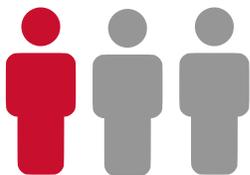


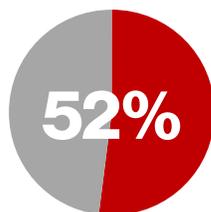
# What States Can Do to Help Consumers Energy Insecurity



**25  
Million**

25 million households reported [forgoing food and medicine to pay energy bills](#) in at least some months and 7 million had to forgo food and medicine almost every month.

Nearly 1 in 3 U.S. households faced [challenges in paying energy bills](#) or keeping their homes heated or cooled in 2015, as did [50% of households with less than \\$20,000 in annual income](#).



52% of African American households [reported experiencing household energy insecurity](#), as did 44% of Latinx Households.

## State and Regulatory Reforms

Millions of low-income consumers and communities of color are dealing with energy insecurity and the disproportionate exposure to environmental hazards related to energy production. In states across the country, low-income consumers whose utility rates are already unaffordable face additional threats to essential utility service as utilities seek cost recovery for new infrastructure investments and public policy makers enact needed carbon reduction initiatives. Action is essential to ensure that low income customers can afford their bills and do not bear a disproportionate amount of the costs of new investments.

This can be accomplished through a mix of safeguards for low income and other vulnerable populations, including utility shareholder contributions to energy assistance funding, discounted rates, arrearage management protections, and protection against disconnection for vulnerable customers.

## Affordability & Efficiency for Low-Income Consumers

### CONSUMER PROBLEMS

Low-income consumers pay a far higher percentage of their income for energy than more affluent consumers.

Existing deferred payment arrangements have high default rates, as consumers are required to pay their current bill and a portion of an arrearage each month.

Low-income consumers pay millions for statutorily required, utility-managed efficiency programs, but often see no direct benefits—especially for multifamily residents.

### STATE SOLUTIONS

[Enact discount rates or Percentage of Income Payment Plans](#) for consumers at or below 60% to 80% of median income.

[Create Arrearage Management Programs](#) that allow a reduction in past due amounts for every on-time monthly payment made.

[Increase funding for energy efficiency programs serving low income tenants and homeowners, especially whole-building efficiency for affordable multifamily housing.](#)

# What States Can Do to Help Consumers: Energy Insecurity

## Ensuring Utility Bills Are Affordable For All

### CONSUMER PROBLEMS

Consumers who fall behind on their utility bills are required to pay their current bill and prior unpaid balances within a few months, making the total payments unaffordable.

Previously disconnected utility customers are often required to pay unaffordable deposits to re-establish credit service.

Customers who cannot afford their monthly utility bills accumulate expensive late fees that exacerbate indebtedness.

### STATE SOLUTIONS

Require utilities to establish deferred payment programs that consider consumers' ability to pay and need to renegotiate, with existing state credit and collection rules viewed as minimum terms.

Eliminate deposits for all residential customers, absent evidence of tampering.

Eliminate late fees for all residential customers.

## Minimizing Shut-offs and Tracking Energy Insecurity

### CONSUMER PROBLEMS

Consumers with health conditions who require the maintenance of essential utility services face the threat of disconnection, putting their health and safety at risk.

Consumers unable to afford their utility bills in periods of extreme cold or heat face life-threatening disconnections of utility service.

Vulnerable consumers are harmed or die because the loss of utility service results in dangerous living conditions.

Families struggle to pay energy bills and are facing disconnection, but little public data exists about accounts in arrears and disconnections of utility service.

### STATE SOLUTIONS

Require all utilities to implement medical certification policies that protect all infirm customers from termination of utility service.

Prohibit disconnections of essential utility service during the winter months and periods of extreme heat.

Prohibit, year-round, all disconnections of low-income households with infants or vulnerable elderly or disabled residents.

Require utilities to track – and make publicly available – critical data points concerning uncollectibles, payment arrangements, and disconnections by household income.

### Learn more on how to improve energy security:

National Consumer Law Center's [Energy and Utilities webpage](#).

### To start a conversation on energy insecurity, contact:

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