

**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

**DEPARTMENT OF PUBLIC SERVICE RESPONSES TO COMMISSION QUESTIONS
ISSUED ON APRIL 1, 2020**

On February 3, 2020, the Vermont Public Utility Commission (“Commission”) issued an order opening an investigation into the potential implementation of best practices for providing discounted rates to low-income residential ratepayers of Vermont retail electric utilities.¹ Then, on April 1, 2020, the Commission issued its *Order Establishing Schedule and Noticing Workshop*.² In its April 1, 2020 Order, the Commission issued a series of questions to participants in this proceeding and requested that participants submit their responses no later than June 1, 2020. The Department of Public Service (“Department”) appreciates the opportunity to partake in this important and timely proceeding and hereby submits the following responses to the Commission’s questions.

- a. 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, [the Commission] expect[s] that the two tracks would not be isolated from each other but, rather, would inform one another.)**

The Department recommends one track for the initial portion of this proceeding. At this early juncture, it is premature to split this docket into two proceedings as not only can other utilities, in a single proceeding, learn from Green Mountain Power Corporation’s (“GMP”) current Energy Assistance Program, but all utilities can inform each other and share ideas on how best to facilitate low-income programs amongst the several service territories. Thus, a single proceeding would be the most straightforward and informative avenue of pursuit at this time.

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

The Department appreciates the opportunity comment openly and share ideas regarding a best-practiced low-income program to assist Vermonters with their energy needs. For purposes of the above Commission question, it does not appear that the Commission currently has the authority

¹ Investigation into the potential implementation of best practices for providing discounted rates to low-income residential ratepayers of Vermont electric retail utilities, Case No. 20-0203-INV, Order issued on 02/03/20.

² Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities, Case No. 20-0203-INV, Order issued on 04/01/20.

to implement a “one-size-fits-all” state-wide low-income program for energy assistance. However, while a uniform state-wide energy assistance program may not be a viable option at this juncture, there are other options to be discussed and considered, including the possibility of separate utility-run low-income programs, which have the potential to be incredibly helpful to those Vermonters struggling with utility bills.

Regarding potential implementation of a uniform state-wide energy assistance program, 30 V.S.A § 218(e) states:

Notwithstanding any other provisions of this section, the Commission, on its own motion or upon petition of any person, may issue an order approving a rate schedule, tariff, agreement, contract, or settlement that provides reduced rates for low-income electric utility consumers better to assure affordability. For the purposes of this subsection, “low-income electric utility consumer” means a customer who has a household income at or below 150 percent of the current federal poverty level. When considering whether to approve a rate schedule, tariff, agreement, contract, or settlement for low-income electric utility consumers, the Commission shall take into account the potential impact on, and cost-shifting to, other utility customers.

First, the language of the above statute, itself, is plain. The Commission may “issue an order approving a rate schedule, tariff, agreement, contract, or settlement that provides reduced rates for low-income electric utility consumers”; however, nothing is said in statute regarding the creation or approval of a single, state-wide program. Second, the Commission previously considered the possibility of a state-wide low-income program in Docket No. 7535.³ In an order entered on July 22, 2011, the Commission in Docket No. 7535 recognized that 30 V.S.A § 218(e) is “devoid of language that expressly or impliedly enables the Board to authorize utilities to recover their program-related costs through recourse to the state’s general fund.”⁴ Thus, the Commission, too, recognizes the lack of authority given by statute to create a single, state-wide program to assist low-income Vermonters with their electricity bills.

Should the Commission wish to implement or approve the implementation of a state-wide energy assistance program, 30 V.S.A § 218(e) must be amended to give the Commission this authority. The Department understands that amending this language may take a significant amount of time and, in the interim, recommends that the Commission host a workshop to inform this question. Right now, there are vast differences among utility territories and many options to consider and discuss before solidifying an appropriate answer the Commission question raised

³ This docket investigated: (1) the petition of AARP for the establishment of reduced rates for low-income consumers of GMP and Central Vermont Public Service Corporation; and (2) AARP’s petition as expanded to possibly include general applicability to all Vermont retail electric utilities.

⁴ Investigation into (1) the petition of AARP for the establishment of reduced rates for low-income consumers of GMP and Central Vermont Public Service Corporation; and (2) AARP’s petition as expanded to possibly include general applicability to all Vermont retail electric utilities, Docket No. 7535, order issued 07/22/11, at 24.

above. Again, while a uniform state-wide energy assistance program may not currently be a viable option, there are other options that should be discussed and considered, including the potential implementation of separate utility-run low-income programs.

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

This is a crucial question as it speaks to the overall function and sustainability of a successful low-income program. To inform this question, the Department again recommends that the Commission host a workshop with key Vermont stakeholders. While the Commission mentions “ratepayer funds” and a “state tax” as means to support low-income programs, perhaps the Commission and utilities may also consider rate design and other innovative programs that not only facilitate low-income participation, but encourage it. There exist several options to consider in this realm, and it is imperative to fully deliberate and discuss each option amongst stakeholders before coming to a decision.

d. 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?

30 V.S.A § 218(e) states that a “‘low-income electric utility consumer’ means a customer who has a household income at or below 150 percent of the current federal poverty level.” According to the plain language of the statute, the benchmark for qualification as a low-income electricity consumer in Vermont requires an income of 150 percent of the federal poverty level. Moreover, in setting the threshold for low-income qualification for GMP’s Energy Assistance Program, the Commission looked to the same statutory language provided above: “Section 218(e) specifies an enrollment standard for any low-income rate approved thereunder. A ‘low income electric utility consumer’ is defined as an individual who has a household income at or below ‘150 percent of the current federal poverty level.’”⁵ This percentage is a statutory requirement, and adopting a benchmark for “low income” that differs from the statutorily defined percentage would require an amendment to 30 V.S.A § 218(e).

Given the above, the Department would support a statutory amendment to the current “low income” threshold of 150 percent of the federal poverty level. In fact, if further low-income programs move forward and determine program eligibility based upon income, the Department recommends that said program eligibility be in sync with the standard used by 3SquaresVT, which provides assistance to those whose incomes are below 185 percent of the federal poverty level.⁶ Increasing the eligibility requirement to 185 percent would not only promote uniformity amongst multiple low-income programs, but it would assist even more Vermonters with affording the electricity necessary to live their day-to-day lives. Regarding alternative modes of eligibility for a low-income program, energy burden or even housing burden may be other thresholds to consider

⁵ *Id.* at 33.

⁶ 3SquaresVT “is a federal USDA program administered in Vermont by the Department for Children and Families, Economic Services Division” that provides low-income families in Vermont with access to healthy food options. 3SquaresVT (2020) <https://dcf.vermont.gov/benefits/3SquaresVT>.

for utility low-income programs; however, this adds another layer of difficulty in contrast to an income-based program that may require additional data review and a more detailed eligibility process. The Department recommends further research in this area as well as a workshop with key stakeholders to inform this question.

e. Final Three Questions

The final three Commission questions are as follows:

1. Do the Utilities have access to reliable information about how many qualifying low-income consumers reside in their service territories as compared to how many non-low-income consumers?
2. Do the Utilities have the technological and human resources infrastructure to design and implement a low-income program?
3. 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?

As these questions are utility-specific, the Department looks forward to reviewing utility responses and commenting when appropriate.

Thank you for the opportunity to comment on this matter. Please contact me with any questions.

Dated at Montpelier, Vermont this 1st day of June, 2020.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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