenses.
 - 35 3. In determination of the amount of the affordable

- l heating payment for which the participant is eligible, the
- 2 following formula shall be used:
- 3 a. An annual adjusted income amount shall be calculated.
- 4 (1) To be eligible, an applicant must also participate in
- 5 the low-income home energy assistance program. A
- 6 participant's income shall be determined as the amount
- 7 verified on a low-income home energy assistance program
- 8 application.
- 9 (2) A participant's adjusted income shall be determined by
- 10 subtracting from the verified income, the actual costs
- ll incurred for each of the following:
- 12 (a) Annual rental or mortgage payments, real estate taxes,
- 13 and real estate insurance payments not to exceed a maximum
- 14 established by division rule based on the statewide low-income
- 15 housing cost average.
- 16 (b) Annual unreimbursed medical expenses, not to exceed
- 17 two hundred dollars.
- 18 (c) Annual child support and alimony payments.
- 19 (d) The annual costs of water, basic local telephone, and
- 20 nonheating electric services as defined by division rule.
- 21 b. A predicted heating cost shall be calculated.
- 22 (1) When applicable, the predicted heating costs shall be
- 23 the annual total calculated under section 601K.103, subsection
- 24 2, paragraph "b", for level payment plans.
- 25 (2) Where subsection 3, paragraph "b", subparagraph (1)
- 26 does not apply, the predicted heating cost shall be based
- 27 upon, but is not limited to, primary heating fuel usage
- 28 incurred during the twelve-month period immediately preceding
- 29 application, first adjusted for weather and then adjusted for
- 30 rate changes occurring during the twelve-month period
- 31 immediately preceding application.
- 32 c. Following the calculation of the participant's adjusted
- 33 income and predicted heating cost, the participant's adjusted
- 34 heating cost shall be calculated by:
- 35 (1) Adding the predicted heating cost figure to any

- 1 scheduled repayment of an arrearage which has been negotiated
- 2 between the participant and the primary heating fuel provider.
- 3 The arrearage shall not exceed three hundred dollars annually.
- 4 Any remaining arrearage shall be considered in subsequent
- 5 years.
- 6 (2) Subtracting from the figure determined under
- 7 subparagraph "b" the federal low-income home energy assistance
- 8 program grants for which the participant is eligible.
- 9 d. The division shall promulgate rules to establish a
- 10 standard percentage not to exceed twenty-five percent of
- 11 household heating costs to adjusted income, taking into
- 12 consideration household family size. For each participant,
- 13 the administering agency shall determine the percentage of
- 14 adjusted heating cost to adjusted income. If the
- 15 participant's percentage exceeds the standard percentage, an
- 16 affordable heating payment shall be made as prescribed by
- 17 rule. The payment shall be made to the participant's primary
- 18 heating fuel provider and credited to the participant's
- 19 heating account for the year in which the participant is
- 20 eligible.
- 508321 (1) When offered by the primary heating fuel provider, the
 - 22 provider shall calculate or recalculate the participant's
 - 23 level payment amount after all forms of assistance are
 - 24 credited. A monthly minimum level payment shall be
 - 25 established by division rule.
 - 26 (2) Reconciliation shall occur as prescribed in the rules
 - 27 of the Iowa utilities board or, at a minimum, annually, for
 - 28 unregulated heating fuel providers.
- 29 4. A participant in the Iowa affordable heating program
- 508330 who maintains the monthly minimum level payment shall be
 - 31 protected from disconnection of service by the participant's
 - 32 primary heating fuel provider.
 - 33 5. The administrator shall adopt rules pursuant to chapter
 - 34 17A which establish the criteria under which a participant in
 - 35 the Iowa affordable heating program would be determined

- 1 ineligible for continued participation in the program. The
- 2 criteria shall include but are not limited to a requirement
- 5083 that the participant maintains the monthly minimum level
 - 4 payment in order to maintain eligibility in the program.
 - 5 6. An affordable heating program advisory council is
 - 6 created to provide guidance in the development and
 - 7 administration of the affordable heating program.
 - 8 a. The department coordinator of the department of human
 - 9 rights shall appoint nine members to the council. The
 - 10 appointed members shall include all of the following:
 - 11 (1) A representative of the investor-owned utility
 - 12 industry.
 - 13 (2) A representative of the municipal utility industry.
 - 14 (3) A representative of the rural electric cooperative
 - 15 industry.
 - 16 (4) A representative of dealers of deliverable fuels.
 - 17 (5) A representative of the association of community
 - 18 action agencies.
 - 19 (6) The chairperson of the Iowa utilities board or the
 - 20 chairperson's designee.
 - 21 (7) Three representatives of consumer or advocacy
 - 22 agencies.
 - 23 b. Advisory council members shall serve without
 - 24 compensation, but shall be reimbursed for actual expenses from
 - 25 funds appropriated to the division.
 - 26 c. The advisory council shall elect a chairperson and such
 - 27 other officers as it deems necessary, on an annual basis.
 - d. Advisory council members shall serve one-year terms
 - 29 beginning July 1 of each year.
 - 30 e. A majority of the members of the advisory council is a
 - 31 quorum, and a majority of the quorum may act in any manner
 - 32 within the jurisdiction of the advisory council.
 - 33 f. The advisory council shall maintain minutes which shall
 - 34 include a record of voting on each recommendation made or
 - 35 considered by the council.

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1
      Sec. 2.
               FUNDING CONTINGENCY.
 2
      Implementation of this Act by the division is contingent
 3 upon the availability of state funding including the funding
 4 of administrative costs.
                             EXPLANATION
 6
      This bill establishes an Iowa affordable heating program
 7 within the division of community action agencies of the
8 department of human rights. The purpose of the program is to
 9 assist low-income persons in the payment of natural gas,
10 electricity, or deliverable heating fuel costs when the
11 person's income falls below the level necessary to maintain
12 essential service.
13
      Eligibility in the program is based on a formula prescribed
14 by the bill. If a person is eligible for participation in the
15 program, an affordable heating payment is provided for the
16 amount of the heating costs for which the participant has
17 insufficient finances.
      The program's implementation is contingent upon the
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19 availability of state programmatic and administrative funding.
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HOUSE FILE 2294/
BY COMMITTEE ON ENERGY
AND ENVIRONMENTAL PROTECTION

(SUCCESSOR TO HSB 561)

(As Amended and Passed by the House February 9, 1990)

Re Passed House, Date 4/7/90(4.2242) Passed Senate, Date 4/7/90(4.1662)

Vote: Ayes 6 Nays 6 1990

Approved May 6 1990

A BILL FOR

- 1 An Act relating to the establishment of an Iowa affordable
- 2 heating program.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2294

S-5968 FILED APRIL 6, 1990 adapted 5/7 (7.1661)

SENATE AMENDMENT TO HOUSE FILE 2294

H-6168

- Amend House File 2294, as amended, passed, and
- 2 reprinted by the House as follows:
- 3 1. Page 5, line 6, by striking the word "state".
 RECEIVED FROM THE SENATE

H-6168 FILED APRIL 7, 1990 CONCURRED (4.2242)

- 1 Section 1. <u>NEW SECTION</u>. 601K.103 IOWA AFFORDABLE HEATING 2 PROGRAM ESTABLISHED.
- 3 1. The division shall establish an Iowa affordable heating
- 4 program for the purpose of assisting low-income persons in
- 5 paying for primary heating fuel costs.
- 6 2. In order to be eligible for participation in the Iowa
- 7 affordable heating program, an applicant must meet all of the
- 8 following requirements:
- 9 a. Meet the income guidelines established pursuant to the
- 10 federal low-income home energy assistance program, with income
- 11 at or below one hundred percent of the federal poverty income
- 12 guidelines established by the office of management and budget.
- 13 The division may adjust the income threshold by rule as
- 14 necessitated by budgetary restrictions.
- 15 b. Participate in annual level payment plans for both gas
- 16 and electric services if such plans are available to the
- 17 participant. The division shall develop an alternative plan
- 18 for participants whose energy providers do not provide such
- 19 plans.
- 20 c. Participate in the weatherization assistance program,
- 21 if eligible.
- 22 d. Have insufficient finances, as determined by rule,
- 23 which prohibit the payment of the entire cost of the heating
- 24 of the applicant's home.
- 25 e. Submit to the administering agency within thirty days
- 26 of application for participation in the program third-party
- 27 verification of all of the following:
- 28 (1) The gross income of all of the members of the
- 29 applicant's household in accordance with the rules adopted for
- 30 the low-income home energy assistance program.
- 31 (2) The applicant's unreimbursed medical expenses for the
- 32 time period corresponding to that used for the income
- 33 calculation with proof of personal responsibility for these
- 34 expenses.
- f. Participate in counseling, provided by the

1 administering agency, regarding energy efficiency.

- 2 3. In determination of the amount of the affordable
- 3 heating payment for which the participant is eligible, the
- 4 following formula shall be used:
- 5 a. An annual adjusted income amount shall be calculated.
- 6 (1) To be eligible, an applicant must also participate in
- 7 the low-income home energy assistance program. A
- 8 participant's income shall be determined as the amount
- 9 verified on a low-income home energy assistance program
- 10 application.
- 11 (2) A participant's adjusted income shall be determined by
- 12 subtracting from the verified income, the actual costs
- 13 incurred for each of the following:
- 14 (a) Annual rental or mortgage payments, real estate taxes,
- 15 and real estate insurance payments not to exceed a maximum
- 16 established by division rule based on the statewide low-income
- 17 housing cost average.
- 18 (b) Annual unreimbursed medical expenses, not to exceed
- 19 two hundred dollars.
- 20 (c) Annual child support and alimony payments.
- 21 (d) The annual costs of water, basic local telephone, and
- 22 nonheating electric services as defined by division rule.
- 23 b. A predicted heating cost shall be calculated.
- 24 (1) When applicable, the predicted heating costs shall be
- 25 the annual total calculated under section 601K.103, subsection
- 26 2, paragraph "b", for level payment plans.
- 27 (2) Where subsection 3, paragraph "b", subparagraph (1)
- 28 does not apply, the predicted heating cost shall be based
- 29 upon, but is not limited to, primary heating fuel usage
- 30 incurred during the twelve-month period immediately preceding
- 31 application, first adjusted for weather and then adjusted for
- 32 rate changes occurring during the twelve-month period
- 33 immediately preceding application.
- ${\tt G.}$ Following the calculation of the participant's adjusted ${\tt C.}$
- 35 income and predicted heating cost, the participant's adjusted

- 1 heating cost shall be calculated by:
- 2 (1) Adding the predicted heating cost figure to any
- 3 scheduled repayment of an arrearage which has been negotiated
- 4 between the participant and the primary heating fuel provider.
- 5 The arrearage shall not exceed three hundred dollars annually.
- 6 Any remaining arrearage shall be considered in subsequent
- 7 years.
- 8 (2) Subtracting from the figure determined under
- 9 subparagraph "b" the federal low-income home energy assistance
- 10 program grants for which the participant is eligible.
- 11 d. The division shall promulgate rules to establish a
- 12 standard percentage not to exceed twenty-five percent of
- 13 household heating costs to adjusted income, taking into
- 14 consideration household family size. For each participant,
- 15 the administering agency shall determine the percentage of
- 16 adjusted heating cost to adjusted income. If the
- 17 participant's percentage exceeds the standard percentage, an
- 18 affordable heating payment shall be made as prescribed by
- 19 rule. The payment shall be made to the participant's primary
- 20 heating fuel provider and credited to the participant's
- 21 heating account for the year in which the participant is
- 22 eligible.
- 23 (1) When offered by the primary heating fuel provider, the
- 24 provider shall calculate or recalculate the participant's
- 25 annual level payment plan after all forms of assistance are
- 26 credited. A monthly level payment shall be established.
- 27 However, each level payment shall not be less than a monthly
- 28 minimum as established by division rule.
- 29 (2) Reconciliation shall occur as prescribed in the rules
- 30 of the Iowa utilities board or, at a minimum, annually, for
- 31 unregulated heating fuel providers.
- 32 4. A participant in the Iowa affordable heating program
- ★33 who maintains the monthly level payment shall be protected
 - 34 from disconnection of service by the participant's primary
 - 35 heating fuel provider.

- 1 5. The administrator shall adopt rules pursuant to chapter
- 2 17A which establish the criteria under which a participant in
- 3 the Iowa affordable heating program would be determined
- 4 ineligible for continued participation in the program. The
- 5 criteria shall include but are not limited to a requirement
- ★ 6 that the participant maintains the monthly level payment in 7 order to maintain eligibility in the program.
 - 8 6. An affordable heating program advisory council is
 - 9 created to provide guidance in the development and
- 10 administration of the affordable heating program.
- 11 a. The department coordinator of the department of human
- 12 rights shall appoint nine members to the council. The
- 13 appointed members shall include all of the following:
- 14 (1) A representative of the investor-owned utility
- 15 industry.
- 16 (2) A representative of the municipal utility industry.
- 17 (3) A representative of the rural electric cooperative
- 18 industry.
- 19 (4) A representative of dealers of deliverable fuels.
- 20 (5) A representative of the association of community
- 21 action agencies.
- 22 (6) The chairperson of the Iowa utilities board or the
- 23 chairperson's designee.
- 24 (7) Three representatives of consumer or advocacy
- 25 agencies.
- 26 b. Advisory council members shall serve without
- 27 compensation, but shall be reimbursed for actual expenses from
- 28 funds appropriated to the division.
- 29 c. The advisory council shall elect a chairperson and such
- 30 other officers as it deems necessary, on an annual basis.
- 31 d. Advisory council members shall serve one-year terms
- 32 beginning July 1 of each year.
- e. A majority of the members of the advisory council is a
- 34 quorum, and a majority of the quorum may act in any manner
- 35 within the jurisdiction of the advisory council.

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The advisory council shall maintain minutes which shall
2 include a record of voting on each recommendation made or
3 considered by the council.
      Sec. 2. FUNDING CONTINGENCY.
      Implementation of this Act by the division is contingent
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6 upon the availability of state funding including the funding
7 of administrative costs.
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HSB 561

ENERGY AND ENVIRONMENTAL PROTECTION

HOUSE FILE 294

BY (PROPOSED COMMITTEE ON ENERGY

AND ENVIRONMENTAL PROTECTION

BILL BY CHAIRPERSON ROSENBERG)

| Passed | House, | Date | Passed | Senate, | Date |
|--------|--------|---------|--------|---------|------|
| Vote: | Ayes | Nays | Vote: | Ayes | Nays |
| | A | pproved | | | |

A BILL FOR

1 An Act relating to the establishment of an Iowa energy stamp 2 program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. <u>NEW SECTION</u>. **601K.103 IOWA ENERGY STAMP**2 PROGRAM ESTABLISHED.
- 3 1. The division shall establish an Iowa energy stamp
- 4 program for the purpose of assisting low-income persons in
- 5 paying for natural gas, electricity, or deliverable heating
- 6 fuels necessary to maintain this service.
- 7 2. To be eligible for participation in the Iowa energy
- 8 stamp program, a person must meet all of the following
- 9 requirements:
- 10 a. Qualify for assistance under the federal low-income
- 11 home energy assistance program.
- b. Participate in weatherization and conservation
- 13 counseling services provided by the division.
- 14 c. Have a financial shortfall, as determined under
- 15 subsection 3, which prohibits the person from paying for the
- 16 costs of heating the person's home.
- 17 3. A person's shortfall shall be determined by the
- 18 community action agency or delegate agency when an application
- 19 is made for participation in the federal low-income home
- 20 energy assistance program.
- 21 a. In determining the shortfall of the person, the
- 22 community action agency or delegate agency shall initially
- 23 determine the person's "affordable heating resource amount" by
- 24 subtracting from the estimated income of the person, including
- 25 the value of food stamps received, during the heating period
- 26 in which federal low-income heating assistance payments are
- 27 received, all of the following:
- 28 (1) Actual housing costs.
- 29 (2) A food allowance as specified by division rule.
- 30 (3) Child support payments and alimony payments.
- 31 (4) Predictable medical expenses as provided by division
- 32 rule.
- 33 (5) An amount allowed for clothing, nonfood necessities,
- 34 and education and transportation expenses determined by
- 35 division rule.

- 1 (6) The estimated costs of water, telephone, and utility 2 services other than those of the primary energy supplier for 3 heating.
- b. A "predicted heating cost" shall be calculated for the period during which federal low-income home energy assistance payments are received. The predicted heating cost shall be based upon, but not limited to, expenses in previous winters, tillity rate changes, and long-range forecasts of the United
- 10 c. The shortfall amount shall then be calculated by:

9 States weather bureau.

- 11 (1) Adding the "predicted heating cost" figure determined 12 under subsection 4 and any scheduled repayment of an 13 arrearage, not to exceed two hundred and forty dollars during 14 the heating period, which was negotiated with the supplier.
- 15 (2) Subtracting from the figure determined under
 16 subparagraph (1) the federal low-income home energy assistance
 17 program grants for the heating period and the applicant's
 18 "affordable heating resource amount" determined under
 19 paragraph "a".
- 20 4. If the shortfall amount is less than thirty dollars, a 21 single energy stamp for the amount of the shortfall shall be 22 issued to the applicant. The stamp is redeemable by the 23 community action agency or delegate agency at any time during 24 the heating period.
- 25 5. If the shortfall amount is thirty dollars or more for 26 the heating period the applicant shall be issued energy stamps 27 for use during each month of the heating period as payment for 28 heating fuel or utilities as provided by division rule.
- 29 6. An energy stamp program advisory council is created to 30 provide guidance in the development and administration of the 31 energy stamp program.
- 32 a. The department coordinator of the department of human
 33 rights shall appoint nine members to the council. The
 34 appointed members shall include all of the following:
- 35 (1) A representative of the investor-owned utility

1 industry.

- 2 (2) A representative of a municipal utility.
- 3 (3) A representative of a rural electric cooperative.
- 4 (4) A representative of dealers of deliverable fuels.
- 5 (5) A representative of the association of community
- 6 action agencies.
- 7 (6) A representative of the Iowa utilities board.
- 8 (7) Three representatives of consumer or advocacy 9 agencies.
- 10 b. Advisory council members shall serve without
- 11 compensation, but shall be reimbursed for actual expenses from
- 12 funds appropriated to the division.
- 13 c. The advisory council shall elect a chairperson and such
- 14 other officers as it deems necessary, on an annual basis.
- d. Advisory council members shall serve one-year terms
- 16 beginning July 1 of each year.
- 17 e. A majority of the members of the advisory council is a
- 18 quorum, and a majority of the quorum may act in any manner
- 19 within the jurisdiction of the advisory council.
- 20 f. The advisory council shall maintain minutes which shall
- 21 include a record of voting on each recommendation made or
- 22 considered by the council.
- 23 EXPLANATION
- 24 This bill establishes an Iowa energy stamp program within
- 25 the division of community action agencies of the department of
- 26 human rights. The purpose of the program is to assist low-
- 27 income persons in paying for natural gas, electricity, or
- 28 deliverable heating fuels when the person's income falls below
- 29 the level necessary to maintain this essential service.
- 30 Eligibility in the program is based on a formula prescribed
- 31 by the bill. If a person is eligible for participation in the
- 32 program, energy stamps are issued for the amount of the
- 33 shortfall.
- 34 The bill also provides for the establishment of an energy
- 35 stamp advisory council to provide guidance in the development

S.F. H.F.

1 and administration of the program.

HOUSE FILE 2294

AN ACT

RELATING TO THE ESTABLISHMENT OF AN IOWA APPORDABLE HEATING PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. <u>New Section</u>. 601K.103 IOWA AFFORDABLE HEATING PROGRAM ESTABLISHED.

- 1. The division shall establish an Iowa affordable heating program for the purpose of assisting low-income persons in paying for primary heating fuel costs.
- 2. In order to be eligible for participation in the Iowa affordable heating program, an applicant must meet all of the following requirements:
- a. Heet the income guidelines established pursuant to the federal low-income home energy assistance program, with income at or below one hundred percent of the federal poverty income guidelines established by the office of management and budget. The division may adjust the income threshold by rule as necessitated by budgetary restrictions.
- b. Participate in annual level payment plans for both gas and electric services if such plans are available to the participant. The division shall develop an alternative plan for participants whose energy providers do not provide such plans.
- c. Participate in the weatherization assistance program, if eligible.
- d. Have insufficient finances, as determined by rule, which prohibit the payment of the entire cost of the heating of the applicant's home.
- e. Submit to the administering agency within thirty days of application for participation in the program third-party verification of all of the following:
- (1) The gross income of all of the members of the applicant's household in accordance with the rules adopted for

the low-income home energy assistance program.

- (2) The applicant's unreimbursed medical expenses for the time period corresponding to that used for the income calculation with proof of personal responsibility for these expenses.
- Participate in counseling, provided by the administering agency, regarding energy efficiency.
- 3. In determination of the amount of the affordable heating payment for which the participant is eligible, the following formula shall be used:
 - a. An annual adjusted income amount shall be calculated.
- (1) To be eligible, an applicant must also participate in the low-income home energy assistance program. A participant's income shall be determined as the amount verified on a low-income home energy assistance program application.
- (2) A participant's adjusted income shall be determined by subtracting from the verified income, the actual costs incurred for each of the following:
- (a) Annual rental or mortgage payments, real estate taxes, and real estate insurance payments not to exceed a maximum established by division rule based on the statewide low-income housing cost average.
- (b) Annual unreimbursed medical expenses, not to exceed two hundred dollars.
 - (c) Annual child support and alimony payments.
- (d) The annual costs of water, basic local telephone, and nonheating electric services as defined by division rule.
- . b. A predicted heating cost shall be calculated.
- (1) When applicable, the predicted heating costs shall be the annual total calculated under section 601K.103, subsection 2, paragraph "b", for level payment plans.
- (2) Where subsection 3, paragraph "b", subparagraph (1) does not apply, the predicted heating cost shall be based upon, but is not limited to, primary heating fuel usage incurred during the twelve-month period immediately preceding application, first adjusted for weather and then adjusted for

rate changes occurring during the twelve-month period immediately preceding application.

- c. Pollowing the calculation of the participant's adjusted income and predicted heating cost, the participant's adjusted heating cost shall be calculated by:
- (1) Adding the predicted heating cost figure to any scheduled repayment of an arrearage which has been negotiated between the participant and the primary heating fuel provider. The arrearage shall not exceed three hundred dollars annually. Any remaining arrearage shall be considered in subsequent years.
- (2) Subtracting from the figure determined under subparagraph "b" the federal low-income home energy assistance program grants for which the participant is eligible.
- d. The division shall promulgate rules to establish a standard percentage not to exceed twenty-five percent of household heating costs to adjusted income, taking into consideration household family size. For each participant, the administering agency shall determine the percentage of adjusted heating cost to adjusted income. If the participant's percentage exceeds the standard percentage, an affordable heating payment shall be made as prescribed by rule. The payment shall be made to the participant's primary heating fuel provider and credited to the participant's heating account for the year in which the participant is eligible.
- (1) When offered by the primary heating fuel provider, the provider shall calculate or recalculate the participant's annual level payment plan after all forms of assistance are credited. A monthly level payment shall be established. However, each level payment shall not be less than a monthly minimum as established by division rule.
- (2) Reconciliation shall occur as prescribed in the rules of the Iowa utilities board or, at a minimum, annually, for unregulated heating fuel providers.
- A participant in the Iowa affordable heating program
 who maintains the monthly level payment shall be protected

from disconnection of service by the participant's primary heating fuel provider.

- 5. The administrator shall adopt rules pursuant to chapter 17A which establish the criteria under which a participant in the Iowa affordable heating program would be determined ineligible for continued participation in the program. The criteria shall include but are not limited to a requirement that the participant maintains the monthly level payment in order to maintain eligibility in the program.
- An affordable heating program advisory council is created to provide guidance in the development and administration of the affordable heating program.
- a. The department coordinator of the department of human rights shall appoint nine members to the council. The appointed members shall include all of the following:
- (1) A representative of the investor-owned utility industry.
 - (2) A representative of the municipal utility industry.
- (3) A representative of the rural electric cooperative industry.
 - (4) A representative of dealers of deliverable fuels.
- (5) A representative of the association of community action agencies.
- (6) The chairperson of the Iowa utilities board or the chairperson's designee.
- (7) Three representatives of consumer or advocacy agencies.
- b. Advisory council members shall serve without compensation, but shall be reimbursed for actual expenses from funds appropriated to the division.
- c. The advisory council shall elect a chairperson and such other officers as it deems necessary, on an annual basis.
- d. Advisory council members shall serve one-year terms beginning July 1 of each year.
- e. A majority of the members of the advisory council is a quorum, and a majority of the quorum may act in any manner within the jurisdiction of the advisory council.

| f. | The | advis | ory | counci | l si | nall | maintain | minutes | which | shall |
|---------|------|--------|-----|---------|------|------|----------|---------|--------|-------|
| include | a | record | of | voting | on | each | recommen | ndation | made o | : |
| conside | ered | by the | e c | ouncil. | | | | | | |

Sec. 2. FUNDING CONTINGENCY.

Implementation of this Act by the division is contingent upon the availability of funding including the funding of administrative costs.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2294, Seventy-third General Assembly.

JOSEPH O'HERN

Chief Clerk of the House

Approved May 6, 1990

TERRY E. BRANSTAD

Governor