

HB141 Testimony  
2-16-05

Energy Share of Montana  
Testimony

EXHIBIT	15
DATE	2-18-05
HB	HB141

- Mr. Chair, members of the Committee, my name is Rachel Haberman and I'm here on behalf of Energy Share of Montana.
- Energy Share is a private nonprofit organization that helps low-income Montanans with their emergency heating needs.
- We've been in existence since 1982 and since that time have helped over 23,300 Montana households with nearly 6.7 million dollars.
- We have always worked closely with the LIEAP and weatherization programs.
- Statewide, Montana's low-income energy assistance programs have a very coordinated approach to helping Montana families keep their heat on during our cold winters.

Energy Share supports HB141 because it:

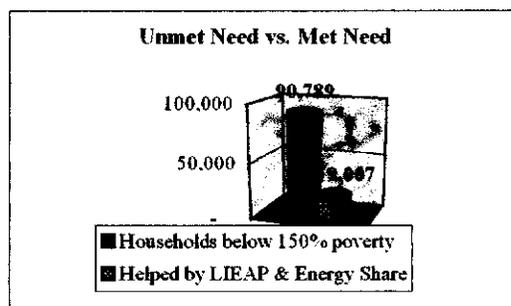
1. Extends USB through 2009;
  2. Bases USB revenues off the prior year's retail sales instead of 1995 revenues;
  3. It increases the minimum annual low-income funding requirement from 17% to 25% of USB dollars.
- We believe it's important to do all three of those things because of the need in Montana (handout).
  - According to the 2000 Census, the number of individuals in Montana who are below 150% of poverty grew by over 12,000 from 213,392 in 1990 to 225,447 in 2000.
  - Yet all the while electric and gas rates have increased.
  - Using NWE rates as an example,
    - electricity has increased 33% and
    - natural gas has increased 68% since 1995.
  - Inflation is 23% since then, but low-income electric USB has remained at a minimum 17% of total USB dollars, and that's based on 1995 revenues.
  - It is critical we base the funding on the prior year's revenue just to stay even.

Energy Share is not a big player in USB, but for the 2,645 families we helped last year we were the only safety net they had.

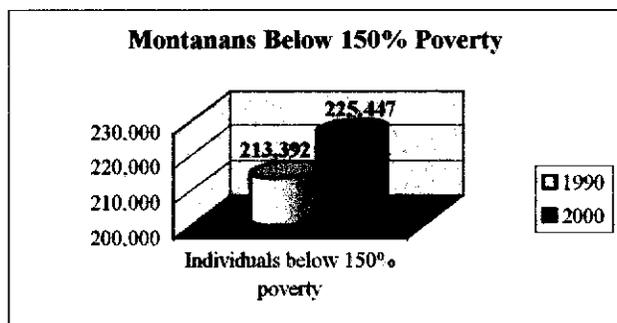
Representative Olson's interim committee did a good job on HB141 and we appreciate all the hard work. Please vote yes on HB141.

## Fact Sheet on Montana's Poor and the Need for Low-Income Energy Assistance

According to the 2000 census figures there are 90,789 Montana households below 150% of poverty. Between Energy Share and LIEAP, only 21,772 households (20% of those below 150% of poverty) were helped in FY2004.



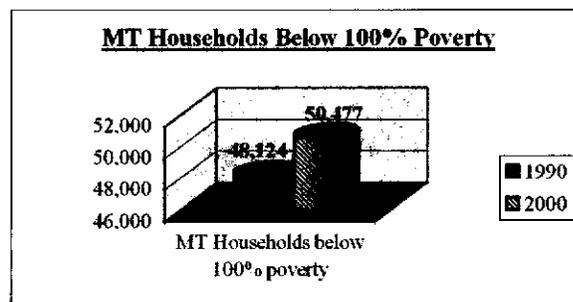
According to the 2000 Census, there are 225,512 children below 18 years of age in Montana. Of those, 42,912 live below the poverty level. Montana is ranked 38<sup>th</sup> nationally for the number of poor children – 19% of our children are poor.



In 1990 Montana's population of individuals who are below 150% of poverty was 213,392. According to the 2000 Census, that number has grown over 12,000 to 225,447.

Looking at a 3-year average for 1999-2001, Montana ranks 42<sup>nd</sup> among all states for the percentage of population in poverty. According to 2000 census figures, Montana has the 10<sup>th</sup> highest poverty rate among the 50 states.

According to Department of Public Health and Human Services, in fiscal year 2004 the energy burden for LIEAP recipients was 12.8% of their annual income, up from 8.8% in fiscal year 2002. If you take a household that makes a more average income of \$30,000 and they had the same energy burden, they would be paying over \$3,800 a year or \$320 a month for energy costs.



The National Low Income Consortium did a study on how families at or below 125% of poverty coped with energy bills. 46% skipped meals sometimes or often; 45% skipped medications sometimes or often; and 54% used their oven for heat, an inefficient and expensive way to heat a home.

Nationally, 55% of the low-income households that had financial heat interruptions were non-welfare poor households and 69% were households with children. When households experienced a heat interruption, 54% went without heat, 39% heated 1-2 rooms with fireplaces, cooking stoves and/or portable heaters. Cooking stoves, which 1.8 million households reported using to keep warm, are dangerous, expensive and ineffective home heaters.<sup>1</sup>

A study by Boston City Hospital shows that the number of emergency room visits by underweight children increased by 30% after the coldest months of the year, demonstrating the "Heat or Eat" dilemma many families face each winter.<sup>2</sup>

<sup>1</sup>Low Income Energy Assistance Program: Report to Congress FY 1987. DHHS, pp. 147-148; 152-154.

<sup>2</sup>The New York Times, "Study of Poor Children Shows a Painful Choice: Heat Over Food", Sept 9, 1992.