

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 20-0203-INV

Investigation into the establishment of)
reduced rates for low-income residential)
ratepayers of Vermont electric utilities)

COMMENTS OF
AARP VERMONT

AARP Vermont (AARP VT) submits the following comments on behalf of our 130,000 members and all older Vermonters throughout the state. For the past two decades, AARP VT has advocated for programs that assure low-income households have reliable, affordable energy services. In 2009, following years of advocacy for the passage of a law authorizing the Vermont Public Utility Commission (VTPUC) to set low-income electric rates, AARP VT filed a petition that ultimately resulted in an order from the VTPUC implementing a low-income rate program for what is now Green Mountain Power (GMP). In the 2011 final order for Docket No. 7535, the VTPUC stated:

Electricity is a necessity for a safe and healthy household. In 2009, there were 11,901 instances in Vermont of electric service disconnection. To lose electricity at a residence means to lose the light and heat of home. Increasingly in our modern society, to be without electricity also poses many social hardships, such as the loss of internet access and, with that, the disruption of connections with schools, health-care providers, employers and other community resources. Electricity is a necessity that many Vermonters cannot afford.

Almost a decade later, this statement by the VTPUC remains true. Electricity is an essential service and it benefits all of us to assure that the most vulnerable Vermonters remain connected. In the years since the GMP electric assistance program was set up, AARP VT has

continually worked with GMP and the relevant state agencies to evaluate and improve the effectiveness and efficiency of their low-income electric discount program. The need for affordable electric services impacts all of Vermont's utility service territories and we look forward to working with the VTPUC and all of the interested stakeholders to assure that low-income Vermonters stay connected to this essential service. AARP has engaged Scott Rubin, a consultant and regulatory attorney from Pennsylvania with extensive experience working on issues of utility affordability throughout the United States, to assist us with our comments, filings and participation in this case.

AARP VT is submitting responses to the Commission's questions that are not directed solely to electric utilities. AARP VT plans to file reply comments on or before June 29, 2020, that respond to matters raised in electric utilities' comments. We also expect to fully participate in any hearings, workshops, or technical conferences the Commission may hold in this matter. Following are AARP VT's responses to the Commission's questions.

Should this proceeding be broken into two tracks, one track to consider GMP's Energy Assistance Program and a second track to deal with the other Utilities that currently do not have a low-income program? (If a two-track process is adopted, I expect that the two tracks would not be isolated from each other but, rather, would inform one another.)

AARP VT suggests that this proceeding should remain in one track. We believe this would provide a more efficient use of everyone's time, especially with the logistical difficulties associated with offices being closed and other pandemic-related safety measures. It would be much easier for the Commission and all parties to have these matters considered in a single proceeding, with one set of filings, hearings (or conferences), and so on. As is the case in most proceedings before the Commission, there may be multiple issues addressed in the proceeding, and some parties may address some but not all of the issues, but that should not make it necessary to bifurcate this proceeding into separate tracks.

Should the proceeding consider a state-wide low-income program, or should it consider a service-territory-by-service-territory low-income program?

AARP VT urges the Commission to consider a statewide low-income program or program requirement if the attorneys believe that such a program requirement can be implemented under existing law. The need for relief is urgent and we would not want to see the Commission pursue an approach that requires legislative action.

We believe that 30 V.S.A. § 218 permits the Commission to establish a statewide program or program requirement, but an opinion from Commission counsel on this point might be appropriate. We submit that § 218(e) does not prohibit a statewide program or program requirement. That subsection states that a reduced rate for low-income customers can take the form of a “rate schedule, tariff, agreement, contract, or settlement.” Thus, it would appear that subsection (e) contemplates an agreement or contract (rather than a utility-specific rate or tariff) can be used to establish a low-income program. Subsection (e) does not prohibit such a contract or agreement from involving more than one utility.

We do not believe that subsection (a) changes this result. The relevant provision in subsection (a) states: “This section shall not be construed to require the same rates, tolls, or charges from any company subject to supervision under this chapter for like service in different parts of the State, but the Commission in determining these questions shall investigate local conditions and its final findings and judgment shall take cognizance thereof.” 30 V.S.A. § 218(a). Subsection (a) appears to address issues of rate uniformity (or single-tariff pricing) within a single utility. AARP VT submits that subsection (a) should not be interpreted to prohibit a statewide program or program requirement to address a problem shared by several utilities and their customers.

If the Commission shares AARP VT's opinion that a statewide program or program requirement is lawful, then we would urge the Commission to implement such a program or require all Vermont utilities to establish a program. A statewide program could permit smaller utilities -- particularly those with a high percentage of low-income customers -- to provide some relief for their low-income customers without incurring substantial administrative costs or unduly burdening their higher-income or non-residential customers.

For example, using data from the U.S. Census Bureau, AARP VT estimates that the following electric utility service areas have more than 30% of the population with incomes below 150% of the federal poverty level (FPL): Ludlow Electric Light Department; Vermont Electric Cooperative (VEC); and the Villages of Barton, Johnson, Lyndonville, Orleans, and Stowe.¹ With the possible exception of VEC, it would be extremely difficult, if not impossible, for these utilities to implement self-contained low-income programs that are funded solely by their own customers.

As an example, the census data show that 51.8% of people in the Village of Johnson have incomes below 150% of the FPL. AARP VT does not know how it would be possible for that utility to provide meaningful relief to its low-income customers without imposing an extraordinarily high burden on its remaining customers. Indeed, this is particularly troublesome because another 10% of Johnson's population has incomes between 150% and 200% of FPL. Given the size of Johnson (the Census Bureau estimated the 2018 population to be fewer than 1,100 people), however, spreading Johnson assistance costs among all electricity consumers in the state would not impose a significant burden on electricity bills statewide.

¹ See Appendices A and B described below.

Should low-income programs be supported by ratepayer funds, by a state tax, or by other means?

AARP VT would encourage the Commission to develop a program that is consistent with existing law. While a statewide tax might be desirable in the long term, we respectfully ask the Commission to not wait for legislative action. Vermont’s low-income families need help now, not at some indeterminate time in the future when the legislature might enact a new tax. If properly structured, we believe that a statewide program can be implemented with ratepayer funds. Ideally such a program would be supplemented with voluntary donations from utilities’ retained earnings. The rate impact of any proposal on non-participants also should be considered.

Should the benchmark for “low income” be 150 percent of the current federal poverty level, or should it be at another level, such as 180 percent or 200 percent?

AARP VT understands that existing law defines low-income customers as households with incomes at or below 150% FPL. 30 V.S.A. § 218(e). As explained above, we do not believe the Commission should wait for a change in law before adopting an assistance program. Thus, for the present time, the Commission should develop a program based on 150% FPL.

Ideally, a program to assist low-income utility customers should be able to use what is known as “categorical eligibility.” That is, if a consumer already receives a means-tested benefit, then they only would need to show that they are receiving the other means-tested benefit; they would not need to document their income to the utility. AARP supports coordination of benefits around the state to minimize marketing costs and income verification costs – and enhance enrollment.

At 150% FPL, AARP VT understands that recipients of the following means-tested programs would be categorically (or automatically) eligible for assistance:

- Supplemental Nutrition Assistance Program (SNAP): 130% FPL;

- Reach-Up (the precise income threshold varies with expenses, assets, and age, but Reach-Up is more restrictive than SNAP);
- Supplemental Security Income (SSI) (similar to Reach-Up; more restrictive than SNAP);
- Telephone Lifeline program: 135% FPL; and
- Medicaid: 138% FPL for adults age 19-64 who are not disabled.

If the Commission wishes to seek a legislative increase in the threshold, we suggest 185% FPL. That is the same threshold used in the following programs, so additional recipients would be eligible automatically for utility assistance:

- Women’s Infants and Children’s (WIC) assistance: 185% FPL;
- Low-Income Home Energy Assistance Program (LIHEAP): 185% FPL; and
- 3SquaresVT: 185% FPL.

Do the Utilities have access to reliable information about how many qualifying low-income consumers reside in their service territory compared to how many non-low-income consumers?

AARP VT cannot speak for the utilities, but as an aid to the Commission and parties we prepared Appendices A and B. Appendix A provides 2018 U.S. Census data for each Vermont city, village, or CDP (census designated place).² The specific data provided are the population and the number (and percent) of people with incomes below 150% FPL, 185% FPL, and 200% FPL. We also have included our best estimate of the electric utility (or utilities) that serve each location. In Appendix B, we have aggregated the information by utility.

² Data compiled from U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates, Table S1701: Poverty Status in the Past 12 Months.

Do the Utilities have the technological and human resources infrastructure to design and implement a low-income program?

AARP VT does not have any information responsive to this question.

Can the Utilities present potential low-income programs that could illustrate what a low-income program in their respective territories might look like and what it might cost to operate such a program?

AARP VT does not have any information responsive to this question.

In conclusion, AARP VT appreciates having the opportunity to provide the Commission with input on these vitally important issues. We look forward to working with the Commission, utilities, and other interested parties to help all Vermonters better afford their electricity service.

Respectfully submitted,

/s/ Philene Taormina

Philene Taormina
Director of Advocacy, AARP VT

Dated: May 28, 2020

Appendix A
Poverty Status in Vermont Cities, Towns, and Census Designated Places
Data Extract from Table S1701. Poverty Status in the Past 12 Months
U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

Geographic Area	Electricity	Population	< 150% FPL	< 185% FPL	< 200% FPL	% < 150	% < 185	% < 200
	Provider							
Albany village	VEC	211	25	32	63	11.8%	15.2%	29.9%
Alburgh village	VEC	515	149	167	196	28.9%	32.4%	38.1%
Arlington CDP	GMP	1,358	229	335	335	16.9%	24.7%	24.7%
Ascutney CDP	GMP	423	100	100	112	23.6%	23.6%	26.5%
Barnet CDP	GMP	160	59	97	102	36.9%	60.6%	63.8%
Barre city	GMP	8,515	3,035	3,634	3,819	35.6%	42.7%	44.9%
Barton village	Barton	523	199	264	274	38.0%	50.5%	52.4%
Beecher Falls CDP	VEC	204	57	89	89	27.9%	43.6%	43.6%
Bellows Falls village	GMP	2,945	1,166	1,360	1,398	39.6%	46.2%	47.5%
Bennington CDP	GMP	8,404	2,313	3,025	3,520	27.5%	36.0%	41.9%
Benson CDP	GMP	257	84	112	115	32.7%	43.6%	44.7%
Bethel CDP	GMP	674	216	303	333	32.0%	45.0%	49.4%
Bradford CDP	GMP	512	124	264	303	24.2%	51.6%	59.2%
Brandon CDP	GMP	1,323	199	300	300	15.0%	22.7%	22.7%
Brattleboro CDP	GMP	6,551	2,018	2,534	2,650	30.8%	38.7%	40.5%
Bristol CDP	GMP	1,705	279	341	459	16.4%	20.0%	26.9%
Burlington city	Burlington	35,836	12,788	15,281	15,922	35.7%	42.6%	44.4%
Cabot CDP	GMP/WEC	174	65	81	84	37.4%	46.6%	48.3%
Cambridge village	GMP/VEC	219	7	27	34	3.2%	12.3%	15.5%
Canaan CDP	VEC	330	123	139	171	37.3%	42.1%	51.8%
Castleton CDP	GMP	512	302	351	351	59.0%	68.6%	68.6%
Cavendish CDP	GMP/Ludlow	133	26	26	33	19.5%	19.5%	24.8%
Chelsea CDP	GMP/WEC	347	71	122	127	20.5%	35.2%	36.6%
Chester CDP	GMP	798	230	230	259	28.8%	28.8%	32.5%
Concord CDP	GMP	268	28	54	62	10.4%	20.1%	23.1%
Coventry CDP	VEC	34	4	4	4	11.8%	11.8%	11.8%
Danville CDP	GMP/WEC	399	6	20	32	1.5%	5.0%	8.0%

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	Provider							
Derby Center village	VEC	559	189	240	273	33.8%	42.9%	48.8%
Derby Line village	VEC	758	159	233	248	21.0%	30.7%	32.7%
Dorset CDP	GMP	250	5	5	5	2.0%	2.0%	2.0%
East Barre CDP	GMP/WEC	627	57	87	87	9.1%	13.9%	13.9%
East Burke CDP	Lyndonville	66	9	22	22	13.6%	33.3%	33.3%
East Middlebury CDP	GMP	439	44	76	96	10.0%	17.3%	21.9%
East Montpelier CDP	GMP/WEC	44	17	17	17	38.6%	38.6%	38.6%
Enosburg Falls village	Enosburg	1,254	272	379	395	21.7%	30.2%	31.5%
Essex Junction village	GMP	10,368	1,136	1,938	1,999	11.0%	18.7%	19.3%
Fairfax CDP	GMP/VEC	928	43	90	90	4.6%	9.7%	9.7%
Fair Haven CDP	GMP	2,255	561	826	893	24.9%	36.6%	39.6%
Fairlee CDP	GMP	249	83	89	92	33.3%	35.7%	36.9%
Glover CDP	VEC	273	125	139	139	45.8%	50.9%	50.9%
Graniteville CDP	GMP	969	258	339	405	26.6%	35.0%	41.8%
Greensboro CDP	Hardwick/WEC	105	24	41	41	22.9%	39.0%	39.0%
Greensboro Bend CDP	Hardwick/WEC	258	40	102	104	15.5%	39.5%	40.3%
Groton CDP	GMP/WEC	384	135	150	188	35.2%	39.1%	49.0%
Hardwick CDP	Hardwick	1,313	196	276	846	14.9%	21.0%	64.4%
Hartland CDP	GMP	242	80	108	131	33.1%	44.6%	54.1%
Hinesburg CDP	GMP/VEC	762	86	130	130	11.3%	17.1%	17.1%
Hyde Park village	Hyde Park	432	58	65	79	13.4%	15.0%	18.3%
Irasburg CDP	VEC	115	54	54	54	47.0%	47.0%	47.0%
Island Pond CDP	VEC	768	243	302	323	31.6%	39.3%	42.1%
Jacksonville village	Jacksonville	214	42	69	76	19.6%	32.2%	35.5%
Jeffersonville village	VEC	790	220	305	330	27.8%	38.6%	41.8%
Jericho village	GMP/VEC	1,430	75	104	104	5.2%	7.3%	7.3%
Johnson village	Johnson	1,083	561	630	670	51.8%	58.2%	61.9%

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	Provider							
Lowell CDP	VEC	150	30	32	35	20.0%	21.3%	23.3%
Ludlow village	Ludlow	695	210	260	262	30.2%	37.4%	37.7%
Lyndonville village	Lyndonville	1,307	472	674	764	36.1%	51.6%	58.5%
Manchester village	GMP	717	184	232	263	25.7%	32.4%	36.7%
Manchester Center CDP	GMP	1,987	409	639	639	20.6%	32.2%	32.2%
Marshfield village	GMP/WEC	288	108	146	150	37.5%	50.7%	52.1%
Middlebury CDP	GMP	4,116	974	1,180	1,273	23.7%	28.7%	30.9%
Milton CDP	GMP	2,217	586	734	734	26.4%	33.1%	33.1%
Montpelier city	GMP	7,520	1,282	1,567	1,734	17.0%	20.8%	23.1%
Morrisville village	Morrisville	2,137	544	876	882	25.5%	41.0%	41.3%
Newbury village	GMP	339	66	91	91	19.5%	26.8%	26.8%
Newfane village	GMP	134	26	30	30	19.4%	22.4%	22.4%
Newport city	VEC	3,837	1,107	1,513	1,586	28.9%	39.4%	41.3%
Newport Center CDP	VEC	302	99	122	122	32.8%	40.4%	40.4%
North Bennington village	GMP	1,082	240	339	339	22.2%	31.3%	31.3%
Northfield CDP	Northfield	1,702	280	358	358	16.5%	21.0%	21.0%
North Hartland CDP	GMP	145	17	37	37	11.7%	25.5%	25.5%
North Springfield CDP	GMP	510	265	265	265	52.0%	52.0%	52.0%
North Troy village	VEC	738	287	335	362	38.9%	45.4%	49.1%
North Westminster CDP	GMP	199	10	10	10	5.0%	5.0%	5.0%
Norwich CDP	GMP	664	88	88	96	13.3%	13.3%	14.5%
Old Bennington village	GMP	178	4	4	5	2.2%	2.2%	2.8%
Orleans village	Orleans	893	296	419	465	33.1%	46.9%	52.1%
Perkinsville village	GMP	108	15	17	35	13.9%	15.7%	32.4%
Pittsford CDP	GMP	602	172	180	186	28.6%	29.9%	30.9%
Plainfield CDP	WEC	413	104	111	115	25.2%	26.9%	27.8%
Poultney village	GMP	1,123	336	386	429	29.9%	34.4%	38.2%

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	Provider							
Proctorsville CDP	GMP	375	104	124	124	27.7%	33.1%	33.1%
Putney CDP	GMP	474	114	155	176	24.1%	32.7%	37.1%
Quechee CDP	GMP	231	83	83	103	35.9%	35.9%	44.6%
Randolph CDP	GMP	2,192	465	627	662	21.2%	28.6%	30.2%
Readsboro CDP	GMP	260	110	124	127	42.3%	47.7%	48.8%
Richford CDP	VEC	1,591	600	769	826	37.7%	48.3%	51.9%
Richmond CDP	GMP/VEC	391	43	54	54	11.0%	13.8%	13.8%
Rochester CDP	GMP	308	81	116	116	26.3%	37.7%	37.7%
Rutland city	GMP	14,875	3,582	4,776	5,555	24.1%	32.1%	37.3%
St. Albans city	GMP	6,752	1,211	1,808	1,817	17.9%	26.8%	26.9%
St. Johnsbury CDP	GMP	5,424	1,579	2,129	2,227	29.1%	39.3%	41.1%
Saxtons River village	GMP	464	172	188	200	37.1%	40.5%	43.1%
Shelburne CDP	GMP	505	86	86	86	17.0%	17.0%	17.0%
South Barre CDP	GMP/WEC	1,182	271	290	290	22.9%	24.5%	24.5%
South Burlington city	Burlington	18,585	2,296	3,140	3,466	12.4%	16.9%	18.6%
South Royalton CDP	GMP	616	112	185	209	18.2%	30.0%	33.9%
South Shaftsbury CDP	GMP	589	92	92	117	15.6%	15.6%	19.9%
Springfield CDP	GMP	4,181	1,436	1,636	1,770	34.3%	39.1%	42.3%
Stowe CDP	Stowe	282	113	113	128	40.1%	40.1%	45.4%
Swanton village	Swanton	2,352	510	674	759	21.7%	28.7%	32.3%
Troy CDP	VEC	25	-	-	5	0.0%	0.0%	20.0%
Vergennes city	GMP	2,566	518	633	738	20.2%	24.7%	28.8%
Waitsfield CDP	GMP	150	4	19	23	2.7%	12.7%	15.3%
Wallingford CDP	GMP	932	198	253	276	21.2%	27.1%	29.6%
Waterbury village	GMP	1,706	249	446	477	14.6%	26.1%	28.0%
Websterville CDP	GMP	469	84	164	177	17.9%	35.0%	37.7%
Wells CDP	GMP	446	8	12	28	1.8%	2.7%	6.3%

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Wells River village	GMP	396	186	243	269	47.0%	61.4%	67.9%
West Brattleboro CDP	GMP	2,633	673	996	1,395	25.6%	37.8%	53.0%
West Burke village	Lyndonville	323	120	134	144	37.2%	41.5%	44.6%
Westminster village	GMP	282	10	10	10	3.5%	3.5%	3.5%
West Rutland CDP	GMP	2,151	324	488	681	15.1%	22.7%	31.7%
White River Junction CDP	GMP	2,269	482	690	812	21.2%	30.4%	35.8%
Wilder CDP	GMP	1,577	131	250	266	8.3%	15.9%	16.9%
Williamstown CDP	GMP/WEC	997	127	163	185	12.7%	16.3%	18.6%
Wilmington CDP	GMP	298	57	95	150	19.1%	31.9%	50.3%
Windsor CDP	GMP	2,097	580	918	1,001	27.7%	43.8%	47.7%
Winooski city	GMP	6,980	2,788	3,369	3,576	39.9%	48.3%	51.2%
Woodstock village	GMP	1,486	347	366	376	23.4%	24.6%	25.3%
Worcester CDP	GMP/WEC	47	12	21	21	25.5%	44.7%	44.7%
Total		223,827	56,843	73,192	79,673	25.4%	32.7%	35.6%

Appendix B
Estimates of People in Vermont with Incomes Below
150%, 185%, and 200% of Federal Poverty Level in 2018
by Electric Utility Service Area

<u>Utility</u>	<u>Population</u>	<u>< 150% FPL</u>	<u>< 185% FPL</u>	<u>< 200% FPL</u>	<u>% < 150</u>	<u>% < 185</u>	<u>% < 200</u>
Barton	523	199	264	274	38.0%	50.5%	52.4%
Burlington	54,421	15,084	18,421	19,388	27.7%	33.8%	35.6%
Enosburg	1,254	272	379	395	21.7%	30.2%	31.5%
GMP	134,502	33,089	43,301	47,449	24.6%	32.2%	35.3%
GMP/Ludlow	133	26	26	33	19.5%	19.5%	24.8%
GMP/VEC	3,730	254	405	412	6.8%	10.9%	11.0%
GMP/WEC	4,489	869	1,097	1,181	19.4%	24.4%	26.3%
Hardwick	1,313	196	276	846	14.9%	21.0%	64.4%
Hardwick/WEC	363	64	143	145	17.6%	39.4%	39.9%
Hyde Park	432	58	65	79	13.4%	15.0%	18.3%
Jacksonville	214	42	69	76	19.6%	32.2%	35.5%
Johnson	1,083	561	630	670	51.8%	58.2%	61.9%
Ludlow	695	210	260	262	30.2%	37.4%	37.7%
Lyndonville	1,696	601	830	930	35.4%	48.9%	54.8%
Morrisville	2,137	544	876	882	25.5%	41.0%	41.3%
Northfield	1,702	280	358	358	16.5%	21.0%	21.0%
Orleans	893	296	419	465	33.1%	46.9%	52.1%
Stowe	282	113	113	128	40.1%	40.1%	45.4%
Swanton	2,352	510	674	759	21.7%	28.7%	32.3%
VEC	11,200	3,471	4,475	4,826	31.0%	40.0%	43.1%
WEC	413	104	111	115	25.2%	26.9%	27.8%
Total	223,827	56,843	73,192	79,673	25.4%	32.7%	35.6%