

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1848

H.P. 1285

House of Representatives, February 27, 2018

An Act To Extend Arrearage Management Programs

Reported by Representative BERRY of Bowdoinham for the Joint Standing Committee on Energy, Utilities and Technology pursuant to the Maine Revised Statutes, Title 35-A, section 3214, subsection 2-A.

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3214, sub-§2-A**, as enacted by PL 2013, c. 556, §1, is
3 amended to read:

4 **2-A. Arrearage management program.** Each transmission and distribution utility
5 shall implement pursuant to this subsection an arrearage management program to assist
6 eligible low-income residential customers who are in arrears on their electricity bills. An
7 arrearage management program implemented pursuant to this subsection is a plan under
8 which a transmission and distribution utility works with an eligible low-income
9 residential customer to establish an affordable payment plan and provide credit to that
10 customer toward the customer's accumulated arrears as long as that customer remains in
11 compliance with the terms of the program. The commission shall establish requirements
12 relating to the arrearage management programs by rule. Rules adopted pursuant to this
13 subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

14 In adopting rules regarding arrearage management programs, the commission shall:

- 15 A. Consider best practices as developed and implemented in other states or regions;
- 16 B. Require that an arrearage management program include an electricity usage
17 assessment at no cost to the participant;
- 18 C. Permit each transmission and distribution utility to propose a start date for its
19 program that is no later than October 1, 2015;
- 20 D. Ensure that each transmission and distribution utility develops terms and
21 conditions for its arrearage management program in a manner that is consistent with
22 the program's objectives and is in the best interests of all ratepayers; ~~and~~
- 23 E. Ensure that a transmission and distribution utility recovers in rates all costs of
24 arrearage management programs, including incremental costs, reconnection fees and
25 administrative and marketing costs but not including the amount of any arrearage
26 forgiven that is treated as bad debt for purposes of cost recovery by the transmission
27 and distribution utility;
- 28 F. Ensure that a transmission and distribution utility recovers in rates its prudent
29 costs for any 3rd-party assistance it receives in administering its arrearage
30 management program; and
- 31 G. Permit a transmission and distribution utility to recover in rates its prudent costs
32 for providing financial and budgetary guidance to participants whether provided
33 directly or through a 3rd party contracted by the transmission and distribution utility
34 to provide that guidance.

35 The Efficiency Maine Trust shall work with transmission and distribution utilities and
36 other stakeholders to provide access to a complementary low-income energy efficiency
37 program for participants in arrearage management programs in order to help reduce
38 participants' energy consumption.

39 No later than January 28, ~~2018~~ 2021, the commission shall prepare a report assessing the
40 effectiveness of arrearage management programs, including the number of participants
41 enrolled in the programs, the number of participants completing the programs, the

1 number of participants who have failed to complete the programs, the payment patterns of
2 participating customers after completing the programs, the dollar amount of arrears
3 forgiven, a comparison of outcomes for those participating in the programs and those not
4 participating, the impact on a transmission and distribution utility's bad debt as a result of
5 the programs, the costs and benefits to all ratepayers associated with the programs and
6 recommendations for ways in which the programs might be improved or continued for
7 the benefit of all ratepayers. In preparing its report, the commission shall hold at least
8 one formal stakeholder meeting involving affected parties, including the Office of the
9 Public Advocate and the participating transmission and distribution utilities. Parties must
10 also be provided an opportunity to submit written comments to the commission regarding
11 the performance of the programs.

12 The joint standing committee of the Legislature having jurisdiction over utilities matters
13 may report out a bill relating to the commission report to the ~~Second~~ First Regular
14 Session of the ~~128th~~ 130th Legislature.

15 This subsection is repealed September 30, ~~2018~~ 2021.

16 **Sec. 2. 35-A MRSA §10110, sub-§2, ¶L**, as enacted by PL 2013, c. 556, §2, is
17 amended to read:

18 L. Pursuant to section 3214, subsection 2-A, the trust shall work with transmission
19 and distribution utilities and other stakeholders to provide access to a complementary
20 low-income energy efficiency program for participants in the arrearage management
21 programs in order to help reduce participants' energy consumption.

22 This paragraph is repealed September 30, ~~2018~~ 2021.

23 SUMMARY

24 This bill is reported out by the Joint Standing Committee on Energy, Utilities and
25 Technology pursuant to the Maine Revised Statutes, Title 35-A, section 3214, subsection
26 2-A. The law requires the Public Utilities Commission to provide the committee with a
27 report assessing the effectiveness of arrearage management programs and provides the
28 committee with the authority to report out a bill relating to the report.

29 The committee has not taken a position on the substance of this bill, and by reporting
30 this bill out, the committee is not suggesting and does not intend to suggest that it agrees
31 or disagrees with any aspect of this bill. The committee is reporting the bill out for the
32 sole purpose of turning the proposal of some of the stakeholders into a printed bill that
33 can be referred to the committee for an appropriate public hearing and subsequent
34 processing in the normal course. The committee is taking this action to ensure clarity and
35 transparency in the legislative review of the proposal.

36 This bill extends arrearage management programs and the requirement that the
37 Efficiency Maine Trust provide access to a complementary low-income energy efficiency
38 program for participants in arrearage management programs to September 30, 2021. It
39 establishes a new reporting requirement for the Public Utilities Commission and gives the
40 committee authority to report out a bill to the First Regular Session of the 130th
41 Legislature based on the report. It also clarifies that rules adopted by the commission

1 must ensure that a transmission and distribution utility recovers its prudent costs for
2 3rd-party assistance in administering an arrearage management program and must permit
3 a transmission and distribution utility to recover its prudent costs for providing financial
4 and budgetary guidance to participating customers, even if the transmission and
5 distribution utility has a 3rd party provide that guidance on its behalf.