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Testimony on Behalf of Maine Equal Justice *in support of* L.D. 2067, An Act to Make Permanent the Arrearage Management Program for Low-income Residential Electricity Customers

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Good afternoon Senator Lawrence, Representative Zeigler, and honorable members of the Joint Standing Committee on Energy, Utilities, and Technology. My name is Ann Danforth and I use she/her pronouns. I'm a Policy Advocate at Maine Equal Justice, a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine. I also serve on the legislatively created Electric Ratepayer Advisory Council representing an Equal Justice Advocacy Organization.

Thank you for the opportunity to testify today in support of LD 2067, which we understand has been amended to extend the repeal date for the arrearage management program from September 30, 2024 to September 30, 2028 instead of continuing the program indefinitely.

The Arrearage Management Program (AMP) helps Mainers with low-income

The goal of AMP is to allow low-income customers who have fallen behind on their bills an opportunity to become current and avoid disconnection. The program is designed to reward on-time payments going forward. Critically, the program is also designed to provide energy efficiency tools to help customers reduce their electricity usage with the aim of making their bills more affordable, which contributes to the customer's ability to pay and therefore be successful in the program and in the future.

The program has been strengthened recently via rulemaking in ways we support, including by allowing AMP participants to miss two (instead of one) payments before being removed from the program; allowing customers to enroll in AMP once every 7 years (instead of once in a lifetime); expanding eligibility to include all LIAP-eligible customers; increasing the maximum monthly amount of arrearage forgiven to \$500/month (instead of \$300/month); and ensuring that customers do not have to pay more than one month's bill in the month they are enrolled in AMP. MEJ believes the program should continue to be strengthened and extended rather than set to sunset.

Why MEJ supports LD 2067

At Maine Equal Justice, we work directly with people who are struggling to meet their needs, helping them navigate often complicated systems and advocating for them directly when they find themselves unable to access the supports they need. When our case managers/advocates are working with a client,

they do their best to pay attention to the client's whole situation, and try to think of any programs and resources that could help that the client may not be aware of. AMP is one of those programs that few people are aware of.

While AMP is a valuable resource, it's not always the right program for many of MEJ's clients since the household needs to be able to make their electricity payments on-time for the next 12 months to be able to take full advantage of AMP, and many very low-income Mainers just aren't able to do that. However, in MEJ's experience, the AMP program provides an essential support for Mainers, particularly people in the following two categories:

1. The first are those who live paycheck-to-paycheck, are generally able to pay most of their bills on time, but who would go into debt if they experienced an unexpected expense. The pandemic has highlighted just how many Mainers don't have any financial cushion to support them in difficult financial times, but even without a national crisis, many Mainers face unexpected expenses that can devastate them financially. For example, one of MEJ's case managers describes helping someone on a fixed income who needed their furnace replaced. The replacement was covered through another assistance program but it took time and this household had to find ways to keep their house warm enough through several winter months with no furnace. They then faced a large electric bill that they couldn't afford from the many space heaters required to keep both themselves and their pipes from freezing. Paying that electric bill would mean taking money from some other bill or need, creating a perpetual cycle of debt that they may never dig themselves out of. AMP helps break that cycle by forgiving their back bill and putting this client back on firm financial footing moving forward.
2. The other category of Mainer who benefits from AMP are those who have long struggled with poverty but are moving forward into a place of financial stability. Being low-income is expensive and people who have spent any length of time in poverty often move towards economic stability dragging a heavy burden of debt. Many of the client's MEJ works with have decided to pursue higher education opportunities as a way to create more financial security for themselves and their families. Even once they obtain their degrees and begin earning a living wage, the amount of debt that they may be carrying continues to stand in their way. AMP can help clients like this who may have a large balance on a bill, but are able to pay bills on time going forward. In this way, AMP can be a tremendous help in keeping families stable during a time when things were still somewhat precarious.

Conclusion

These stories are not unique – many Mainers live close to the poverty line and if we are truly committed as a state to helping people out of poverty and creating opportunities for economic security for everyone then we need to keep and strengthen programs like AMP.

Thank you for the opportunity to testify in support of LD 2067.