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Testimony of Representative Sophie Warren Presenting

L.D. 1037, An Act to Lower the Energy Burden of Residents by

Advancing Climate Change Goals

Before the Joint Standing Committee on Environment and Natural Resources

Good afternoon Senator Tepler, Representative Doudera and respected colleagues of the Joint Standing Committee on Environment and Natural Resources. My name is Sophie Warren, and I represent House district 124. Thank you for the opportunity to present L.D. 1037, **An Act to Lower the Energy Burden of Residents by Advancing Climate Change Goals.**

This bill will specifically name energy burden – a cross-section of energy need and the capacity of that resident to pay – as a part of future Reports of the Maine Climate Council. There are many ways to evaluate and address energy burden, but the Office of Public Advocate has published reports summarizing the term that offers a lot of utility for this conversation – as a technical way of describing the percentage of household income spent on energy costs. ¹

This bill is rooted in the critical notion that transitions we make as a state to address climate change must work in line with equity policies that prioritize economic justice and day-to-day services so many Mainers rely on. Energy is a powerful focus for our climate change goals, but a Just Transition demands we work as collaboratively as possible as a state to protect and serve all Maine people and leave no one behind. The problems at the intersection of poverty and energy need are nothing new to so many advocates and department officials who I know have been researching and developing methods to bridge these very challenges for many years.

In fact, this bill is a reflection of GOPIF and the Climate Council's Equity Subcommittee Final Recommendations, published in March 2023,² specifically in recommendations in Sections 1, 3 and 4 addressing energy burden, as well as the Office of Public Advocate's Ratepayer Advisory Council recommendations released in December 2022.³

The language of this bill was first brought forward last session in LD 1437, An Act to Address Poverty by Increasing Access to Energy Efficiency and Weatherization Programs which was heard as part of a larger bill in front of the Joint Select Committee on Housing. I was able to receive input from entities like GOPIF, Office of Public Advocate, Efficiency Maine Trust, and Maine Housing, among others. The bill did not move forward at that time.

¹ P. 11, "Electric Ratepayer Advisory Council Third Annual Report," December 1, 2024, Office of Public Advocate, https://www.maine.gov/meopa/sites/maine.gov.meopa/files/inline-files/Electric%20Ratepayer%20Advisory%20Council%20Report%20December%201%2C%202024 0.pdf.

² P. 89, "Climate Council Equity Subcommittee Final Recommendations," Maine Climate Council, https://www.maine.gov.future/sites/maine.gov.future/sites/maine.gov.future/files/inline-files/Maine%20Climate%20Council_Equity%20Subcommittee%20Final%20Report_March%202023.pdf.

³ P. 24, "Electric Ratepayer Advisory Council Second Annual Report," December 1, 2023, Office of Public Advocate, https://www.maine.gov/meopa/sites/maine.gov.meopa/files/inline-files/2023-12-01 ERAC%202nd%20Annual%20Rpt%20to%20EUT%20Committee%5B64%5D.pdf.

In this Legislature, I am bringing forward a narrower bill to this session, because of what has changed from that time to this one. I am excited to have seen the work of the Maine Climate Council's November 2024 Report name and prioritize energy burden in its' goals and strategy for this next state climate plan. What may have been a premature proposal I cite to the important recommendations of the Equity Subcommittee in April of 2023 seems a reflection of the Maine Climate Council's work in March 2025. As I outline this great work below, I hope you will also see this bill as a timely and equitable inclusion to the great work of the Maine Climate Council.

This bill is reflected in Strategy C: Transition to Clean Energy, number one, "Decrease energy burdens while transitioning to clean energy," with specific references to measuring and addressing energy burdens:

"Comprehensively analyze household energy burden in Maine in 2025, including all energy sources, and set a target for reducing the energy burden for low-income residents by January 2026."

The specific outline of the work actively being established in this most recent Report is as-follows:

"A comprehensive energy burden analysis in Maine should include a full range of energy costs to help provide a more complete picture of Mainers' energy spending. This will provide insights into the relative energy burdens of households that use electric appliances, vehicles, and heating compared to those that rely more on fossil fuels. It will also help ensure that Maine can target programs to help low- and moderate-income people reduce their reliance on the most expensive and price-volatile energy sources. This analysis, updated regularly, should be used to set a target and measure progress toward the goal of reducing the energy burden for low-income households."

You might ask, if they are now including this goal, doesn't this nullify the purpose of this bill? I would answer no. I want to credit the most recent report of the Maine Climate Council and The Mitchel Center who make the very point within their most recent Report (November 2024), connecting this perspective addressing the link between energy burden and climate, and the value of structural inclusion of this kind of thinking:

"The Council stepped up its efforts to hear from communities and populations who often don't have time to participate in or struggle to access public processes, and whose voices are often left out. This can be due to geography, income, age, race, cultural or language barriers, disability, or other factors. These same populations are often most impacted by the challenges related to climate change, from storm-driven power outages to high household energy burdens."

⁴ P. 79, "Maine Won't Wait," November 2024, https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW 2024 Book 112124.pdf.

⁵ P. 171-173, "Maine Won't Wait," November 2024, https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW_2024_Book_112124.pdf.

⁶ P. 171-173, "Maine Won't Wait," November 2024, https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW_2024_Book_112124.pdf.

[...]

"A consistent thread emerged that the challenges of poverty, and its impacts on households and families, made engaging with state programs and opportunities challenging."

[...]

"The Mitchell Center⁷ recommends increasing and formalizing engagement with community-based organizations and specific populations to ensure an ongoing role in program implementation and design. This will also assist the state and its partners to ensure more Mainers can engage in climate action and benefit from the solutions."

I want to thank the Governor's Office of Policy Innovation and the Future for their thoughtful testimony in opposition to this bill. I understand the perspective raised arguing this proposal would be better placed within the Energy Plan section of statute which is the obligation of the Governor's Energy Office.

I have a couple responses to this for the consideration of this committee:

At the beginning of this session, I had another bill in addition to and separate from this one, before learning of the intention transitioning the Governor's Energy Office to the Department of Energy Resources, a bill being brought forward in this session by Representative Runte of York and of which I am a cosponsor, before the committee on which I serve, the Joint Standing Committee on Energy, Utilities and Technology.

With that understanding, I withdrew that bill and intend to bring forward for consideration as part of that bill on the transition from Office to Department discussion to include an equity frame, which I imagine will be structured to address dynamics specific to ratepayers, ownership, stranded assets, stranded costs, and the Renewable Energy Credit market, among others.

More broadly, and separate from that question in my mind, any bill or amendment to include energy burden to the statute of the Energy Plan by Governor's Energy Office or a future Department does not negate the value of what this bill seeks to do with the Maine Climate Council.

For one, the recent November 2024 report of the Climate Council robustly includes both strategies specific to energy burden, and specific metrics for future goal setting completely consistent with this bill. Because this work is actively happening, there are not the same fiscal concerns, therefore, as what might come forward through any similar effort regarding the GEO or Department in relation to the Energy Plan, especially in this budget cycle where the Governor's announcement of the transition from Office to Department included a key provision that the proposal will be revenue neutral.

⁷ "Assessing the Potential Equity Outcomes of Maine's Climate Action Plan: Framework, Analysis and Recommendations." <u>Senator George J. Mitchell Center for Sustainability Solutions at the University of Maine</u>. September 2020. https://climatecouncil.maine.gov/future/sites/maine.gov/future/files/inline-files/MCC <u>EquityAssessmentReport</u> 201007.pdf.

⁸ P. 154, "Maine Won't Wait," November 2024, https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW 2024 Book 112124.pdf.

Bigger picture, I want to go back to my previous testimony relating to what exists in the context of equity for the Maine Climate Council, that being an equity subcommittee which comments on the plan after release. In their work and reporting as outlined in my testimony previous, they highlight the need for more formal inclusion of the realities of energy burden, of the cost of living, and the economic condition of a majority of Maine people, as needed additions to the priorities of the Maine Climate Council. I hear these same concerns all the time from my constituents, from my colleagues and their constituents from my first term in 2020 to the present now five years later. That's part of why you find testimony from the Office of Public Advocate, the Maine Chamber of Commerce, and the Maine Community Action Partnership in support of this bill.

In bringing this bill forward, I see this proposal as responding to the very entity established to offer evidence-based and consensus-built critique of the Council's plans, which is also part of GOPIF and the statutes of the Climate Council. It seems completely in line with the very processes of the Maine Climate Council and its equity subcommittee that the legitimate reflections ought not just be seen by the public as they consider the MCC's plans, but to be acted upon and included in the laws we bring forward. I think is the responsibility for anyone who supports the Maine Climate Council to not only learn from the equity subcommittee's analysis, but to see the ways their reflections lead us to amend the processes of the Council to consider more equitable ways of doing this work within future planning itself.

When I brought this bill forward last session, energy burden was not included in the plan that had been most recently released. ¹² This session, this latest plan does. ¹³ The Council seems to have heard the subcommittee in its' critiques and has included in its analysis specific goals that reflect energy burden and goal setting for energy burden going forward. It is every hope of that bill manifest, and I applaud the Council for their work.

At this point, I seek to put into statute the reality of work that is reflective of their current activities, actively and presently. As a representative serving on behalf of my community and who serves on the Energy committee, I see formalizing this additional consideration of energy burden within the Council's framework and ensuring it remains in statute as its own distinct priority is key to achieving the long-term commitment, we need to address energy burden and poverty within the fight against climate change across departments, committees and administrations.

My intent with this provision is to elevate the issue, ensuring that it remains a focused, high-priority initiative, even as climate plans, technologies, and opportunities evolve for the make-up of the Maine Climate Council.

I wanted to close by highlighting what I see as a reflection of this bill in my own committee, a recent bill that we passed out of committee within the past week, LD 837, An Act to

https://legislature.maine.gov/testimony/resources/ENR20250331Most133874653692177668.pdf.

¹⁰ https://legislature.maine.gov/backend/app/services/getDocument.aspx?doctype=test&documentId=10038854.

¹¹ https://legislature.maine.gov/testimony/resources/ENR20250331Reinhard133875926029808732.pdf.

¹² "Maine Won't Wait," December 1, 2020: https://www.maine.gov/future/sites/maine.gov.future/files/inline-files/MaineWontWait_December2020.pdf

¹³ "Maine Won't Wait," December 1, 2024: https://www.maine.gov/climateplan/sites/maine.gov.climateplan/files/2024-11/MWW_2024_Book_112124.pdf

Require the Office of the Public Advocate to Implement the State's Climate Action Plan. 14 The Public Advocate advocates for all Maine ratepayers, with particular priority for low-income Mainers. I think GOPIF's testimony is a thoughtful reflection of the essential nature of addressing climate change within the Public Advocate's mandate:

"I think the goal of Senator Lawrence's legislation is important, and it speaks to the importance of multiple state agencies supporting the goals of the state's climate action plan and bringing their expertise to the table to ensure equitable, affordable implementation.

[...]

"Given the important role of energy policy in accomplishing the state's climate goals, as well the increasing impacts of extreme storm events on our state's electricity grid reliability and rate payers, it is an important time for the Public Advocate to be engaged in these issues.

[...]

"The updated climate action plan further emphasizes the critical need for Maine to meet our clean energy and climate goals while reducing energy burdens for Maine people. This bill is an important opportunity to ensure that the Public Advocate considers greenhouse gas emissions reduction in its work and engages actively in the conversations about how we best meet our state climate goals, while ensuring reliable and affordable power for Maine people."15

For all the reasons reflected in this very testimony, I see this sentiment tied into the value of this bill in being true for the Maine Climate Council's mandate. I see this being true, but I also see the reverse as true, energy costs on Maine people being inextricably linked to climate change. Through this bill, we merely formalize the current actions of the Council while ensuring we can hold future administrations accountable, even if the direct administrative structure and makeup shifts over time.

I hope this helps clarify my reasoning in respectful response to the testimony of the Governor's Office.

My hope is that this bill is putting into statute the realities of ongoing priority of poverty in the fight against climate change. As a small, rural state with higher-than-average rates of poverty and some of the highest comparative, I both believe it is a moral imperative we fight poverty alongside climate change but also that to do so is economical in the long run in the decisions we make and the outcomes we will see. Thank you for your time and consideration of how we can continue and further our efforts to address our long-standing equity issues as we fight climate change. I am happy to answer any questions that you have.

¹⁴ https://legislature.maine.gov/billtracker/#Paper/SP0370?legislature=132.

¹⁵ https://legislature.maine.gov/backend/app/services/getDocument.aspx?doctype=test&documentId=10037884.