

Actions to Protect Customers During the COVID-19 Pandemic

Utility Disconnection Moratoria and Arrearage Management

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California Public
Utilities Commission

CPUC Mission

To empower California through access to safe, clean, and affordable utility services and infrastructure.

Energy Actions to Protect Customers

Moratorium on Disconnections

- Established by Resolution M-4842 (April 2020)
 - Residential and small business customers covered
 - Ratified Executive Director letter sent to IOUs March 2020
 - Extended through June 2021 by Resolution M-4849 in February 2021
 - Extended through September 2021 by D.21-06-036
 - To give IOUs time to enroll customers in automatic payment plans
 - Medium and large commercial customers covered by D.21-04-015
 - Originally set to expire in June 2021, but D.21-04-015 automatically extends this moratorium if the resident/small business moratorium is extended
- Zero disconnections for nonpayment since implementation
- IOUs may not charge late fees or interest on past-due bills

Other Customer Protections During COVID

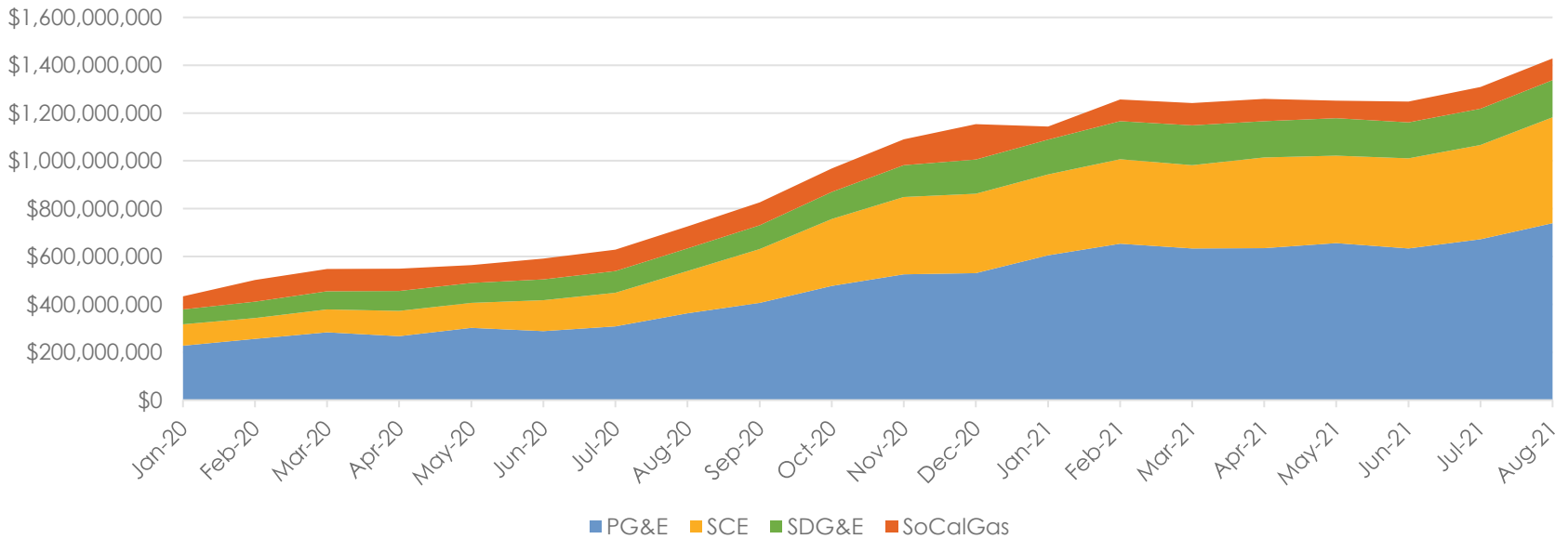
- **California Alternate Rates for Energy (CARE) and Family Electric Rates Assistance (FERA)** Protections under Resolution M-4842
 - Suspended all CARE and FERA program removals through June 30, 2021
 - Suspended all Post-Enrollment Verification (PEV)/Recertification through June 30, 2021
 - Increased CARE/FERA marketing and outreach via CBOs and increased IOU marketing to customers
- **Energy Savings Assistance (ESA)** protections under Resolution E-5074
 - To sustain an established workforce providing weatherization for income-qualified customers through shelter in place order, provided ESA contractors up to 60-day advanced payments during ESA program suspension from March to June 2020.

Results of Other Customer Protections

- From February 2020 to August 2021, **CARE enrollment increased by 18%** between all four IOUs (an estimated **CARE-eligible enrollment rate of 110%**).
 - Individual IOUs reported increases between 13% (SDG&E) and 25% (SCE).
- **Nearly 1.5 million CARE and FERA customers did not have to recertify** during the moratorium. However, not all these customers will be required to recertify on July 1, 2021. This backlog of recertifications will be spread over the next 9 to 12 months.
- **65 ESA Contractors** received a total of **\$44 million in advance payments** between March and July 2020 providing job security to more than 1000 workers and allowing rapid return to weatherizing homes.

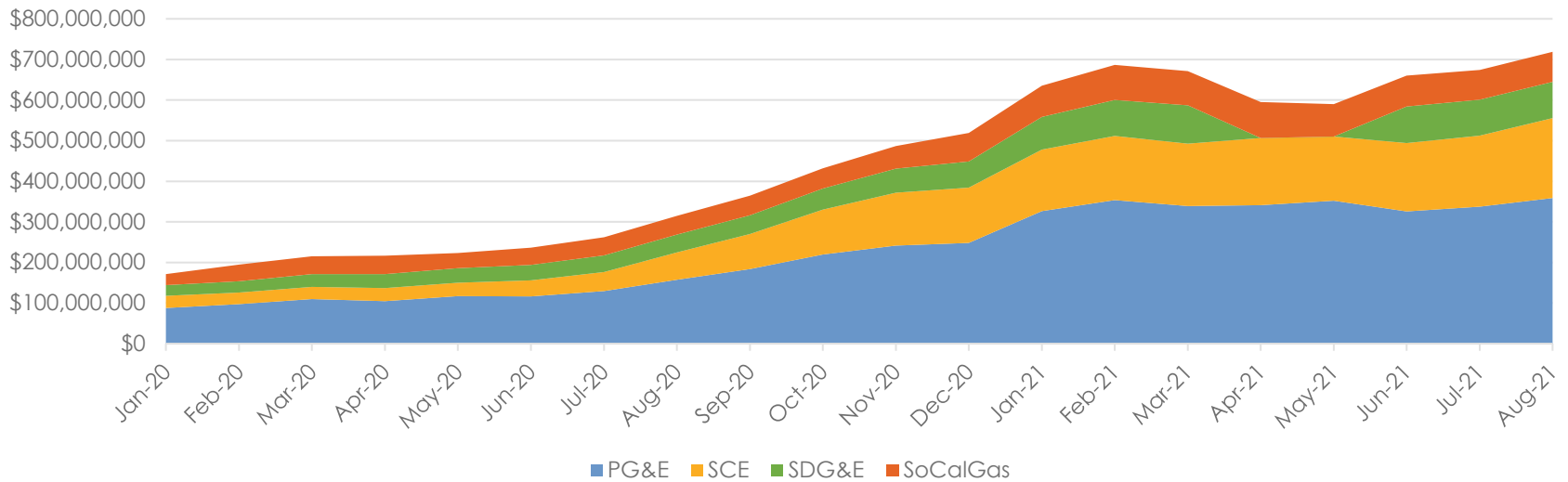
Arrearages during COVID-19 (all customers)

Total Residential Arrearages by IOU



Arrearages during COVID-19 (CARE/FERA)

Total CARE/FERA Arrearages by IOU



- SDG&E has not yet reported CARE/FERA data for April and May 2021.

California Arrearage Payment Program (CAPP)

- \$1 billion state budget allocation for past-due energy bills during COVID
 - \$694.5 million allocated for IOUs and CCAs (remainder for POU's)
 - Administered by Dept of Community Services (CSD)
 - Utilities will apply **on behalf of customers** and apply credits **automatically**
 - All residential/commercial customers with arrearages between 3/4/2020 and 6/15/2021 eligible, but not all will receive payments
- IOUs cannot disconnect **eligible** customers during application phase
- IOUs cannot disconnect **recipients** for 90 days after credit is applied

CAPP Priority Groups

- Funds must be prioritized by groups of customers, per statute
 - Group #1: Active residential customers at risk of disconnection absent CAPP
 - Group #2: Active residential customers not at imminent risk of disconnection
 - Group #3: Inactive residential customers
 - Group #4: Active commercial customers
- No customers expected to fall in Group #1 due to automatic payment plans ordered by D.21-06-036
- Group #2 total expected to exceed each utility's total allocation
 - Therefore Groups #3 and #4 are unlikely to receive relief even if eligible
 - CSD to publish more guidance on allocation of relief soon
 - Will advise on how to distribute funds within Group #2

CAPP Timeline

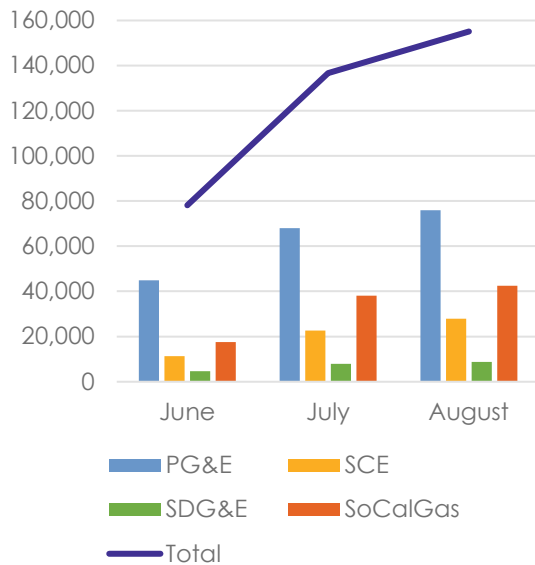
- August-September: CSD distributed survey to all utilities to determine total arrearage amounts by priority group
 - Survey was closed on 9/16
 - Survey will be used to determine specific allocation amounts for each utility proportionate to the utility's share of arrearages
 - Will be published before application window opens
- Mid-October: CSD will open the application window
 - Window closes mid-December
 - CSD reviews applications on flow basis for adherence to rules
 - IOUs apply bill credits within 60 days of receipt of funds from CSD
- January 31, 2022: statutory deadline for all funds to be disbursed to IOUs

Arrearage Management Plans (AMP)

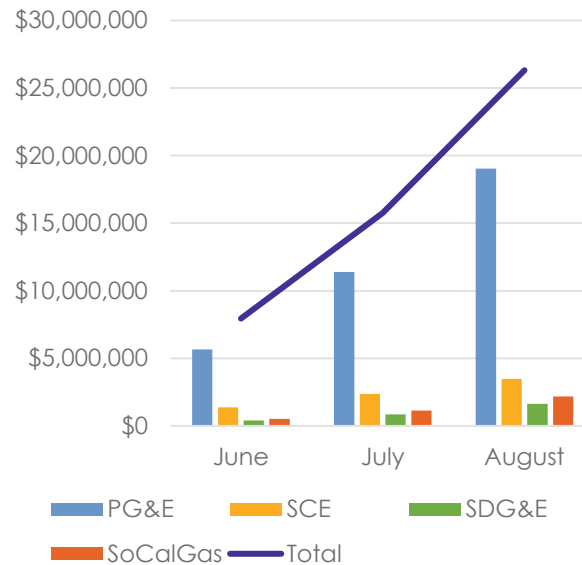
- Established in Phase I Disconnections Decision (D.20-06-003)
- Allows forgiveness of eligible arrearages for income-qualified customers
 - Eligible arrearages are 90+ days old, \$500+ (\$250+ for gas-only)
 - For each on-time payment of their normal monthly bill, IOU forgives 1/12 of the customer's beginning arrearage balance up to \$8,000
 - All collections/disconnection processes are suspended while on AMP
 - Customers removed for 2 missed payments in a row or 3 total
 - Allowed to re-enroll after 12 months
 - CCAs may choose to participate (almost all have)
 - Costs of forgiven arrearages tracked in Residential Uncollectibles Balancing Accounts and recovered from PPP Charge and gas transportation rates

AMP Participation to Date

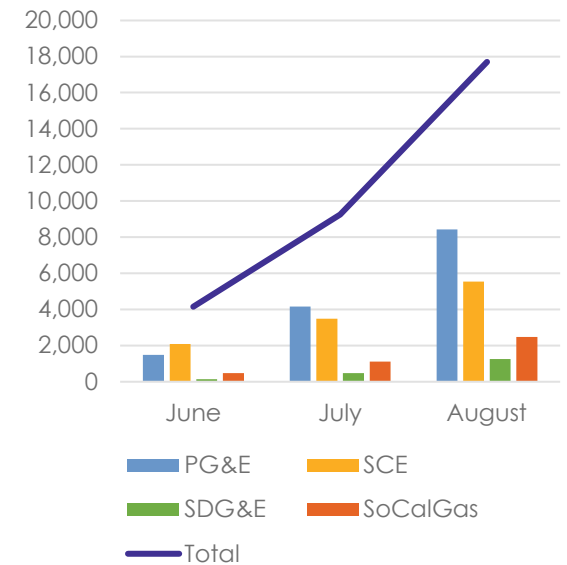
Total Enrollments in AMP by IOU



Cumulative Dollars Forgiven by IOU via AMP



Cumulative Removals for Nonpayment by IOU



New Residential Disconnection Protections

- Established by Phase I Disconnection Decision in June 2020
 - Have not been implemented due to moratorium
- Before disconnection, IOUs must:
 - Offer a 12-month payment plan
 - Offer to enroll the customer in all eligible benefit programs
 - Ensure there is no LIHEAP pledge pending for the customer
- Established annual caps for each IOU's disconnection rate
 - Resolution UEB-006 added per-customer financial penalties for violations
 - Amount of penalty doubles for each successive monthly violation
- “Benefit of Service” procedures for contesting what a customer owes
- Online LIHEAP portals to track pledges between IOUs, LSPs, and CSD

Automatic Extended Payment Plans

- Ordered by Phase I COVID Arrears Decision (D.21-06-036) in June 2021
- IOUs directed to automatically enroll eligible customers
 - Residential and small business customers
 - With arrears 60+ days old as of 9/30/2021
 - 24 month plans for residential customers, 24+ for small business
 - Small business customers' monthly bill increase for payment plan capped at 10%
 - 5% for small business customers located in a Disadvantaged Community
- Customers may miss up to 3 payments before the payment plan is considered broken and arrearages may become disconnectable
- CAPP relief may reduce length of payment plans or amount to be repaid

Non-CPUC Programs

- Housing and Community Development (HCD) Emergency Rental Assistance Program (ERAP)
 - Renters with <80% Area Median Income can receive 100% utility debt relief
 - Program is mainly focused on paying rent
 - Significant bottlenecks due to complexity of program and application
- Community Services and Development (CSD) California Arrearage Payment Program (CAPP)
 - Utility applies for funds on customer behalf, cancels some portion of debt
 - More detail on slides 8 and 9
- CSD Low Income Home Energy Assistance Program (LIHEAP)
 - Emergency assistance to customers at risk of disconnection
 - Max amount raised from \$1,000 to \$3,000 for new LIHEAP funds

Customer examples

- **Customer A** couldn't pay her bill from August to November of 2020, past-due total of **\$500**.
- Since then she's resumed paying bills, but hasn't been able to pay the balance.
- She is automatically enrolled in a 24-month plan (**~\$17/month**)
- She should also receive a credit from CAPP
- **Customer B**, a CARE customer, was laid off most of 2020 and has **\$1200** in unpaid bills
- He can't be disconnected until 90 days after his CAPP benefit is credited
- He can also enroll in AMP, with **\$100** forgiven each month when he pays his regular discounted bill
- **Customer C** couldn't pay her small business's utilities and fell behind \$4000 in early 2021
- She's technically eligible for CAPP, but probably won't get a benefit
- Her business still can't be disconnected until CSD has approved **all applications**
- Her utility has automatically enrolled her in a 30-month payment plan, paying **~\$133** per month, ensuring her bill increase is **10%** or less

Questions and Thank you

