

# House Committee on Environment & Energy

Testimony of James A. Dumont, Esq. on S.305 4/9/24

## The Need for Better Electric Ratepayer Protection

### Ratepayer protection and affordable electrification

The phasing out of fossil fuels should result in increased use of electricity to heat homes, power motor vehicles, and serve other purposes. However, if electric service is not affordable, consumers may not make the transition. By keeping electricity affordable, Vermont encourages the adoption of building electrification and transportation electrification.

*Vermont PUC, Dkt No. 20-0203, Orders issued 2/3/20 and 4/26/20.*

### Current Energy Assistance Program

Some Vermont electric customers already have access to a bill reduction potential called the Energy Assistance Program, but the program is limited to families at or below 185% of the Federal Poverty Level, and provides financial assistance that is limited to 25% of monthly charges and one-time arrearage forgiveness. 30 V.S.A. § 218(e). Yet:

- The generally accepted level of affordability of expenditure on energy for an American family is 6% of income.
- As of 2018, the 74,000 Vermont families at or below 200% of the Federal Poverty Level were paying from 11% to 51% of their income on home energy.
- The existing Green Mountain Power Energy Assistance Program has been utilized by only about 25 % of eligible consumers.
- This low number of participants may result from the low level of discount offered by the program—a far lower discount than the programs in other states. The low level of discount may provide insufficient incentive to complete the application process, which must be repeated every year.
- In addition, the Energy Assistance Program fails to adopt best practices recommended by experts, such as automatic enrollment for those who qualify for Low Income Heating Assistance or 3SquaresVT, on-line enrollment, and self-certification with enrollment effective at date of application. *GDS Report on GMP Electric Assistance Program, 2019 (prepared for VT DPS).*

## Vermont lags behind other states in protecting electric customers.

In many other states, low and moderate income ratepayers are protected by programs that provide greater relief than Vermont's program. These plans directly or indirectly limit a household's electric bills to a percentage of their monthly income, such as 6%. *GDS Report, supra; Advancing Equity in Utility Regulation; Future Electric Utility Regulation Report No. 12 (US DOE, 11/21), §§ 1 and 2.*

On February 3, 2020, the Public Utility Commission opened a docket to consider expanding the Energy Assistance Program to other utilities, potentially with a single statewide administrator. The Commission did not consider adoption of a Tiered Discount Program and closed the docket without making any recommendations. *Docket 20-0203.*

The Commission lacks statutory authority to provide relief to customers whose income exceeds 185% of Federal Poverty Level. *30 V.S.A. § 218(e).*

## Vermont can effectively, fairly protect small utilities AND low income electric customers by adopting a statewide funding base, as Maine has done

Maine (and other states) have addressed this problem by adopting a statewide ratebase for funding low income electric ratepayer assistance. These statewide funds are then re-allocated to each utility based on the percentage of low income ratepayers in that utility's service territory.

The National Consumer Law Center and other low income advocacy experts encourage the adoption of a Tiered Discount Program in Vermont. This approach carries maximum benefits for low and moderate income households with low administrative costs and minimal impacts on other ratepayers.

The proposed addition to S.305 does not select any particular solution. It calls upon the PUC to report back to the legislature with options for protecting low income Vermonters from energy costs generally, including electric energy, that will work for Vermont.