

## Testimony in support of LD 2067, "An Act to Make Permanent the Arrearage Management Program for Low-income Residential Electricity Customers."

Arthur Phillips, Analyst, Maine Center for Economic Policy  
February 1, 2024

Senator Lawrence, Representative Zeigler, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Arthur Phillips, and I am an analyst at the Maine Center for Economic Policy. Please accept this testimony in support of LD 2067.

The Arrearage Management Program (AMP) provides relief to low-income utility consumers who have fallen behind on their payments. It is a widely used model in many states, including several New England neighbors, and has proven critical in preventing Mainers with low-income from having their power disconnected and getting them back to regularly paying their utility bills.

US Census Bureau data finds that for the year ending in October 2023, more than one-in-three Maine households reported difficulty paying for usual household expenses in the previous week.<sup>i</sup> Last year, it was reported that nearly 100,000 Maine households would receive electric utility disconnection notices due to having fallen behind on their bills.<sup>ii</sup> This came after volatile energy prices caused the cost of electricity to spike.

The Arrearage Management Program has proven to be a low-cost solution to avoid devastating shut offs for people who are struggling to afford the basic cost of living. It is a rare program that benefits consumers, utilities, and the state overall. Consumers are offered a promise of modest forgiveness instead of the threat of losing power. The program reduces our utilities' reliance on costly collections actions or writing off bad debt, which in turn helps reduce rates for all consumers. AMP also marks an important opportunity to engage consumers about programs and services that are available to help reduce their energy use and lower their bills for the long term.

The Arrearage Management Program is a modest lifeline to consumers that benefits our entire state. Particularly as we rapidly move away from fossil fuel use and toward broad electrification, extending this program is a common-sense opportunity. While we support extending the program for four years, we strongly urge the committee to instead make AMP a permanent element of our energy landscape.

Thank you for the chance to testify and I would be happy to answer any questions you may have.

Contact: [aphillips@mecep.org](mailto:aphillips@mecep.org)

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<sup>i</sup> US Census Household Pulse data, weeks 51-63, available at [https://www.census.gov/data-tools/demo/hhp/#/?measures=EXPENSE&s\\_state=00023&periodSelector=63&s\\_metro=](https://www.census.gov/data-tools/demo/hhp/#/?measures=EXPENSE&s_state=00023&periodSelector=63&s_metro=)

<sup>ii</sup> Lori Valigra, Bangor Daily News, "Rising rates blamed for 'extraordinary number' of Maine utility disconnection notices," May 15, 2023, <https://www.bangordailynews.com/2023/05/15/business/rising-electric-rates-blamed-disconnection-maine-n6hjn1me0n/>