

Maine Public Utilities Commission

Report on the Arrearage Management Program



**Submitted to the Joint Standing Committee on Energy,
Utilities and Technology**

January 28, 2024

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I. Background

A. The Statute and Implementing Rule

On April 19, 2014, An Act to Assist Electric Utility Ratepayers was enacted into law (Act).¹ The statute directs each investor-owned electric utility to implement an arrearage management program (AMP) to assist eligible low-income residential customers who are in arrears on their electricity bills. An AMP is a plan by which a utility works with an eligible low-income residential customer to establish an affordable payment plan and provides credit to that customer toward the customer's accumulated arrears as long as that customer remains in compliance with the terms of the program. The customer must have an arrearage amount² greater than or equal to \$500 where a portion of that amount is at least 90 days in arrears and the account must be taking service on a continuous year-round basis. In exchange for timely payment of the current amount due on each monthly bill, AMP participants can receive forgiveness³ of up to 100 percent of their past-due amount at the time of enrollment, up to a cap during a 12-month period. The statute also provides that the AMP include an electricity usage assessment at no cost to the participant and that the Efficiency Maine Trust (Trust) work with utilities and other stakeholders to provide access to a complementary low-income energy efficiency program for participants in the AMP in order to help reduce participants' energy consumption. Chapter 317 is the Commission's implementing rule for the AMP.

The statute requires that the Commission provide a report assessing the effectiveness of the program on January 28, 2024,⁴ hold at least one formal stakeholder meeting involving affected parties, including the Office of the Public Advocate (OPA) and the participating utilities, and provide parties an opportunity to submit written comments regarding the performance of the program. The statute also requires that the Commission include the following specific information in the report:

- 1) Number of participants enrolled in the AMP;
- 2) Number of participants that completed the AMP;
- 3) Number of participants that failed to complete the AMP;
- 4) Payment patterns of participating customers after completing the AMP;

¹ P.L. 2013, c. 556 now codified at 35-A M.R.S. § 3214(2-A).

² Chapter 317 defines an arrearage amount as an amount of the customer's bill that is past due at the time of an eligible customer's enrollment in the AMP. It is limited to charges associated with transmission and distribution service and standard offer service and does not include competitive electricity provider (CEP) charges.

³ Chapter 317 defines forgiveness as a designated arrearage amount for which a customer is no longer responsible for paying and which is permanently removed from the customer's account. Once an amount is forgiven, it cannot be reinstated to a customer's account.

⁴ The Commission notes that an earlier version of the statute required a report assessing the effectiveness of the program on January 28, 2018. That report is available on the Commission's website at: <https://www.maine.gov/mpuc/legislative/reports>

- 5) Dollar amount of arrears forgiven;
- 6) Comparison of outcomes for those participating in the AMP and those not participating in the AMP;
- 7) Impact on participating utilities' bad debt as a result of the AMP;
- 8) Costs and benefits to all ratepayers associated with the AMP; and
- 9) Recommendations for ways in which the AMP might be improved or continued for the benefit of all ratepayers.

Finally, the statute provides that the Energy, Utilities and Technology Committee may report out a bill related to the report to the Second Regular Session of the 131st Legislature (2024 session). The statute also contains a sunset provision. The AMP is scheduled to be repealed September 30, 2024.

B. Inquiry

On September 14, 2023, the Commission initiated an Inquiry to seek public comment related to this report. *Maine Public Utilities Commission Inquiry Regarding Arrears Management Program*, [Docket No. 2023-00239](#). In the Inquiry, the Commission noted that while the statute requires the specific information listed above, the report is not limited to that information. As a result, the Commission sought comment on any additional information stakeholders believe should be in the report. The Commission also noted that it convened stakeholder meetings that have occurred since the program was created to discuss its progress. It was recommended during these stakeholder meetings that the Community Action Agencies (CAAs) help provide information to eligible customers regarding the program, as well as provide financial coaching to participants to help them pay their monthly bills on time as necessary to continue participating in the AMP. The Commission therefore invited comment from the CAAs and/or the OPA on these efforts and how, if at all, they affected program participation.

Initial comments regarding the report were due October 4, 2023. The Commission received comments from the OPA stating that its office has heard from many AMP participants who described the important role that the program has played in recovering from the financial burden of an arrearage on their bill. The OPA further stated that even if the participant does not complete the entire program, making just some monthly payments permanently reduces their arrearage and reduces the financial pressure of trade-offs between paying for electricity versus paying for heat, food, medication, and other essential needs. The OPA suggested that the report include testimonials from participants who have been helped by the program and noted that it has been reviewing information about other state AMP programs and would be including information about these programs in its final written comments.

In the Inquiry, the Commission noted that most of the information needed to write the report is contained in the quarterly reports filed by the utilities which are contained in a project file that can be accessed through the Commission's website at: <https://mpuc-cms.state.me.us/CQM.Internal.WebUI/ReportSubmission/ReportprojectSearch.aspx>. Users can access this project file by selecting "Arrearage Management Pro-Utility Quarterly Rep-AMPQ-

AMPQ” in the drop-down menu under “Report/Project Type.” Additional information needed for the report pertaining to payment patterns of participating customers after completing the program, a comparison of outcomes for those participating and not participating in the program, and the utilities’ administrative costs in administering the program through the fourth quarter ending September 30, 2023 was requested and filed by the utilities, on October 17 and 18, 2023. The Commission Staff also requested additional supporting usage information from Central Maine Power Company (CMP). All of this information is discussed in Section III of the report. The Trust also provided information on its work related to the AMP since the inception of the program on October 17, 2023. This information is summarized in Section II of the report.

The Commission issued a draft report for stakeholder comment in the docket on November 29, 2023. A stakeholder meeting to discuss the draft report was held on December 6, 2023. The Commission accepted written comments on the draft report until December 20, 2023 (these comments are attached to this report, see Attachment A).⁵

C. Rulemaking

On August 29, 2023, the Commission opened a rulemaking docket related to the AMP. *Maine Public Utilities Commission Amendments to Chapter 317 of the Commission’s Rules*, Docket No. 2023-00134. This rulemaking was requested by the OPA in a petition filed on June 9, 2023. In April 2022, the Governor approved An Act to Create the Electric Ratepayer Advisory Council (the Council).⁶ It is the Council’s duty to make recommendations to the Public Advocate regarding methods to ensure that ratepayers are able to afford electricity in the State. In its 2022 Initial Annual Report, the Council made recommendations regarding AMP, which formed the basis for this rulemaking proceeding.

The OPA’s proposed amendments were intended to modify the AMP to: 1) allow participants to miss two payments rather than one before disqualification from the program; 2) allow a ratepayer to participate once every seven years rather than once in a lifetime; 3) allow all Low-income Assistance Program (LIAP) eligible ratepayers to qualify for AMP (to include eligible customers who participate in Department of Health and Human Services (DHHS) means-tested programs) in addition to Home Energy Assistance Program (HEAP) eligible ratepayers;⁷ and 4) increase the maximum monthly AMP benefit from \$300 a month to \$500 a month (which increases the total amount eligible for forgiveness from \$3,600 a year to \$6,000 a year). In addition to the amendments proposed by the OPA, the Commission proposed to make changes to the enrollment process to ensure that participants are not required to pay for more than one month of service when enrolled in AMP. Initial written comments were due on September 22, 2023, a public hearing was held on September 27, 2023, and final written comments were due October 13, 2023. The Commission received comments from the OPA, Versant Power (Versant) and CMP. The Commission adopted the amendments described above to the rule on December 5, 2023.

⁵ As part of its final comments, the OPA attached its December 1, 2023, Arrears Management Program Report to the Electric Ratepayer Advisory Council which includes testimonials from participants helped by the AMP and information about other states’ AMP programs.

⁶ [P.L. 2021, ch. 623](#)

⁷ HEAP is a federally funded program that provides financial assistance grants to households in need for home energy bills and is implemented by the Maine State Housing Authority.

II. Electricity Usage Information

In its October 17, 2023 filing, the Trust stated that consistent with the statutory direction, the Trust provides every AMP participant with an electricity assessment, advice on options to reduce electricity consumption, and information on how to access Trust programs, including enhanced incentives available from the Trust for low-income households. More specifically, from July 1, 2017, through September 30, 2023, the Trust provided:

- Electricity consumption usage tips and reports to 4,953 AMP enrollees. The Trust provides every AMP participant with a report comparing the enrollee's home electricity consumption with that of a typical Maine home. The Trust accompanies these assessments with recommendations on how to reduce electricity consumption and with information on rebates available from the Trust to help offset the upfront cost of home efficiency upgrades. An example of this outreach to AMP enrollees is attached to the report (see Attachment B).

- Do-it-yourself (DIY) kits to 1,562 AMP enrollees. The Trust offers no-cost DIY kits to all AMP enrollees. An example of the mailing used to notify AMP participants of the DIY kit opportunity, and to allow AMP enrollees to elect to receive a kit is attached to the report (see Attachment C). The kits offer showerheads and faucet aerators that reduce hot water consumption. A pack of six LED lightbulbs was also offered as part of these kits until June 2023. The Trust has ceased offering LEDs in the DIY kits, as these bulbs have become the "baseline" technology available for replacing general service lamps. Each kit is estimated to provide, on average, annual net energy savings of 366 kilowatt hours (kWh) and annual water use savings of 2,190 gallons.

- A heat pump water heater at no cost to 274 AMP enrollees. As part of the Trust's outreach to every AMP enrollee, the Trust provides notice that the AMP participant may qualify for a free heat pump water heater. Heat pump water heaters are estimated to provide customers with annual energy savings of 1,705 kWh. The Trust is not able to offer a free heat pump water heater to every AMP participant as program eligibility requirements limit recipients to those with space in the home suitable for the appliance's efficient operation. Mobile homes and homes on slab foundations do not qualify because these homes lack unconditioned basements in which a heat pump water heater could be installed. Given these limitations, AMP enrollees with electric resistance water heaters located in a basement are priority candidates for free heat pump water heaters. The Trust draws from the basic information collected upon a customer's AMP enrollment to identify these priority candidates. For these AMP participants, the Trust supplements written notice of the free heat pump water heater opportunity with outreach from the Trust's call center.

AMP participants are also invited to participate in the Trust's other initiatives, which are available to all low-income customers and are designed to lower a household's overall energy consumption. Measures with enhanced incentives for low-income customers include rebates for home insulation and heat pumps.

The reduction of participants' electricity usage through efficiency measures is a key aspect of the AMP. For participants to be able to pay their current bill in order to participate in the program, as well as to stay current on their bills after completing the program, participants' monthly bills must be affordable. A review of usage data collected from the utilities shows that the monthly average AMP participant's electricity usage was approximately 946 kWh during their

participation in the program. This is 62% higher than the average monthly usage of 583 kWh for Maine residential customers in general.⁸

III. Specific Information Required by the Act

The Act specified that the following items be included in the report: 1) the number of participants enrolled in the program; 2) the number of participants completing the program; 3) the number of participants who have failed to complete the program; 4) the payment patterns of participating customers after completing the program; 5) the dollar amount of arrears forgiven; 6) a comparison of outcomes for those participating in the program and those not participating; 7) the impact on a transmission and distribution utility's bad debt as a result of the program; 8) the costs and benefits to all ratepayers associated with the program; and 9) recommendations for ways in which the program might be improved or continued for the benefit of all ratepayers. Each of these items is addressed below.

A. Number of Participants Enrolled in the AMP

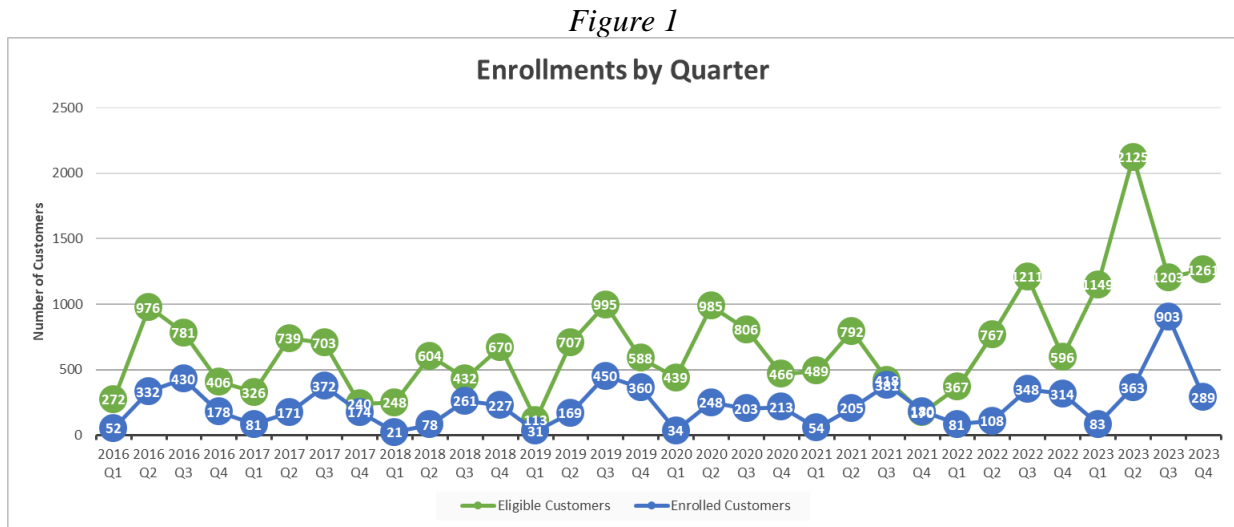


Figure 1 shows the number of eligible customers compared to the number of program participants on a quarterly basis since the program inception.

- Since the beginning of the program, on a quarterly basis, 20,428 customers have been eligible for participation in the AMP, based on the utilities’ quarterly reports. Of these eligible customers, 7,394 have enrolled and participated in the AMP. This translates to 36% of the customers who were eligible for AMP participating in the program on a quarterly basis.
- Participation and the number of customers eligible to participate in the AMP has expanded rapidly in recent quarters. In the program year ending in 2023,⁹ 5,738 customers were eligible and 1,638 customers were enrolled. This was the highest annual

⁸ Average Maine residential customer, U.S. Energy Information Association, State Energy Profiles (2022).

⁹ The AMP program year is the period between October 1 and September 30 of the following year.

eligibility and participation customer count in the program’s history.

B. Number of Participants Who Completed the AMP

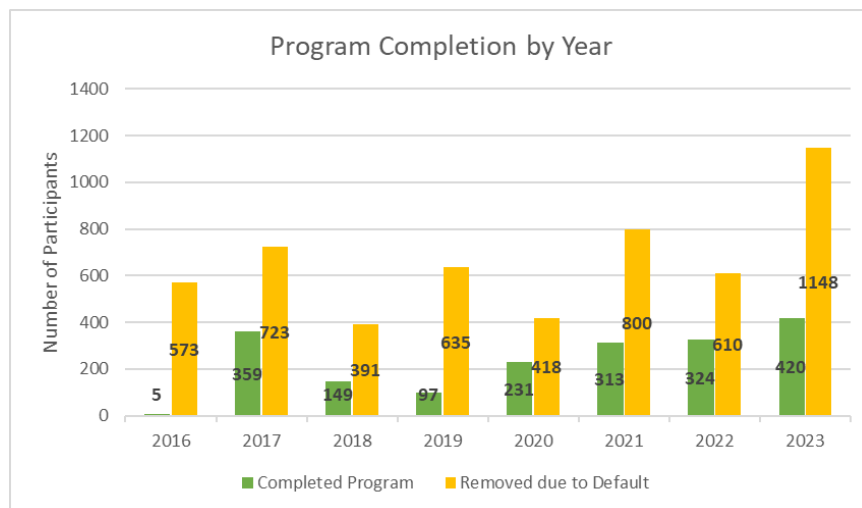
See next response.

C. Number of Participants that Failed to Complete the AMP

When assessing completion statistics, it is important to note that a large amount of credits have been made available to AMP participants in recent quarters through COVID relief funds and expired Net Energy Billing (NEB) credits¹⁰ that were monetized and subsequently applied to AMP customer arrearages. These payments significantly increased the number of customers successfully completing the program by paying off a large portion, or all, of some participants arrearages, even though the customers themselves did not make payments to result in the forgiveness. This had the effect of increasing the success rate statistics displayed in this report. Specifically, \$349,100 was paid in expiring NEB credits in 2022, fully paying all arrearages for 150 AMP participants. Likewise, \$558,138 was paid in 2023, fully paying all arrearages for 282 AMP participants. Expressed another way, for the 2023 program year, 67% of the participants who successfully completed the program had their arrearage fully paid by the NEB credits.

Figure 2 below shows the number of participants who completed the AMP and the number of participants who defaulted and were removed from AMP for each year since inception.

Figure 2



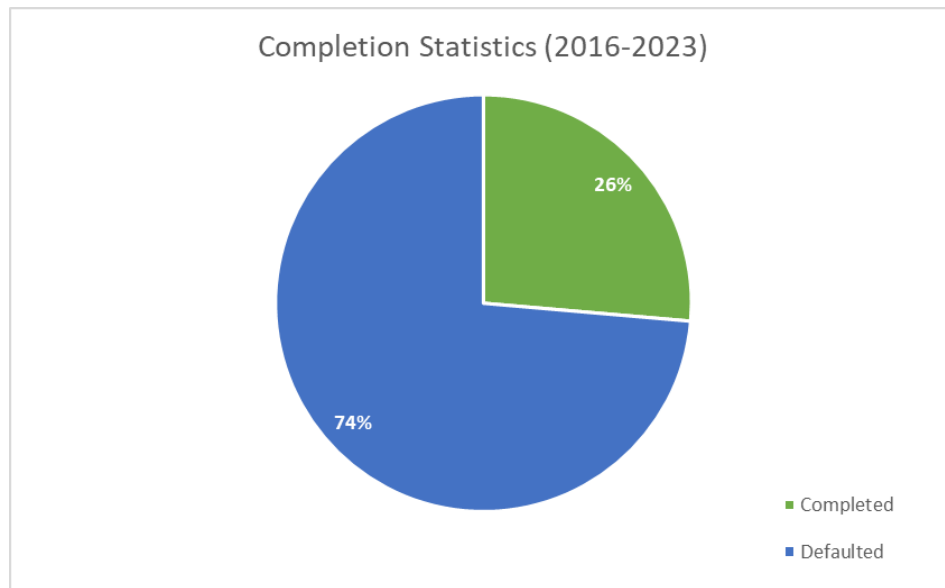
- From the beginning of AMP through the end of the 2023 program year, 1,898 customers have completed the program. In comparison, 5,298 customers have defaulted and have been removed from the program. This equates to a 26% completion rate. This number does not include the portion of participants who are currently actively enrolled in the program.

¹⁰ 35-A M.R.S. § 3209-A(8) was amended by [P.L. 2023, ch. 230](#). The value of expired NEB credits is now allocated to the LIAP.

- Among the participants that completed the 12-month AMP, a vast majority had their arrearage totally forgiven. As noted above, in 2022 and 2023, 432 AMP participants had their arrearages fully paid by expiring NEB credits. This accounts for 58% of the total program completions in 2022 and 2023.

Figure 3 below depicts the share of participants who completed or defaulted and were removed from the AMP between the program inception and the fourth program quarter of 2023.

Figure 3



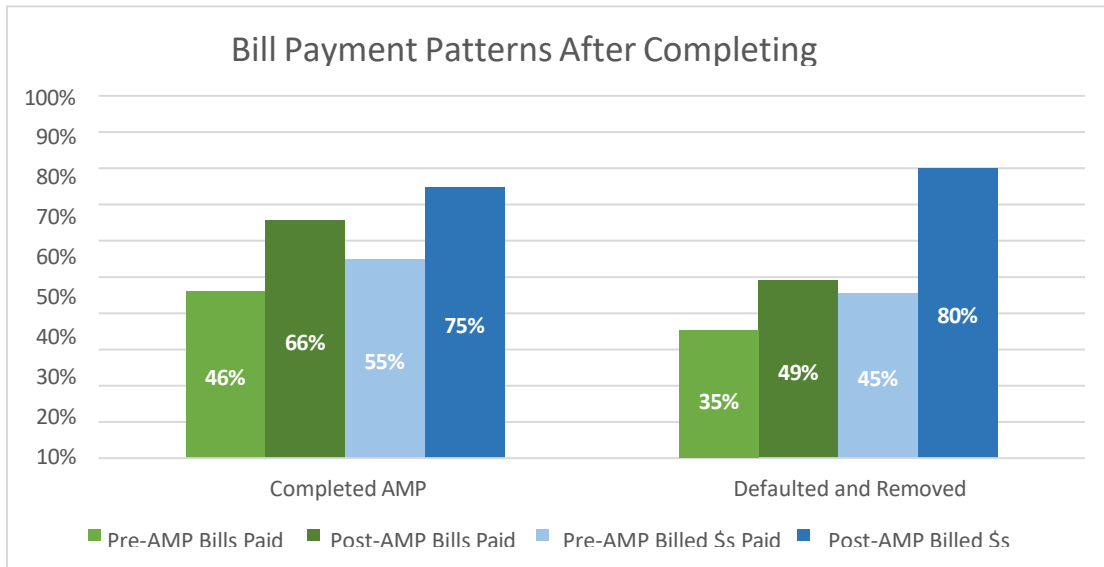
- The vast majority of program participants did not complete the program. Between the program inception and the end of the 2023 program year, 26% of the program participants completed the 12-month AMP, while 74% of program participants defaulted and were removed from AMP.

D. Payment Patterns of Participating Customers after Completing the AMP

As discussed above in Section III(C), a significant number of AMP participants received large credits related to COVID relief efforts or expired NEB credits that increased the number of customers successfully completing the program by paying off a large portion, or all, of participant arrearages, even though the customers themselves did not make payments.

Figure 4 below shows: 1) the percentage of bills paid by participants who completed the AMP before and after program participation; 2) the percentage of bills paid by participants who defaulted from the AMP before and after program participation; 3) the percentage of billed amounts paid by participants who completed the AMP before and after program participation; and 4) the percentage of billed amounts paid by participants who defaulted and were removed from the AMP before and after program participation.

Figure 4

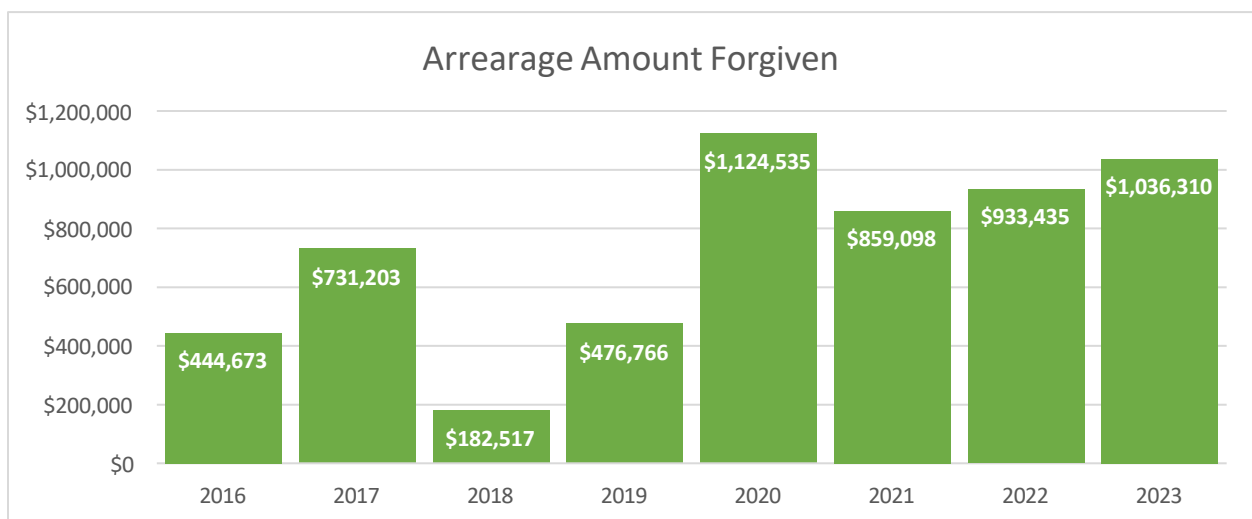


- Customers who participated in AMP had improved payment patterns after their program participation, both in terms of the percentage of bills paid and the percentage of billed dollar amounts paid.
- Both customers who completed the AMP and those who defaulted and were removed from the program demonstrated improved bill payment patterns.

E. Dollar Amount of Arrears Forgiven

Figure 5 below shows the dollar amount of arrearages that were forgiven each year. Once an arrearage is forgiven, it remains forgiven, even if the customer defaults and is removed from the AMP.

Figure 5

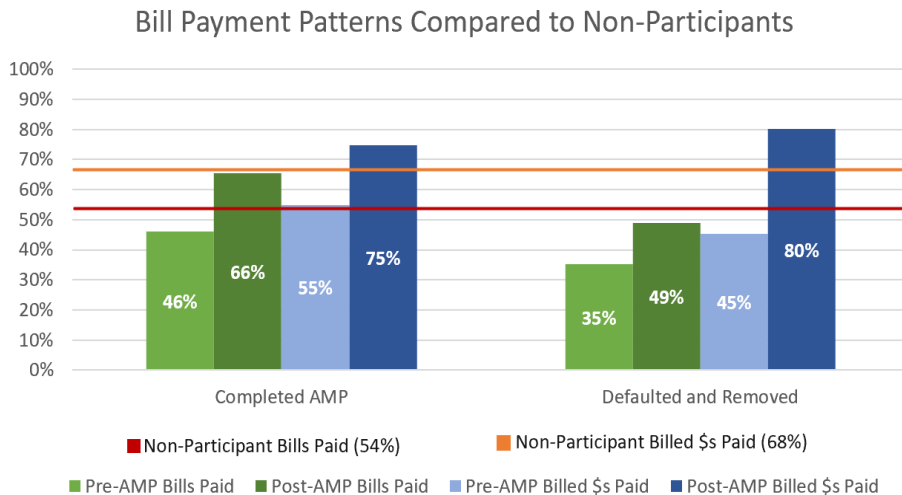


- Since the beginning of the program, a total of \$5,788,537 in arrearages has been forgiven.
- Since 2020, the dollar amount of arrearages forgiven each year has been considerably higher than the years prior to 2020. This likely reflects a combination of higher electric rates (including standard offer supply costs), pandemic assistance programs, and monetized NEB credits applied to arrearage balances as discussed above.

F. Comparison of Outcomes for Those Participating in the AMP to Those Not Participating in the AMP

Figure 6 below depicts the same information as Figure 4 above, but also includes lines showing “% of bills paid” by customers who were eligible but did not participate in AMP (non-participants), as well as the “% of billed amounts paid” by non-participants.

Figure 6



- Overall, this shows that customers who completed AMP generally had worse bill payment patterns than similarly situated non-participants before their participation in AMP, but had similar or better bill payment patterns than non-participants after completing AMP.
- Customers who defaulted and were removed from the AMP also exhibited improved payment patterns after being removed from AMP.

G. Impact on Participating Utilities’ Bad Debt as a Result of the AMP

As previously stated in this report, the total amount of arrears forgiven through the AMP program was \$5,788,537. Because it is not known how much of this amount would have ultimately been written off as bad debt absent the AMP, it is not possible to conclusively determine the AMP’s impact on the electric utilities’ bad debt. Participation in the AMP could increase utilities’ bad debt by the amount of the arrears forgiven due to forgiving arrears that may have otherwise been paid by the customer.

Furthermore, a portion of the amount of arrears forgiven through the AMP program came from expiring NEB credit monetization and pandemic assistance programs. For example, as previously discussed, a total of \$907,238 in arrears was forgiven by applying expiring NEB credits. This accounts for approximately 16% of the total arrearage amount forgiven since the AMP program inception.

H. Costs and Benefits to All Ratepayers Associated with the AMP

The cost of the AMP is approximately \$6,578,927 as of the end of the 2023 program year. This amount is comprised of \$5,788,537 in arrears forgiven and \$790,390¹¹ incurred in estimated administrative costs. The Commission arrived at the administrative cost estimate by using administrative cost data provided by Versant and CMP.

It is difficult to estimate the “benefits” to all rate payers associated with the AMP. While the costs discussed above are not a “benefit” to all ratepayers, the improved payment performance of customers who participated in the AMP, as discussed in section III(D) of this report, is a benefit to all ratepayers. It is not known, however, whether the increased payments made by AMP participants towards their bills will outweigh the costs of the program over time. CMP stated in its comments that there is a societal benefit to several aspects of the AMP, from helping customers learn to manage their income and expenses, including financial counseling through the CAAs, encouraging them to seek additional assistance to reduce the overall account balance, and any conservation assistance provided by the Trust. While those benefits are difficult to quantify, they are important components of the customer assistance the AMP facilitates. The OPA stated in its comments that it has heard from many AMP participants who describe the important role that AMP has played in recovering from the financial burden of an arrearage on their electric bill. The OPA also stated that the risk of future disconnection can be reduced through AMP. Even if the participant does not complete the entire program, making just some monthly payments permanently reduce their arrearage and reduce the financial pressure of trade-offs between paying for electricity versus paying for heat, food, medication, and other essential needs.

I. Recommendations for Ways in which the AMP Might be Improved or Continued for the Benefit of All Ratepayers.

As discussed above, the Commission recently made changes to improve the program in the rulemaking proceeding, Docket No. 2023-00134. Further, the Commission will continue to assess whether additional improvements can be made to the program on a going forward basis. In addition, CMP, in its October 17, 2023 filing in this docket, proposed 1) requiring customers to sign up for automatic payments to help ensure AMP customers make payments on time and in full; 2) reestablishing the payment arrangement if a customer fails to complete the AMP and was on a payment arrangement prior to commencing the AMP in order to reduce the opportunity for the former AMP participant to accumulate additional arrears; and 3) educating customers on the

¹¹ This statistic includes 2023 administrative costs of \$120,327 incurred by CMP as outlined in CMP’s January 11, 2024, filing (CMP stated in its earlier comments that this information was not yet available and the draft report issued on November 29, 2023, therefore did not include this information). It should also be noted that it is unclear whether Versant and CMP used the same methodology for calculating administrative costs. For example, Versant included labor costs in its calculation, while it is not clear whether CMP included its labor costs in the calculation.

benefits of the AMP and possible impacts of not completing the AMP.¹² The Commission appreciates having CMP's additional suggestions and will keep them in mind as it considers additional changes to the program.

Versant states in its comments that significant progress has been made through the work done in Docket 2023-00134 and does not have further suggestions to improve the program.

As noted earlier in this report, AMP participants' electricity usage is significantly higher than the average customer. With this in mind, an option for increasing participants' incentive and ability to pay their monthly bill to stay enrolled in the AMP and to retain the positive bill payment habits beyond the completion of the AMP is to reduce participant's electricity usage or otherwise reduce the household's overall energy burden.

IV. Conclusion

The statute states that the purpose of the AMP is to assist eligible low-income residential customers who are in arrears on their electricity bills and that an AMP is a plan under which an electric utility works with an eligible 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 program. Chapter 317 requires utilities to structure the AMP in such a way as to incentivize on-time bill payments with the intention of developing positive payment habits in program participants that will continue beyond program completion.

Regarding the first objective of encouraging on-time bill payments, 74% of the AMP participants defaulted and were removed from the program. This means that the vast majority of AMP participants failed to pay their current bill each month in order to stay enrolled in the AMP. The program requires that participants pay only their current amount due each month to stay enrolled in the AMP. Participants are not required to pay any amounts toward their arrearage each month to receive their forgiveness. However, regarding the second objective of developing positive bill payment habits, participating customers' bill payment patterns improved after their participation in the program. 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.

¹² In its December 20, 2023, comments, CMP also recommended that customers who enroll in AMP should be auto enrolled in its Usage Alerts Program which provides weekly updates of usage so customers can reasonably estimate the amount of their next bill. CMP stated that these alerts provide customers with greater visibility into their usage which can help reduce usage and thus their household's energy burden.

Appendix A

Stakeholder Comments (OPA Comments and Attached OPA AMP Report to ERAC and CMP Comments)

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

**MAINE PUBLIC UTILITIES
COMMISSION**

**RE: Inquiry Regarding Arrears
Management Program**

Docket No. 2023-00239

**FINAL COMMENTS OF THE
OFFICE OF THE PUBLIC
ADVOCATE**

December 20, 2023

The Office of the Public Advocate (OPA) thanks the Maine Public Utilities Commission (the Commission or the PUC) for its careful analysis and preparation of its report (the “Report”) to the Legislature on the Statewide Arrearage Management Program (AMP)¹ assessing the effectiveness of the utilities’ AMP programs, and the other parties which have provided thoughtful and thorough comments. This is an important program that provides relief to low-income customers who have significant past-due amounts (arrears) on their utility bills.

Attached is the OPA’s December 1, 2023 “Arrearage Management Program Report to the Electric Ratepayer Advisory Council”, which includes testimonials from participants who have been helped by AMP and information about other states’ AMP programs.

Respectfully submitted,

/s/ William S. Harwood
William S. Harwood
Public Advocate

/s/ Kristina R. Winther
Kristina R. Winther
Senior Counsel

¹ 35-A M.R.S. § 3214(2-A).

**State of Maine
Office of the Public Advocate**



**Arrearage Management Program Report
December 1, 2023**

OPA Report to ERAC on Future of AMP

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I. Introduction

Maine’s Arrearage Management Program (AMP) is one of several low-income programs, along with the Low-Income Assistance Program (LIAP) and the Low-Income Heating Assistance Program (LIHEAP), that each support electricity customers in a unique way. AMP provides financial assistance and on-time bill payment incentives to eligible customers. Specifically, low-income customers with significantly past-due balances (accumulated arrears) who pay monthly usage charges on time receive a monthly credit towards their arrears as long as they remain in compliance with the terms of the program. In addition, AMP participants have access to a complementary energy efficiency program from Efficiency Maine Trust to help reduce their energy consumption.

This program has improved the lives of low-income Mainers. Since September 2021,¹ 915 Mainers have successfully completed AMP, meaning that they complied with the terms of AMP such that their entire arrearage was forgiven.² Recent data³ show that the need for this program is growing, where participation in the 3rd quarter of PY 2022-23 Q3 jumped 242%, 65%, and 171% above participation in the 3rd quarter of PY 2021-22 Q3 for Versant – Bangor Hydro District (BHD), Versant – Maine Public Service District (MPS), and Central Maine Power (CMP), respectively. Since AMP began in 2015, 2050 participants had their entire arrearage forgiven.⁴ The total amount of arrearage forgiven was \$5,510,358.43.

The statute enacting AMP, Title 35-A Section 3214(2-A), has a built-in “sunset provision” meaning that on September 30, 2024, Maine’s AMP program will automatically end unless the statute is amended to remove the sunset provision. In the meantime, no later than January 28, 2024,⁵ the Maine Public Utilities Commission (the Commission or the PUC) must prepare a report assessing the effectiveness of the utilities’ AMP programs.⁶

¹ The beginning PY 2021-22 Q1. The AMP program year (PY) is October 1-September 30.

² There were 248 and 667 for Versant (formerly Emera Maine) and CMP, respectively.

³ T&Ds with AMP programs are required to file quarterly reports.

⁴ Summarized from AMP quarterly reports filed by the T&Ds with the PUC.

⁵ 35-A M.R.S. § 3214(2-A)

⁶ Only the investor-owned utilities are required to implement an AMP program. 35-A M.R.S. § 3214(2-A).

The purpose of this report is to update the Electric Ratepayer Advisory Council on the status of AMP.

II. Description and Support for AMP

A. The AMP Approach

AMP provides relief to low-income customers with arrears on their utility bills. These customers may be able to pay for their monthly usage but cannot afford the extra expense of paying off the arrears. To put it simply, these customers can keep up, but they can't catch up. Rather than keeping these vulnerable customers in a situation where they are eventually faced with disconnection, and putting the utilities in a situation where they are owed amounts that will likely never be paid, AMP creates a positive relationship and a communication channel between the customer and the utility, leading to a mutually beneficial outcome.

AMP enrollment is also an opportunity to inform customers about other programs and services that can help make their bills more affordable. All AMP participants receive a free “Electricity Usage Assessment” performed by the Efficiency Maine Trust⁷ and must accept the free energy management measure and programs offered by the utility, EMT, and the MSHA. For example, between July 1, 2022 and June 30, 2023, EMT has helped 69 AMP customers to install new heat pump water heaters in their homes, thereby reducing their dependence on costly fossil fuel.⁸ All AMP enrollees receive Efficiency Maine Energy Efficiency Tips⁹ booklets in the mail.

The risk of future disconnection can be reduced through AMP. Even if the participant does not complete the entire program, but makes some monthly payments, the amount of the arrearage will be permanently reduced, thereby decreasing the financial pressure of trade-offs between necessary heat, food, medication, on the one hand, and electricity, on the other.

⁷ 65-407 C.M.R. ch. 317, § 3(C)(6).

⁸ *Efficiency Maine*, Low-Income Advisory Group Meeting Presentation, September 7, 2023.

⁹ <https://www.energymaine.com/docs/Energy-Efficiency-General-Education-Booklet-FNL.pdf>

B. How It Works

AMP began in 2014, when the Legislature launched an AMP pilot, Title 35-A M.R.S. Section 3214(2-A), which was followed by rulemaking in 2015 at the PUC to create Chapter 317 - “Statewide Arrearage Management Program.” All the participating T&D utilities can recover in rates all the costs of its AMP program including incremental costs, reconnection fees and administrative and marketing costs, but not including the amount of any arrearage forgiven that is treated as bad debt for purposes of cost recovery.¹⁰

The program works as follows:

- A customer falls behind by at least \$500 for at least 90 days.
- Up to \$3,600 of the customer’s overdue arrearage can be forgiven per year.
- For each month the customer makes a full payment of their current bill, 1/12th of their amount in arrears, up to a maximum of \$300, is forgiven. If the customer remains on the program for a full year, the full amount is forgiven up to \$3,600.
- The customer may remain on the program for more than one year until the full amount of the overdue arrearage has been forgiven, but they must reapply every 12 months.
- Rather than a direct payment, AMP benefits are earned through on-time payment behavior. Debt is only forgiven when on-time payments are made.
- The program is only offered to CMP and Versant Power customers. The other T&D utilities are able to participate, but none are doing so currently.

Currently, there are two open PUC proceedings that will affect AMP. First, on June 9, 2023, the Office of the Public Advocate (OPA) filed a request for the Commission to recommend four amendments to Chapter 317 (Docket No. 2023-00134) supported by ERAC¹¹ to: 1) allow participants to miss two payments before disqualification from the

¹⁰ 65-407 C.M.R. ch 317, § 5.

¹¹ The Electric Ratepayers Advisory Council.

program; 2) allow a ratepayer to participate once every seven years rather than once in a lifetime; 3) allow all LIAP-eligible ratepayers to qualify for AMP; and, 4) increase the maximum monthly AMP benefit to \$500 a month (which increases the total amount eligible for forgiveness to \$6,000 a year). The Commission added its own proposal to make changes to the enrollment process to clarify the start date when bill payments qualify for AMP and also proposed to add certain tracking and reporting requirements.¹² A Public Hearing on the proposed amendments was held on September 27, 2023, at the Commission, and a final order should be issued soon.

Second, in anticipation of the January 28, 2024, report that it is preparing, the PUC has opened an inquiry to seek public comment on AMP and to collect additional information from the T&D utilities on AMP participant patterns and administrative costs (Docket No. 2023-00239.) A stakeholder meeting will be held on December 6, 2023, and final comments are due December 20, 2023.

C. Support for AMP from the Utilities

OPA has discussed the future of the AMP program with a number of interested parties. The following are some of the more noteworthy comments:

In the words of Maine's two utilities whose customers benefit from AMP:

“The Arrearage Management Program provides a valuable opportunity for Mainers who have been through a difficult time and built up an arrearage with their utility company that’s just too much for them to manage. It’s a chance to keep up with their current bills while the program catches up the arrearage for them, forgiving some of the arrearage every time a current monthly bill is paid on time.”

- Linda Ball, Vice President, Customer Service, CMP

“There are no other holistic debt forgiveness programs out there like this.” “The AMP program provides a second chance for customers who have fallen behind on

¹² If customer already have a current, unpaid bill and they are enrolled in AMP, that unpaid balance will not be included in the arrearage total.

their utility bills. Simply by keeping current on their monthly bills, a customer can become debt free over time. But it's not only that- In addition, the customer is eligible for financial coaching from the agencies, which benefits the customer not only in the AMP program but with other monthly budgeting situations they face. Customers in the AMP program also get the support of Efficiency Maine, who looks for ways to improve the customer's usage in order to bring their monthly bills down.”

- Lisa Henaghen, Manager of Billing & Payments, Versant Power.

D. Support for AMP from Low-Income Household Advocates

The utilities are not the only entities in the State to see the benefit of the program – low-income advocates see AMP's role as part of the suite of tools and programs to support low-income Mainers as crucial:

“The Maine State Housing Authority (MSHA) administers state and federal programs that provide rate relief for Maine's low-income utility ratepayers. With bills as high as they've ever been, we believe that the Arrearage Management Program works together with LIAP to create a lifeline for folks who have fallen behind on their electric bills. We support continuing the Arrearage Management Program.”

- Erik Jorgensen, MSHA

“At Maine Equal Justice, I advocate alongside Mainers with low income who face rising electric bills that have put an untenable burden on their households. The Arrearage Management Program is a lifeline because it allows customers with low-income who have fallen behind in their bills an opportunity to become current and avoid disconnection. I support continuing the Arrearage Management Program.”

- Ann Danforth, Maine Equal Justice Partners

“At AARP Maine, we advocate for Maine's elderly ratepayers. With today's sky high price of electricity, it is clear that many of our elderly are struggling to pay their electric bills and some of them are falling behind in their payments, through no fault of their own. The Arrearage Management Program gives these consumers an opportunity to dig out of their stressful financial predicament by making on time

payments of just the current amount due. Accordingly, AARP Maine strongly supports continuing the AMP program.”

- Noël Bonam, AARP Maine State Director

E. Anecdotes from Those That Have Successfully Completed AMP

In the nearly 10 years since its launch, thousands of low-income ratepayers have benefitted from utilities forgiving at least some of their past-due bills through the AMP. This can be life-changing help for Mainers facing tough times, like:

- **Tori T.**, who unfortunately faces multiple medical conditions, along with a brain injury that caused memory issues. Upon approval for AMP, Central Maine Power also helped her sign up for autopay so she could keep on track despite multiple hospitalizations, and she successfully completed the program and prioritizes making her CMP payments to this day despite the other challenges she’s facing.
- Versant customer **Mary B.** has now become a customer in good standing after enrolling in the AMP program in March 2022 with a substantial past due balance and paid monthly bills averaging \$300. Over the past year, she made several calls to Versant with questions regarding her consumption, which she had no previous history of doing so prior to enrolling in AMP. She also called Versant to make her monthly payments over the phone so she could verify they went through so she would not jeopardize her enrollment in the AMP program. She had good credit for 12 months and recently received her deposit plus a small amount of interest back. She successfully completed the AMP in March 2023 and was still current on her account, five months later.
- When electricity prices dramatically increased in January of 2023 due to skyrocketing natural gas prices and other factors, current AMP participant **Amelia**¹³ fell behind with her electric bill. “Our electric bill had quadrupled from when we first moved here, and we just couldn’t afford \$800 electric bill every month on top of the

¹³ Name changed to protect anonymity.

mortgage,” explained Amelia. “CMP got me set up on this program, and now I’m paying toward my electric bill on every pay day—it’s really helped out a lot. Sometimes people get into situations outside of their control, and they need a little forgiveness.”

- Similarly, AMP graduate **Jerry**¹⁴ found himself behind on his electric bill when both he and his wife suffered career impacts due to the COVID pandemic. “The pandemic really adversely affected our incomes in a tremendous way – my wife lost her job where she’d been working for five years, and the pandemic also hit me hard in terms of being able to sell my work as a writer,” said Jerry. Then the furnace broke. “For two winters, we couldn’t afford to replace our furnace and fuel tank, so we were using multiple space heaters to keep the house from freezing – we closed off half the house and wore thick sweaters, but we still needed some heat to make it through the winter,” Jerry explained. Jerry was able to apply for LIHEAP and got help getting his furnace replaced—but still had a large amount of past-due electric bills hanging over him. Working with his local Community Action Agency, Jerry was able to apply for AMP after being approved for LIHEAP, where over time, his debt has now been forgiven. “I can’t even begin to say how important AMP has been to me and my wife. It’s life-changing and potentially life-saving, but at the same time it has built in safeguards for the providers because if the person doesn’t make the payments, they’re off the program. It’s a win-win for everyone.” Jerry, originally from New York, is not surprised there’s a program like AMP in Maine. “In Maine, you can live your life in a caring community—that’s what drew us to Maine 25 years ago. People try to help each other here.”

III. What Other States are Doing

Maine is not the only state to recognize the benefits of an AMP. Many other states offer AMP to utility customers, among them Connecticut, Massachusetts, Rhode Island, Ohio, Pennsylvania, Illinois, Maryland, and California. In addition, Vermont’s Green

¹⁴ Name changed to protect anonymity.

Mountain Power forgives all arrears once a ratepayer qualifies for the state's Energy Assistance (this is a one-time opportunity.) Of note:

- In Rhode Island, ratepayers for Rhode Island Energy who qualify for LIHEAP can participate in what's called the "Forgiveness Program," if they have a balance of at least \$300 that's more than 60 days past due. If participants make payments on time, a portion of their past-due amount will be forgiven, up to \$1,500 per year.
- In California, eligible SoCal Gas customers can get up to \$8,000 forgiven per enrollment period if they participate in the AMP, as they pay up to 12 months of bills in full and on time.
- Connecticut's Fresh Start program for income-eligible EverSource electric customers forgives up to \$20,000 annually, wiping up 1/12th of their debt with each on-time payment made.
- All Massachusetts utilities have some form of AMP, for LIHEAP or low-income eligible ratepayers who owe at least \$300 in overdue bills, are up to 6 months past due on their bill, agree to a payment plan, make payments on time, as well as participate in budget counseling and EE programs. Benefits vary by utility, but most set up an affordable payment plan for past due and current charges, won't disconnect service for non-payment if the payment plan is followed; and forgive part or all of client debt if payment plan is followed and forgive all or part of a client debt up to \$1,500 - \$2,000 if payment plan is followed.
- In Maryland, Arrearage Retirement Assistance helps customers with large, past due electric and gas bills. If eligible, customers may receive a grant for up to \$2,000 towards their past due bill. Customers must have a past due bill of \$300 or greater to be considered eligible. Customers may only receive an arrearage grant once every five years, with certain exceptions.
- Ohio has an AMP for both gas and electric utilities as part of its Percentage of Income Payment Plan (or PIPP) Plus low-income program. PIPP Plus customers must apply for the regular Home Energy Assistance Program (HEAP) and the Home Weatherization Assistance Program (HWAP). In addition to paying utility bill

amounts based on their income, PIPP Plus customers earn 1/24th credit on their outstanding arrearage for on-time and in-full payments.

IV. AMP vs. Bad Debt

When electricity bills go unpaid and it is determined they will not be recovered, utility companies roll the unpaid bills into bad debt. This bad debt expense is then recovered through the ratemaking process where the T&D utilities are allowed to include their test year's total bad debt expense in rates. Bad debts include both the T&D portion of unpaid bills as well as the standard offer supply portion. Portions of unpaid electricity bills that are due to supply purchased through a Competitive Electricity Provider (CEP) are not included in this process.

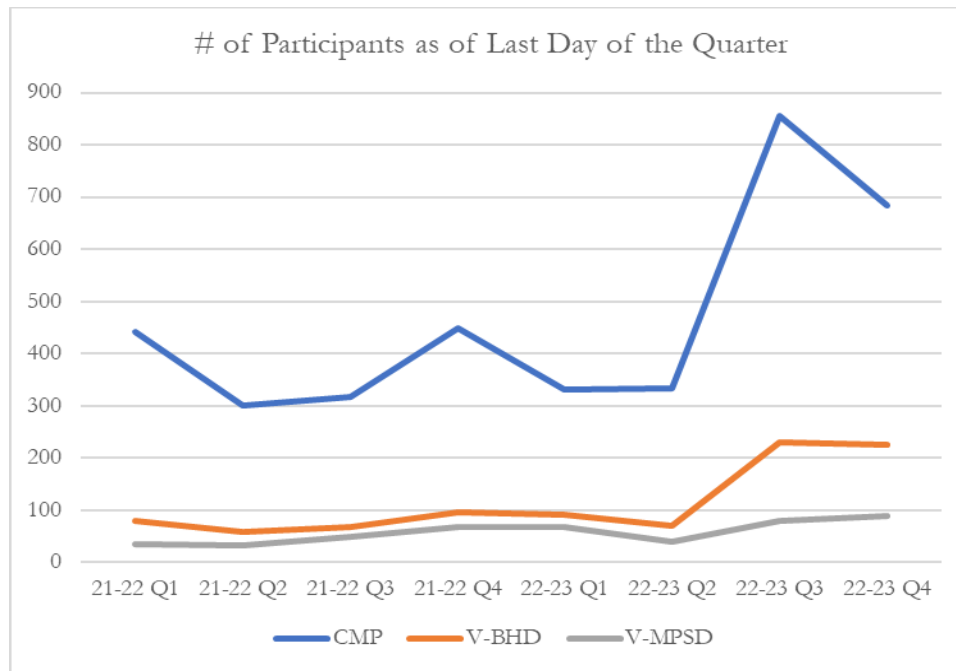
Like unpaid bills, amounts of arrearage that are reduced as part of the Arrearage Management Program are also rolled into bad debt and recovered through the ratemaking process. When a participant is issued a credit on their unpaid balance, the credited dollar amount is moved to bad debt and recovered through the ratemaking process as described above. As with non-AMP unpaid bills, any portion of an AMP participant's bill that is due to supply purchased from a CEP will not be credited as part of the program and will not be moved to bad debt. The AMP program is important to establishing a positive relationship between the utilities and customers who are behind on their bills. CMP acknowledges the program "is intended to cost-effectively and sustainably improve the payment behavior of residential customers who qualify for LIHEAP and are in arrears on their electricity bills."¹ If the program gets participants in the habit of making regular payments, the risk of missed future payments is reduced, and in turn the overall level of bad debt that ends up being recovered in rates by all customers is reduced.

Relative to the total amount of bad debt that results from unpaid electricity bills, the portion attributable to AMP is very small. For the 5-year period from January 1, 2018, through December 31, 2022, AMP on average accounted for just 3.35% of all residential bad debt and 3.05% of total bad debt (including non-residential) for CMP. As of October 23, 2023, the calendar year-to-date average shows AMP accounting for 4.80% of residential bad debt and 4.36% of total bad debt for CMP.

V. Statistics from the Maine Utilities

Since AMP began in 2015, 2050 participants have successfully completed the program such that their entire arrearage was forgiven.¹⁵ The total amount of arrears forgiven was \$5,510,358.43.

Between PY 2021-22 Q1 and PY 2022-23 Q2, the average number of AMP participants was 77, 49, and 362 for BHD, MPS, and CMP, respectively. Participation in PY 2022-23 Q3 jumped 242%, 65%, and 171% above participation in PY 2021-22 Q3 for BHD, MPS, and CMP, respectively.

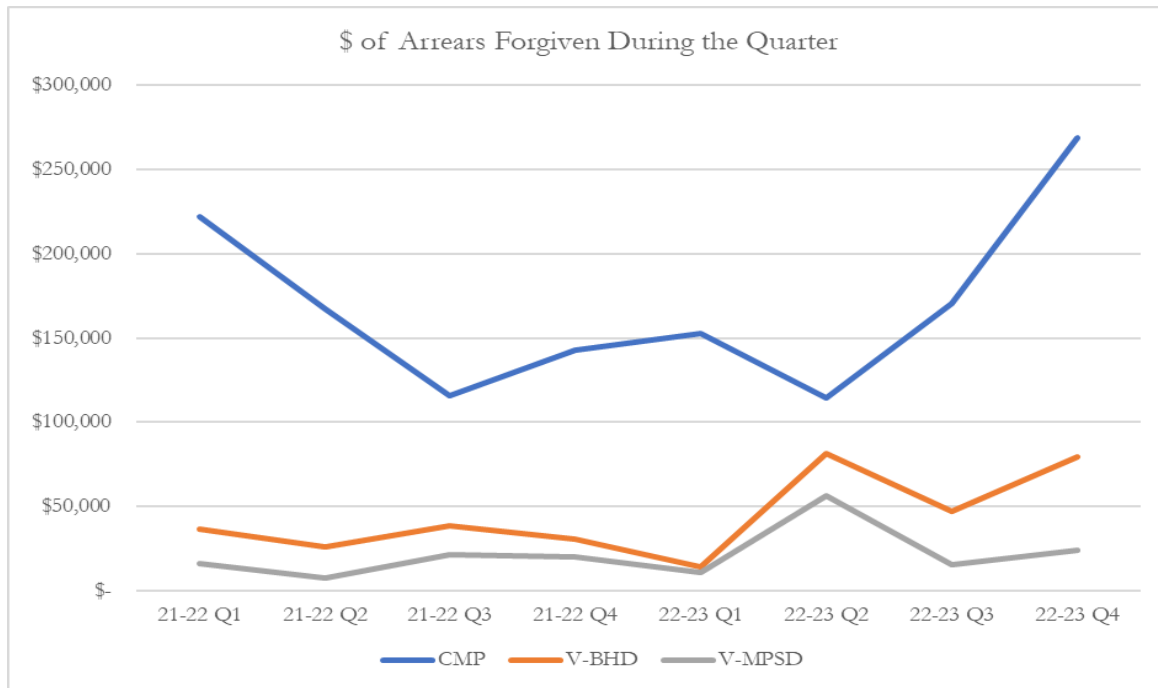


Between PY 2021-22 Q1 and PY 2022-23 Q4, the average total amount of arrears forgiven¹⁶ in each quarter was \$44,352.69, \$21,624.33, and \$169,381.82 for BHD, MPS, and

¹⁵ Summarized from AMP quarterly reports filed by the T&Ds with the PUC.

¹⁶ The sum of funds applied to the arrears of all participants.

CMP, respectively.



During PY 2021-2022 the total amount of arrears forgiven was \$132,234.33, \$65,692.48, and \$648,533.33 for BHD, MPS, and CMP, respectively. The total arrears forgiven for all 3 T&Ds was \$846,460.14 in PY 2021-22 and \$1,036,410.51 in PY 2022-23.

Total \$ Arrears Forgiven				
	CMP	V – BHD	V - MPSD	Total
PY 2021-22	\$648,533.33	\$132,234.33	\$65,692.48	\$846,460.14
PY 2022-23	\$706,521.20	\$222,587.15	\$107,302.16	\$1,036,410.51

Between PY 2021-22 Q1 and PY 2022-23 Q4, the number of participants who successfully completed AMP such that their entire arrearage was forgiven was: 155, 93, and 667 for BHD, MPS, and CMP, respectively.

Individual Participant Success

CMP		V - BHD		V - MPSD	
Completed 12m	All Arrears Forgiven	Completed 12m	All Arrears Forgiven	Completed 12m	All Arrears Forgiven

21-22 Q1	56	61	11	11	7	6
21-22 Q2	72	114	27	26	8	8
21-22 Q3	68	183	37	37	15	15
21-22 Q4	19	19	4	4	0	0
22-23 Q1	26	33	44	4	4	3
22-23 Q2	186	190	4	65	7	58
22-23 Q3	38	39	4	4	1	1
22-23 Q4	26	28	6	4	2	2
Total		667		155		93

VI. Conclusion

Mainers are barraged by multiple, alarming economic stressors that challenge their ability to keep current with household expenses. An unfortunate result is that they fall behind on paying their electric bills. Even if they are able to recover their financial stability, they may still be unable to pay off the overdue balance (arrearage) they have amassed and thus continue to face the threat of disconnection. The AMP program gives low-income customers a chance to reduce those unpaid amounts, and even to have their arrearage forgiven entirely if they consistently comply with the program terms. They are also put in contact with Efficiency Maine Trust to help reduce their energy consumption. AMP is a relatively small, but valuable program that has assisted low-income families for 10 years.

The data summarized in this Report, especially from the current AMP program year, demonstrate both how the program has helped low-income customers and growing importance of the program. The testimonials from the utilities, low-income advocates, and successful AMP participants reflect its high value. The AMP program alone will not produce a large reduction in Maine poverty, but it is one important piece of a network of government programs that collectively will relieve a substantial portion of the economic hardship and burden on low-income Mainers.

The OPA recommends that the Council support continuation of this important program by removing AMP’s statutory “sunset provision.”

December 20, 2023

MAINE PUBLIC UTILITIES COMMISSION,)
Inquiry Regarding Arrearage Management)
Program)
)

Central Maine Power Company's
Final Comments

I. INTRODUCTION

Central Maine Power Company (“CMP” or the “Company”) hereby provides its final written comments related to the Maine Public Utilities Commission’s (“MPUC”) upcoming report to the Legislature on the Arrearage Management Program (“AMP” or the “Program”). In summary, CMP supports the AMP, as it has proven to be a valuable assistance program for many customers. It provides customers with an opportunity to eliminate their arrearage simply by keeping up with their current electricity bills, providing a path forward for customers who can keep up but cannot catch up. To further improve the Program, CMP recommends (1) that customers who default from the AMP have their prior payment arrangement reestablished, and (2) that customers who enroll in the AMP be automatically enrolled in the Company’s Usage Alerts program, since, as the report notes, AMP participants’ electricity usage is significantly higher than the average customer.

II. BACKGROUND

Pursuant to 35-A M.R.S. § 3214(2-A) (the “Statute”), the Commission must prepare a report to the Legislature no later than January 28, 2024 assessing the effectiveness of the AMP.

The Statute requires that the report include specific information, including:

[T]he number of participants enrolled in the programs, the number of participants completing the programs, the number of participants who have failed to complete the programs, the payment patterns of participating customers after completing the programs, the dollar amount of arrears forgiven, a comparison of outcomes for those participating in the programs and those not participating, the impact on any participating transmission and

distribution utility's bad debt as a result of the programs, the costs and benefits to all ratepayers associated with the programs and recommendations for ways in which the programs might be improved or continued for the benefit of all ratepayers.

35-A M.R.S. § 3214(2-A).

On September 14, 2023, the Commission initiated an Inquiry seeking such information, as well as comments on any other information that stakeholders believed should be included in the report. The Office of Public Advocate provided initial comments related to the report on October 4, 2023. On October 17, 2023, CMP, Versant, and the Efficiency Maine Trust provided information requested by the Commission in its Notice of Inquiry. The Commission circulated to stakeholders its draft report to the Legislature on November 29, 2023 and subsequently held a stakeholder meeting to discuss that report on December 6, 2023. Per the Commission's September 14, 2023 Notice of Inquiry, final comments on the draft report to the Legislature are due December 20, 2023, which CMP provides below.

III. CMP'S FINAL COMMENTS

CMP supports the continuation of the AMP as a means to help customers eliminate their arrearages by making timely payments for current bills each month. This gives some customers a path forward from an otherwise unmanageable debt. More importantly, evidence shows customers who fully complete the AMP have an improved pattern of payment behavior on a going-forward basis.

As mentioned in CMP's previous comments, one drawback to the AMP is that it can inadvertently increase arrearages for customers who enroll in the AMP but then fail to make timely payments and ultimately default from the Program. Depending on whether or not any arrears were forgiven while in the AMP, these customers could exit the Program with higher arrearages than when they enrolled. While this does not negate the positive impacts of the AMP, the potential

downside for some customers should be acknowledged. CMP reiterates the suggestion that customers who default from the AMP should have their prior payment arrangement reestablished utilizing the same monthly payment terms to mitigate further increases to their arrearages.

The report notes at page 14 that AMP participants' electricity usage is significantly higher than the average customer. CMP recommends that its customers who enroll in the AMP should be automatically enrolled in the Company's Usage Alerts program, which provides weekly updates of usage so that customers can reasonably estimate the amount of their next bill. The weekly alerts provide customers with greater visibility into their usage which can help reduce usage and thus, their household's energy burden.¹

IV. CONCLUSION

CMP appreciates the opportunity to provide comments. If there are any questions regarding CMP's comments, please contact the undersigned.

/s/ Linda Ball

Linda Ball

Vice President of Customer Service for CMP

Central Maine Power Company
83 Edison Drive
Augusta, Maine 04336
Linda.Ball@cmpco.com

¹ CMP also notes that page 12 of the draft report contains a typo in the fourth sentence of the last paragraph. The phrase "encouraging them to see additional assistance to reduce the overall account balance" should be changed to "encouraging them to seek additional assistance to reduce the overall account balance."

Appendix B

Example of EMT Outreach Regarding Electricity Consumption Usage, Tips and Reports



**Efficiency Maine
Arrearage Management Program (AMP)
Electricity Usage Assessment Report**

2/25/2022

John Doe
123 Main St
Anytown, ME 04000

Dear John,

Your electric utility, CMP, has notified us that you have chosen to participate in their Arrearage Management Program (AMP). Efficiency Maine runs the state's energy-efficiency programs and we'd like to offer some suggestions to reduce your electric bill. This information is received directly from your utility company. Call them directly if you have any questions.

Enclosed you will find the following resources:

- 1) An electricity usage graph comparing your home to others
- 2) Energy saving tips (page 3)
- 3) Offer for a free heat pump water heater for qualifying homes* *See below*
- 4) Offer for free light bulbs and water-saving devices

For more resources, rebates and financing opportunities, please visit efficiencymaine.com

Please return enclosed card for free savings offer. **One card per household. Offer is non-transferrable.** We hope you find this information helpful.

****Please allow at least 12 weeks for processing ****

The following three conditions apply to the free heat pump water heater program

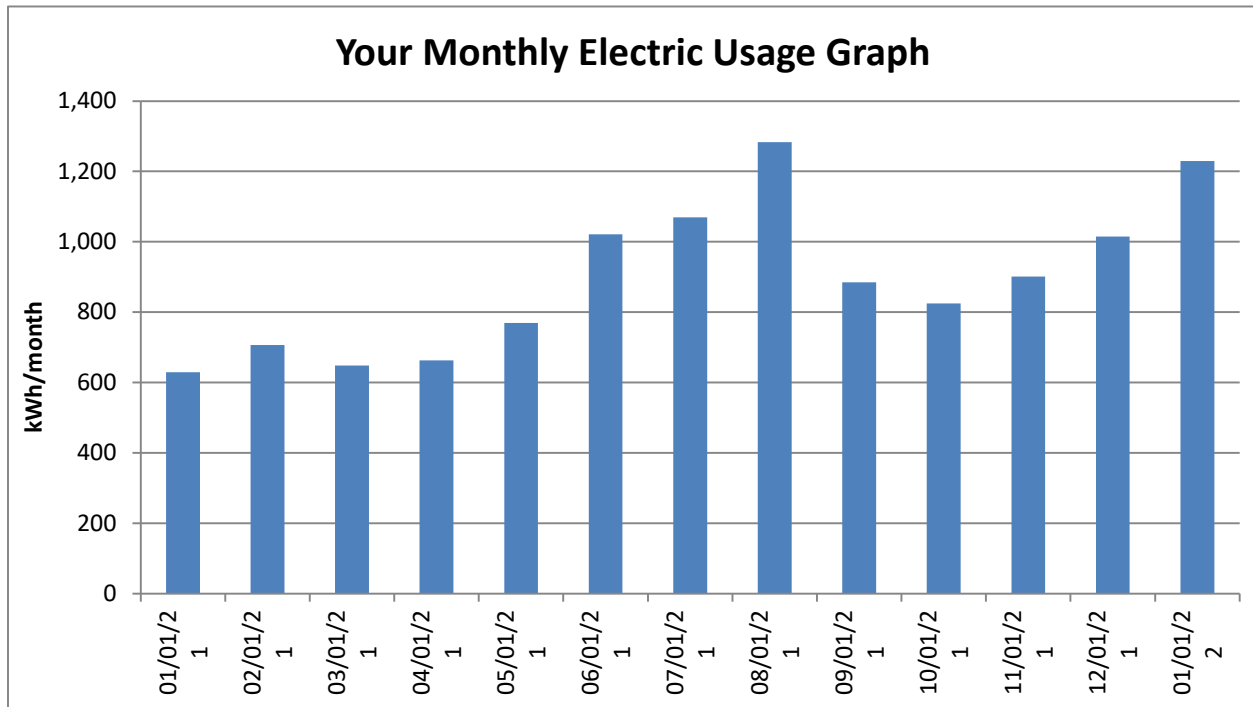
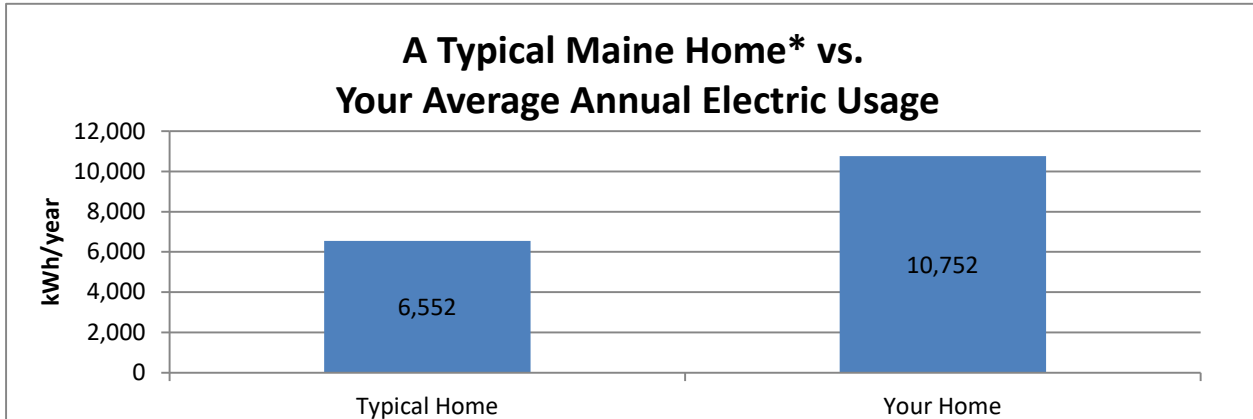
** A 6 ft ceiling height & an unheated -basement is required.*

** Water heated off a boiler or by gas/propane are NOT eligible under the AMP program*

** Mobile homes are also NOT eligible for the free heat pump water heater*

Efficiency Maine, Residential Services Program

Here is how your home’s electric energy use compares to a typical Maine home:



Peak month	August, 2021
Peak month usage	1,283 kWh/month
Lowest month	January, 2021
Lowest month usage	629 kWh/month
Your annual usage	10,752 kWh/year
Typical home annual usage*	6,552 kWh/year

*SOURCE: https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf

Energy Saving Tips

	Select what applies	Savings Area	Steps to Consider
1a		Electric: Baseboard Heat	<ol style="list-style-type: none"> 1. Turn down thermostat when you're away or asleep 2. Be sure windows are tightly closed 3. Close all storm windows
1b		Electric: Ductless Heat Pump	<ol style="list-style-type: none"> 1. Set it and forget it! Heat pumps are most efficient when run steadily 2. Refer to Efficiency Maine's <i>Heat Pump User Tips</i> . 3. Call Efficiency Maine (866-376-2463) if you are unsure of proper operation or you can't find the <i>Heat Pump User Tips</i>
2	X	Electric Water Heater	<ol style="list-style-type: none"> 1. Install an EPA WaterSense®-certified showerhead or other showerhead with a flow rate of less than 2 gallons per minute 2. Install low-flow aerators 3. Turn down water heater to the lowest temperature that gives you comfortable showers (Tip: if you need to mix cold water with hot in order to be comfortable, then you can save money by turning down your water heater)
3		Room Air Purifier	If you're using a room air purifier, be sure it's ENERGY STAR® rated. They can save 40% compared to standard models – that's \$30/year (source: Environmental Protection Agency, EPA)
4		Clothes Washer and Dryer	<ol style="list-style-type: none"> 1. Use the low temperature settings on the washing machine and fill it to capacity. Washing one large load uses less energy than washing two smaller loads 2. When drying, dry full loads when possible, but be careful not to overfill the dryer 3. Clean the dryer filter after each use 4. Consider hanging your clothes out to dry
5	X	Electric Cook Stove/Oven	<ol style="list-style-type: none"> 1. Use the smallest stove top burner necessary to do the job 2. Match your pan size to the burner size. For example, a 6" pan on an 8" burner can waste over 40% of the heat produced by the burner.
6		Central Air Conditioner	<ol style="list-style-type: none"> 1. Consider using a fan before turning on your air conditioner. Fans cost far less to use than air conditioners 2. Be sure to follow manufacturer's directions for cleaning air filters 3. Consider opening windows during cool nights and closing them during the day to keep cooler air inside
7	X	Window Air Conditioner	<ol style="list-style-type: none"> 1. Clean filters regularly 2. Make sure to keep the front and back of the air conditioner unobstructed
9		Freezer	<ol style="list-style-type: none"> 1. Consider unplugging unnecessary freezers 2. Upgrade to an ENERGY STAR® freezer
10		Space Heater	Space heaters can save energy compared to heating an entire house, but be sure to turn them off and unplug them when not in use
11		Dehumidifier	If your dehumidifier isn't ENERGY STAR® rated, consider replacing it with one that is. ENERGY STAR® dehumidifiers may use 30% less electricity
12		Efficient Light Bulbs	Switching to Light Emitting Diodes (LEDs) can save you over \$100 per year
13	X	Whole Home	For CMP customers, log on to Energy Manager at www.cmpco.com to find "Ways to Save"

Resources, Rebates and Financing Opportunities

	Relates to your home	Rebate	Upgrade	Contacts
1	X		Heat Pump Water Heaters can save the typical home \$330/year. You may be eligible for a free heat pump water heater with installation. See enclosure for eligibility criteria and then call Efficiency Maine to verify eligibilty	Efficiency Maine 866-376-2463
2	X	No charge	Maine libraries loan out electricity meters to enable users to see how efficient electrical devices are. Try one in your home to see what's driving your bill. Replacing, unplugging or not using an energy hog could help reduce your electric bill.	Your local library
3	X		Rebates available if you hire a qualified Efficiency Maine Registered Vendor to perform an energy assessment and qualifying energy upgrades. Co-pay required. Contact Efficiency Maine for details.	Efficiency Maine 866-376-2463

The free water heater program has strict guidelines.

Mobile homes and homes with crawl spaces and homes on slabs ARE NOT ELIGIBLE

A 6 ft Unheated -Basement is REQUIRED FOR THE WATER HEATER PROGRAM

The home MUST have an existing ELECTRIC RESISTANT water heater located in an unheated basement. If your water is heated by propane/gas or off your boiler, your home does not qualify.

Enclosures: Efficiency Maine Residential Incentive Information Sheet
 Business Reply Card
 Free Heat Pump Water Heater Eligibility Letter



Dear Maine Resident:

Can you answer YES to the following questions?:

- Is your water heater electric?
- Do you have a basement?
- Is your electric water heater IN the basement?
- Do you directly pay the electric bill? (That is, it's not included in rent)

If you can check ALL the boxes above, you may be eligible for a new, free water heater – *really free.*

In addition to saving money, heat pump water heaters store more hot water than typical electric water heaters, have long warranties, and dehumidify the space they are in. Thousands of Mainers have installed them and their satisfaction is high.

Efficiency Maine offers free heat pump water heaters to residents who participate in a qualifying program (LIHEAP, TANF, SNAP, or MaineCare) and directly pay their electric bills. Recipients must meet these criteria:

1. Use an electric resistance water heater (50 gallons or fewer) installed in an unheated basement with a ceiling at least six feet high. The basement must stay above 35°F all year.
2. Sign up for a replacement water heater while funding is still available.

Once you sign up, Efficiency Maine will put you in touch with an independent plumber who can replace your old water heater with a new heat pump water heater **at no cost to you**. Installation typically takes fewer than three hours, the old electric water heater can be removed, and it can all be done at a time that is convenient for you.

If you would like to request a free replacement water heater, **please call 866-376-2463**. Ask to speak with someone about the low-income water heater initiative. Funding is limited and requests will be filled on a first-come-first-served basis.

NOTE: With owner approval, renters are also eligible to participate in this initiative.



Efficiency Maine Residential Incentives

Efficiency Maine offers incentives for the following energy upgrades.

	Solutions	Efficiency Maine Maximum Incentive and Incentive Type			
		Income-Eligible or Home-Value Eligible	Any Income	Mail-In Rebate	Instant Discount
1	Air Sealing and Energy Assessment	\$600	\$500	✓	
2	Clothes Washers	\$50	\$50	✓	
3	ECM Circulator Pumps	\$75 – \$250	\$75 – \$250		✓ ¹
4	Electric Vehicles	\$2,500 – \$5,500	\$1,000 – \$2,000	✓	✓ ¹
5	Geothermal Systems	\$3,000	\$3,000	✓	
6	Heat Pump Water Heaters	100% of Installed Cost	\$850	✓	✓ ¹
7	Heat Pumps	\$2,400	\$1,200	✓	
8	Insulation	\$9,000	\$5,000	✓	
9	LED Bulbs	Reduced prices at participating retailers and distributors	Reduced prices at participating retailers and distributors		✓ ¹
10	Natural Gas “Combi” Boilers	\$300	\$300		✓ ^{1,2}
11	Natural Gas On-Demand Water Heaters	\$300	\$300		✓ ^{1,2}
12	Pellet Boilers	\$6,000	\$6,000	✓	
13	Room Air Purifiers	\$25	\$25	✓	

¹ Instant discount applied by participating distributor, retailer, or dealership. ² Rebate amounts and loan eligibility vary according to natural gas utility. Eligibility requirements apply. Program and incentives subject to change or termination.

FINANCING

Efficiency Maine offers home energy loans to help pay for energy upgrades. Maine homeowners can borrow up to \$15,000 over 10 years with no fees and interest rates as low as 4.99% APR. Electric vehicles are not eligible.

NON-EFFICIENCY MAINE INCENTIVES

Natural gas utilities: Natural gas customers may be eligible for additional rebates from their utility. Contact your natural gas provider for more information.

Federal Tax Credits (through 12/31/2022):

- Geothermal heat pumps: 26%, no cap
- Biomass boilers/furnaces: 26%, no cap
- Pellet and wood stoves: 26%, no cap
- Solar: 26%, no cap

Appendix C

Example of EMT Outreach Regarding DIY Kits



**START SAVING
ON YOUR
ELECTRIC BILL
TODAY!**



CUT ALONG THIS LINE

DEAR EFFICIENCY MAINE:

Please send me the following free, energy saving devices. I commit to install them within 30 days:

(lifetime limit one business reply card response per home - offer not transferable - offer subject to change)

CHECK ALL THAT APPLY:

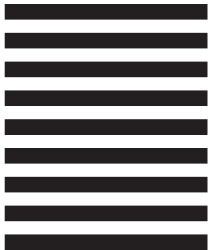
- Six LED bulbs
- One low flow kitchen aerator
- One low flow bathroom aerator
- One low flow showerhead

SEND TO:





NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 18 BRUNSWICK ME

POSTAGE WILL BE PAID BY ADDRESSEE

ARREARAGE MANAGEMENT PROGRAM
EFFICIENCY MAINE
PO BOX 219
BRUNSWICK ME 04011-9952



CUT ALONG THIS LINE



DEAR ARREARAGE MANAGEMENT PROGRAM PARTICIPANT:

One way to lower your monthly electric bill is to switch to efficient lighting. Each incandescent bulb that you upgrade to an LED bulb can save you \$5 per year.

Another way to save is to switch to faucet aerators and showerheads that save hot water.

If you are willing to install them within 30 days of receipt, we'll send you free bulbs, aerators and a showerhead. Simply complete, detach, and return the attached business reply card. Allow six weeks for delivery.

