

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 2nd Meeting of the 2021 Interim

July 8, 2021

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Natural Resources and Energy was held on Thursday, July 8, 2021, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Jared Carpenter, C.B. Embry Jr., Denise Harper Angel, John Schickel, Johnnie Turner, Robin L. Webb, and Phillip Wheeler; Representatives John Blanton, Adam Bowling, Randy Bridges, Tom Burch, McKenzie Cantrell, Ryan Dotson, Jim DuPlessis, Patrick Flannery, Chris Fugate, DJ Johnson, Norma Kirk-McCormick, Mary Lou Marzian, Suzanne Miles, Melinda Gibbons Prunty, Attica Scott, Pamela Stevenson, Bill Wesley, and Richard White.

Guests: Jason Dunn, Director, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services; Roger McCann, Executive Director, Community Action Kentucky; Rebecca W. Goodman, Secretary, Energy and Environment Cabinet (EEC); Gordon Slone, Commissioner, Department for Natural Resources (DNR); and David Fields, Deputy Commissioner, DNR.

LRC Staff: Stefan Kasacavage, Janine Coy, Tanya Monsanto, and Rachel Hartley.

Presentation and public hearing on the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application – Federal Fiscal Year 2022

Jason Dunn provided an overview of the Department for Community Based Services (DCBS), which is the largest organizational unit within the Cabinet for Health and Family Services (CHFS). The Low Income Home Energy Assistance Program (LIHEAP) is funded by a federal block grant received by DCBS on behalf of Kentucky. LIHEAP provides assistance to low-income households that pay a high proportion of income for home energy. DCBS anticipates Kentucky's award will be \$51 million for 2022. Less than 10 percent is used for administrative costs.

In response to COVID-19, community action agencies (CAAs) can utilize various means to complete applications including: electronically, by mail, over the phone, and using an office drop box. Some CAAs are offering online scheduling.

Kentucky was awarded \$13,745,001 in supplemental funds for LIHEAP from the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) ACT. The funding was used to implement a new summer cooling program, which will provide year-round utility assistance.

In response to the additional funds, CHFS has changed the household income eligibility for LIHEAP to 150 percent of the federal poverty level. The applicant must be responsible for the home energy costs or pay energy costs as a designated portion of rent.

LIHEAP offers heating and cooling subsidy and crisis assistance year round. Subsidy assistance will be provided to households with the lowest incomes at or below 150 percent of the federal poverty guidelines and the highest energy costs. The crisis assistance is limited to the amount necessary to relieve the crisis not to exceed \$600.

The LIHEAP Weatherization Program prioritizes households containing elderly, disabled persons, children, or high energy burden households where the energy cost exceeds 15 percent of the household's income. The program aims to increase energy efficiency and reduce heating costs by installing insulation, replacing refrigerators, sealing air infiltration, and replacing or repairing heating systems or water heaters.

The Healthy at Home Utility Relief Fund provides relief to Kentuckians affected by COVID-19 that need assistance with their water, wastewater, electric, or natural gas service.

The United States Department of Health and Human Services (HHS) launched the Low Income Household Water Assistance Program, which was established under the Consolidated Appropriations Act of 2021. The program will assist residents with their water bills, help to avoid shutoffs, and support household water system reconnections related to non-payment.

Roger McCann stated CHFS maintains a contractual arrangement with Community Action Kentucky, Inc. (CAK) and the Kentucky Housing Corporation (KHC) to provide support, training, and monitoring. CAK and KHC have an arrangement with Kentucky's Community Action Network that makes LIHEAP benefits available in all counties.

There are 23 CAAs that cover all Kentucky counties. Each agency allows local control so specific needs can be met. CAK utilizes a continuous process for quality improvement, including review of policy and procedure, committee structure, data collection analysis, use of technology, and training and technical assistance.

In response to Representative Miles, Mr. McCann stated LIHEAP targets households with a fixed income. The households have to reapply annually under the traditional LIHEAP subsidy program. The LIHEAP crisis program has a cap on the amount of funds a household can receive annually.

In response to Representative Gibbons Prunty, Mr. Dunn stated Kentucky anticipates to receive \$51 million for FFY 2022 LIHEAP funding.

In response to Representative Johnson, Mr. McCann stated there are two primary funding streams for weatherization in Kentucky: the United States Department of Energy Weatherization Program and LIHEAP. The LIHEAP weatherization work for the households is provided by the CAA's crews, contractors, or a blend of employees and contractors.

In response to Representative Kirk-McCormick, Mr. McCann stated Kentucky is using 150 percent of the federal poverty level which is the maximum income amount allowed by federal regulation.

In response to Representative Wesley, Mr. Dunn stated he will make sure there is outreach with organizations to invite veterans who qualify for LIHEAP to participate.

In response to Representative Burch, Mr. Dunn stated LIHEAP is 100 percent federally funded.

In response to Senator Webb, Mr. McCann stated some of the changes made during COVID-19 in regards to accessibility to LIHEAP will be implemented for the future.

In response to Representative Dotson, Mr. McCann stated CAK has no visibility into how a household spends their money. If any fraud in the system is suspected, it is referred to law enforcement.

A motion was made to approve the Findings of Fact for the LIHEAP State Plan for Federal Fiscal Year 2022, including that the block grant application does meet the standards and criteria set out in KRS 45.353, by Representative Blanton and seconded by Representative Bowling. Upon roll call vote, the motion passed with 21 yes votes.

Update on new mines in Kentucky and the role of the Division of Mine Safety

Rebecca W. Goodman stated the Energy and Environment Cabinet had their first meeting of the Energy Affordability Work Group in June 2021.

Gordon Slone stated since 2014 Kentucky has experienced a significant decline in the number of mines licensed. There is currently an increase in the number of new mines opening or idled mines reopening, which has resulted in the hiring of new miners.

The Division of Mine Safety (DMS) annually conducts six regular underground inspections. At the discretion of the commissioner, three of the inspections can be replaced with a mine safety analysis, and one is required to be an electrical inspection. DMS also annually conducts two regular inspections at every surface mining operation.

DMS places an emphasis on behavior-based safety analysis and assessments along with providing training and mine rescue assistance, in contrast to the federal Mine Safety and Health Administration's (MSHA) regulatory enforcement approach to safety.

DMS acts as a safety department and miner rescue team for all mines in Kentucky and conducted 8,875 trainings and certified 546 miners in 2020. Mines are required to have a mine rescue team in order to operate and will be shut down by MSHA if there is none. Smaller mines cannot provide this coverage without the assistance of DMS.

The EEC is requesting that future budget bills not include language that prohibits DMS from hiring Mine Safety Specialists. DMS does not intend to hire more employees than are needed to maintain mine rescue coverage and training needs.

In response to Senator Webb, Mr. Fields stated there is a need for experienced, certified miners. Mr. Slone stated there are training opportunities and certification programs for inexperienced miners.

In response to Senator Wheeler, Mr. Slone stated the Kentucky Reclamation Guaranty Fund (KRGF) annually conducts an actuarial analysis of the fund. KRGF currently has sufficient funds to cover a worst possible case scenario.

In response to Senator Smith, Mr. Slone stated that most of the permits involved with coal mining bankruptcies have been sold.

In response to Representative Gooch, Mr. Slone stated Kentucky is a member of the Interstate Mining Compact Commission. There are 22 coal producing states.

In response to Representative Gibbons Prunty, Mr. Slone stated most of the coal that is mined in Kentucky is exported.

In response to Representative Wesley, Mr. Fields provided a brief overview of the qualifications for new miners.

Representative Miles is concerned with having a high number of inspectors with mining sites decreasing. Mr. Slone stated mine safety inspectors are critical to crew the mine rescue teams. Most small mining companies with 35 employees or less cannot afford to staff a mine rescue team. There are seven state and five company mine rescue teams in Kentucky.

There being no further business, the meeting was adjourned.