



# Low-income Assistance Program, Arrearage Management Program and Winter Disconnection Period

Presentation to ERAC  
Maine Public Utilities Commission  
January 9, 2026

# Introduction

The statewide Low-Income Assistance Program (LIAP) and the Arrearage Management Program (AMP) are financial assistance programs available to eligible, low-income customers on a year-round basis.

The Winter Disconnection Period (winter period) is the November 15 through April 15 time frame when residential customers of electric and gas utilities cannot be disconnected for non-payment without the prior approval of the Commission's Consumer Assistance and Safety Division (CASD). The Commission's rules relating to the winter period apply to all residential customers, not limited to low-income customers.



# Low-income Assistance Program (LIAP)

# LIAP – Authorizing Statute (35-A M.R.S. § 3214)

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**Current statewide program created in 2000 as part of electric restructuring.**

## **§3214. Needs-based low-income assistance**

**1. Policy.** In order to meet legitimate needs of electricity consumers who are unable to pay their electricity bills in full and who satisfy eligibility criteria for assistance, and recognizing that electricity is a basic necessity to which all residents of the State should have access, it is the policy of the State to ensure adequate provision of financial assistance.

**2. Low-income assistance.** In order to continue existing levels of financial assistance for low-income households and to meet future increases in need caused by economic exigencies, the commission shall:

- A. Receive funds collected by all transmission and distribution utilities in the State at a rate set by the commission in periodic rate cases;
- A-1. Receive funds collected by the commission for alternative compliance payments in accordance with section 3210, subsection 9, paragraph B; and
- B. Set initial funding for programs based on an assessment of aggregate customer need in periodic rate cases. The funding formula may not result in assistance being counted as income or as a resource in other means-tested assistance programs for low-income households. To the extent possible, assistance must be provided in a manner most likely to prevent the loss of other federal assistance; and
- C. Receive funds remitted by transmission and distribution utilities with net energy billing arrangements for expired kilowatt-hour credits in accordance with section 3209-A, subsection 8.

# LIAP Application of Statute

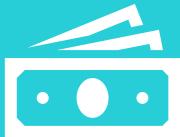
The Commission has used the guiding principles expressed in section 3214(1), i.e., electricity is a basic necessity to which all residents of the State should have access..., and section 3214(2) that directed that the statewide low-income program to “continue existing levels of financial assistance for low-income households and meet future increases in need caused by economic exigencies...” when creating and administering the statewide LIAP that seeks to provide comparable benefits for electric customers throughout the state.

# Funding for LIAP

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When creating the statewide program, the Commission used the cumulative funding levels of the three existing IOU LIAPs to calculate a “per LIHEAP eligible” funding level.



The Commission then used this amount to calculate the cost of expanding the program statewide. The initial funding amount was \$5,823,120.



To ensure that the funding was apportioned to the various utilities based on the “need” that existed in each utility’s service territory, the Commission allocated each utility a portion of the overall funding amount by multiplying the percentage of the state’s LIHEAP eligible people residing in each utility’s service territory by the total benefit funding amount.

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To meet the statutory requirement that the statewide program “... meet future increases in need caused by economic exigencies,” the Commission used the price of electricity as a proxy for the “increases in need caused by economic exigencies” and therefore has monitored the collective price of electricity that customers pay across the State on an annual basis.

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The Commission has never decreased funding, even in years when collectively electricity prices decreased. The Commission has increased funding commensurate with the cost of electricity.

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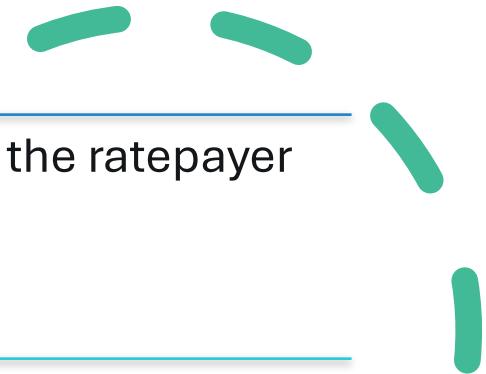
In the recent rulemaking, the Commission increased ratepayer funding from \$15 million to \$33 million.

## 2022

The Commission amended the LIAP rule to expand eligibility to include customers participating in a DHHS means tested program who were at or below 75% of the FPL. To notify DHHS clients of their eligibility, DHHS mails letters to all eligible clients each October. The Commission also increased funding for the LIAP from \$8.3 million to \$15 million.

## 2023

The Legislature designated \$15 million in funding from the General Fund to LIAP. This increased total funding from \$15 million to \$22.5 million for the following two LIAP years. This allowed the Commission to increase eligibility from “at or below 75% of the FPL” for DHHS clients to “at or below 150%.”



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The additional general fund money ended in 2025, thus the Commission has increased the ratepayer funding from \$15 million to \$33 for the 2026 LIAP.

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While the Commission recognizes the need to provide meaningful assistance to low-income customers with paying their electric bills, because this program is also funded by ratepayers, it is regressive in that to increase funding for the program, you're also increasing the very rates that customers are struggling to pay.

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This requires the Commission to carefully balance the need to assist low-income customers with the need to keep rates that those same customers are paying as low as possible.

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In addition, we need to be careful to not increase rates to such a point where we push more customers who are just above 150% of the FPL to a point where their bills are unaffordable, yet no payment assistance would be available because they likely do not qualify for LIAP.

# LIAP Funding Challenges for Utilities

- The apportionment process creates challenges in developing alternative LIAP program designs because utilities are not funding their own specific programs – they are receiving a specified amount of funding (apportionment) from the statewide fund.
- This requires utilities to know well in advance the amount of funding apportioned to them.
- If utilities spend more than the amount of funds apportioned to them, they are not necessarily able to recover this over-spend amount.
- The large investor-owned utilities can likely manage this overspending. Small consumer owned utilities likely cannot. Thus, for at least COUs, measures need to be in place to prevent overspending.

# LIAP Designs, Enrollment and Stats

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# Current LIAP Designs

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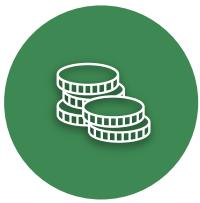
Ch. 314 was amended last month to reflect LIAP changes recommended by ERAC and other interested parties.



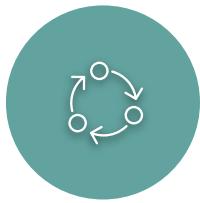
The amended rule requires the investor-owned utilities to administer a “discount rate program” using a model produced by the Commission.



The discount rate program will provide a monthly discount on a participating customer’s entire bill.



The discount rates will stay in effect from October 1 through the following Sept. 30.



Once enrolled, customers must be allowed to participate for a full 12-month period.

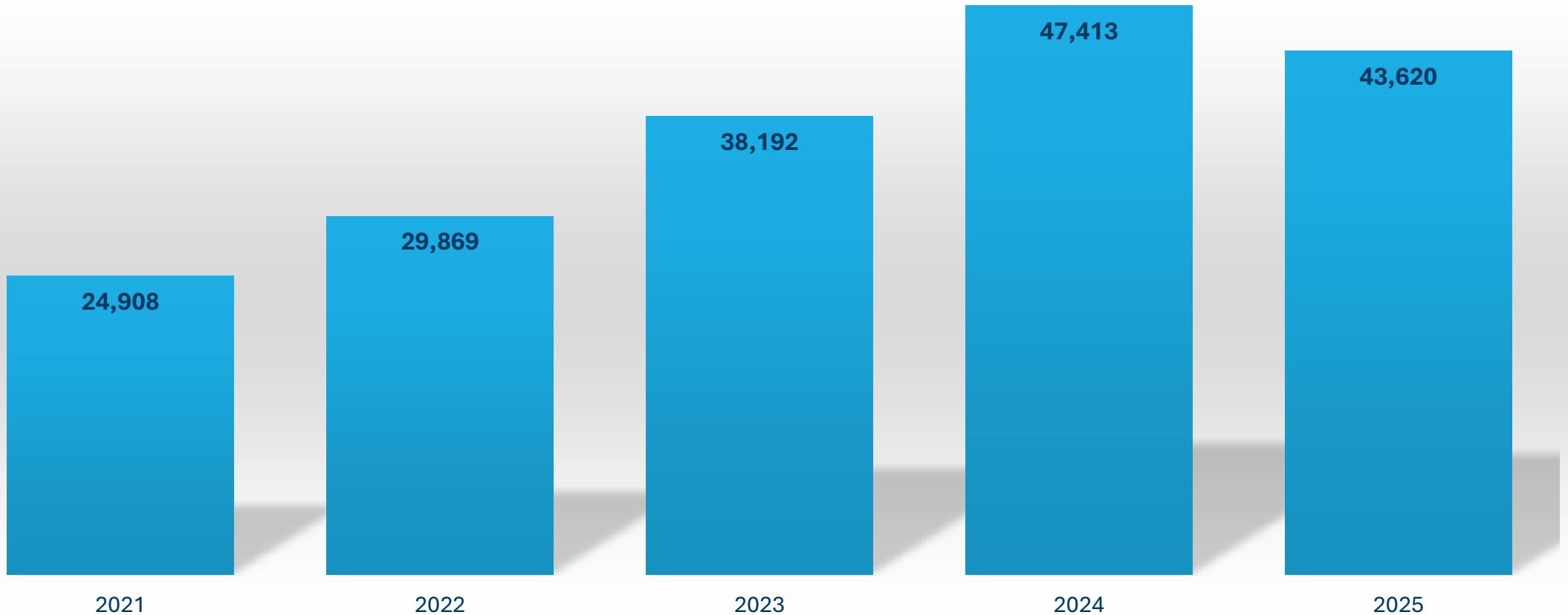
# Current LIAP Designs – Consumer- owned Utilities

- The COUs will continue operating “lump-sum” programs using the Commission’s default model to calculate annual benefit amounts.
- A “lump sum” program is a LIAP that uses a formula to calculate an annual customer benefit amount and provides the benefit in a lump sum credit to a participant’s bill.
- Most COUs provide the credits in two payments: 80% of the credit at the time the customer enrolls and the remaining 20%, if funding remains available, near the end of the LIAP year.

## LIAP Auto Enrollment

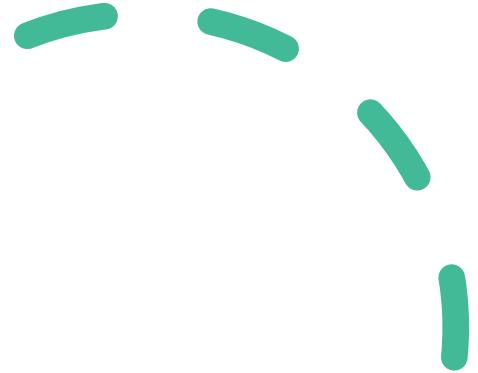
- Starting in October of 2026, DHHS eligible clients will be automatically enrolled in the LIAP.
- The electric utilities and DHHS will share client information on a quarterly basis to enroll all eligible DHHS clients.
- DHHS will also provide for individual customer eligibility verification on a piece meal basis.

# LIAP Participation Stats





**Questions re: LIAP?**





# Arrearage Management Program(AMP)

# Arrearage Management Program (AMP) Authorizing Statute (35-A M.R.S. § 3214(2-A))

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The AMP was created in 2015 and:

- Is a plan under which a transmission and distribution utility works with an eligible low-income residential customer to establish an affordable payment plan and provide credit to that customer toward the customer's accumulated arrears as long as that customer remains in compliance with the terms of the plan.
- Is limited to investor-owned transmission and distribution utilities (COUs may voluntarily implement a program);
- Is created to assist eligible low-income residential customers who are in arrears on their electricity bills.
- The Commission is required to adopt rules regarding the program. The rules must:
  - Consider best practices as developed and implemented in other states or regions;
  - Require that an arrearage management program include an electricity usage assessment at no cost to the participant;
  - Ensure that a utility develops terms and conditions for its AMP in a manner that is consistent with the program's objectives and is in the best interests of all ratepayers;
  - Ensure that if a utility produces any materials, either written or electronic, regarding the AMP, those materials must state in plainly worded language and in a type size that is no less than 12 points that state law requires the utility to offer an AMP to its customers and that costs are not paid for by the utility; and
  - Ensure that a transmission and distribution utility recovers in rates all reasonable costs of arrearage management programs, including: (1) Incremental costs; (2) Reconnection fees; (3) Administrative costs; (4) Marketing costs; (5) Costs for any 3rd-party assistance it receives in administering its arrearage management program; and (6) Costs for providing financial and budgetary guidance to participants whether provided directly or through a 3rd party contracted by the transmission and distribution utility to provide that guidance.

# AMP Law – Efficiency Maine Trust

In order to provide access to a complementary low-income energy efficiency program for participants in arrearage management programs for the purpose of helping reduce energy consumption of participants, the law requires the Efficiency Maine Trust to work with:

- Investor-owned transmission and distribution utilities,
- Consumer-owned transmission and distribution utilities that elect to participate in an arrearage management program; and
- Other stakeholders to provide access to a complementary low-income energy efficiency program for participants in arrearage management programs in order to help reduce participants' energy consumption.

# Purpose of AMP

The purpose of the AMP is two-fold:

1. Establish an affordable payment plan for customers in arrears to provide a credit towards the accumulated arrears so long as that customer remains in compliance with the terms of the plan; and
2. Help participants develop a regular payment schedule to help prevent them from falling into arrears in the future.

# Required AMP Provisions

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Commission rules (ch. 317) require each investor-owned electric utility to implement and administer an AMP that:

1. Is structured in a way that incentivizes on-time bill payment with the intention of developing positive payment habits in program participants that will continue beyond program completion;
2. Requires each participant to pay the current amount due for each of their monthly bills on-time to receive forgiveness and to continue participating in the AMP.
3. Runs for a 12-month period from the date upon which the participant was enrolled. Once enrolled, a participant will receive 1/12<sup>th</sup> of their total arrears amount, up to a maximum of \$500, forgiven each month that the customer pays their electric bill on-time. Customers that owe more than \$6,000 are eligible to re-apply the following year and continue receiving forgiveness each month they pay their bill on-time until the entire arrears balance is forgiven.
4. Includes an electricity usage assessment performed by the EMT at no cost to the participant.
5. Provides a mechanism to allow participants who miss a payment and are in default to be reinstated into the AMP by payment in full of the missed monthly payment(s), including all late-payment fees. Each AMP must allow a maximum of two defaults.

# AMP Eligibility

- Each electric utility's AMP must be available to all eligible customers who meet the following eligibility criteria:
  - The residential customer must meet the eligibility criteria for HEAP or LIAP;
  - The residential customer must have an arrearage amount equal to or greater than \$500, where a portion of the arrearage amount is at least 90 days in arrears;
  - The account in arrears must be a residential electric account that is taking service on a continuing year-round basis; and
  - A residential customer is not eligible for AMP if the customer participated in AMP in the previous six years, voluntarily withdrew from AMP in the previous six years, or is in default of an AMP in the previous six years.

# Utility Obligations under the AMP

An electric utility must notify each residential customer who reaches the \$500 and 90-day arrearage criteria of the availability of the AMP, the eligibility requirements, and the enrollment process.

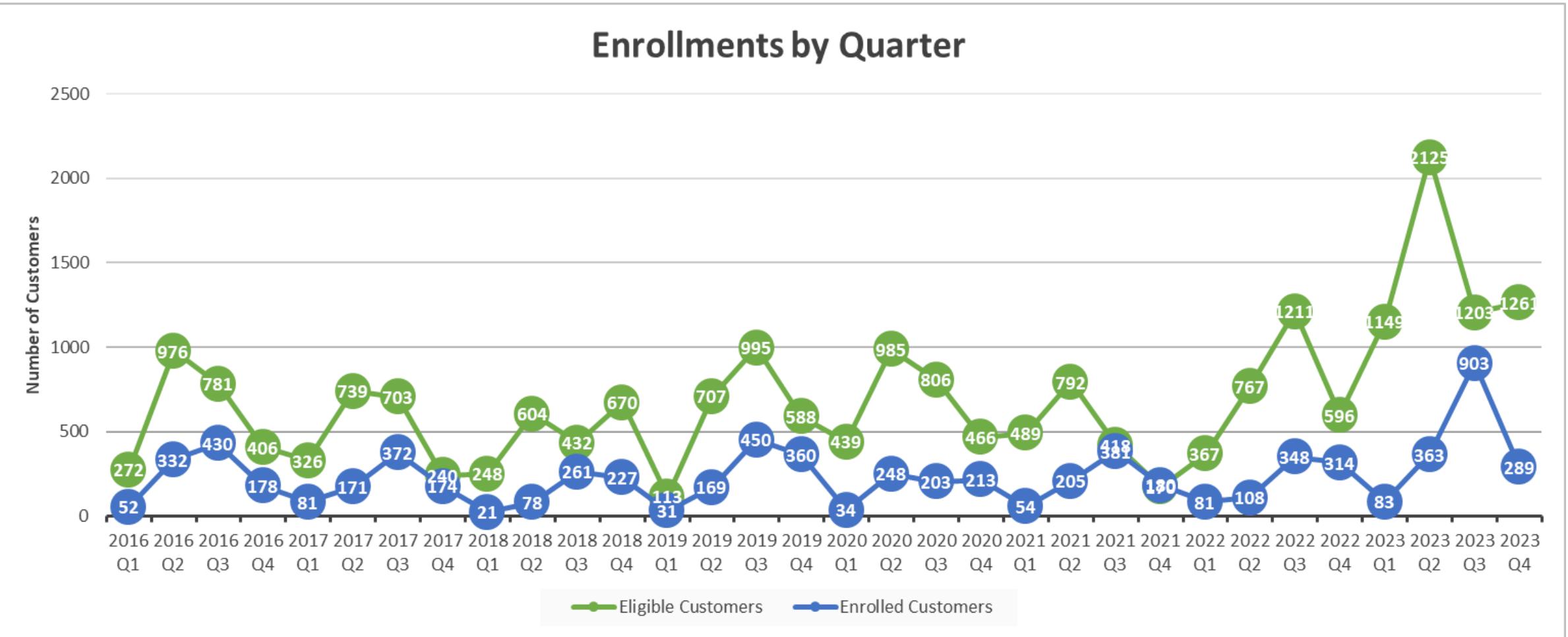
Each utility must coordinate with each of the CAAs that serve customers in its service territory to ensure that eligible customers are made aware of the AMP when they are enrolling in HEAP, LIAP or seeking related assistance.

Both CMP and Versant have contracted with CAAs in their service areas to provide financial coaching to AMP participants.

# Commission Report to the Legislature Regarding the AMP

- The statute required that the Commission provide a report in 2018 and in 2024 assessing the effectiveness of the program. The following items were included:
  - Number of participants enrolled in the AMP,
  - Number of participants that completed the AMP,
  - Number of participants that failed to complete the AMP,
  - Payment patterns of participating customers after completing the AMP,
  - Dollar amount of arrears forgiven,
  - Comparison of outcomes for those participating in the AMP and those not participating in the AMP,
  - Impact on participating utilities' bad debt as a result of the AMP,
  - Costs and benefits to all ratepayers associated with the AMP, and
  - Recommendations for ways in which the AMP might be improved or continued for the benefit of all ratepayers.

# AMP Report Findings - Enrollments

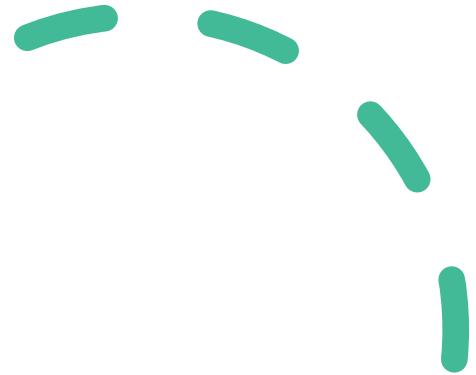


# AMP Report Findings

- Since the beginning of the program, 35,774 customers have been eligible for participation in the AMP and 12,272 have enrolled and participated in the AMP. This translates to 34% of the customers who were eligible for AMP participating in the program.
- Participation and the number of customers eligible to participate in the AMP has expanded rapidly in recent years. In the program year ending in 2024, 8,830 customers were eligible and 2,616 customers were enrolled. This was the highest annual eligibility and participation customer count in the program's history.
- Since the beginning of the program, a total of \$11,399,116 in arrearages has been forgiven.
- Regarding the first objective of encouraging on-time bill payments, 74% of the AMP participants defaulted and were removed from the program.
- Regarding the second objective of developing positive bill payment habits, customers who participated in the AMP had improved payment patterns after their program participation, both in terms of the percentage of bills paid and the percentage of billed dollar amounts paid. In addition, participants who defaulted and were removed from the program also demonstrated improved bill payment patterns.



**Questions re: AMP?**





# Winter Disconnection Period

# Winter Disconnection Period

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Pursuant to Commission rules (and 35-A M.R.S. §718 for electric utilities), electric and gas utilities are prohibited from issuing disconnection notices and disconnecting residential customers between November 15 and the following April 15 (winter period) without CASD approval.



# Authorizing Statute

35-A M.R.S. § 704  
1987 - 2021

## §704. Termination of utility services

**1. Residential customers.** The commission shall adopt and promulgate reasonable rules after a hearing concerning the termination or disconnection of any residential customer's service by a transmission and distribution, gas, water or telephone utility of the State. These rules apply generally to all such utilities within the commission's jurisdiction and must provide for adequate written notice by that utility to the residential customer that the customer's utility bill has not been paid, and a notice of the prospective termination or disconnection and the right, prior to disconnection, to enter into reasonable installment payment arrangements with that utility; to settle any dispute concerning the proposed disconnection at an informal hearing with that utility and to appeal the results of that utility's decision to the commission. The rules must also provide that there may be no termination or disconnection during a limited medical emergency and for a just and reasonable procedure regarding reconnections of utility service and deposit requirements.

# Winter Disconnection Rule - Statement of Policy

Chapter 815 states that utility bills should be paid by the date due. However, it is also the Commission's policy that:

- Customers of electric and gas utilities should not be disconnected because of their inability to pay without being afforded the opportunity to enter into a reasonable payment arrangement (PA) to ensure that their utility service is uninterrupted.
- During the winter months, when there is excessive heat or humidity as determined in reference to the National Weather Service, or when severe weather conditions can pose a threat to health and safety, residential customers of utilities should not be disconnected because of their inability to pay the entire amount owed by the due date.

Chapter 815 also states that residential customers who enter into a regular or special payment arrangement (SPA) should be required to the extent possible to pay a reasonable portion of each utility bill when due during the winter period to avoid an accumulation of arrearages that will be difficult to pay on a reasonable schedule during the non-winter months.

- An SPA allows a customer to pay less than their monthly bill amount during the winter months, with the difference being made up during the summer months.

# Winter Request to Disconnect (WRTD) Process – Pre 2021

- Under the WRTD process used from 1987 to 2021, every disconnection notice issued to residential customers during the winter period had to include a written notice of the customer's rights.
- Notice included information re: customer's right to a SPA and notice that failure to contact the utility in response to the notice could result in the utility requesting permission to disconnect the customer's utility service.
- Disconnection notices had a lengthy effective period to give the customer time to contact the utility, the utility time to seek permission to disconnect from the CASD, and time for the CASD to resolve the matter for the customer.
- Process required extensive efforts by utility to contact customer.
- Process was designed to ensure that a customer behind on their bills made contact with the utility (or vice versa) and that the customer was placed on an appropriate payment arrangement, as well as advised of financial assistance.
- Customers under the threat of disconnection would often use the disconnection notice to obtain Energy Crisis Intervention Program (ECIP) benefits and Emergency Assistance from DHHS.
- ECIP is the emergency component of the federal Low-Income Home Energy Assistance Program (LIHEAP), providing urgent funds for heating/cooling crises like disconnection for eligible low-income households, offering one-time payments for things such as the prevention of disconnection or furnace repairs. ECIP is generally available to customers from November 1 through mid-April. The average ECIP benefit last year was approx. \$500. This would pay the average customer's electric bill for approx. three and half months – getting them mostly through the winter period.



## Statutory Change in 2021

### 35-A M.R.S. § 718



The existing law was amended by Public Law 2021, chapter 34. The law now:

- Prohibits the use by a transmission and distribution utility of a notice or communication to a residential customer in the winter months that threatens disconnection on a specified date or within a specified time period unless the utility already has permission for the disconnection from the CASD.
- Requires that any notice that mentions disconnection during the winter months also state prominently that disconnection cannot take place without the advance permission of the CASD and that the customer will be notified and heard.
- Specifies that the notice permitted to be sent to a residential customer from a transmission and distribution utility during the disconnection prohibition period is deemed a notice of disconnection for the purpose of establishing eligibility for certain emergency assistance programs.
- Specifies that a violation of these requirements subjects the utility to a penalty of up to \$2,500 per violation payable to the affected customer, in addition to any other remedies to which the customer may be legally entitled.

# 2021 Law Change

With the 2021 statutory change, utilities are now prohibited from sending disconnection notices during the winter period without prior authorization from CASD. Instead, they're sending notifications to customers who are behind on their bills informing them of the need to contact their utility to establish a payment arrangement and including a statement that the notice, similar to an actual disconnection notice, can be used by the customer to secure financial assistance.

Since the 2021 statutory change, even though the notifications that utilities are sending to customers can be used by the customer to secure financial assistance, similar to an actual disconnection notice, few customers seem to be taking advantage of this opportunity.

For example, last winter, CMP reported that approx. 19,000 customers stopped paying their bills during the winter period. Of those 19,000 customers, only 17 received ECIP benefits. An unfortunate result of this is when spring arrives and the customer is under the actual threat of disconnection, it is likely that ECIP funds will not be available.

# Current CASD WRTD Process – Utility Requirements

If a utility plans to seek permission from the CASD to disconnect a customer's service, the utility must send the customer a notice that:

1. States the customer has a past due amount and that the customer should contact the utility to make a payment arrangement;
2. States the customer may be eligible for an SPA during the winter period that includes the option of paying less than the full amount of bills as they become due;
3. States failure to respond to the notice may result in the utility seeking permission from CASD to disconnect the customer's service;
4. Includes a prominent statement that the notice, similar to an actual disconnection notice, can be used by the customer to secure financial assistance; and in
5. Includes a prominent statement that disconnection of a residential customer's utility service during the Winter Disconnection Period cannot take place without the advance permission of CASD, that the customer will be notified of any request for such permission and that the customer will have an opportunity to be heard by CASD.

# Current WRTD Process - CASD

When a utility submits a WRTD to the CASD, it must also submit a copy of the request to the customer.

When the CASD receives a WRTD, it sends a letter to the customer asking that the customer contact the CASD within a week of the customer's receipt of the letter.

When a customer contacts the CASD, the CASD will place the customer on an affordable payment arrangement, possibly an SPA if the customer is eligible, and deny the request to disconnect. CASD may also help the customer enroll in AMP, LIAP, O2, if eligible.

The CASD will also inform the customer of potential assistance, e.g., ECIP, TANF, general assistance, 211, etc.

# Current WRTD Process – Customer Information

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If the customer fails to contact the CASD and the customer is not on a payment arrangement, the CASD may grant utility permission to cycle disconnect the customer until contact is made (intent is to place customer on an affordable payment arrangement).

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If a customer is on an affordable payment arrangement and the CASD is not able to place the customer on AMP, the CASD instructs the customer of all available forms of assistance (if customer contacts CASD) and grants the utility permission to disconnect the customer's electric service if not caught up on their payment arrangement by April 16.



## WRTD Process Observations

- The utility's do not file many WRTD due to the amount of work required to complete the process. Thus, many customers who are behind on their bills during the winter are not receiving CASD's assistance and are not being placed on affordable payment arrangements. These customers will likely be under the threat of disconnection come April 15.
- Last year, the CASD received 402 WRTD collectively from electric and gas utilities.

# Concerns with Current WRTD Process

- A significant number of customers are not responding to the utility notice while their arrearage continues to build. This can result in customers being unable to get caught up in the spring and being disconnected.
- Some customers who are significantly behind on their bills are not taking advantage of available assistance. The average ECIP payment last year would have paid for approx. 3 months of service for the average customer.
- ECIP and LIHEAP assistance is normally only available between November 1 and the following April.
- This can cause cash flow problems during the winter months for utilities, especially smaller COUs.
- This can also increase bad debt for utilities, as well as increase carrying costs to utilities associated with unpaid customer bills over the winter period.
- All these added costs are rolled into rates that all customers, including low-income customers, must pay.



Questions re:  
Winter  
Disconnection  
Period?