

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
119<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION**

**Final Report  
of the**

**TASK FORCE  
TO REDUCE THE BURDEN  
OF HOME HEATING COSTS  
ON LOW-INCOME HOUSEHOLDS**

**November 1, 2000**

**Members:**

*Senator Richard J. Carey, Chair  
Senator Norman K. Ferguson, Jr.  
Representative Randall L. Berry, Chair  
Representative Donald P. Berry, Sr.  
Eleanor West  
Donn Gifford  
Geoffrey Green  
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## **I. EXECUTIVE SUMMARY**

### **A. INTRODUCTION**

The Task Force to Reduce the Burden of Home Heating Costs on Low-income Households, hereinafter referred to as “the Task Force,” was established in the Second Regular Session of the 119<sup>th</sup> Legislature by Resolve 1999, chapter 132.

The Task Force is comprised of 16 members, including four Legislators. Other members include representatives from the Maine State Housing Authority, the Office of the Public Advocate, electric, natural gas, and oil industries as well as Community Action Agencies and businesses that provide energy maintenance and conservation services.

The Task Force held four meetings through the summer and fall of 2000 to learn first hand the needs facing low-income households in the heating of their homes for the upcoming season. All meetings were held in Room 228 of the State House.

During the first two meetings, the Task Force concentrated on the issues of fuel price and supply, timing of Low-income Home Energy Assistance Program (LIHEAP) funding and the operation of the energy assistance programs administered jointly by the Maine State Housing Authority (MSHA) and the Community Action Program (CAP) agencies. The Task Force was also presented with an introduction to Energy Conservation and Demand Side Management programs coordinated by the State Planning Office and participated in a panel discussion on the effects of interruptible natural gas service on the demand for heating oil during a crisis event.

The third meeting was a joint meeting with the Gasoline and Fuel Prices Study Committee. Testimony on steps that the Clinton Administration has taken to address home heating oil concerns for the upcoming winter season was provided by Mr. Charles Pray, Special Assistant and Senior Advisor on Intergovernmental Affairs in the Office of Congressional and Intergovernmental Affairs at the United States Department of Energy. Mr. Thomas Martin, Marketing Manager of the New York Mercantile Exchange provided an interesting presentation on the role of the Commodity Exchange Industry and the characteristics of the Futures Markets. Ms. Laurie Lachance, State Economist, and Mr. Greg Nadeau, Senior Policy Advisor, Office of the Governor, co-chairs of the Governor’s Interagency Home Heating Oil “SWAT Team,” presented the interagency plan to prepare the State of Maine for an exceptionally difficult winter heating season. The meeting concluded with a brief discussion on preliminary findings and recommendations.

The fourth and final meeting was used to finalize findings and recommendations as well as to approve the report required pursuant to Resolve 1999, chapter 132.

After careful consideration of all the information provided, the Task Force urges the Governor, the Legislature and other policy makers to implement the following recommendations:

1. The State of Maine should establish a summer “fill” program to provide low-income households who are eligible for fuel assistance through the LIHEAP program with an initial supply of fuel for every winter heating season.
2. The Maine State Housing Authority should identify the most effective way to provide adequate funding of the anticipated 25% non-federal share of the weatherization program.
3. The State of Maine should establish a program to allow low-income and middle-income citizens to obtain low-interest loans or grants for energy conservation improvements.
4. The Maine State Housing Authority and the State Planning Office should investigate the possibility of establishing a separate “Office of Energy Conservation” within the Maine State Housing Authority to annually prepare the State of Maine for difficult winter heating seasons.
5. The Maine State Housing Authority should annually investigate the possibility of increasing the percentage of LIHEAP funds for weatherization services.
6. The Maine Public Utilities Commission should continue to monitor the effects of interruptible gas services on the supply and price of home heating oil in the State of Maine.
7. The State Planning Office should conduct a study to determine whether the State of Maine can reduce its per capita residential consumption by 25% by 2011.

In conclusion, the Task Force’s focus on energy conservation grew out of the pressing needs that resulted from recent spikes in energy prices and the realization that these energy prices will likely continue to be volatile over the foreseeable future. The Task Force agrees that more money for weatherization services, low-interest loans and tax incentives for conservation improvements are crucial in mitigating significant energy costs facing Maine’s low-income citizens. The State of Maine should also make better use of existing resources through cost-effective, energy efficient investments to reduce the energy needs of this population over the long run.

## **B. ENABLING LEGISLATION**

The Task Force to Reduce the Burden of Home Heating Costs on Low-income Households was established in the Second Regular Session of the 119<sup>th</sup> Legislature by Resolve 1999, chapter 132. A copy of Resolve 1999, chapter 132 is included as Appendix A. The appointments to the Task Force were completed during the summer of 2000 and meetings were held on August 30, September 18, October 12 and October 24.

Resolve 1999, chapter 132 required the Task Force to conduct a comprehensive study of Maine's low-income heating assistance program, to assess the effectiveness of existing programs, and to consider the needs of the programs' recipients in preparation of winter. The resolve also required the Task Force to consult with the Maine State Housing Authority, State Planning Office, Maine Oil Dealers Association, and the Maine Community Action Association to better understand the problems confronting low-income households in the heating of their homes.

## **C. MEMBERSHIP**

The Task Force consists of 16 members as follows:

### **Chairs:**

Sen. Richard J. Carey	State Senator	Belgrade
Rep. Randall L. Berry	State Representative	Livermore

### **Legislative Members:**

Sen. Norman K. Ferguson, Jr.	State Senator	Hanover
Rep. Donald P. Berry, Sr.	State Representative	Belmont

### **Government/Non-Profit Agencies:**

Stephen Ward	Office of the Public Advocate	Augusta
Peter Merrill	Maine State Housing Authority	Augusta
Eleanor West	Washington Hancock CAP	Milbridge
Thomas Nelson	York County CAC	Sanford
Pat Averill	Representing low-income citizens	Glenburn
Jim Peary	Eastern Maine Tech. College	Bangor
Dennis Lajoie	Community Concepts	South Paris

### **Private Sector:**

Donn Gifford	Wadleigh's	Hallowell
Geoffrey Green	Central Maine Power Co.	Augusta
Patricia Dyer	Northern Utilities	Portland
Stephen Wood	S.J. Wood Construction Co.	Winthrop
Patricia Aho	Maine Petroleum Association	Augusta

## II. BACKGROUND

### A. **Who are Maine's low-income households in need of home-heating assistance?**

Currently, households with income levels up to 150% of federal poverty guidelines are eligible for LIHEAP. The income level is raised to up to 170% if the household contains children age 2 and under, an elderly person, or a person otherwise vulnerable to hypothermia.

According to the 1990 Census data, 93,767 households in Maine, or approximately 20% of Maine's 465,729 total households had income at or below 150% of federal poverty guidelines. The LIHEAP program, administered by the Maine State Housing Authority, is a federally funded program aimed at helping low-income homeowners and renters pay their home energy bills. For the 2000-01 winter heating season, the maximum income limits for a family of four living in Maine is \$25,575 (150%) or \$28,985 (170%).

Maine received approximately \$33.0 million in LIHEAP funds for the winter 1999-00 heating season. Of that amount, approximately \$17.2 million was in supplemental, or emergency, awards. On average, Maine has received nearly \$14.5 million in LIHEAP Base Grant awards annually over the last six heating seasons. According to data provided by the Maine State Housing Authority, 72% of the funds received are allocated for fuel assistance benefits; 15% for weatherization programs; 10% for administrative costs; 2% for other benefits, and 1% for emergency crisis intervention.

The LIHEAP program served 44,782 low-income households in Maine during the 1999-00 winter heating season, up from 36,000 in the prior year. Over the last 5 years, Maine has helped an average of 38,500 low-income households per year to heat their homes through the LIHEAP program. Of the households that received LIHEAP funds in the winter of 1999-00, 37.3% had income at or below 75% of federal poverty levels; 44.0% had income between 75% and 125% of federal poverty levels; 13.0% had income between 125% and 150% of federal poverty levels; and 5.7% had income between 150% and 170% of federal poverty levels. Approximately 50.0% of the households receiving LIHEAP benefits in the winter of 1999-2000 were elderly versus 56.8% in the winter of 1998-99.

The additional \$17.2 million in emergency funds were used in part to increase the average benefit paid to eligible low-income households in the 1999-00 winter heating season to \$491 compared to \$260 per eligible household in the 1998-99 heating season. The \$491 average benefit paid to eligible households in the winter 1999-00 heating season was

significantly above the average annual benefit paid per year over the past five years.

The average benefit paid in the 1999-00 winter heating season to households with income at or below 75% of federal poverty levels was \$484. Households with children under the age of two within the same income level received an average benefit of \$503 and elderly households received \$506.

For households with income ranging between 75% and 125% of federal poverty guidelines, the average benefit paid in the 1999-00 winter heating season was \$463 with families who had children age two and under receiving \$389 and elderly households receiving \$470.

As mentioned earlier, Maine received additional emergency funds for the 1999-00 winter heating season, which allowed the State to increase the average benefit as well as provide heating assistance to households with income levels between 150% and 170% of federal poverty guidelines. The average benefit paid to those households was \$295. Families with children age two and under received an average benefit of \$176 while elderly households received \$290.

**B. What programs are currently available for Maine's low-income households to help them heat their homes?**

The Low-income Home Energy Assistance Program (LIHEAP) is the primary heating assistance program available for Maine's low-income residents. LIHEAP is funded through the federal Department of Health and Human Services and provides money to low-income homeowners and renters to help defray their energy costs. In Maine, the funds are used primarily to help pay winter heating bills for qualifying households. The Maine State Housing Authority has been designated by the Legislature to administer the Low-income Home Energy Assistance Program (LIHEAP) for Maine. MSHA contracts with Maine's eleven Community Action Agencies to administer the program on the local level.

The LIHEAP program consists of three major components: 1) Fuel Assistance; 2) Emergency Crisis Intervention Program (ECIP); and 3) Weatherization and Central Heating Improvement Program (CHIP).

The Fuel Assistance program provides funds to assist qualified low-income households by paying a portion of their winter heating bills. The local Community Action Agencies process applications, determine eligibility and calculate how much assistance a household may qualify for. The benefit that a qualified household receives is dependent on a number of factors including the type of housing, the number of rooms to be heated, the type and cost of the fuel, the expected degree days for the area,



MSHA's estimate of how much money will be available and what the demand may be.

The Emergency Crisis Intervention Program (ECIP) provides emergency assistance to qualified households who are in a crisis situation. Households can receive up to \$200 in funds for an emergency fuel delivery or home heating system repairs. This emergency assistance may be obtained in addition to a regular fuel assistance benefit.

The Weatherization Program and Central Heating Improvement Program utilizes 15% of the LIHEAP funds, which is the maximum allowed by the Federal government without a waiver, to complement the federal Department of Energy Weatherization Program, also administered in Maine by the Maine State Housing Authority. The funds can be used for insulation, caulking, and weather stripping, and to repair, upgrade, or replace central heating systems that have become inoperable, inefficient, or that pose a threat to the health and safety of household members. It may also be used for other measures that conserve energy and reduce heating costs.

**C. What is the outlook for the 2000-2001 winter heating season?**

The Task Force heard from several sources concerning the outlook for fuel costs for the 2000-2001 winter heating season. Although the messengers were different, the message was the same: residential consumers in Maine and throughout the United States can expect to pay more to heat their homes this winter than they did last winter. According to the October 2000 Short Term Energy Outlook prepared by the Energy Information Administration within the Department of Energy, households throughout the nation can expect to see their heating bills increase by \$190 to \$240 over last winter, and that is assuming normal winter weather conditions. Factors driving the increase in costs include: 1) an increase in the demand for space-heating fuels such as oil, natural gas, and electricity due to a strong economy and a return to colder winter temperatures; 2) supplies of home heating fuels, particularly heating oil, which are not only significantly below last years levels, but well below normal levels; and 3) prices for both natural gas and crude oil which are starting out at higher levels than last year, with high crude oil prices driving up the prices for all petroleum products.

### III. FINDINGS AND RECOMMENDATIONS

The following represents the consensus findings and recommendations of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households.

#### ***Finding #1***

*When the Task Force examined the resources available to meet the basic home heating requirements of Maine's low-income citizens it found that there is a need to establish an annual summer "fill" program. Allowing for the dispensing of funds for low-income fuel assistance programs during the summer months beginning as early as July could allow LIHEAP recipients to take advantage of summer prices and summer pricing programs for oil, propane, kerosene, and wood or provide an initial supply of fuel for the upcoming winter heating season.*

#### ***Recommendation #1***

*The Maine Legislature should authorize an annual working capital advance of \$10 million dollars from the General Fund unappropriated surplus for the Low-Income Home Energy Assistance Program to be available as early as July. These funds should be transferred to the Fuel Assistance Reserve Fund established pursuant to 30-A MRSA, section 4992-A to ensure that fuel assistance benefits for the state's eligible elderly and low-income residents would be available for applicant households prior to the beginning of the heating season. These funds would be repaid in full by a transfer of available resources from the federal fuel assistance funds of the Maine State Housing Authority to the General Fund on or before the end of each state fiscal year. The expenditure of these funds would be subject to the advance funding of the LIHEAP program by Congress. The Fuel Assistance Reserve Fund may not be used if the Maine State Housing Authority reasonably anticipates that no federal fuel assistance funds would be received. This recommendation would require concurrence by the federal government for the repayment of state funds used for a working capital advance in any year.*

#### ***Finding #2***

*For the first time in the history of the Department of Energy's Weatherization Program, the United States Congress has required states to provide a 25% non-federal*

*cost sharing match for weatherization funding beginning in federal fiscal year 2001. The Task Force learned that failure to provide the 25% cost sharing could result in a reduction or termination of funding. States that are unable to provide the full 25% match will lose \$4 of their weatherization grant for each \$1 of state match they fail to provide. Maine is one of about 17 states, mostly small and rural, that are expected to have difficulty meeting this cost sharing requirement if imposed. Maine received \$2 million in DOE Weatherization funds in the last program year, and would need \$500,000 of non-federal match to obtain full funding in 2001.*

*The State of Maine has not yet acted to provide for its sharing of the program costs. The current 15% transfer from the LIHEAP funds cannot be used towards the match. Also, MSHA cannot use the same matching funds to satisfy both the Department of Energy and the Department of Health and Human Services' requirements. The State of Maine may be able to use the "CMP Lifeline program" towards the match. In addition to the "CMP Lifeline program," the new Transmission and Distribution utility energy program may qualify toward the federal match requirement as well.*

*An effort is under way in Congress to enact legislation to allow the Secretary to waive this cost sharing requirement for up to 2 years for states facing significant difficulties in meeting this amount, but recent reports from the National Community Action Foundation indicate that this waiver proposal is strongly opposed by the chair of the House subcommittee with jurisdiction over DOE and is unlikely to be passed before Congress adjourns in October. Maine's DOE Weatherization grant is already inadequate to meet the needs of eligible households, and the loss of any portion of this grant due to the inability of Maine to provide its 25% match would be devastating.*

**Recommendation #2**

*The Task Force recommends that the Maine State Housing Authority in consultation with other affected state agencies report to the Joint Standing Committees on Utilities and Energy and Appropriations and Financial Affairs and identify the most cost-effective way to provide funding of any 25% non-federal share requirement for weatherization program costs.*

*The Maine State Housing Authority should identify the source (or sources) of the match necessary to meet this cost sharing requirement. It is anticipated that any non-federal cost-sharing requirement will be an ongoing federal provision so the Maine State Housing Authority's response to the Legislature should recognize this fact and incorporate an appropriate long term funding solution. The Maine State Housing Authority should submit a report with accompanying legislation if necessary to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.*

*[Subsequent to the work of the Task Force, the Congress passed and the President signed a bill that provides for the elimination of the match requirement that is the basis of this Finding and Recommendation. This change will be addressed when the Legislature considers the bill resulting from the Task Force's work.]*

***Finding #3***

*The Task Force finds that low-income households often live in housing that lacks adequate insulation, has inefficient or inadequate heating systems, and has building components (windows, doors, roofs and etc.) that do not retain heat within the living portions of the residence. These households often lack the financial resources to remedy these problems and become dependent on temporary and short-term "fixes" to enable them to survive through the winter without addressing the underlying problems with long-term solutions.*

*In addition, the Task Force finds that the State of Maine does not appear to offer sufficient programs or resources to assist low and moderate-income citizens with obtaining low interest loans for energy conservation improvements.*

***Recommendation #3A***

*The Task Force recommends that the Maine State Housing Authority and the Finance Authority of Maine work cooperatively to establish a program that provides low interest loans or grants to Maine citizens for purchasing certain energy conservation improvements.*

*The Task Force further directs the Maine State Housing Authority with the assistance of the Finance Authority of Maine to report to the Joint Standing Committees on Utilities and Energy and Appropriations and Financial Affairs to identify a program that would encourage Maine*

*citizens to secure low interest loans or grants as part of this energy conservation initiative. The Maine State Housing Authority should submit a report with accompanying legislation to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.*

***Recommendation #3B***

*In addition to the required report, the Maine Legislature should enact legislation authorizing the issuance of a General Fund Bond Issue in the amount of \$8 million to be administered by the Maine State Housing Authority to capitalize an Energy Conservation Revolving Loan Fund. The fund should be non-lapsing and may be used for direct loans or grants for all or part of certain energy conservation projects. The intent of this legislation should be to identify conservation improvements that offer low and moderate-income households the highest paybacks. Components of this program may include:*

- 1. Certified home energy audits, partially subsidized by the state, to determine the cost effective conservation measures appropriate for a given residence;*
- 2. Conservation improvement grants (of up to \$2,500) to households with incomes at or below 100% of the poverty level to allow for the installation of conservation improvements with payback periods of 5 years or less (as determined by a home energy audit);*
- 3. Low interest conservation loans (for up to \$5,000) to households with incomes up to 200% of the poverty level to finance conservation improvements identified by the certified home energy audit as having a payback period of 7 years or less. Loan repayments should create a revolving loan fund to allow the program to become self-sustaining;*
- 4. Provisions for making audits, grants and loan programs available to renters as well as homeowners; and*
- 5. Provisions to require homeowners, to participate in this program and sell their homes within two years of the energy*

*conservation measures being completed, to repay their loan in full within one year of the sale of the home.*

*The Maine State Housing Authority and the Finance Authority of Maine should work cooperatively to develop guidelines for determining eligibility, feasibility, terms, conditions and security for the loans and grants.*

***Finding #4***

*The Task Force learned that the State Planning Office coordinated an effort in mid-September to pull together a SWAT team of 22 state employees from 13 agencies to create a plan and marshal the resources to fully prepare the State of Maine for what may be an exceptionally difficult winter heating season. Although the Task Force acknowledges the efforts of the ad hoc Heating Fuel SWAT Team, the Task Force would like to take the next necessary step and examine the feasibility of establishing a separate “Office of Energy Conservation” within the Maine State Housing Authority to effectively address energy conservation issues on an ongoing basis. It is the Task Force’s belief that heating fuel shortages and significant price volatility for all energy supplies are likely going to continue and proper planning should take place.*

***Recommendation #4***

*The Task Force recommends that the Maine State Housing Authority, with assistance from the State Planning Office, report to the Joint Standing Committees on Utilities and Energy and Appropriations and Financial Affairs on the feasibility of establishing an Office of Energy Conservation within the Maine State Housing Authority. The new Office of Energy Conservation would be established with existing personnel performing similar functions elsewhere in State government along with two new positions and would be charged with the following:*

- Producing a new Comprehensive Energy Conservation Plan for the State of Maine and updating it every two years;*
- Coordinating all State and federal energy conservation programs;*
- Encouraging conservation of energy and development of Maine’s energy resources to assist Maine citizens during the winter heating season; and*

- *Soliciting and incorporating advice and comment from affected stakeholders including representatives of the energy industry, utilities, conservation service providers, the low-income households and environmental agencies.*

*This report should be submitted with any necessary legislation to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.*

#### **Finding #5**

*The Task Force learned that the Maine State Housing Authority has two sources of funding to support their energy conservation programs: funds received from the U.S. Department of Energy's Weatherization Program and funds received from a 15% transfer from the federal Low-income Home Energy Assistance Program (LIHEAP) grant. Federal guidelines allow up to 15% of LIHEAP funds (and up to 25% with a waiver) to be used for energy conservation investments. The Task Force also learned that many eligible low-income households remain on waiting lists for several years prior to obtaining assistance.*

*The Task Force finds that the current level of funding for energy conservation investments is inadequate to provide weatherization services for the thousands of Maine citizens who are eligible for assistance.*

*The Task Force also finds that additional funds for the weatherization program would be beneficial to low-income residents by increasing the life of their homes, creating a safer indoor environment, increasing comfort and, most important, saving money and energy.*

#### **Recommendation #5**

*The Task Force recommends that the Maine State Housing Authority investigate, during the month of April 2001 through 2003, the possibility of increasing the percentage of LIHEAP funds that can be transferred from 15% up to as high as 25% to provide additional resources for the Weatherization Program.*

#### **Finding #6**

*While discussing the effects of interruptible natural gas services on the supply and price of home heating oil in the State of Maine, the Task Force learned that the Maine Oil Dealers Association requested the Public Utilities Commission investigate this issue. As the Task Force*

*learned during its deliberations, interruptible customers elect service under the stipulation that during times of peak demand, they must switch to an alternate fuel source. For example, during periods of extreme cold weather, interruptible customers can be called on to switch to alternate fuel sources in order for utilities to meet the peak demand of their firm customers.*

*Northern Utilities currently asks its interruptible customers to leave the system on December 1<sup>st</sup> of each year and not come back to the natural gas service until April 1<sup>st</sup>. Northern Utilities has the authority to interrupt service within a 2 to 3 hour period. There is a penalty for unauthorized use.*

*Some interruptible customers have asked to come back onto the system during the winter months. If their request is approved, they are charged the regular tariff rate. Since Northern Utilities interruptible customers know that they will be off the system, they make arrangements with alternative fuel suppliers. Only four Northern Utilities interruptible customers use #2 home heating oil as an alternative fuel source. The majority of interruptible customers contract for oil during April through July.*

*At the present time, New York is a much heavier user of natural gas than Maine (25% vs. 0.1%). Only 0.1% of Maine's natural gas customers are on the interruptible program versus 37% in New York. Only four of Northern Utilities twelve interruptible natural gas customers use #2 home heating oil as an alternative fuel. Finally, the interruption in Maine is considered predictable versus unpredictable in New York.*

*The Maine Public Utilities Commission has studied the impact that Maine's interruptible natural gas customers have on oil supplies and concluded that it is not clear that any action is necessary at this time. Interruptible programs in Maine are very well established and help to balance the system. Maine could lose cost benefits if barriers to interruptible programs are set up.*

**Recommendation #6**

***That the Maine Public Utilities Commission continue to monitor the effects of interruptible gas services on the supply and price of home heating oil in the State of Maine.***



**Finding #7**

*The Task Force learned that Maine has faced energy “crises” several times in the past 25 years, and may well again in the foreseeable future. Although Maine has little ability to influence actions by foreign energy suppliers, the State does have the ability to reduce our demand for these fuels from outside our borders. Even after several energy crises in our lifetimes, a substantial number of Maine living units lack adequate insulation. Also, many of the energy-using appliances (furnaces, water heaters, stoves, refrigerators, lights, etc.) in homes throughout the state are inefficient in their consumption of energy. While these problems fall most heavily on low-income households, no segment of Maine society is immune to the problem. The State cannot be totally isolated from outside forces, but can take concerted action to assure that future energy supply and price problems have substantially less effect on our citizens. It will require an aggressive set of conservation goals and a long term commitment on the part of State government, in cooperation with energy conservation goods and services suppliers, to reduce Maine’s per capita residential energy consumption in the next ten years.*

**Recommendation #7**

*The State Planning Office should conduct a study to determine whether the State of Maine can reduce its per capita residential energy consumption in Maine by at least 25% by 2011. Particular attention should be paid to those segments of society (low to moderate-income households) who often lack the financial and technical resources to identify energy conservation opportunities and to acquire the conservation goods and services needed to achieve significant savings. The State Planning Office should also analyze the possibility of requiring higher efficiency ratings for heating systems, appliances and energy building standards.*

*The State Planning Office should investigate the value of tax incentives for implementing measures identified in energy audits for energy improvements for Maine citizens. The State Planning Office should report to the Joint Standing Committee on Taxation, the Joint Standing Committee on Utilities and Energy and the Joint Standing Committee on Appropriations and Financial Affairs on establishing Maine energy independence programs and financing mechanisms to achieve this goal. The State Planning Office should submit a report with accompanying legislation to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.*

#### IV. RECOMMENDED LEGISLATION

##### **An Act to Implement the Recommendations of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households**

**Emergency Preamble.** Whereas, there continues to be pressing energy conservation needs resulting from recent spikes in home heating prices and the realization that these prices may continue to increase; and

**Whereas,** the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households has completed a comprehensive study of Maine's low-income heating assistance program; and

**Whereas,** the Task Force is offering recommendations to assist low and moderate income citizens to annually prepare for severe winter heating seasons; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore,

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to provide funds for low and moderate income citizens to obtain low interest loans or grants for energy improvements.

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

#### **PART A**

**Sec. A-1. 30A MRSA § 4992-A is amended to read:**

##### **§ 4992-A. Fuel Assistance Reserve Fund**

**1. Fuel Assistance Reserve Fund.** If funds are appropriated pursuant to this section, the authority shall use the funds to establish and capitalize the Fuel Assistance Reserve Fund. The authority shall keep the Fuel Assistance Reserve Fund, referred to in this section as the "fund," separate from all other funds managed by the authority and use the fund only under the conditions set forth in this section. The authority shall use the Fuel Assistance Reserve Fund to ensure that fuel assistance benefits for the State's eligible elderly and low-income residents are available prior to the beginning of the heating season.

[1991, c. 858, §1 (new).]

**2. Timely distribution of benefits.** The authority shall make available to local program operators and municipal administrators of the fuel assistance program, at the beginning by October 1<sup>st</sup> of each state fiscal year, funds sufficient to cover anticipated fuel assistance payments and program administrative costs for the months of July, August, and September. October, November and December.

**3. Conditional use of the fund.** The authority's use of the fund is subject to the following conditions and limitations.

A. If the authority reasonably anticipates that federal fuel assistance block grant funds are not available for distribution to the local program operators and municipal administrators by July ~~October~~ 1<sup>st</sup> of each year, the authority shall withdraw and distribute sufficient money from the fund as is necessary for the purposes set forth in this section. The authority may withdraw funds prior to October 1<sup>st</sup>, provided that those funds are used only for costs incurred on or after July ~~October~~ 1<sup>st</sup>.

Money may not be withdrawn from the fund if sufficient block grant funds are available by July ~~October~~ 1<sup>st</sup> to pay reasonably anticipated fuel assistance program and administrative costs for the months of July, August, and September. ~~October, November and December.~~  
[1991, c. 858, §1 (new).]

B. Money withdrawn from the fund must be sufficient to cover anticipated fuel assistance payments and fuel assistance program administrative costs for all local program operators and municipal administrators for the months of July, August and September. ~~October, November and December.~~ [1991, c. 858, §1 (new).]

C. The fund may not be used if the authority reasonably anticipates that no federal fuel assistance money will be received. [1991, c. 858, §1 (new).]

D. The Maine State Housing Authority must receive prior written approval from the federal government that confirms that state funds withdrawn during a period from July 1st to September 30th may be reimbursed with federal fuel assistance funds received for the federal program year beginning in October of that same year.

**4. Recapitalization.** If money is withdrawn from the fund for the purposes of this section, the authority shall ensure that the fund is fully recapitalized before the end of the fiscal year in which the funds were appropriated. Recapitalization does not apply in any state fiscal year in which a working capital advance is provided.

[1991, c. 858, § 1 (new).]

**Sec. A-2. MRSA 30-A § 4992-A §§ 5 is enacted to read:**

**§§ 5 Working capital advance**

The State Controller may advance \$10,000,000 from the General Fund unappropriated surplus to the Fuel Assistance Reserve Fund during any state fiscal year, if requested in writing by the Director of the Maine State Housing Authority, to be used

to provide cash necessary to ensure that fuel assistance benefits for the state's eligible elderly and low-income applicant households will be available prior to the beginning of the heating season. These funds must be allotted by financial order upon recommendation of the State Budget Officer and approval of the Governor. These funds must be returned to the General Fund before the close of the state fiscal year in which the advance was made. The State Controller shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs within 30 days of making any working capital advance for this purpose.

## PART B

### **Sec. B-1. Maine State Housing Authority shall identify funding for non-federal share of weatherization costs.**

The Maine State Housing Authority in consultation with other affected state agencies that receive federal Department of Energy funding shall report to the joint standing committee of the legislature having jurisdiction over utilities and energy and the joint standing committee of the legislature having jurisdiction over appropriations and financial affairs on identifying the most effective way to provide adequate funding of the 25% non-federal share of weatherization program costs.

The Maine State Housing Authority shall identify the source or sources of the match necessary to meet this cost sharing requirement. The Maine State Housing Authority shall identify an appropriate long-term funding solution. The Maine State Housing Authority shall submit a report with accompanying legislation if necessary to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.

## PART C

### **Sec. C-1. Maine State Housing Authority and the Finance Authority of Maine shall establish a program that provides low interest loans or grants for conservation improvements.**

The Maine State Housing Authority and the Finance Authority of Maine shall work cooperatively to establish a program that provides low interest loans or grants to Maine citizens for purchasing certain energy conservation improvements. The Maine State Housing Authority with the assistance of the Finance Authority of Maine shall report to the joint standing committee of the legislature having jurisdiction over utilities and energy and the joint standing committee of the legislature having jurisdiction over appropriations and financial affairs on identifying a program that would encourage citizens of this state to secure low interest loans or grants as part of this energy conservation initiative. The Maine State Housing Authority shall submit a report with accompanying legislation to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.

## PART D

### **Sec. D-1. Authorization of bonds to provide low interest loans or grants for energy conservation improvements to low and moderate-income citizens.**

The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$8,000,000 to raise funds for low and moderate-income citizens to obtain low interest loans or grants for energy conservation improvements. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 20 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

**Sec. D-2. Records of bonds issued to be kept by the Treasurer of State.** The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. D-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State, and paid by the Treasurer of State, upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in section 6 of this Part lapse to the debt service account established for the retirement of these bonds.

**Sec. D-4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

**Sec. D-5. Disbursement of bond proceeds.** The proceeds of the bonds must be expended as set out in section 6 of this Part under the direction and supervision of the Maine State Housing Authority.

**Sec. D-6. Allocation from General Fund bond issue; low interest loans or grants for energy conservation improvements for low and moderate-income citizens.** The proceeds of the sale of bonds must be expended as designated in the following schedule.

#### **Maine State Housing Authority**

**\$8,000,000**

Low interest loans or grants for energy conservation improvements for low and moderate-income citizens.

**Sec. D-7. Contingent upon ratification of bond issue.** Sections 1 to 6 of this Part do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Part.

**Sec. D-8. Appropriation balances at year end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

**Sec. D-9. Bonds authorized but not issued.** Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

**Sec. D-10. Referendum for ratification; submission at statewide election; form of question; effective date.** This Part must be submitted to the legal voters of the State of Maine at a statewide election held on the Tuesday following the first Monday of November following passage of this Part. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

“Do you favor an \$8,000,000 bond issue for direct loans or grants to Maine citizens for energy conservation improvements?”

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word “Yes” or No.” The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and the Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purpose of this referendum.

## **PART E**

### **Enact subchapter XIV Energy Conservation**

**Sec. E-1. 30A MRSA § 4993-A is enacted to read:**

#### **Energy Conservation Revolving Loan Fund**

**1. Fund established.** The Energy Conservation Revolving Loan Fund, referred to in this section as the “fund,” is established as a nonlapsing fund administered by the Maine State Housing Authority. The fund consists of loan repayments of principal and interest made by eligible applicants to the fund and other money available to the fund including eligible investment earnings from fund assets. The fund must be held separate from all other money, funds and accounts, and all eligible investments earnings from fund assets must be credited to the fund.

**2. Fund purposes.** The Maine State Housing Authority shall administer the fund to provide direct loans or grants for all or part of certain energy conservation projects on an annual basis. The Maine State Housing Authority shall identify conservation improvements that offer low and moderate-income households the highest paybacks.

**3. Application process.** The Maine State Housing Authority with assistance from the Finance Authority of Maine shall adopt rules establishing an application process for conservation improvement grants and low interest conservation loans.

**4. Rules.** The Maine State Housing Authority shall adopt rules necessary to administer the fund. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

**5. Report.** The Maine State Housing Authority shall submit to the joint standing committee of the legislature having jurisdiction over business and economic development matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs an update on the fund by January 1, 2003 and every year thereafter.

**Sec. E-2. Application: contingent on bond issue.** This Part takes effect only if an \$8,000,000 general revenue bond issue for low interest loans or grants for energy conservation improvements for low and moderate-income citizens is approved by the voters of this State.

## PART F

**Sec. F-1. The Maine State Housing Authority shall report on the feasibility of establishing an Office of Energy Conservation.**

The Maine State Housing Authority, with assistance from the State Planning Office, shall report to the joint standing committee of the legislature having jurisdiction over utilities and energy and the joint standing committee of the legislature having jurisdiction over appropriations and financial affairs on the feasibility of establishing an Office of Energy Conservation within the Maine State Housing Authority. The new Office of Energy Conservation would be established with existing personnel performing similar functions elsewhere in State government along with two new positions and would be charged with the following:

1. Providing a new comprehensive energy conservation plan for this State and updating it every two years;
2. Coordinating all state energy conservation programs;
3. Encouraging conservation of energy and development of this State's energy resources to assist citizens in surviving the winter heating season; and
4. Soliciting and incorporating advice and comment from affected stakeholders including representatives of the energy industry, utilities, conservation service providers, low-income households and environmental agencies.

This report must be submitted with accompanying legislation if necessary to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.

## PART G

**Sec. G-1. Maine State Housing Authority shall annually study the percentage of Low-income Home Energy Assistance Program funds used for weatherization services.**

The Maine State Housing Authority shall in April of 2001, 2002, and 2003 investigate the possibility of increasing the percentage of Low-income Home Energy Assistance Program funds from 15% up to as high as 25% for weatherization services.

## PART H

**Sec. H-1. 35A MRSA §121 is enacted to read:**

**§ 121 Effects of interruptible gas services.** The Maine Public Utilities Commission shall monitor the effects of interruptible gas services on the supply and price of home heating oil in the State of Maine.

## PART I

**Sec. I-1. The State Planning Office shall conduct a study regarding reduction of energy consumption.**

The State Planning Office shall conduct a study to determine whether this State can reduce its per capita residential energy consumption by 25% by 2011. Particular attention must be paid to low to moderate-income households that lack the financial and technical resources to identify energy conservation opportunities and to acquire the conservation goods and services needed to achieve significant savings. The State Planning Office shall report on requiring higher efficiency ratings for heating systems, appliances and energy building standards. The State Planning Office shall also analyze the possibility of requiring higher efficiency ratings for heating systems, appliances and energy building standards. The State Planning Office shall investigate the value of tax incentives for implementing measures identified in energy audits for energy improvements for Maine citizens. The State Planning Office shall report to the joint



standing committee of the legislature having jurisdiction over taxation, the joint standing committee of the legislature having jurisdiction over utilities and energy and the joint standing committee of the legislature having jurisdiction over appropriations and financial affairs on establishing Maine energy independence programs and financing mechanisms to achieve this goal. The State Planning Office shall submit a report with accompanying legislation to the First Regular Session of the 120<sup>th</sup> Legislature by March 15, 2001.

**Emergency Clause: This Act takes effect when approved except as otherwise indicated.**

### **Statement of Fact**

This bill implements the recommendations of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households established in the Second Regular Session of the 119<sup>th</sup> Legislature by Resolve 1999, chapter 132. The bill does the following:

1. Establishes a summer “fill” program to provide low-income households who are eligible for fuel assistance through the LIHEAP program with an initial supply of fuel;
2. Requires the Maine State Housing Authority to identify the most effective way to provide adequate funding of the anticipated 25% non-federal share of the weatherization program;
3. Establishes a program funded by a bond issue to allow low-income and middle-income citizens to obtain low-interest loans or grants for energy conservation improvements;
4. Requires the Maine State Housing Authority and the State Planning Office to investigate the possibility of establishing a separate “Office of Energy Conservation” within the Maine State Housing Authority;
5. Requires the Maine State Housing Authority to annually investigate the possibility of increasing the percentage of LIHEAP funds for weatherization services;
6. Requires the Maine Public Utilities Commission to monitor the effects of interruptible gas services on the supply and price of home heating oil; and
7. Requires the State Planning Office to conduct a study to determine whether the State of Maine can reduce its per capita residential energy consumption by 25% by 2011.

## **REFERENCES**

- 1) Short-term Energy Outlook, Energy Information Administration, Office of Energy Markets and End Use, U.S. Department of Energy, October 2000.
- 2) Low-income Home Energy Assistance Program: Annual Report to the Joint Standing Committee on Appropriations and Financial Affairs, Maine State Housing Authority, June 30, 2000.

## **Appendix A**

### **Legislation Authorizing The Task Force Resolve 1999, Chapter 132**

APPROVED

MAY 10 00

BY GOVERNOR

CHAPTER

132

RESOLVES

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND

H.P. 1677 - L.D. 2343

**Resolve, to Establish the Task Force to Reduce the Burden  
of Home Heating Costs on Low-income Households**

**Emergency preamble.** Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, a comprehensive study of Maine's low-income heating assistance program is needed to assess the effectiveness and the needs of clients of that program and since this information would be most useful in preparation for winter; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

**Sec. 1. Task force established. Resolved:** That the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households, referred to in this resolve as the "task force," is established; and be it further

**Sec. 2. Membership. Resolved:** That the task force consists of 16 members as follows:

1. The Executive Director of the Maine State Housing Authority or the director's designee;
2. The Public Advocate;

3. The following members appointed by the President of the Senate:

A. Two members of the Senate. When making the appointments, the President of the Senate shall give preference to members from the Joint Standing Committee on Appropriations and Financial Affairs and to members from the Joint Standing Committee on Utilities and Energy; \_

B. One member from a community action program agency that delivers the federal Low-income Home Energy Assistance Program;

C. One member from a business that provides energy maintenance services;

D. One member from a regulated utility providing energy for home heating;

E. One member from an organization of oil dealers;

F. One member from a regulated local distribution natural gas utility providing natural gas for home heating; and

G. One member from an institute of higher education with expertise in home construction or energy conservation in residential structures; and

4. The following members appointed by the Speaker of the House:

A. Two members of the House of Representatives. When making the appointments, the Speaker of the House shall give preference to members from the Joint Standing Committee on Health and Human Services and to members from the Joint Standing Committee on Utilities and Energy;

B. One member representing a nonprofit agency that delivers the federal Weatherization Assistance for Low-income Persons Program;

C. One member from an organization of petroleum distributors;

D. One member with knowledge of residential building trades, including special knowledge of energy conservation features; and

E. One member from a statewide organization representing low-income people; and be it further

**Sec. 3. Appointments. Resolved:** That all appointments must be made no later than 30 days following the effective date of this resolve. The first named Senate member and the first named House member serve as cochaIRS of the task force. The appointing authorities shall notify the Executive Director of the Legislative Council upon making their appointments. The cochaIRS shall convene the first meeting of the task force no later than 30 days after the appointment of all members is complete; and be it further

**Sec. 4. Duties. Resolved:** That the task force shall investigate the problems facing low-income households in the heating of their homes, including cost of heating, energy conservation, demand-side management and availability and reliability of federal programs of assistance in paying heating costs and reducing energy demand. In examining these issues, the task force shall examine the operation and effectiveness of existing programs to assist low-income households, the coordination of resources to maximize the effects of available resources, the need for state programs to supplement federal programs or to enable existing programs to serve a greater portion of those eligible and techniques to utilize resources in new ways or new combinations that have the potential for easing the burden of heating costs or enhancing the efficient use of energy for low-income households. The task force shall examine the effects of interruptable natural gas services on the supply and price of home heating oil. The task force shall examine programs and techniques that are employed in other states or countries, solicit suggestions from groups and individuals with expertise in energy management and energy pricing and make recommendations for consideration by the 120th Legislature; and be it further

**Sec. 5. Staff assistance. Resolved:** That the task force shall request staffing and clerical assistance from the Legislative Council; and be it further

**Sec. 6. Reimbursement. Resolved:** That those members of the task force who are Legislators are entitled to receive the legislative per diem and reimbursement of necessary expenses for their attendance at authorized meetings of the task force. Other members of the task force who are not otherwise compensated by their employers or other entities whom they represent are entitled to receive reimbursement for necessary expenses incurred for their attendance at authorized meetings; and be it further

**Sec. 7. Report. Resolved:** That the task force shall submit a report with an accompanying bill for the First Regular Session of the 120th Legislature by November 1, 2000. If the

task force requires an extension of time to make its report, it may apply to the Legislative Council, which may grant the extension; and be it further

**Sec. 8. Appropriation. Resolved:** That the following funds are appropriated from the General Fund to carry out the purposes of this resolve.

2000-01

## LEGISLATURE

### Task Force to Reduce the Burden of Home Heating Costs on Low-income Households

Personal Services	\$880
All Other	1,300

Provides funds for the per diem and expenses of legislative members of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households and to print the required report.

### LEGISLATURE TOTAL

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\$2,180

**Emergency clause.** In view of the emergency cited in the preamble, this resolve takes effect when approved.

**Appendix B**

**List of Members**



*Task Force to Reduce the Burden of Home  
Heating Costs on Low-income Households  
Resolve 1999, Chapter 132*

*Membership 2000*

*Appointment(s) by the President*

Senator Richard J. Carey  
Winthrop Road  
PO Box 474  
Belgrade, ME 04917  
(207) 495-3333

*Chair*

—

Senator Norman K. Ferguson, Jr.  
2025 Main Street  
Hanover, ME 04237  
(207) 364-7641

Eleanor West, Director  
Heating Utilities and Rental Assistance  
Washington Hancock Community Action Program  
PO Box 280  
Milbridge, ME 04658-0280  
(207) 546-7544  
e-mail: [ewest@whcacap.org](mailto:ewest@whcacap.org)

Representing CAP Agency Delivering LIHEAP Program

Donn Gifford, President  
Wadleigh's  
21 Water Street  
Hallowell, ME 04347  
(207) 622-6301

Representing an Organization of Oil Dealers

Geoffrey Green, Manager  
Consumer and Regulatory Affairs Division  
CMP Group  
83 Edison Drive  
Augusta, Maine 04336  
(207) 621-6517  
e-mail: [geoffrey.green@cmpco.com](mailto:geoffrey.green@cmpco.com)

Representing Regulated Utility Providing Home Heating

Patricia Dyer  
Northern Utilities  
1075 Forest Avenue  
Portland, ME 04103  
(207) 797-8002  
e-mail: [p.dyer@bgc.com](mailto:p.dyer@bgc.com)

Representing Regulated Natural Gas Utility Providers

Jim Peary, Chair  
Refrigeration, Air and Heating Program  
Eastern Maine Technical College  
354 Hogan Road  
Bangor, ME 04401-4280  
(207) 941-4834  
e-mail: [jpeary@emtc.org](mailto:jpeary@emtc.org)

Representing an Institute of Higher Education with expertise  
in home construction or energy conservation in residential  
structures

Stephen Wood, President  
S. J. Wood Construction Co., Inc.  
P.O. Box 272  
Winthrop, ME 04364  
(207) 377-8543  
e-mail: [sjwood@ctcl.net](mailto:sjwood@ctcl.net)

Representing a business that provides energy maintenance  
services

*Appointment(s) by the Speaker*

Representative Randall L. Berry  
184 Robinson Road  
Livermore, ME 04253  
(207) 897-3664  
e-mail: [berry@megalink.net](mailto:berry@megalink.net)

*Chair*

Representative Donald P. Berry, Sr.  
115 Seasmont Road  
Belmont, ME 04952  
(207) 342-5675  
e-mail: [chemman@northlandlink.com](mailto:chemman@northlandlink.com)

Thomas Nelson, Executive Director  
York County Community Action Corp.  
PO Box 72  
Sanford, ME 04073  
(207) 324-5762

Representing a nonprofit agency that delivers the  
Federal Weatherization Assistance Program

Patricia Aho  
Maine Petroleum Association  
45 Memorial Circle  
Augusta, ME 04330  
(207) 622-5881  
e-mail: [ahop@api.org](mailto:ahop@api.org)

Representing an organization of petroleum  
distributors

Pat Averill  
144 AA Landing Road  
Glenburn, ME 04401  
(207) 942-4243

Representing a statewide organization  
representing low-income people

Dennis Lajoie  
Community Concepts  
19 Mark Square  
So. Paris, ME 04281  
(207) 743-7716

A member with knowledge of residential building  
trades, including special knowledge of energy  
conservation features

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Stephen G. Ward  
Office of the Public Advocate  
112 State House Station  
Augusta, Maine 04333-0112  
(207) 287-2445  
e-mail: [stephen.g.ward@state.me.us](mailto:stephen.g.ward@state.me.us)

Peter Merrill  
Director of Planning and Governmental Affairs  
Maine State Housing Authority  
353 Water Street  
Augusta, ME 04330-4633  
(207) 626-4608  
e-mail: [pmerrill@mainehousing.org](mailto:pmerrill@mainehousing.org)

## **Appendix C**

### **Task Force Agendas**

**Task Force to Reduce the Burden  
Of Home Heating Costs On  
Low-income Households**

**Agenda**

**Meeting #1**

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**I. Introductions**

- *Opening Remarks from the Chairs*
- *Task Force Members and Staff Introductions*

**II. Scope of Study**

- *Review List of Task Force Members*
- *Review Implementing Legislation*
- *Review Work Plan*
- *Identify Remaining Meeting Dates*

**III. Background Information**

- *Maine State Housing Authority, Peter Merrill, Director of Planning and Government Affairs*
  - » *Introduction to Fuel Assistance, Emergency Crisis Intervention and Weatherization*
  - » *Projection for the Winter of 2000-01*
- *State Planning Office, Jim Connors, Policy Development Specialist*
  - » *Introduction to Energy Conservation/DSM*
  - » *Outlook for this year's winter fuel costs*
  - » *Update on PL 1999, c. 758*

**IV. Identify Issues/Items for Next Meeting**

- *Where do we go from here?*

**V. Questions/Comments**

**VI. Adjournment**

***Task Force to Reduce the Burden of Home Heating  
Costs on Low-income Households***

**Agenda**

**Meeting #2**

**September 18, 2000**

**9:00 a.m.**

**Room 228, State House**

- I. Outlook for the 2000-01 Heating Season  
(Gene Guilford, Maine Oil Dealers Association)
- II. Update on low-income assistance programs  
(Patricia Dyer, Northern Utilities)
- III. Effects of interruptible natural gas service on the demand for heating oil during a crisis event  
(Patricia Dyer, Northern Utilities)  
(Jamie Py, Maine Oil Dealers Association)  
(Carol MacClennon, PUC)
- IV. Implementation of LIHEAP through a single Maine CAP agency  
(Thomas Nelson, Exec. Director of York County Community Action Corp.)  
(Eleanor West, Washington Hancock CAP)
- V. Dispensing funds from low-income heating programs during summer months  
(Richard Davies)  
(Peter Merrill)
- VI. DOE Weatherization requirement for Non-Federal Match  
(Richard Davies)

## **AGENDA**

### **JOINT MEETING**

#### **Gasoline and Fuel Prices Study Committee & Task Force to Reduce the Burden of Home Heating Costs on Low-income Households**

**Thursday, October 12, 2000  
Room 228 State House**

- 9:00 a.m. Call to order
- 9:05 a.m. Charles Pray, Spec. Asst.-to-Asst. Sec., Congressional/Public/Intergov. Affairs, DOE
- 10:00 a.m. Thomas Martin, Manager, Petroleum Marketing, NYMEX
- 11:00 a.m. Laurie Lachance, co-chair, Governor's Interagency Home Heating Oil "SWAT Team"  
Greg Nadeau, co-chair, Governor's Interagency Home Heating Oil "SWAT Team"
- 12:00 noon Break for lunch
- 1:00 p.m. Overflow from morning  
Discussion of overlapping study charges  
Development of preliminary findings and recommendations concerning low-income heating assistance
- 3:00 p.m. Adjourn

***Task Force to Reduce the Burden of Home Heating  
Costs on Low-income Households***

**Agenda**

**Meeting #4**

**October 24, 2000  
9:00 a.m.  
Room 228, State House**

- I. Call Meeting to Order  
- Opening Remarks from the Chairs
- II. Presentation from Maineoil.com- (Canceled)  
- Derek Berlew
- III. Finalize Report Pursuant to Resolve 1999, chapter 132  
- Tim Leet
- IV. Adjourn

**Appendix D**

**Task Force Minutes**



TASK FORCE TO REDUCE THE BURDEN  
OF HOME HEATING COSTS  
ON LOW-INCOME HOUSEHOLDS

August 30, 2000

Minutes

**Task Force Members present:**

Senator Richard J. Carey  
Senator Norman J. Ferguson, Sr.

Rep. Randall Berry  
Rep. Donald Berry, Sr.

Thomas Nelson  
Patricia Aho  
Donn Gifford  
Peter Merrill

Pat Averill  
Eleanor West  
Stephen G. Ward

**Task Force Members absent:**

Patricia Dyer  
Geoffrey Green  
Dennis Lajoie

Jim Peary  
Stephen Wood

Senator Carey began the first meeting of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households with introductions and opening remarks.

Tim Leet asked members to review the mailing list, including e-mail addresses, and the interested parties list and to let him know if any additions, deletions, or corrections were needed.

Tim also reviewed: 1) the legislation that established the Task Force; 2) the work plan; and 3) the meetings schedule. P. Aho asked that the draft report be sent to members for their review via e-mail so that they could have as much time as possible to review.

The task force revised one meeting date on the preliminary schedule. The meeting originally proposed for October 10<sup>th</sup> was rescheduled to October 12<sup>th</sup>. Tim will send a revised meeting dates memo to the task force members.

Staff from the Maine State Housing Authority made a presentation to the Task Force members on the LIHEAP program.

Questions and discussions that arose from the presentation included:

- What is the formula that the Federal Government uses to determine how much funding each State receives for LIHEAP (MSHA will provide).

- When do funds become available? Sometime after the October 1<sup>st</sup> start of the Federal Fiscal Year. Timing of when funds are received is a critical issue.
- What percent of LIHEAP funds are set aside for the weatherization program? 15%
- For the first time in the history of the weatherization program, the Federal Government, specifically, the Department of Energy is requiring a 25% state match. The 15% contribution from the LIHEAP funds cannot be used towards the match. Also, MSHA cannot use the same matching funds to satisfy both the Department of Energy and Health and Human Services requirements. May be able to count “CMP Lifeline program” towards match.
- What are the MSHA statistics for the number of homes that have been weatherized? How many are left to do? Difficult to determine because some measures only last for a period of time and need to be updated over time. The cumulative savings far outweigh the costs of weatherizing a home.
- How does the LIHEAP program work for Indian Reservations in Maine? MSHA participates and signs off on their plan, but the Indian Reservations are responsible for the implementation. MSHA releases a portion of the State’s LIHEAP funds to the tribes.
- How much do other states pay in benefits? What are their eligibility requirements and how do they compare to Maine? MSHA research indicates Maine is in line with other states. Historically, benefits paid to Maine residents have been lower than other states because Maine has higher proportion of poor people.
- Maine Oil Dealers are concerned with price and availability, especially with prepaid plans. LIHEAP customers can be signed up for prepaid plans. Getting money for oil earlier in the season would help LIHEAP customers get lower prices.
- How many times has the State appropriated General Fund dollars to support LIHEAP/Weatherization? The last time was in the early 1980’s. MSHA has authorization to accept funds if the Legislature appropriated them.
- Do LIHEAP funds cover natural gas? Yes, LIHEAP funds can be used for natural gas. What are the projections for the number of households that use natural gas and are eligible for LIHEAP funds? Expected to be very small, 1000 at the most.
- Would the amount of LIHEAP funds received by the federal government be affected if the State established an emergency fund? No, there would not be an impact.

Jim Connors, Policy Development Specialist from the State Planning Office presented the Task Force with 1) information on energy conservation and demand side management; 2) the outlook for this year's winter fuel costs; and 3) an update on PL 1999, c. 758.

- State Planning Office coordinates existing and new DSM programs. The implementation and delivery of these programs still resides with the electric utilities.
- DSM programs are still aimed at low-income residential customers who use a significant amount of electricity (i.e. water heater wraps, insulation, etc.).
- More efficient lighting and electric appliances will help to reduce energy use in the future.
- SPO is concerned about 25% match requirement for DOE weatherization funds. System benefit charges paid by utilities may be able to be applied towards match requirement.
- Fuel prices for the 2000-01 heating season are starting very high and are expected to rise 15-20 cents over the season.
- Just-in-time delivery concept is very sensitive to pressures.
- Prices are high and stocks are low relative to prior years.
- Heating oil stocks are adequate – slightly above expected demand. Should be fine as long as normal winter conditions prevail.
- PL 1999, c. 758 requires 1) MSHA to notify Legislature promptly of substantial price increases and 2) SPO to prepare a winter fuel outlook. The report is expected to be ready in December 2000. Will winter fuel outlook include natural gas? Yes, but will primarily focus on oil, wood, and electricity.
- Interruptible natural gas customers switching to oil when the price of natural gas rises significantly is a large factor to the rising price of home heating oil because they reduce available oil supplies.

Lastly, the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households discussed the following items as issues they would like to see addressed in future meetings:

## **ISSUES/ITEMS FOR NEXT MEETING**

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- » CAP Agencies - experience with Liheap Program
- » Report from the electricity industry on projections for electric space heating
- » Joint meeting with other study committee for energy prices (oil, gas, etc.)
- » Have Gas Companies report on the availability of low-income programs
- » Possible reduction of sales tax for energy for low-income customers
- » Oil Dealers - information on how distribution system works
- » Interruptible customers – impact on natural gas, oil, electricity supplies (PUC, utilities)
- » LIHEAP/petroleum distributors working together to get lower prices for LIHEAP customers (oil futures) buying power
- » Do interruptible Natural gas customers have “firm” contracts with oil suppliers?
- » How to come up with the 25% State match for weatherization program

## **WHAT CAN BE DONE TO GET FUNDS SOONER?**

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- » GF appropriation to MSHA for fuel assistance so that oil purchases can be made prior to the heating season – then reimbursed when federal funds are received
- » Sales tax for industrial customers (electric) on “special rates
- » Across the board tax on fuel providers for LIHEAP customers (BTU tax)

**TASK FORCE TO REDUCE THE BURDEN  
OF HOME HEATING COSTS  
ON LOW-INCOME HOUSEHOLDS**

**September 18, 2000**

**Minutes**

**Task Force Members present:**

Senator Richard J. Carey  
Senator Norman J. Ferguson, Sr.

Rep. Randall Berry  
Rep. Donald Berry, Sr.

Thomas Nelson  
Patricia Aho  
Donn Gifford  
Peter Merrill  
Geoffrey Green  
Dennis Lajoie

Pat Averill  
Eleanor West  
Stephen G. Ward  
Patricia Dyer  
Steven Wood

**Task Force Members absent:**

Jim Peary

Senator Carey began the second meeting of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households with introductions and opening remarks.

P. Aho provided additional materials to the Committee in response to questions from the first Task Force meeting.

Gene Guilford, Maine Oil Dealers Association, presented an outlook for the 2000-01 heating season.

- Problem is worldwide; electricity demand is skyrocketing; natural gas prices have doubled, will increase 50% by the end of the year.
- Extraordinary economy but energy production has not kept up...system is strained.
- U.S. is increasingly reliant on foreign products. America has been remiss in increasing supplies.
- Maine Oil Dealers' Association began warning of increasing prices and possible shortages in the spring of 2000.
- 20%-25% of consumers were on some type of oil buying risk management program in 1999. That number has increased to 50%-60% in 2000.
- Oil dealers have programs to help consumers manage risk – they are not on their own.

- Conservation program (Smart Energy) encourages consumers to conserve and helps to make heating systems more efficient.
- Northeast Heating Oil Reserve – 2 million barrels – amounts to 3-day supply for consumers in the northeast. Not going to lower prices or relieve shortages.
- U.S. was in similar situation ten years ago...will happen again.
- LIHEAP funds come in too late to help low-income customers lock-in lower prices. Need to be available in the spring or early summer.
  - How full are Dealer's tanks at the present time (Sen. Carey) – Maine Oil Dealers Assoc. will find out.
  - If all tanks were 90% full, how many days supply of oil is that equivalent to? Maine Oil Dealers Association will provide that information.
  - Copies of a study entitled "Ready for Winter? Final Report of the Blue Ribbon Commission on Energy Policy for Maine's Low-income Citizens" conducted in 1990 will be made available for review.
  - Mr. Guilford addressed the suggestion of having homeowners use their tanks as storage. He indicated that doing so might strain the oil distribution system. Limited resources such as inventory, trucks, etc. Would not be able to meet demand if everyone called at once.
  - Will pre-paying cause some dealers to not be able to fulfill demand? Reputable companies can be trusted, but there is always a chance of not being able to meet demand.
  - Can State lock into plan for low-income consumers? Difficult to do because of when LIHEAP funds are received. Also, locking into a price can be risky because it is difficult to know when prices will be at their lowest.
- Patricia Dyer, Northern Utilities, provided an update on low-income assistance programs at Northern Utilities.
- At the present time there is no "low-income rate", will be in the next rate case. May be several years away.
- Northern Utilities currently serves 23,000 customers in Maine, 15,000 of which are residential customers.
- Customers do have the option to budget their billing through levelized payments. A majority of customers do take advantage of this option.
- Northern Utilities does promote energy conservation through messages in their bills.
  - How many households are currently on the budget payment plan? Approximately 65% of Northern Utilities residential heating class (Pat will get exact number)

Jamie Py, Maine Oil Dealers Association; Patricia Dyer, Northern Utilities; Carol MacClennon, MPUC; and Marjorie McLaughlin, MPUC discussed the effects of interruptible natural gas service on the demand for heating oil during a crisis event.

- Interruptible gas service in New York State is a way for utilities to meet peak demand in a least cost manner. Interruptible customers get a lower gas rate in exchange for switching to an alternative fuel during times of peak demand.
- Generally, the alternative fuel is oil. Interruptible gas customers become a buyer on the spot market, which tends to drain supplies and increases the price.
- The New York Public Service Commission requires Interruptible customers to have oil supply on hand to reduce spot market purchases. Recommend Interruptible Natural Gas customers in Maine do the same.
- Northern Utilities already asks its Interruptible customers to leave the system on December 1<sup>st</sup> of each year and not come back until April 1<sup>st</sup>. There is a penalty for unauthorized use.
- Some interruptible customers have asked to come back onto the system during the winter months. If their request is approved, they are charged the regular tariff rate.
- Since Northern Utilities interruptible customers know that they will be off the system, they make arrangements with alternative fuel suppliers.
- Only four of Northern Utilities interruptible customers use #2 home heating oil as an alternative fuel source. The majority contract for oil during April through July.
- The Maine Public Utilities Commission has studied the impact that Maine's interruptible natural gas customers have on oil supplies. According to the MPUC, it is not clear that any action is necessary.
- Interruptible programs in Maine are very well established and help to balance the system. May lose cost benefits if barriers to interruptible program are set up.
- At the present time, New York is a much heavier user of natural gas than Maine (25% vs. 0.1%). Only 0.1% of Maine's natural gas customers are on the interruptible program versus 37% in New York. Twenty-five percent of Maine's interruptible natural gas customers use #2 home heating oil as an alternative fuel. Finally, the interruption in Maine is predictable in Maine versus unpredictable in New York.
- MPUC must consider impact on overall system, not just natural gas system.
- Important to note that what influences the price that Maine consumers pay for oil happens in the northeast region of the country, including New York.
- Interruptible customers in New York have not had to interrupt much at all prior to last year, may have become complacent in terms of alternative fuel supply.
- New natural gas pipelines in Maine may lead to increased use and more interruptible customers – may be a problem in the future.

Tom Nelson, York County CAP and Eleanor West, Washington Hancock CAP presented the step-by-step process of implementing the LIHEAP program through a CAP Agency.

- On average, Maine receives approximately \$14.0 million in LIHEAP funds each year. In the 1999-00 heating season, however, Maine received approximately \$31.0 million including emergency funds. Participants in the LIHEAP program vary from season to season.

- Can the application process be done sooner than August 1<sup>st</sup> of each year? Yes, the application process can be changed and has been changed in the past. However, money is not available until late fall.
- In general, how long is the waiting period once the application is filled out until the consumer receives LIHEAP funds? Funds generally become available in November. Once that happens, the waiting period is usually no longer than 15-20 days.
- LIHEAP funds can be distributed to those consumers with income at or below 170% of federal poverty levels (in pending rulemaking) as long as it does not diminish payments to lower income clients.

Dick Davies and Peter Merrill discussed dispensing funds from low-income heating programs during the summer months.

- Presented a possible “model” for dispersing funds to low-income clients if the State were to establish a “LIHEAP Fund”.
- PL 1991, c. 858 established a Fuel Assistance Reserve Fund and authorizes the Maine State Housing Authority to use funds, if appropriated, to ensure that fuel assistance benefits for the State’s eligible elderly and low-income residents are available prior to the beginning of the heating season. This legislation is still on the books, but has never been used because funds were never appropriated.
- What is the possibility of getting a working capital advance from the Rainy Day Fund? Tim will report back.

Dick Davies also distributed a letter from Nancy E. Fritz, President, Maine Community Action Association to Evan Richert, Director, State Planning Office concerning a 25% cost share requirement for the Federal Weatherization program which becomes effective in FY 2001.

Senator Carey reminded members that the next Task Force meeting is set for October 12, 2000 at 9:00 am at the State House. This meeting will be a joint meeting with the Gas and Fuel Prices Study Commission. Staff will contact the recently established Interagency Heating Fuel SWAT Team to request that they brief both Committees on their initial findings and recommendations.

The meeting was adjourned at 12:35 pm.



**TASK FORCE TO REDUCE THE BURDEN  
OF HOME HEATING COSTS  
ON LOW-INCOME HOUSEHOLDS**

**October 12, 2000**

**Minutes**

**Task Force Members present:**

Senator Richard J. Carey  
Rep. Donald Berry, Sr.

Rep. Randall Berry

Thomas Nelson  
Patricia Aho  
Donn Gifford  
Peter Merrill  
Steven Wood  
Dennis Lajoie

Pat Averill  
Eleanor West  
Stephen G. Ward  
Geoffrey Green  
Jim Peary

**Task Force Members absent:**

Senator Norman K. Ferguson, Jr.  
Patricia Dyer

The third meeting of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households was a joint meeting with the Gasoline and Fuel Prices Study Committee. Senator Carey began the meeting with introductions and opening remarks.

The meeting began with a presentation from Mr. Charles Pray, Special Assistant and Senior Advisor on Intergovernmental Affairs in the Office of Congressional and Intergovernmental Affairs at the U.S. Department of Energy. Mr. Pray discussed the steps that the Clinton Administration has taken to address home heating oil concerns for the upcoming winter season.

The Committees also heard an interesting presentation from Mr. Thomas Martin, Marketing Manager with the New York Mercantile Exchange on the role of the Commodity Exchange Industry and the characteristics of the futures markets.

The morning session ended with the Committees hearing from Laurie Lachance, State Economist, and Greg Nadeau, Senior Policy Advisor, who are co chairing the Governor's Interagency Home Heating Oil "SWAT Team". They presented the interagency plan to prepare the State of Maine for an exceptionally difficult winter heating season including a guided tour of their newly established website: [www.bundlemeup.org](http://www.bundlemeup.org).

The afternoon session included a discussion on the preliminary findings and recommendations of the Task Force to Reduce the Burden on Home Heating Costs on Low-income Households and any overlapping issues between the Task Force and the Gasoline and Fuel Prices Study Committee.

Highlights of the discussion, comments and concerns expressed from both Committees include:

- The introduction of additional energy conservation recommendations, which were prepared by Tom Nelson and Dick Davies.
- Geoff Green commented that the set of recommendations proposed were excellent, but expressed concern that there was too much focus on DSM/energy conservation and not enough on increasing financial resources. DSM and energy conservation efforts may not be enough to help Maine citizens weather a crisis situation. Steve Ward agreed with Mr. Green's comments and encouraged the Task Force to recommend appropriations if the need was there.
- Pat Averill indicated that she supported the recommendation of increasing the amount of funding for weatherization services, but does not support taking the funds from the LIHEAP grant.
- It was suggested that recommendation #6 that deals with tax credits better define what kind of equipment would qualify and that recommendation #1 better define "summer fill program".

Senator Carey reminded Task Force members that the fourth and final meeting is scheduled for October 24<sup>th</sup>, 2000 in Room 228 of the State House.

The meeting was adjourned at 2:45 pm.

**TASK FORCE TO REDUCE THE BURDEN  
OF HOME HEATING COSTS  
ON LOW-INCOME HOUSEHOLDS**

**October 24, 2000  
Minutes**

**Task Force Members present:**

Senator Richard J. Carey  
Senator Norman K. Ferguson, Jr.

Rep. Randall Berry  
Rep. Donald Berry, Sr.

Thomas Nelson  
Eleanor West  
Stephen G. Ward  
Jim Peary

Pat Averill  
Donn Gifford  
Peter Merrill  
Dennis Lajoie

**Task Force Members absent:**

Patricia Dyer  
Geoff Green

Patricia Aho  
Steve Wood

Senator Carey began the fourth and final meeting of the Task Force to Reduce the Burden of Home Heating Costs on Low-income Households with opening remarks and announced that representatives from maineoil.com would not be available to present their website to the Task Force as originally planned.

The focus of this final meeting was to finalize the report. Tim Leet presented the report and reviewed it with the Task Force members. The majority of the comments by the Task Force members dealt with the findings and recommendations section of the report. Highlights of the comments and concerns by committee members included:

**Recommendation #1:**

- Remove “50,000 households” and change to “applicant households”.
- Add section to indicate that State will need to get consent from federal government to be able to use federal funds to pay back general fund for the working capital advance.
- Also need to change timing from “late spring or early summer” to July 1<sup>st</sup>.
- Add a “prefunding qualification” statement to specify that the expenditure of these funds be subject to the advance funding of the LIHEAP program by Congress. The Fuel Assistance Reserve Fund may not be used if the Maine State Housing Authority reasonable anticipates that no federal fuel assistance funds will be received.

**Recommendation #2:**

- Concern was expressed from some members regarding the need for this recommendation. Increasing the percent of LIHEAP funds allocated to weatherization services decreases the amount of funds available for fuel

- assistance benefits. Weatherization does not put more money into the hands of low-income households.
- Other Task Force members stressed the need to look at the long-term impact that weatherization measures have on energy consumption. MSHA's philosophy is that weatherization is a more permanent solution than fuel assistance, and should be maximized whenever possible.
  - Recommendation by Task Force is to have the MSHA annually investigate in April the possibility of increasing the percentage of LIHEAP funds that can be transferred from 15% up to as high as 25% to provide additional resources for the weatherization program. The recommendation that MSHA report to the Joint Standing Committees on Utilities and Energy, Health and Human Services and Appropriations and Financial Affairs by March 15, 2001 was removed.

**Recommendation #3:**

- Recommendation #3 that the Maine Public Utilities Commission continue to monitor the effects of interruptible gas services on the supply and price of home heating oil in the State of Maine was accepted as is.

**Recommendation #4:**

- The Task Force members accepted the draft recommendation that the MSHA work with other affected state agencies and report to the Joint Standing Committees on Utilities and Energy and Appropriations and Financial Affairs on identifying the most cost-effective way to provide funding of any 25% non-federal share requirement for weatherization program costs.
- The Task Force also requested that a letter to Maine's Congressional Delegation be sent asking that the 25% state match requirement be eliminated.

**Recommendation #5:**

- The Task Force suggested that draft recommendation #5 be split into two parts. Recommendation 5A would have MSHA and FAME work to establish a program that provides low interest loans or grants to Maine citizens for purchasing certain energy conservation improvements and report to the Joint Standing Committees on Utilities and Energy and Appropriations and Financial Affairs by March 15, 2001.
- Recommendation 5B recommends the authorization of a General Fund Bond Issue to capitalize and Energy Conservation Revolving Loan Fund. It adds provisions for renters and for those homeowners who sell their houses shortly after completing the energy conservation measures.

**Recommendation #6 and #7:**

- After some discussion the Task Force members decided to incorporate draft recommendation #6 into draft recommendation #7.

**Recommendation #8:**

- The Task Force changed draft recommendation #8 which requested that the State Planning Office and the Office of the Governor report on the feasibility of establishing an Office of Energy Conservation within the Executive Department to having the Maine State Housing Authority and the State Planning Office report on the feasibility of establishing an Office of Conservation within the Maine State Housing Authority.
- The Task Force also changed the requirement of producing a new Comprehensive Energy Conservation Plan every two year to producing a Comprehensive Energy Conservation Plan and updating it every two years.

**Other recommendations:**

- The Task Force also changed the order of the draft recommendations so that they were presented in order of priority.
- The Committee also requested that a letter to the Congressional Delegation asking that they support the early release of the remaining LIHEAP funds.

Senator Carey and Representative Berry thanked everyone for their participation on the Task Force.

The meeting was adjourned at 11:45 am.

**Appendix E**

**Task Force Work Plan**

# WORK PLAN

## Task Force To Reduce The Burden of Home Heating Costs on Low-income Households

Resolve 1999, c. 132

- 1 **Project:** Task Force to Reduce the Burden of Home Heating Costs on Low-income Households
- 2 **Objective:** Review public policy, regulatory and legislative issues related to assessing the effectiveness of Maine's low-income heating assistance program and the needs of LIHEAP clients to assist in preparation of winter.
- 3 **Project Team:** J. Timothy Leet (JTL) and Rachel Tremblay (RBT)  
Office of Fiscal and Program Review
- 4 **Final Work Product(s):** Report, Proposed Legislation
- 5 **Intended Audience:** Task Force, Legislature, Interested Parties, and the Public

### 6 **Project Tasks:**

	<b><u>Key Elements</u></b>	<b><u>Person Responsible</u></b>	<b><u>Other Staff Resources Needed and Type</u></b>	<b><u>Start</u></b>	<b><u>Project Schedule</u></b>	<b><u>Finish</u></b>	<b><u>Consultation Needed With</u></b>	<b><u>Element Completed</u></b>
I.	Planning meeting with Chairs	JTL/RBT		As soon as appts are made		August 15, 2000		
II.	Research/analysis and preparation of background and informational materials <ul style="list-style-type: none"> <li>Legislative history</li> <li>state/federal law and regulations</li> <li>annual reports</li> <li>other state models</li> </ul>	JTL/RBT	Secretarial Assistance	Now		Prior to 1st meeting	various interested parties including: Maine State Housing Authority State Planning Office Maine Oil Dealers Assoc. Pine Tree Legal Assistance Central Maine Power Co. Northern Utilities Maine Petroleum Association Maine Comm. Action Assoc.	
III.	First Committee meeting (prepare agenda, minutes, presentation of background materials, identify data needs, set goals/objectives, frame issues)	JTL/RBT	Secretarial Assistance	August 30, 2000				
IV.	Second Committee meeting (written/oral presentations, committee discussions, narrow focus, identify key findings)	JTL/RBT		September 18, 2000				1
V.	Third Committee meeting (solidify key findings, identify recommendations)	JTL/RBT		October 12, 2000				

	<u>Key Elements</u>	<u>Person Responsible</u>	<u>Other Staff Resources Needed and Type</u>	<u>Start</u>	<u>Project Schedule</u> <u>Finish</u>	<u>Consultation Needed</u> <u>With</u>	<u>Element Completed</u>
VI.	Prepare draft report and legislation, submit to Task Force for review/comment	JTL/RBT	Secretarial Assistance	October 13, 2000	October 23, 2000		
VII.	Fourth Committee meeting (review, revise, and finalize report and proposed legislation)	JTL/RBT	Secretarial Assistance	October 24, 2000			
VIII.	Prepare final report and proposed legislation.	JTL/RBT	Secretarial Assistance	October 25, 2000	November 1, 2000		



## Task Force to Reduce the Burden of Home Heating Costs on Low-income Households

Timing	Activity	Responsibility
Mid-late July	<ol style="list-style-type: none"> <li>1. Draft preliminary agenda's for first two meetings.</li> <li>2. Develop preliminary work plan/schedule</li> <li>3. Contact chairs with draft work plan/schedule</li> <li>4. Begin background research/preparation</li> </ol>	JTL, RBT  JTL, RBT JTL, RBT  JTL, RBT
Early- mid August	<ol style="list-style-type: none"> <li>1. Continue background research/preparation <ol style="list-style-type: none"> <li>a. Previous studies/reports</li> <li>b. Historical data/trends</li> </ol> </li> <li>2. Finalize initial meeting/agenda with chairs</li> <li>3. Additional research/preparation of materials</li> </ol>	JTL, RBT  JTL, RBT  JTL, RBT
Mid-late August	<ol style="list-style-type: none"> <li>1. Conduct initial Task Force Meeting</li> <li>2. Begin drafting background sections of report</li> <li>3. Additional research/preparation of materials as directed by Task Force</li> </ol>	Task Force JTL, RBT  JTL, RBT
Mid-September	<ol style="list-style-type: none"> <li>1. Conduct second Task Force Meeting</li> <li>2. Begin drafting substantive portions of report</li> <li>3. Preliminary report to Task Force for review</li> </ol>	Task Force JTL, RBT  JTL, RBT
Mid-late September	<ol style="list-style-type: none"> <li>1. Conduct third Task Force Meeting</li> </ol>	Task Force
Mid – late October	<ol style="list-style-type: none"> <li>1. Final Task Force meeting to review final draft of report</li> </ol>	Task Force
November	<ol style="list-style-type: none"> <li>1. Final report and accompanying legislation printed and submitted.</li> </ol>	Task Force