



SIERRA CLUB

MAINE CHAPTER

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To: Committee on Energy Utilities and Technology

From: Patricia Rubert-Nason, Sierra Club Maine

Date: February 9, 2022

Re: Testimony in Support of LD 1913 - An Act To Review Strategies for Improving Utility Rate Affordability and To Provide Utility Relief

Chairman Lawrence, Chairman Berry, and Members of the Joint Committee on Energy, Utilities, and Technology. My name is Patricia Rubert-Nason and I write on behalf of Sierra Club and the over 20,000 members and supporters in Maine. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nationwide as we defend everyone's right to a just and sustainable economy. We urge you to vote "ought-to-pass" on LD 1913.

LD 1913 would allow the public advocate to convene a stakeholder group to address the issue of utility affordability and direct the PUC to create a utility relief program and (in cooperation with Efficiency Maine) to advertise the program to the public.

Utility rate affordability is a critical factor both for Maine families and for the energy transition necessary to address climate change. The cost of energy is a huge burden in Maine. The average low-income household in Maine spends 19% of their income on energy, far above the threshold of energy poverty of 6-10% of income spent on energy. In fact, the average energy burden for all households in Maine is 6%, on the verge of energy poverty.¹

In addition to the burden which high energy costs impose on Maine families, high electricity prices, in particular, present a barrier to electrification and decarbonization. When electric rates are high, replacing fossil fuels (such as gasoline-powered cars and oil boilers) with more efficient and cleaner electric versions is less attractive.

There are a wide range of options available to make utility rates more affordable, especially for those most vulnerable, while also incentivizing conservation and energy transition. For instance:

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<https://www.maine.gov/meopa/sites/maine.gov.meopa/files/inline-files/Maine%20Low%20Income%20Energy%20Burden%20Study%20June%202019.pdf>

- Conservation or lifeline rates which make a low level of use affordable while charging higher rates for higher use
- Rate structures that support the higher use associated with beneficial electrification
- Incentives for participation in demand response programs that can prevent the need for transmission and distribution upgrades (and the associated costs) and serve as an alternative to storage in managing variable resources
- Time of use rates which incentivize moving loads to off peak hours
- Programs which couple utility assistance to low-income households to investments in weatherization that reduce the need for continued assistance

Convening a group to help fully explore those options seems like an excellent step towards addressing the very real concerns about utility affordability without backing away from transitioning away from fossil fuels and addressing climate change.

While the stakeholder group is a good measure to address the long term problem of utility affordability, with rising electricity rates, Maine families need help now. Moreover, in the face of increasing electrification of heating, it makes sense to enable low income families to be eligible for electricity assistance independent of their need for heating assistance. We are hopeful that the utility relief program proposed in LD 1913 would help ease some of the current issues² in providing relief from high electricity bills to low income Mainers.

Sincerely,
Patricia Rubert-Nason
Legislative Team Volunteer

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<https://www.mainepublic.org/business-and-economy/2022-02-01/public-utility-commission-eyes-expanding-program-to-help-mainers-pay-power-bills>