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## Testimony in Support LD 1037, "An Act to Lower the Energy Burden of Residents by Advancing Climate Change Goals"

Senator Tepler, Representative Doudera, and distinguished members of the Joint Standing Committee on Environment and Natural Resources,

My name is Heather Sanborn, here today as Public Advocate, to testify in support of LD 1037, "An Act to Lower the Energy Burden of Residents by Advancing Climate Change Goals."

In its December 1, 2024 report to the Legislature, the Electric Ratepayer Advisory Committee (ERAC) presented the findings of the 2024 Quantifying Maine's Energy Burden and Affordability Gap report. The chart below shows the recommended thresholds for household spending on home energy (6%) and transportation energy (4.2%).<sup>1</sup>

| Spending category                             | Affordability Threshold (% household income) |
|---|--|
| Electricity                                   | 4%   |
| Home Energy (electricity and household fuels) | 6%   |
| Transportation Energy (vehicle fuel costs)    | 4.2%   |

With relationship to these recommended targets, the energy burden for Maine households is stark. Report findings include:

 Low-income households in Maine are facing staggering total energy burdens as high as 30% of household income. This burden includes spending on electricity, household fuels, and transportation energy and is triple the total energy burden faced by all Maine households.

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<sup>&</sup>lt;sup>1</sup> Quantifying Maine's Energy Burden and Affordability Gap, VEIC 2024, p. 5

- Home energy burden (energy burden excluding transportation energy) is 14% for Maine's low-income households – nearly three times the recommended threshold. Over 200,000 households are facing unaffordable home energy burdens. We estimate that the aggregate home energy affordability gap statewide is \$363 million.
- Even moderate-income households are struggling with unaffordable home energy burdens: households earning 60% to 80% of state median income are facing annual home energy affordability gaps of nearly \$700.
- Burdens are highest among households relying on unregulated fuel sources (fuel
  oil, including kerosene, and propane), most likely due in part to housing type.
   These fuels are most common among single family homes and mobile and
  manufactured housing. These fuels also experience more price volatility than
  electricity and natural gas rates.
- Maine's aggregate home energy affordability gap is growing: it more than doubled between 2020 and 2022, and we expect that it will increase further in 2024 to over \$400 million.

We support this bill's requirement that the Maine Climate Council consider these realities when considering recommendations and proposed legislation. In our role as advocates for Maine utility ratepayers, we feel strongly that the reality of the affordability of energy must be taken into account when considering new climate policy for Maine people.

Thank you for your time, attention, and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1037 and will be available if requested for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

Heather Sanborn Public Advocate