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Testimony on behalf of Maine Equal Justice in support of LD 1082, An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer's Income

Good morning Senator Lawrence, Representative Sachs, and Members of the Committee On Energy, Utilities and Technology. My name is Ann Danforth and I use she/her pronouns. I'm a Senior Policy Advocate at Maine Equal Justice (MEJ), a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine. I also serve on Maine's Electric Ratepayer Advisory Council.

Maine Equal Justice has been active at the State House for over 25 years. Our work focuses on many of the issues that affect people's daily lives – access to adequate health care, housing, utilities, transportation; childcare; food and income security; and higher education and training. MEJ works in partnership with people living in poverty to organize and advocate together for equitable laws and policies. We also provide education and training throughout the state on programs and policies that directly impact individuals and families living with limited means.

It will likely come as no surprise to you that the Mainers with whom we work – your constituents – are struggling financially. Many are choosing between paying rent, heating their home, buying groceries, putting gas in the car to get to work, or paying medical and credit card bills. While Maine's official poverty rate is a little over 10%¹ (that's 1 in 10 Mainers living on less than \$2,000 per month for a family of 3²), many more are above the official poverty threshold but still struggling. According to a Maine United Way report³, in 2022, while 12% of Mainers were below the FPL, 30% were "asset limited, income constrained, employed." These are households that earned above the FPL but not enough to afford the basics in their communities where they live.

¹ <https://www.census.gov/quickfacts/fact/table/ME>

² <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

³ <https://www.unitedforalice.org/state-overview/maine>

Taken together, that's nearly half of Maine households who are struggling to get by. This is underscored by a recent survey MEJ conducted, where over half (56%) of the more than 700 people who responded said they could not afford a \$400 emergency.

In this same survey MEJ conducted, utilities was ranked one of the top 5 pressing issues for Mainers with low income, along with housing, food, credit card debt, and transportation. While paying for utilities has always been a concern among the Mainers with whom we work – and why MEJ has worked over the years to improve the LIHEAP, LIAP, and AMP programs – the substantial increase in the cost of utilities over the past few years has strained the budgets of families who are already struggling to get by.

- 84% of survey respondents said that in the last 12 months they have struggled to pay a utility bill or were unable to pay the full bill amount.
- 44% said that in the last 12 months, their electricity, internet, phone, cable, or water had been disconnected.
- One respondent from Kennebec County shared: *Utilities and food has gone way past what I make right now and I've had to use credit to keep the house warm, powered with electricity and to feed us. I already work more than 50 hours a week teaching Driver's Education...*
- Another respondent from Cumberland County shared: *utilities are truly brutal. The \$115 water bill, the \$300 electric, the \$150 gas, the \$90 internet... each of those is so inflated. It ends up \$750 + a month. That's more than double what it was in 2014 when we moved into our home.*

LD 1082 will take important steps towards protecting Mainers with low income, particularly those who do not have an income history or current source of income. People should not be penalized for recently moving or for their source of income, especially as they try to get their footing. Utility providers should assume people's bills will be paid on time and not resort to deposits and disconnections preemptively.

Thank you for the opportunity to submit testimony in support of LD 1082. Please feel free to follow up with me with any questions.

Thank you,

Ann Danforth