



**Sophie Warren**

P.O. Box 1  
Scarborough, ME 04070  
Phone: (207) 450-0765

[Sophia.Warren@legislature.maine.gov](mailto:Sophia.Warren@legislature.maine.gov)

# HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002  
(207) 287-1400  
TTY: MAINE RELAY 711

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*Testimony of Rep. Sophie Warren in support of*  
**LD 2143, An Act to Dedicate the Revenue from the Sales Tax on Electricity to Low-Income Ratepayer Assistance**  
*Before the Joint Standing Committee on Taxation*

Senator Grohoski, Representative Perry, and respected colleagues on the Joint Standing Committee on Taxation, my name is Sophie Warren and I am fortunate to represent part of Scarborough, House District 124, in the Maine House.

I come before you this afternoon on behalf of Maine's Public Advocate, William Harwood, to introduce LD 2143, "An Act to Dedicate the Revenue from the Sales Tax on Electricity to Low-Income Ratepayer Assistance."

The subject of this bill is a critical issue affecting low-income individuals in Maine, namely a dedicated funding source for the Low-Income Assistance Program to meet the challenge of high electricity costs for Mainers most in need. This bill dedicates the tax collected on the sale of electricity to residential ratepayers to raise \$15 million per year to the Public Utilities Commission's LIAP program. This bill makes no changes to the amount or structure of any revenue collected, simply proposes a dedicated funding source to LIAP. This approach ensures that the financial assistance is directed precisely where it's needed, helping individuals and families struggling to make ends meet.

By not affecting the current exemptions from sales tax for certain residential and manufacturing electricity uses, the bill strikes a balance, maintaining fairness in the broader taxation system while specifically targeting assistance to those facing economic hardships. Dedicating revenue from the tax on electricity sales to a well-established program like the Low-Income Assistance Program adds a layer of efficiency and transparency for low-income ratepayers who rely on this assistance. By leveraging an existing administrative framework, the bill minimizes bureaucratic hurdles and ensures that the assistance reaches those in need swiftly and effectively from one budget to the next.

During the previous Legislature, a bipartisan vote out of committee supported a two-year budget appropriation of \$15M for LIAP. Unfortunately, the current level of \$22.5M funding towards LIAP does not come close to closing the \$67,858,306 per year gap. And from one Legislature to the next, there can be no assurance to low-income ratepayers from our Legislature that we will continue to allocate additional needed LIAP funding in the next biennium budget.

[District 124: Part of Scarborough](#)

This strategic use of resources underscores the bill's commitment to making a stable process of reliable funding will make a tangible impact on the lives of low-income homeowners and renters while maintaining fiscal responsibility. This bill demonstrates a commitment to supporting vulnerable renters and homeowners alike. This targeted approach ensures that the funds raised are directly channeled into a program designed to alleviate the burden of electricity expenses for those who need it most.

I wanted to also take the time to introduce the Office of the Public Advocate for whom I have sponsored this bill for some who may not be as familiar with its' role. The Office of the Public Advocate is committed to public service in representing Maine utility consumers in any matter that is covered by the authority of the Public Utilities Commission, as well as proceedings before state and federal agencies and courts, so that they have affordable, high quality utility services. Their role is simply to work on behalf of the public, Maine ratepayers and utility consumers. In this role, the Public Advocate currently chairs the Maine Electricity Ratepayer Advisory Council who makes annual recommendations to the Joint Standing Committee on Energy, Utilities and Technology in how we can better support Maine ratepayers and meet the affordability gap faced by far too many Maine people.

The Joint Standing Committee on Energy, Utilities and Technology, of which I am a member, received a report in December from ERAC. One recommendation from ERAC was this bill. When the Public Advocate asked me to sponsor, I was happy to do so, because I hear from Mainers in my district and across the state about the extremely difficult decisions Mainers face when paying utility bills is a burden for them. I have heard the fear of disconnection, and navigated with the people I represent through administrative hurdles and politics to help alleviate that fear and assure them we see them in the decisions we make and bills we support in Augusta.

I am confident in the need for and importance of this measure not only because I understand the need, but because this specific recommendation comes to you on behalf of both the Public Advocate and this important deliberative Council of diverse interests who come together seeking the best practices and methods to truly benefit Maine ratepayers.

In addition to its immediate dedicated benefits for low-income households, I want to make sure and name the ways this bill aligns with broader societal goals. Access to affordable electricity is not only a matter of economic justice but also contributes to overall community well-being. We are all better off as a state knowing our neighbors are warm and safe in their homes. Stable and affordable housing, coupled with manageable utility costs, fosters healthier and more resilient communities. As such, the proposed legislation reflects a holistic understanding of the interconnected challenges faced by low-income individuals and addresses these challenges in a manner that promotes long-term social and economic stability.

I am happy to answer any question you may have for me, but ask you to please consider leaving the more technical questions for Public Advocate Harwood.