

Testimony in Support of a Ratepayer Assistance Study

Peter Sterling, Renewable Energy Vermont
House Environment & Energy Committee
April 4th, 2024



Electric Bills are Not Driving the Affordability Crisis

- ▶ **Health Care:** An MVP Silver plan is \$831/mo or \$9,972/yr plus a \$9,300 annual deductible for an annual OOP max of \$19,272
- ▶ **Child Care:** The average cost of child care for a family in Vermont is over \$26,000/yr (Let's Grow Kids)
- ▶ **Rental Housing:** Vermont is the 4th least affordable state for renters (Bennington Banner, 10/30/22)
- ▶ **Student Loans:** Vermont has the 9th highest amount of student debt at \$38,071 per borrower (Vermont Business Magazine 11/25/23)
- ▶ Average Vermont electric bill: \$1,400/yr



Electricity is the Smallest Part of a Household's Energy Cost

- ▶ Transportation is the largest source of energy spending for Vermonters, accounting for 45% of all household energy costs (more than \$3,200/yr)
- ▶ Heating accounts 35% of annual household energy budgets (more than \$2,400)
- ▶ Electricity accounts for 20% of annual household energy budgets (about \$1,400)



Source: Efficiency Vermont's [2023 Energy Burden Report](#)

Household Electricity and Transportation Burden

Image 3. Electricity spending and burden by town.

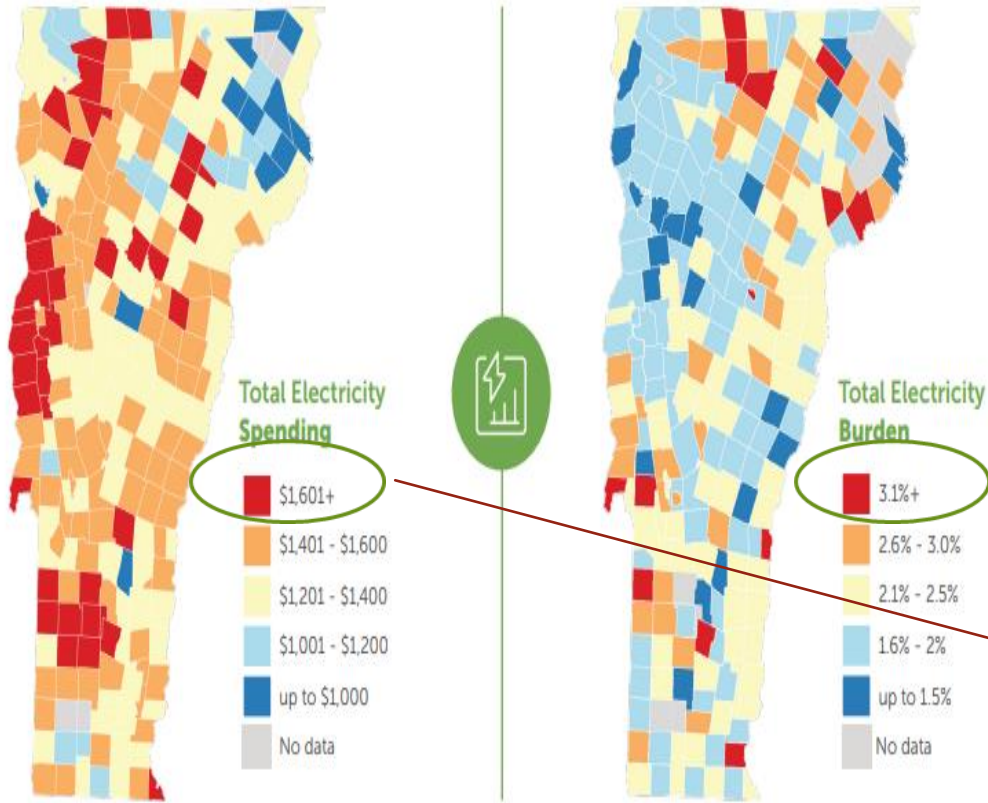
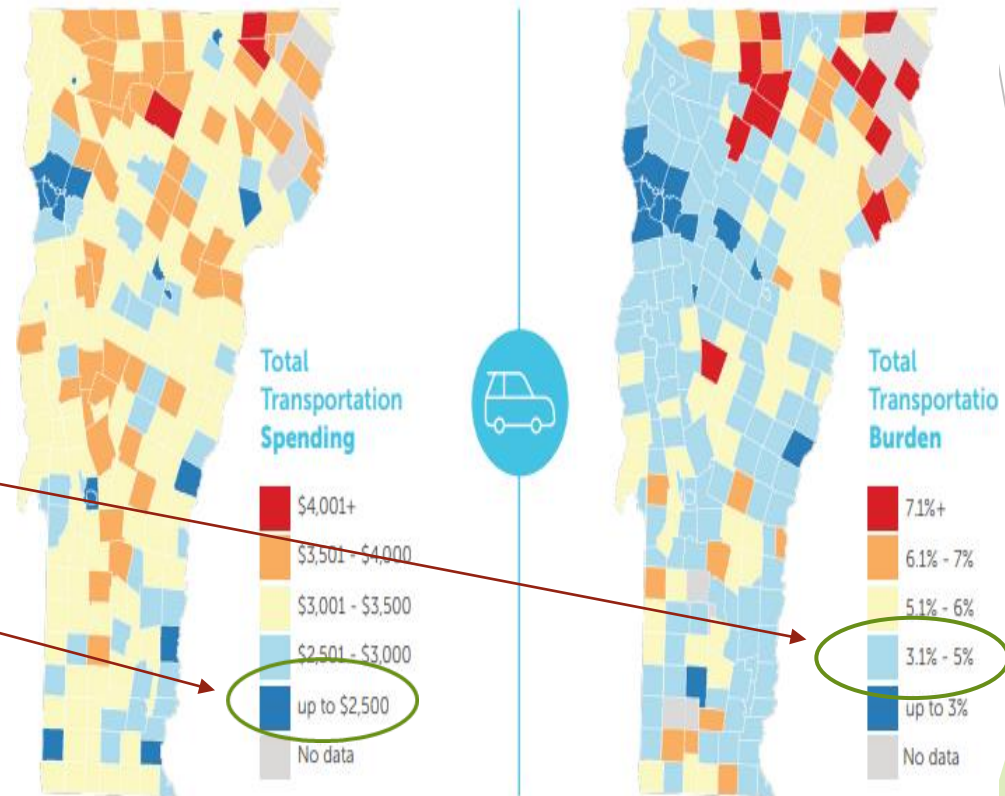


Image 5. Transportation spending and burden by town.



Source: Efficiency Vermont's [2023 Energy Burden Report](#)

Should We Provide Relief to the Most Vulnerable Among Us? Of Course!

- ▶ 10% of Vermonters meet the federal definition living in poverty

Household of 1 \$15,060/yr

Household of 2 \$20,440/yr

Household of 3 \$25,820/yr

Household of 4 \$31,200/yr

- ▶ 25% of Vermonters live under 200% of the federal poverty level

Household of 1 \$30,120/yr

Household of 2 \$40,880/yr

Household of 3 \$51,640/yr

Household of 4 \$62,400/yr



REV's Recommendations

- ▶ Whatever financing mechanism is chosen, it must be off the utility bill: utility bills are regressive
- ▶ We want to ensure that everyone can receive the benefits of electrification
- ▶ Focus of the study should be on helping low income Vermonters reduce their total energy costs and burden
- ▶ Ensure a broad analysis providing the Legislature with a summary of all the programs designed to reduce energy costs for low and moderate income households including for electricity, heating, and transportation

