Advocacy to Manage Low-Income Utility Debt in the Age of Covid-19

NCAP – NCAF Webinar Series
May 26, 2020

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Energy Security

- Uninterrupted, affordable access to basic residential home energy services without:
  - Disconnection notices
  - Involuntary disconnection of service
  - Foregoing other necessities to retain service
  - Maintaining unhealthy indoor temperature

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Utility Service a Basic Necessity

- Consequences of energy insecurity include (but are not limited to):
  - Threats to health and safety
    - Illness, hospitalization
    - House fires
    - Loss of life
  - Inflated Covid-19 risk
  - Spoiled food
  - Eviction
  - Reduced academic and worker performance
Energy Security Disparities

- State
  - Consumer protections
    - Seasonal or temperature-based shutoff protections, serious illness and elderly protections, payment agreements, late payment fees and security deposit requirements
  - Bill assistance
    - Current bill reductions, arrearage management
  - Effective low-income energy efficiency programs
    - Whole house, deep retrofits, appliance and equipment replacement
    - Zero upfront payment for low-income customers
    - No financing that reduces cash flow benefit of low-income energy efficiency programming
Energy Security Disparities

- Utility service territory
  - Rates and bills
  - Credit and collection protocols
    - *Reasonable* payment agreements
    - Rates of service disconnection
    - Willingness to work with cash-strapped customers
    - Account write-offs and referral to collection agencies
    - Prepaid service
Energy Security Disparities

- Income
  - Low income
    - Insufficient income to pay for basic monthly necessities
  - Insecure income and benefits
    - Hourly wages
    - Poor health care and time off benefits

- Race
  - Even when controlling for income
Median 2015 Home Energy Burdens by Income Category and Census Region

Northeast
- Less than $20,000: 14.4%
- $20,000 - $39,999: 12.4%
- $40,000 to $79,999: 1.8%
- $80,000 to $99,999: 1.5%
- $100,000 to $119,999: 1.6%
- $120,000 to $139,999: 14.0%
- $140,000 or more: 0.0%

Midwest
- Less than $20,000: 13.8%
- $20,000 - $39,999: 9.9%
- $40,000 to $79,999: 1.2%
- $80,000 to $99,999: 1.6%
- $100,000 to $119,999: 1.0%
- $120,000 to $139,999: 1.6%
- $140,000 or more: 0.0%

South
- Less than $20,000: 9.9%
- $20,000 - $39,999: 14.4%
- $40,000 to $79,999: 12.4%
- $80,000 to $99,999: 1.8%
- $100,000 to $119,999: 1.5%
- $120,000 to $139,999: 1.6%
- $140,000 or more: 1.2%

West
- Less than $20,000: 13.8%
- $20,000 - $39,999: 12.4%
- $40,000 to $79,999: 1.8%
- $80,000 to $99,999: 1.5%
- $100,000 to $119,999: 1.6%
- $120,000 to $139,999: 1.6%
- $140,000 or more: 0.0%
Loss of Heat in the Past Year Due to Unaffordable Utility Service, Fuel or Heating System Repair by Race: 2015 - U.S.
## Electricity Disconnected Inability to Pay * Race of Householder * Region:
U.S. Household at or Below 150% Poverty in 2009

### Race and Latino Descent of Householder

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<th>Region</th>
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<th>Latino</th>
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Covid-19 Residential Utility Customer Credit and Collections Impacts Remain Uncertain

- The need for comprehensive monthly reporting of credit and collections data
- Data reporting lag
- Credit, collections and energy security outcomes to be determined by
  - Public health and economic crisis scenarios
  - Assistance and consumer protection funding
  - Credit and collection reforms
Post-moratorium Energy Security Programs and Policies

- During public health crisis, restore access to service for any utility customer whose service has been cut off without requiring a down payment
- Waive late payment fees and security deposit
- For past-due bills, provide deferred payment plan options that are affordable based on a household’s actual income and expenses
- For households with low incomes, use debt forgiveness programs that avoid adding to current monthly bills.
- Expand bill payment programs that reduce monthly bills to an affordable level.
- As weatherization crews safely return to work, expand access to comprehensive whole-house energy efficiency and retrofit opportunities
- Require more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.
Program and Policy Advocacy Basics

- Show Need
- Demonstrate Proposed Program Benefit and Relationship to Need
- Demonstrate Program Costs
- Describe Program Administration
Get in Touch!

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Some NCLC Tools

- Residential Electric Utility Arrearage Scenarios

- Data Collection

- Program Design Template
Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org