
Disparate Energy Insecurity Impacts: *The Need For Racial Justice in Utility Billing, Credit and Collections*

100% Network Webinar on Energy
Security in the Wake of the
Coronavirus

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National
Consumer Law
Center

*Fighting Together
for Economic Justice*

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

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
 - Spoiled food
 - Eviction
 - Reduced academic performance
 - Inflated Covid-19 risk

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 energy efficiency programs
 - Whole house, deep retrofits, appliance and equipment replacement
 - Zero upfront payment
 - No financing that reduces cash flow benefit of energy efficiency

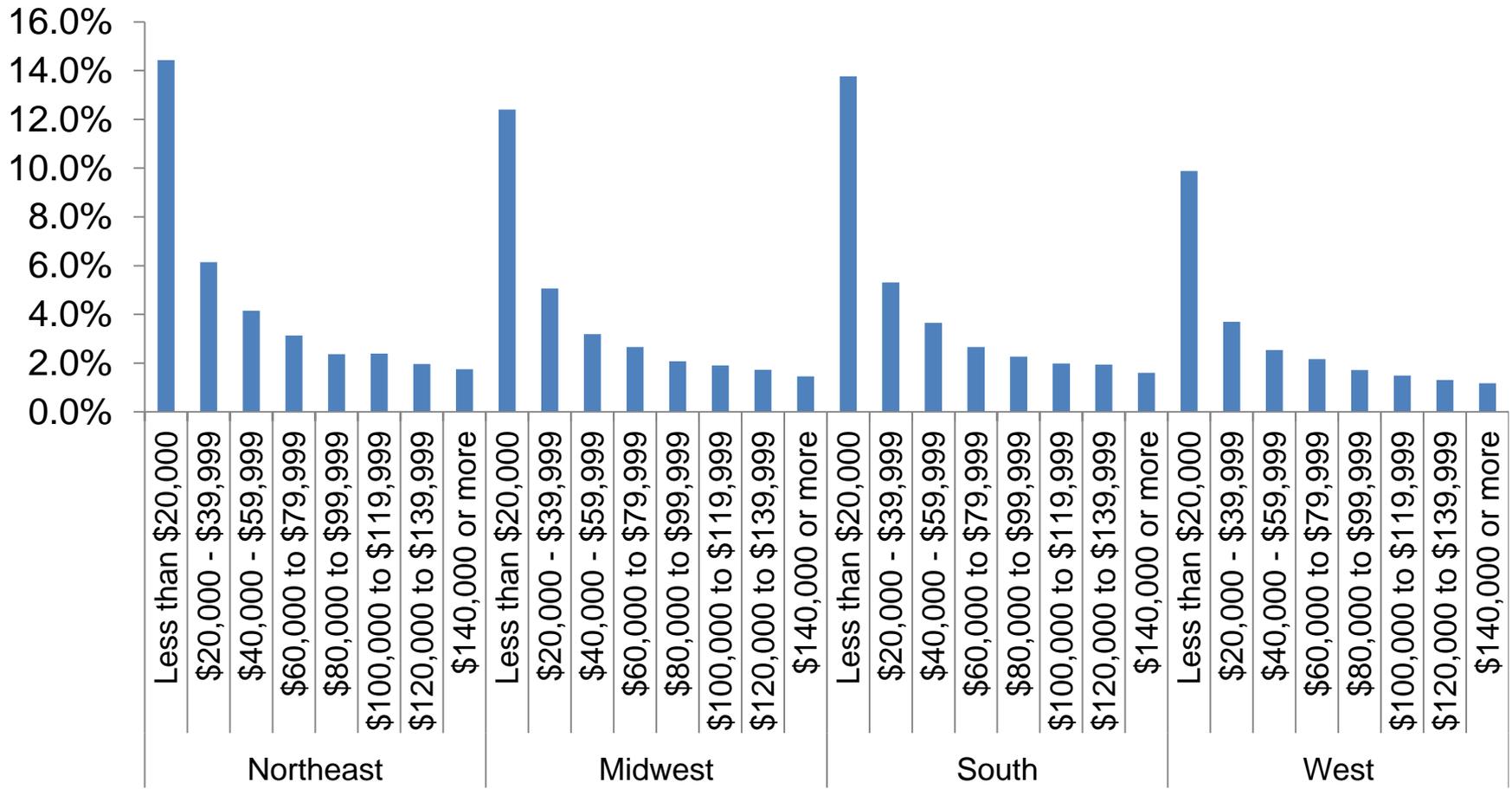
Energy Security Disparities

- 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

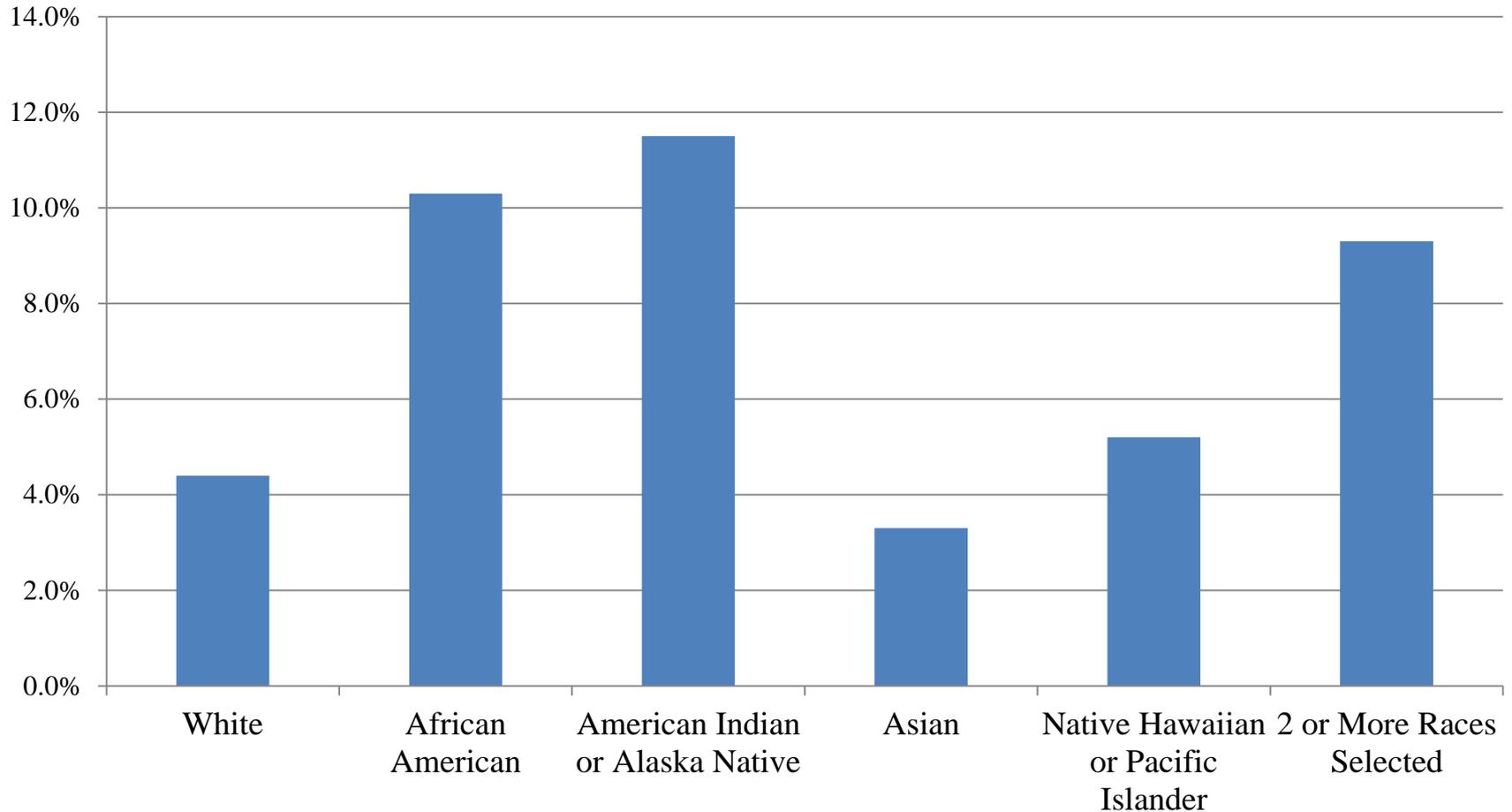
- Income
 - Low income
 - Insufficient income to pay for basic monthly necessities
 - Insecure income and benefits
 - Hourly wages
 - Poor health care and time off benefits
- Race
 - Even when controlling for income

Median 2015 Home Energy Burdens by Income Category and Census Region



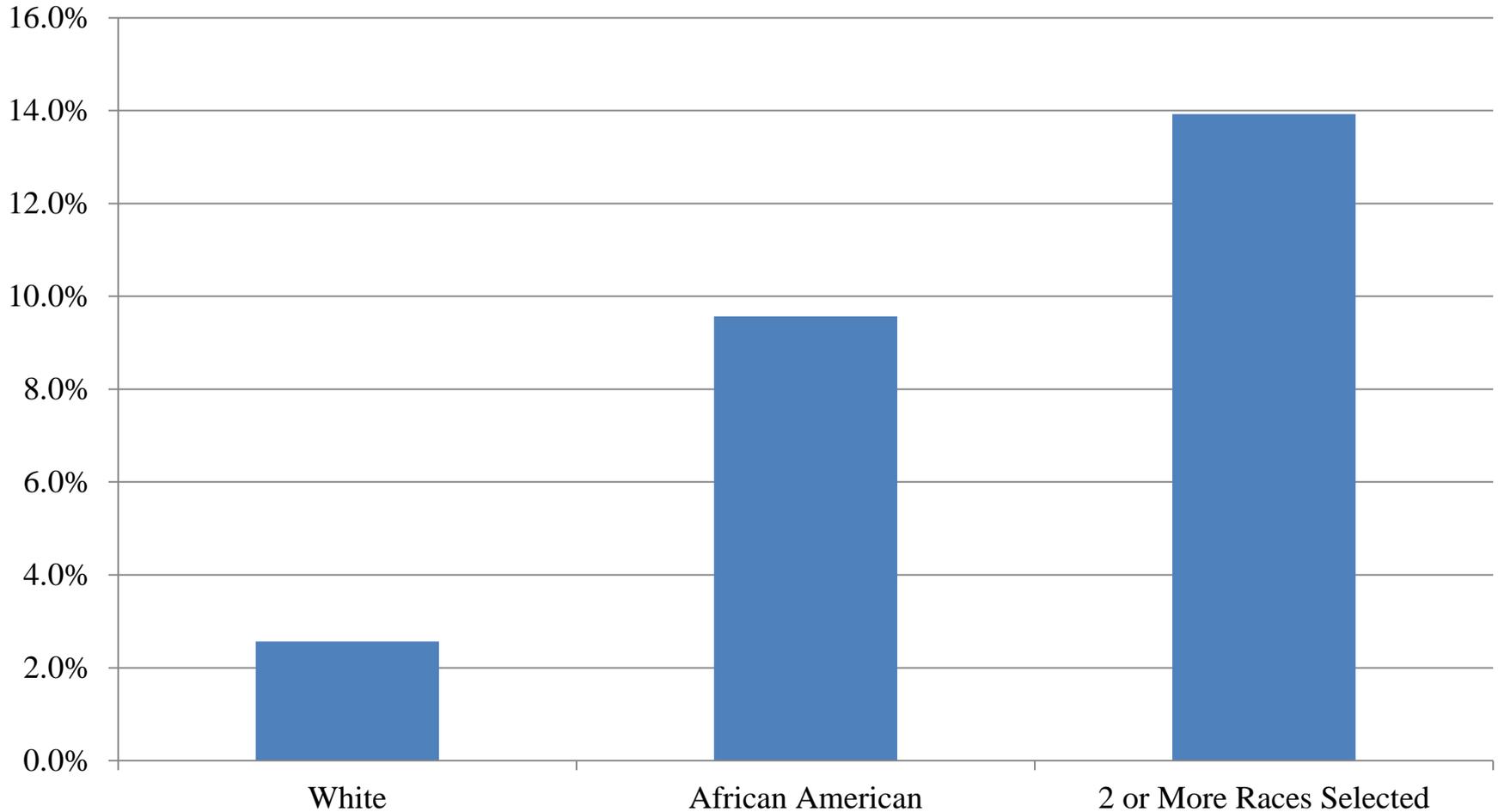
Source: EIA 2015 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

Loss of Heat in the Past Year Due to Unaffordable Utility Service, Fuel or Heating System Repair by Race: 2015 - U.S.



Source: EIA 2015 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

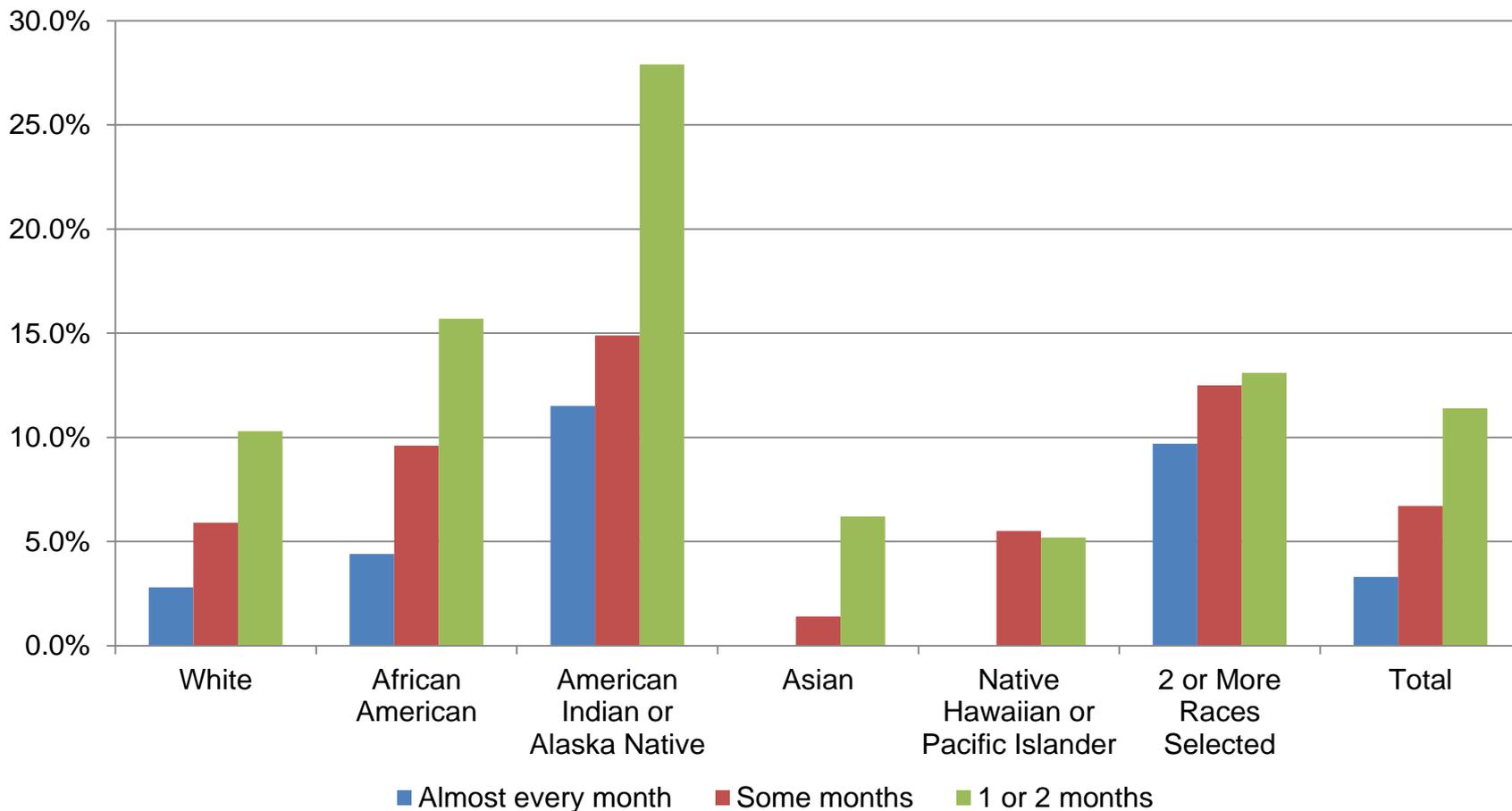
Loss of cooling in the past year due to unaffordable utility service or AC repair by Race: Household Income <\$20,000 2015 - Midwest Census Region



Source: EIA 2015 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

Frequency of receiving disconnect notice *

Householder race U.S. - 2015 - *HH Income* < \$40K



Source: EIA 2015 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

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				
			White	African- American	Latino	2 or More Races	Total
Northeast	No	Count	2644306	725791	1094894	61542	3803830
		%	95.2%	94.2%	92.6%	76.0%	94.5%
	Yes	Count	108494	45005	61541	19410	197145
		%	3.9%	5.8%	5.2%	24.0%	4.9%
Midwest	No	Count	3419706	1341659	638667	104388	5194320
		%	93.1%	92.6%	95.9%	81.7%	93.1%
	Yes	Count	253091	107983	27431	23451	384525
		%	6.9%	7.4%	4.1%	18.3%	6.9%
South	No	Count	7077186	2183720	1840937	14125	9890996
		%	93.4%	83.9%	92.4%	100.0%	91.1%
	Yes	Count	503159	418555	152349	0	965375
		%	6.6%	16.1%	7.6%	0.0%	8.9%
West	No	Count	4035675	388463	2310679	78936	5012604
		%	96.3%	95.6%	96.8%	84.9%	96.4%
	Yes	Count	144626	18047	66223	14047	176720
		%	3.5%	4.4%	2.8%	15.1%	3.4%
Total	No	Count	17176873	4639633	5885177	258991	23901750
		%	94.3%	88.7%	94.5%	82.0%	93.1%
	Yes	Count	1009370	589590	307544	56908	1723765
		%	5.5%	11.3%	4.9%	18.0%	6.7%

Source: EIA 2015 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

Post-moratorium Energy Security Programs and Policies

- 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
- Requiring much more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.

Objectives of *Collecting and Reporting Comprehensive, Time-series Credit and Collections Data*

- Informed, effective public policy and regulatory decision-making is dependent on reliable, comprehensive time-series data
- Track the home energy security of general residential customers, low-income customers, and others particularly susceptible to harm from loss of service
- Identify home energy security disparities by race and income
- Gauge the effectiveness of programs and policies intended to enhance affordability and ensure high levels of home energy security
- Gauge the effectiveness of credit and collection policies and protocols

Credit and Collection Data Points – **Both** General Residential and Identified Low-Income **By Zip Code**

- Number of residential accounts
- Total billed and receipts amounts
- Number and dollar value of late payment fees
- Number and dollar value of unpaid accounts 60-90 days after issuance of a bill
- Number and dollar value of unpaid accounts 90+ days after issuance of a bill
- Number of accounts referred to collection agencies
- Number and duration of new payment agreements
- Number of accounts sent notice of disconnection for non-payment, and number of service
- Number of disconnections for non-payment
- Number of service restorations after disconnection for non-payment
- Number of customers completing an extended payment plan
- Average duration of service disconnection for restored accounts
- Number and dollar value of accounts written off as uncollectible

Utility Resistance to Data Reporting

- Claimed
 - “Burdensome”
 - “Information systems won’t support data reporting”
- Reality
 - PR concerns

Data Collection and Reporting Strategies

- [NCLC Issue Brief - http://bit.ly/brief-covid-19-data](http://bit.ly/brief-covid-19-data)
- Data and information requests
 - Utility rate cases
 - Rulemakings
 - Certificates of public convenience
 - Municipal and cooperative utility meetings
- Community organizing
 - Demanding transparency in disconnections and other hardships is a ***great organizing tool!***



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