

Comments of AARP Idaho
To the Interim Committee on Energy, Environment and Technology
On The Draft 2012 Idaho Energy Plan
Oct. 19, 2011

Members of the Interim Energy, Environment and Technology Committee:

On behalf of AARP's 180,000 members in Idaho, we submit the following comments on Draft 2012 Idaho Energy Plan, dated October 14, 2011. Ensuring consumers, especially low income and seniors, have access to affordable energy is a top priority for AARP. Energy affordability should be a priority for the Idaho Energy Plan as well. Although the plan cites energy affordability, the recommendations fail to fully address the needs of Idaho's citizens.

Home energy costs make up a considerable portion of household budgets. Older consumers are particularly vulnerable to rapid increases in energy prices. Although they consume approximately the same amount of energy as younger people do, older Americans devote a higher percentage of total spending to residential energy costs. This may be because older people spend a greater proportion of their income on home heating costs (even after adjusting for weather and home size). Low-income older households spend an average of 10 percent of their income on residential energy. However, about one of every four low-income older households spends 15 percent or more of their entire income on home energy bills. Too often low-income older people risk their health or comfort by choosing between cutting back on energy expenditures and reducing spending for other necessities.

According to a recent AARP survey of Idahoans aged 50 and older, over 40 percent reported having difficulty paying their utility bills.¹

Indeed, for too many older people who live in low- and moderate-income households, high utility bills jeopardize the use of home heating and cooling, and increase the prospect of exposure to temperatures that are too hot in summer and too cold in winter. The potential consequences of exposure to such temperatures includes a host of adverse health outcomes, ranging from chronic health conditions made worse and food insecurity to premature death. In fact the most recent reports indicate that exposure to heat and cold kills thousands of people prematurely in the US each year and causes many more adverse health outcomes that fall short of premature death.

During 2008, just one year after the last Idaho Energy Plan, the Idaho Public Utilities Commission undertook a proceeding to investigate factors impacting the affordability of energy in Idaho. As stated in the staff report: "Energy affordability has become a central issue for many Idaho households and businesses."² The investigation included several workshops and written comments submitted by the state's utilities and advocates for

¹ Voices of 50+ Idaho: Dreams and Challenges, January 2011: <http://bit.ly/aarpid50> p.12

² Staff's Final Report, Case No. GNR-U-08-01, In the Matter of the Commission's Inquiry about Energy Affordability Issues and Workshops, p. 1.

consumers, including AARP. The proceeding resulted in a series of Staff Recommendations, including support for energy rate assistance for low income residential customers:

Staff recommends that the Commission support legislation to allow it to adopt programs, policies, and rates for the benefit of low income residential customers. Legislation should allow the Commission and utilities broad flexibility in determining the parameters of such programs, policies or rates. Finally, legislation should authorize the Commission to approve rates or charges designed to recover the costs of such endeavors.³

According to the U.S. Census Bureau, in 2010 14.4% of Idaho's population lives under the federal poverty level. Further, existing forms of energy assistance are not sufficient to meet the need in Idaho. The federal Low Income Home Energy Assistance Program (LIHEAP) allocation for Idaho falls far short of serving the eligible households in our state, and faces cuts which will further stretch available funding. The need for additional assistance for families struggling with high energy bills is as great today as it ever was.

AARP also strongly supports the creation of a consumer advocate office in Idaho. Idaho is the only state in the West lacking an office to represent consumers before state regulatory commissions, other agencies and the courts. While Idaho does have a fund to reimburse some of the cost to intervene in utility cases, the absence of such an office consistently puts residential consumers at a disadvantage and can leave them unrepresented and without a strong voice. Idaho policymakers should establish and sufficiently fund an independent state utility consumer advocate office to represent residential utility consumers before regulatory agencies and in the courts.

AARP urges the Committee to include in its recommendations support for legislation which gives the Idaho PUC the authority to adopt programs, policies, and rates for the benefit of low income residential customers, as well as authority to approve rates or charges designed to recover the costs of such programs; and the creation of a state utility consumer advocate office

Sincerely,



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³ Staff Report, p. 18.