



**State of Maine**  
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GOVERNOR

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PUBLIC ADVOCATE

March 29, 2021

Senator Chipman, Representative Terry and Members of the Taxation Committee,

The Office of the Public Advocate (“OPA”) submits the following response to questions raised throughout the public hearing of LD 506, “An Act To Reduce the Tax Burden on Low-income Electricity Customers.”

While the Office of the Public Advocate is hesitant to comment on the full fiscal impact to the General Fund from this request/proposal it is likely a negligible impact. There are only about 16,000 households participating in low-income needs-based electricity assistance programs (LIAP) statewide. The Arrearage Management Program (AMP) adds only a few hundred more households not already captured by the 16,000. In 2018, Efficiency Maine did an analysis on the electricity usage in AMP households and found that they use 1050 kWh/mo. **This equates to \$34/year in sales tax.** The utilities are trying to gather current usage numbers but did not have time to turn that around before today’s work session. They note that usage is up over the last year and there has been a focus on installing heat pumps across Maine which may also cause usage numbers to be higher than they were in 2018. We would like to echo what Representative Sachs said at the end of the hearing last week. “This is a small amount of money.” It is hard to imagine that saving \$35 per year could impact a household’s bottom line, but when the entire household earns less than \$20,000, every dollar counts. Passage of this bill provides aid to those who need it most.

The OPA would like to thank Representative Berry for his continued support and sponsorship of LD 506.

Please feel free to ask our office for any additional information or follow-up throughout the work session. Thank you for your time, attention and consideration.

Respectfully submitted,

A handwritten signature in black ink, reading "Barry J. Hobbins". The signature is written in a cursive style with a large, prominent initial "B".

Barry J. Hobbins, Public Advocate