



Testimony to the Committee on Energy, Utilities and Technology

in support of

LD 143, An Act To Make the Arrearage Management Program Permanent

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Senator Lawrence, Representative Berry, and Distinguished Members of the Energy, Utilities & Technology Committee:

My name is Amy Winston and I am the State Policy Director at Coastal Enterprises, Inc (CEI). I reside in Edgecomb and am testifying today on behalf of CEI in support of LD 143, "An Act To Make the Arrearage Management Program Permanent."

CEI is a 43-year-old Community Development Financial Institution (CDFI) with a mission of supporting good jobs, environmentally sustainable enterprises, and shared prosperity in Maine. CEI envisions a world in which communities are economically and environmentally healthy, enabling all people, especially those with low incomes, to reach their full potential.

To fulfill this mission and vision, CEI provides business advice and financing to approximately 2,000 entrepreneurs in Maine annually, specializing in financing for small businesses, natural resource-based industries, and downtown community revitalization projects. In addition, CEI provides housing counseling and financial wellness services. Our housing counselors are certified by the US Department of Housing and Urban Development (HUD) and our financial wellness coaches are certified by the Financial Counseling Association of America (FCAA). In FY 2020, we worked with 2,957 businesses and individuals.

LD 143 will make permanent programs that are currently in place to assist eligible low-income residential customers who are in arrears on their electricity bills. This is an important protection for Maine consumers that should be preserved.

Access to arrears management avails low wealth individuals, families, and households of an option to assure health and safety for themselves and their dependents. Universal access to the power grid is instrumental whether it is for those whose depend on electricity to operate life-saving medical devices, for families with students who depend on broadband internet to complete schoolwork, or for the most basic of needs such as refrigerating perishable groceries and freezing stores of food that have been put by for winter. Financial goal setting requires the ability to manage finite resources and adjust tight budgets without perpetual debt to utility companies.

It is important that the protections in this program for vulnerable and lower resourced consumers remain in place. From an equity perspective, this bill makes Maine's policy going forward to ensure that utilities work with consumers and the PUC provide oversight and establish guidelines for best practice to address and ameliorate escalating electric bills.



As a former social worker and community resource navigator, I have worked with scores of people, neighbors from my town and surrounding communities, who have owed hundreds, some even thousands, of dollars to Central Maine Power. While it requires participants to actively engage in the program, their ability to qualify for arrears management kept lights and life-saving medical devices on and households afloat economically, stretching budgets for food, prescription drugs, and heating oil. Seniors with ventilators and oxygen machines and single parents with young children were relieved from the constant fear of shut off simply because they could not afford the cost of their electric bill along with food, rent, heat, medication, and other essentials. Together we learned that they were often eligible for back payment of a portion of their bill and if they could not afford the additional electricity usage these devices required, they would no longer accrue charges for that portion of their bill. Additionally, the program provides for Efficiency Maine to work with the utilities to connect low-income consumers with efficiency audits to help them quantify and reduce their consumption. In short, this program prevents discrimination against people based on income and health conditions.

I spoke with CEI's financial wellness specialist, who affirms her experience working with consumers who find themselves at the discretion of utility companies. She states: "During my work with low wealth communities such as the Resident-Owned Communities manufactured home residents, I have had to advocate and collaborate with the PUC to protect my clients." She describes a disabled gentleman living on \$1,300 a month in Social Security Disability Income (SSDI), who is perpetually behind in his electric bill during winter months. Though PUC approval is legally required to disconnect his power in winter, the utility insisted he pay at least half of his monthly income toward the delinquency. Without an advocate and the protection of this program, this individual would have – unnecessarily – continued making payments disproportionate to his income to maintain electric service. Instead, he obtained a referral to his local Community Action (CAP) agency to apply for heating and electric assistance. In the end, his nearly \$2,000 delinquent electric bill was completely paid off by utilizing the arrears management program. Once the cost of this basic need had been legally accounted for, he went from being financially behind every month to contributing savings to a nest egg for unexpected expenses.

Thank you for the opportunity to share this perspective on the practical importance and benefit of this program. Please consider passing LD 143. It extends an important safety net for some of Maine's more vulnerable residents.