Advocates Praise California Public Utility Commission’s Unanimous Vote to Pass Utility Shut-Off Protections for Residents

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Media Contacts: National Consumer Law Center: Jan Kruse (jkruse@nclc.org) or Stephen Rouzer (srouzer@nclc.org)

Center for Accessible Technology: Melissa Kasnitz (mkasnitz@cforat.org)

California adopts rules and programs to reduce residential disconnections from gas and electric service

San Francisco – Consumer advocates praised yesterday’s unanimous vote by the California Public Utilities Commission (CPUC) to adopt a suite of utility credit and collections rules and programs to reduce residential electric and natural gas disconnections for customers of the large investor-owned utilities. The CPUC decision will remove credit and collection barriers that make it hard for struggling consumers to get back on their feet, ensure availability of longer-term payment plans, increase opportunities to learn about and enroll in utility assistance programs, and provide a pathway to solvency by offering arrearage management programs (AMPs) to consumers who have fallen behind on their bills. The case will now move to a separate phase, which will include the development of targeted pilot affordability programs called Percentage of Income Payment Plans (PIPPs). The intent is to develop pilot programs that will be available to low-income consumers in the top 10 zip codes with the highest disconnection rate.

This proceeding, R.18-07-005, stems from CA Senate Bill 598, which requires the CPUC to develop rules, policies, or regulations with the goal of the reducing the disconnection rate of gas and electric customers by 2024. Commissioner Martha Guzman Aceves stewarded the decision through the regulatory process.

The CPUC’s Decision Number D.20-06-003 is particularly important given the public health and economic crisis due to COVID-19. “This decision moves California in the right direction by pivoting rules away from punitive measures that make it harder for families to afford utility service, which especially harm low-income households and households of color,” said Olivia Wein, staff attorney at the National Consumer Law Center.

The decision establishes an innovative arrearage management (AMP) program that utilities in other states have adopted to address utility debt for households barely keeping their heads above water. Low-income Californians drowning in utility debt will now be able to have that debt forgiven bit-by-bit as they make timely payments of current bills. “Arrearage management programs can help struggling households achieve a fresh start while preserving their connection to electric and natural gas service,” said Wein.

It also adopts numerous other changes to existing disconnection processes, including caps on the total number of disconnections authorized for each utility, extended payment plans, removal of various deposit requirements, and increased transparency in any efforts to require customers initiating service to pay existing arrearages from the same location.
“While work on these issues started long before the current pandemic, the Commission noted that access to electric and natural gas service is essential to shelter at home safely during this COVID-19 crisis,” said Melissa Kasnitz of the Center for Accessible Technology. “California’s action will help reverse a long-term trend of increasing disconnections while also limiting the risk of an enormous crisis in disconnections when the moratorium associated with the COVID-19 pandemic expires next April.”

Also yesterday, Illinois Attorney General Kwame Raoul announced a similar agreement with the state’s major utility companies that provide electric, gas, water, and sewer services that will reduce residential utility shut-offs and late fees during the COVID-19 crisis, and move toward creating AMPs and PIPP programs to permanently keep Illinoisans connected with vital essential utilities. Additionally, the utilities will provide regulators with data to assess whether particular communities, including communities of color, are being disproportionately impacted by a utility’s disconnection and credit and collections processes.

Together, the California and Illinois agreements will affect tens of millions of people. “Utilities provide essential life-saving services and we hope other states will adopt similar programs to help keep their families and communities well,” said Wein.

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The Center for Accessible Technology (CforAT) works to ensure that people with disabilities can live independently in their communities, and supports the use of technology to assist in independent living. Through its policy program, CforAT advocates before the CPUC to ensure that people have access to essential utility service, including reliable and affordable energy, telecommunications and water. CforAT also works to support the availability of assistive technology for students and seniors, and to ensure accessibility of websites in accordance with evolving standards.