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Representative Christine Kaufmann, Chair of HHS Subcommittee
Appropriations Committee

Madame Chair and members of the committee, for the record I am Marg Crennen, a volunteer advocate for AARP and member of AARP's Utility Action Team. AARP has 143,000 members in Montana and over 35 million nationwide.

AARP Montana as some of you know has been involved in advocacy for reliable, affordable energy especially for low and fixed income Montanans for 5 years. Last February we hosted the first Energy Summit for Consumer Advocates in Montana. At that important Summit, a national specialist and former legal counsel for a state public service commission shared an objective review of Montana's low income energy assistance program. The key findings of that analysis were:

- o Montana does *not* have a statewide program of energy assistance with comparable benefits to all citizens across the state. Our "program" is a compilation of a variety of approaches administered by a variety of agencies and utilities (including cooperatives, regulated utilities, tribal programs, Universal System Benefits programs, and federal Low Income Energy Assistance- LIEAP).
- o Montana's USB programs were created by the Legislature in 1997 and 1999, designed to ease transition in a deregulated energy environment, and to continue the public benefits programs of Montana Power Company.
- o The changes in energy burden in households coupled with significant increases in prescription drug/healthcare burdens demand that we look at a comparable statewide program to meet needs that will continue for some years (a national energy economist estimated Montana low and fixed income households spend about 32% of monthly income on energy bills, and 34% on out of pocket healthcare and Rx bills).

AARP Montana's recent Membership Survey (December 2004) found that 43% of our surveyed members find it difficult to pay their energy bills. Reforming energy assistance was one of the top three legislative priorities named.

The Low Income Energy Assistance administrators in DPHHS continue to remind us that there are still tens of thousands (possibly 50,000) households that are eligible for energy

assistance but do not apply for it. We understand there is a significant waiting list for households who qualify for low income weatherization services through DPHHS.

Given our study and work with energy colleagues over the last 2 years, we support the Governor's proposal with some suggestions for your consideration:

1. Model energy assistance programs and their elements are coordinated through an agency with legislative authority. Elements of effective energy assistance programs include, in order of importance for investment of funds:
 - a. **monthly bill assistance** – provides a floor of ongoing support for a household and decreases dependence on emergency requests. We believe the utilities and cooperatives will best serve their consumers/members through monthly low income discounts in addition to their conservation and renewable projects.
 - b. **low-income weatherization and conservation** – these are long term, effective solutions to managing and reducing energy costs by the consumer's household.
 - c. **renewable and conservation strategies** – these are energy utilization saving strategies that are not yet in the regular rate base programs that provide opportunities for cutting edge strategies to benefit low income households who might not be able to afford such strategies on their own.
 - d. **emergency assistance** – these programs are for short term, often “once in a lifetime” assistance to help see a household through an income crisis by contributing to energy bills during the crisis; usually funded in most states by private donations.
2. Our energy consumers on our six reservations should get an equivalent boost of funding from this proposal as do other energy consumers. We are particularly supportive of this part of the proposal after visiting with our Native American AARP volunteers who are doing community outreach and service in our Tribal Nations' communities.
3. We believe the supplemental proposal and the proposal in HB2 should prioritize the additional funding to the elements listed above.
4. We believe there is a significant need for a coordinated program, and we are supporting legislation in the Senate that will place that role in the Department of Health and Human Services because of their ability to use the data from all programs to make a strong case with the Congress for more LIEAP funding when it is needed.

We will continue to do intensive outreach and education in all our events statewide to promote all the varied and dispersed assistance programs. Our brochure for this season is attached. Thank you for the opportunity to testify on this high priority for AARP.