

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.42 Name of Bill: An act relating to energy assistance program fees

Agency/ Dept: Public Service Author of Bill Review: Autumn Barnett

Date of Bill Review: 2/2/15 Related Bills and Key Players: DCF, GMP, VGS, AARP

Status of Bill: (check one): Upon Introduction As passed by 1st body As passed by both

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

H.42 makes residential ratepayer funding of electric and natural gas assistance programs voluntary.

2. Is there a need for this bill? *Please explain why or why not.*

No. This bill does not address a need, rather, it responds to a perception that consumers should not be required to pay for a program from which they are ineligible to benefit.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

It is highly probably that these low-income assistance programs would become under-funded. As a result, there would likely be an increase in calls to the Consumer Affairs division from customers facing disconnection due to an inability to pay their utility bill.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

Because the energy assistance programs lower energy bills for those with low incomes, any action that results in a reduction in availability of funds for such programs has a direct impact on the resources available to individuals and families in the state. With fewer funds to pay their bills, more Vermonters may seek supports offered through other agencies of the state. This directly impacts the Agency of Human Services, which may see a greater demand for services. Less directly impacted are the Departments of Health and of Education, as poverty is linked to a host of public health and education issues.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? *(for example, public, municipalities, organizations, business, regulated entities, etc)*

Similarly to #4, low-income Vermonters may require increased assistance from community organizations due to a lack of energy assistance program funds that reduce their bills. Such community support organizations, such as Community Action and Area Agencies on Aging, would likely oppose this bill.

Please return this bill review as a Microsoft Word document to laura.gray@state.vt.us and jessica.mishaan@state.vt.us

In addition, inability to pay a utility bill results in increased collection activities on the part of the utility, at a cost to all customers, through rates. Any unpaid bills represent a loss to the company and, thus, also impact rates. In short, moving to a voluntary method of funding the program, which will likely significantly decrease the funds available, can lead to greater expense and loss for the utility, which is ultimately reflected in rates.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

Individuals and advocacy groups who believe consumers should not be subject to a mandatory fee. This could include people whose income makes them ineligible for the program and people who are low-income and do qualify for assistance, but do not believe they should be "charged" for the program.

6.2 Who else is likely to oppose the proposal and why?

- Low-income, elder, and disability advocacy groups and individuals who believe the benefits of a well-funded program offset the individual impacts of paying the fee.
- GMP and VGS, who run low-income assistance programs and recognize their benefit.
- Community Action agencies, Area Agencies on Aging, AARP, for reasons described in #5

7. Rationale for recommendation: *Justify recommendation stated above.*

See # 2, 3, and 4, above.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

None.

9. Gubernatorial appointments to board or commission?

Secretary/Commissioner has reviewed this document:



Date: 3/6/15