

MAINE STATE LEGISLATURE

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L.D. 1500

DATE: 3-17-00

(Filing No. H-891)

UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1069, L.D. 1500, Bill, "An Act to Establish a Trust Fund to Provide Statewide Assistance to Low-income Electric Consumers"

Amend the bill by striking out all of sections 3, 4 and 5 and inserting in their place the following:

'Sec. 3. 35-A MRSA §3214-A is enacted to read:

§3214-A. Low-income Electric Consumer Trust Fund

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Authority" means the Maine State Housing Authority.

B. "Board" means the Low-income Electric Consumer Trust Advisory Board.

C. "Program" means the electric utility bill payment assistance program.

D. "Trust" means the Low-income Electric Consumer Trust Fund.

2. Creation of trust. To continue financial assistance for low-income households and to meet future increases in need caused by economic exigencies, there is created and established the Low-income Electric Consumer Trust Fund, a nonlapsing fund administered and controlled by the Maine State Housing Authority in accordance with this section.

COMMITTEE AMENDMENT

2 **3. Purpose of trust; begin date.** The purpose of the trust
3 is to help fund an electric utility bill payment assistance
4 program for residential customers. Beginning March 1, 2002, the
5 program must be available to all qualified customers in
6 accordance with eligibility criteria established by the authority
7 in consultation with the board established pursuant to subsection
8 8.

10 **4. Sources of trust funds.** Money obtained from the
11 following sources must be paid to the authority, which shall
12 deposit the money in the trust:

14 A. All money appropriated or dedicated for inclusion in the
15 trust;

16 B. All interest, dividends and pecuniary gains from
17 investment of money of the trust;

18 C. All proceeds from the issuance of bonds on behalf of the
19 State for inclusion in the trust;

20 D. Gifts, bequests and donations to the trust from private
21 individuals or corporations;

22 E. Grants to the trust from private or public foundations;

23 F. Other money available to the authority and directed by
24 the authority to be paid into the trust; and

25 G. Funds from the transmission and distribution utilities
26 to be paid into the trust pursuant to subsection 5.

27 All funds received pursuant to this subsection are trust funds to
28 be held and applied solely as provided in this section.

29 **5. Additional funds.** If the authority determines that the
30 money available from the trust after March 1, 2002 will be
31 insufficient to meet projected annual program costs, it may
32 petition the commission to assess transmission and distribution
33 utilities the amount necessary to sufficiently fund the program.
34 The assessment is recoverable in the rates of the transmission
35 and distribution utilities. Funds collected pursuant to this
36 subsection must be paid to the authority, which shall deposit
37 them in the trust in accordance with this section.

38 **6. Transition.** The commission shall direct transmission and
39 distribution utilities to continue until March 1, 2002 the
40 low-income assistance programs in existence on the effective date
41 of this subsection. Subject to the approval of the commission,
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2 consumer-owned transmission and distribution utilities shall
3 develop and implement low-income assistance programs to provide
4 assistance to low-income consumers between March 1, 2001 and
5 March 1, 2002.

6 7. Trust administration. The authority shall administer
7 the trust and the program in a manner that meets the purpose of
8 the trust as set forth in subsection 3. Beginning on March 1,
9 2002, the authority shall administer the trust as an endowment by
10 establishing, in consultation with the board, a fixed percentage
11 withdrawal for funding the program. The fixed percentage
12 withdrawal may be changed as necessary to ensure the financial
13 integrity of the trust, provided the percentage may not be less
14 than 4% of the total value of the trust. The authority shall
15 establish eligibility criteria and benefit levels for households,
16 using a percentage of income formula that is substantially
17 similar to the low-income electric program operated by Central
18 Maine Power Company in 1998. Beginning in 2005 and thereafter,
19 the authority may revise eligibility criteria and assistance
20 levels for the program year, but eligibility criteria and
21 assistance levels may not be made more restrictive than those in
22 effect in Central Maine Power Company's service territory in
23 1998. Assistance under this section may not be counted as income
24 or a resource in other means-tested assistance programs for
25 low-income households. Assistance must be provided in a manner
26 most likely to prevent loss of other assistance.

27 8. Program administration advisory board. There is
28 established the Low-income Electric Consumer Trust Advisory
29 Board. The board is charged with advising the authority
30 regarding all aspects of the program.

31 The board must have access to relevant documents and must be
32 given opportunity for participation in considering the
33 development of eligibility standards and benefit levels, outreach
34 plans and other issues related to policy development and the
35 program. The authority shall consult the board before taking
36 action significantly affecting program recipients.

37 The authority shall provide the board with staff assistance and
38 technical assistance as necessary to enable the board to make
39 effective recommendations. In addition, the authority shall make
40 financial arrangements as necessary to make possible the
41 participation of low-income members of the board.

42 The board consists of a representative of the Office of the
43 Public Advocate, 9 members appointed by the authority and 3
44 members appointed by the commission as follows.

- 2 A. The commission shall appoint:
- 4 (1) A representative of the Consumer Assistance
6 Division of the commission;
- 8 (2) A representative of the transmission and
10 distribution utilities; and
- 12 (3) A representative of a competitive electricity
14 provider.
- 16 B. The authority shall appoint:
- 18 (1) One representative of elderly people taken from
20 nominations by an organization representing the elderly;
- 22 (2) One representative of an organization that
24 provides legal assistance to low-income people and that
26 has significant knowledge of public assistance programs;
- 28 (3) Two representatives of community action programs;
- 30 (4) Two representatives of low-income families, as
32 nominated by an organization composed primarily of
34 low-income people; and
- 36 (5) Three persons knowledgeable in residential energy
38 usage or utility affairs.
- 40 9. Annual report. Annually, the authority shall make a
42 reasonable estimate of whether the combined principal and income
44 from the trust will be sufficient to meet the reasonably
46 anticipated cost of the program for the ensuing program year,
48 taking into account factors that include, but are not limited to,
50 the number of households enrolled, the number projected to be
enrolled, the state economy, the price of electricity and
projected principal and income from the trust. The authority
shall report its findings by January 1st of each year to the
joint standing committee of the Legislature having jurisdiction
over utilities matters and to the board, which may make
recommendations to the authority based upon this information.
- 52 10. Depletion of principal. The authority may not
54 authorize an appropriation that would deplete the base level of
56 the trust's principal to less than the initial investment
58 established pursuant to subsection 4, paragraph A.
- 60 11. Rules. The commission and the authority shall each
62 adopt rules necessary to implement this section. Rules adopted

COMMITTEE AMENDMENT

under this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

Sec. 4. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

HOUSING AUTHORITY, MAINE STATE

Low-income Electric Consumer Trust Fund

All Other \$70,000,000

Provides funds to the Low-income Electric Consumer Trust Fund administered and controlled by the Maine State Housing Authority. This amount is approximately equal to the amounts deposited in the General Fund from corporate income tax attributable to the divestiture of generation assets by electric utilities pursuant to electric industry restructuring law.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

2000-01

APPROPRIATIONS/ALLOCATIONS

General Fund \$70,000,000

This bill establishes the Low-income Electric Consumer Trust Fund that will be administered by the Maine State Housing Authority as an endowment and provides a General Fund appropriation of \$70,000,000 in fiscal year 2000-01 to the authority to be deposited in this trust fund. This amount is approximately equal to the amount of revenue deposited into the General Fund from corporate income tax and the real estate transfer tax generated as a result of the divestiture of

2 generation assets of electric utilities pursuant to the electric
industry restructuring law.

4 The Maine State Housing Authority will incur additional
costs to administer the trust fund and the electric utility bill
6 payment assistance program. The authority assumes that
administrative costs will be paid by the trust fund.

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10 If the authority determines that the money available from
the trust will be insufficient, it may petition the Public
12 Utilities Commission to assess transmission and distribution
utilities the amount necessary to fund the program. It can not
14 be determined at this time whether the authority will petition
the commission to implement this assessment.

16 The Public Utilities Commission will incur some minor
additional costs to adopt rules, to potentially implement an
18 assessment of certain utilities and to participate as a member of
the advisory board. These costs can be absorbed within the
20 commission's existing budgeted resources.'

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24 **SUMMARY**

26 This amendment replaces most of the bill. This amendment:

28 1. Provides for an appropriation of \$70,000,000 from the
General Fund to the Low-income Electric Consumer Trust Fund,
30 which is approximately equal to the amount of corporate income
taxes and real estate transfer taxes that have been deposited in
32 the General Fund as a result of sales or transfers of generation
assets required to be divested pursuant to the electric
restructuring law;

34 2. Provides that the low-income program funded by the
36 Low-income Electric Consumer Trust Fund becomes active on March
1, 2002; until that date existing utility-administered programs
38 remain in place;

40 3. Directs consumer-owned electric utilities to develop and
implement programs to provide assistance to low-income consumers
42 between March 1, 2001 and March 1, 2002;

44 4. Provides that the Low-income Electric Consumer Trust
Fund must be administered to provide for a fixed percentage
46 withdrawal of not less than 4% of the total value of the fund;

48 5. Clarifies various provisions of the bill; and

50 6. Adds a fiscal note.