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Help with heating on the way

Legislature okays fuel, electric assistance

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With cold weather fast approaching and heating costs on the rise, the Legislature overwhelmingly approved a measure yesterday to help low-income residents pay their fuel and electric bills.

Lawmakers from both parties in the House and the Senate praised the bipartisan collaboration that preceded the voting. In a special session, the Senate unanimously approved the measure, while the House voted 332 in favor, 4 against. Gov. John Lynch signed the bill into law yesterday afternoon.

The measure puts up \$10 million from the state's general fund for heating oil to guard against the possibility that the federal government won't provide enough money for the Low Income Home Energy Assistance Program, a heating program. It also requires the state's four electric utility companies to allocate more money for low-income electrical assistance. And it does it without requiring an increase in electric rates.

In real terms, that means another 6,500 low-income households will be able to get off a waiting list and receive reductions in their electric bills through the Electric Assistance Program, which already serves about 22,500 households a year, according to the Public Utilities Commission. Those reductions vary but average about \$55 to \$60 in monthly benefits to each qualifying household.

The law also protects the heating program against fuel costs that have soared since last year. Instead of possible reductions, it will allow low-income residents to purchase the same amount of fuel they did last year - the average voucher is expected to rise from about \$570 to more than \$850, legislators said -and might also allow for more households to benefit. Last year, more than 30,000 households in the state received heating vouchers.

Low-income residents apply for both the heating and the electricity assistance through New Hampshire's network of Community

Action Program offices, though the systems are separate. The heating assistance is a federally funded voucher program. The electricity assistance, which shows up as a credit on electric bills for qualifying households, is paid for by a universal surcharge that appears on bills mailed by the state's electric utilities.

That "system benefits charge" that has appeared on electric bills since October 2002 draws about 15 cents from the average residential consumer and amounts to roughly \$32 million a year. Since then, 40 percent of that collection has been returned to low-income consumers in the form of credits on their bills. The other 60 percent has gone to energy efficiency programs. The new law shifts the balance toward low-income assistance for six months.

As for the heating program, New Hampshire received \$18.3 million from the federal government last year. This year, the state has \$2.5 million in money carrying over. The next

federal appropriation has still not been approved, but the state is expecting the figure to be between \$13 and \$20 million. But that might not meet the need in the state this winter, which could be as great as \$33 million, depending on the cost of fuel oil and the number of qualifying households.

When it became clear in the aftermath of hurricanes Katrina and Rita that utility costs had risen substantially, Senate President Ted Gatsas, Senate Majority Leader Bob Clegg, House Speaker Doug Scamman and others came together to discuss a solution. They called a special session of the Legislature to deal with the matter, since lawmakers aren't scheduled to meet officially until January, well into the winter.

Lawmakers quickly agreed on putting up \$10 million in state money for the heating program, but figuring out how to pay for the electrical assistance proved trickier. Some legislators were concerned that a quick fix might mean scrapping the

energy-efficiency programs altogether during the emergency period, a move they criticized as short-sighted - not to mention a possible problem for schools, businesses and others that had signed agreements with contractors to perform energy-efficiency improvements this year.

After several weeks of labor -Clegg spoke of lawmakers with "bloodshot eyes," and Sen. Peter Burling called it a stretch of "incredible intensity"- legislators hammered out a compromise. The resulting law doesn't touch the energy-efficiency program for the first six months of 2006.

Instead, electric companies that don't collect enough money through the surcharge to cover low-income consumers will front the money for the assistance, up to a total of \$3 million. The utilities can pay themselves back by diminishing their energy-efficiency spending by an equivalent amount in

the following three years. Since the utilities collect nearly \$20 million a year from the efficiency part of the system benefits charge, the impact on energy efficiency in the next three years will be minimal, Clegg said.

Yesterday, lawmakers from both parties celebrated the collaborative effort, which included assistance from the governor's office. All sides came together for the good of low-income residents, said Clegg, a Hudson Republican. "Not once during this whole process did I hear what party someone was in," he said.

Rep. John DeJoie, a Concord Democrat and bill sponsor, agreed. "Politics have been put aside, partisanship was put in the back room, and this bill became an effort to help the people of New Hampshire," he said.