

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

SECOND REGULAR SESSION-2020

Legislative Document

No. 2013

H.P. 1434

House of Representatives, January 14, 2020

**An Act To Extend Arrearage Management Program Requirements
for Transmission and Distribution Utilities for One Year**

Submitted by the Office of the Public Advocate pursuant to Joint Rule 203.
Reference to the Committee on Energy, Utilities and Technology suggested and ordered
printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative RILEY of Jay.

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 amended by PL 2017, c. 414, §1, is
3 further amended to read:

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

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

- 18 A. Consider best practices as developed and implemented in other states or regions;
- 19 B. Require that an arrearage management program include an electricity usage
20 assessment at no cost to the participant;
- 21 D. Ensure that a transmission and distribution utility develops terms and conditions
22 for its arrearage management program in a manner that is consistent with the
23 program's objectives and is in the best interests of all ratepayers; and
- 24 E. Ensure that a transmission and distribution utility recovers in rates all reasonable
25 costs of arrearage management programs, including:
 - 26 (1) Incremental costs;
 - 27 (2) Reconnection fees;
 - 28 (3) Administrative costs;
 - 29 (4) Marketing costs;
 - 30 (5) Costs for any 3rd-party assistance it receives in administering its arrearage
31 management program; and
 - 32 (6) Costs for providing financial and budgetary guidance to participants whether
33 provided directly or through a 3rd party contracted by the transmission and
34 distribution utility to provide that guidance.

35 The amount of any arrearage forgiven that is treated as bad debt for purposes of cost
36 recovery by the transmission and distribution utility may not be included as a
37 reasonable cost under this paragraph.

38 The Efficiency Maine Trust shall work with investor-owned transmission and distribution
39 utilities, consumer-owned transmission and distribution utilities that elect to participate in

1 an arrearage management program and other stakeholders to provide access to a
2 complementary low-income energy efficiency program for participants in arrearage
3 management programs in order to help reduce participants' energy consumption.

4 No later than January 28, ~~2021~~ 2022, the commission shall prepare a report assessing the
5 effectiveness of arrearage management programs, including the number of participants
6 enrolled in the programs, the number of participants completing the programs, the
7 number of participants who have failed to complete the programs, the payment patterns of
8 participating customers after completing the programs, the dollar amount of arrears
9 forgiven, a comparison of outcomes for those participating in the programs and those not
10 participating, the impact on any participating transmission and distribution utility's bad
11 debt as a result of the programs, the costs and benefits to all ratepayers associated with
12 the programs and recommendations for ways in which the programs might be improved
13 or continued for the benefit of all ratepayers. In preparing its report, the commission
14 shall hold at least one formal stakeholder meeting involving affected parties, including
15 the Office of the Public Advocate and the participating transmission and distribution
16 utilities. Parties must also be provided an opportunity to submit written comments to the
17 commission regarding the performance of the programs.

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

21 This subsection is repealed September 30, ~~2021~~ 2022.

22 **Sec. 2. 35-A MRSA §10110, sub-§2, ¶L**, as amended by PL 2017, c. 414, §2, is
23 further amended to read:

24 L. Pursuant to section 3214, subsection 2-A, the trust shall work with investor-
25 owned transmission and distribution utilities, consumer-owned transmission and
26 distribution utilities that elect to participate in an arrearage management program
27 pursuant to section 3214, subsection 2-A and other stakeholders to provide access to
28 a complementary low-income energy efficiency program for participants in the
29 arrearage management programs in order to help reduce participants' energy
30 consumption.

31 This paragraph is repealed September 30, ~~2021~~ 2022.

32 SUMMARY

33 This bill delays by one year, from September 30, 2021 to September 30, 2022, the
34 repeal of the requirement that an investor-owned transmission and distribution utility
35 implement an arrearage management program to assist low-income residential customers
36 with their electricity bills and the requirement that the Efficiency Maine Trust work with
37 utilities that participate in an arrearage management program.