

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.42 Name of Bill: An Act Relating to Energy Assistance Program Fees

Agency/ Dept: AHS/DCF/ESD-OEO Author of Bill Review: Robert Arnell/Paul Dragon

Date of Bill Review: 02/05/2015 Related Bills and Key Players PSB, DPS, OEO, DCF

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.*

This bill proposes to prohibit the Public Services Board from establishing a low-income energy assistance program funded by ineligible ratepayers on a mandatory basis. Rather, it makes residential ratepayer funding of such a program voluntary.

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

No. The mandatory utility discount program is a component in the State's overall strategy to provide fuel and energy assistance to Vermont's most vulnerable and economically insecure populations. While fuel and energy assistance is provided to Vermonters primarily through the State's administration of the federal LIHEAP and Weatherization Assistance Programs, mandatory utility discount programs help lessen the overall reliance on these other programs, and aid to the financial stability of the household. Currently GMP and VT Gas collect a fee on payments from all customers that go to reduce the energy bills of low-income people.

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

By making ratepayer contributions voluntary for both the Green Mountain Power (GMP) and Vermont Gas Systems (VGS) utility discount programs, energy assistance funding could potentially be drastically reduced. These funds are not used just to supply the direct services associated with reducing the energy costs of eligible households, but are also used for outreach efforts and the administrative costs of managing the program.

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?

The Public Services Board (PSB) and the Office of Economic Opportunity (OEO) are both opposed to this bill, as it will potentially reduce funds that are currently relied on to help alleviate the economic burden on households that are struggling to remain economically stable. A reduction in funds provided by utility assistance programs could lead to increased demand and strain on other State benefit programs.

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)*

Community Action Agencies and others working with Vermonters that are struggling economically, are likely to oppose this bill. In addition, the AARP, which was instrumental in Vermont in lobbying for the creation of a utility discount program in Vermont, would also likely oppose this bill.

6. Other Stakeholders:

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

Ratepayers that are ineligible to participate in the discount program, but do not want to pay into the fund.

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

Community advocates, community action agencies, and those that benefit from the program.

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

In an economic climate where the cost of goods and services are increasing while wages stagnate, more and more Vermonters are subsisting just above the poverty level. Keeping ratepayer participation mandatory will ensure that there is a sufficient volume of funds available to assist those households in need.

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.*

Eliminating the provision which makes ratepayer participation voluntary.

9. Gubernatorial appointments to board or commission?

N/A

Secretary/Commissioner has reviewed this document: _____ **Date:** _____