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*Comment Received From: Jordyn Bishop
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Urging State to Maintain Utility Debt Relief (CAPP) Funding

Dear DACAG Members,

Thank you for your service on the Disadvantaged Communities Advisory Group, and for consistently prioritizing equity and affordability as key areas of focus. My name is Jordyn (she/her), I am with The Greenlining Institute and I wanted to bring a critical affordability matter to your attention.

As you may have seen, the Governor's January budget proposes reverting \$400M of utility debt funding back to the general fund due in part to this year's budget deficit. Greenlining, TURN, SCOPE, LAANE and other partner organizations are urging the state to maintain their original commitment to utility debt relief by keeping these funds in the program and prioritizing to low-income customers.

I am sharing a few resources with more details of our ask and advocacy: 1) Attached Utility Debt Fact Sheet; 2) Link to Greenlining's blog on California's Enduring Energy Debt Crisis:
<https://greenlining.org/2023/california-is-enduring-energy-debt-crisis/>

I also understand that the Legislative Subcommittee of the Low Income Oversight Board will be discussing CAPP at their upcoming meeting on May 10.

Thank you for your time and please do not hesitate to reach out if you have any questions.

Best,
Jordyn Bishop
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Additional submitted attachment is included below.

Utility Debt Relief:

An Urgent Need in California's Energy Affordability Crisis

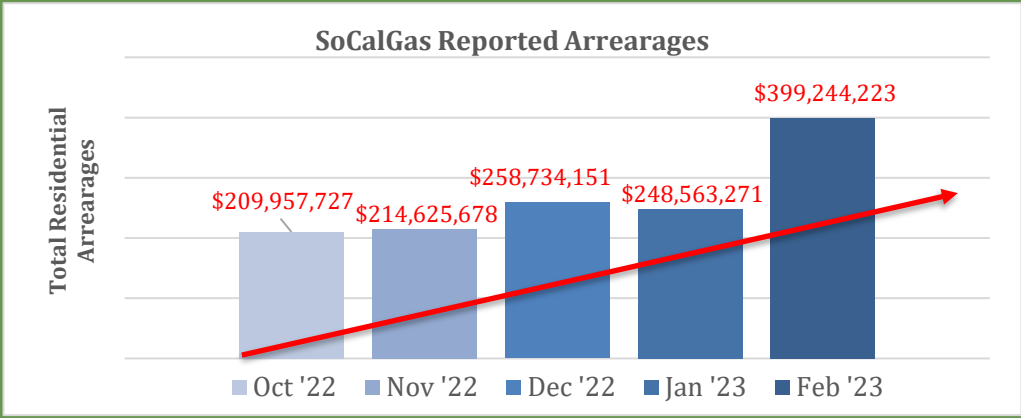
Utility debt impacts lives and can lead to disconnections, evictions, loss of employment, impossible tradeoffs of paying utilities over groceries, and potentially fatal health impacts. The compounding factors of inflation, high oil and natural gas prices, and the lingering impacts of Covid are already exacerbating the disproportionately high cost burden on low-income households; utility debt relief is a necessity to provide relief to the most vulnerable Californians, especially during times of crisis. The Budget proposes reverting as much as \$550M to the General Fund from the original \$1.2B allocated to the California Arrearage Payment Program (CAPP) during the Covid-19 pandemic. **Given the substantial amount of utility debt Californian's still face, we strongly recommend maintaining the remaining CAPP funds for low-income utility debt relief through the entire emergency Covid period.**

\$2.37B
in just
IOU utility
debt

Utility debt still exists and is growing

- Californians already carried \$2B of utility debt in 2021 when the \$1.2B was originally allocated for CAPP 2.0 between March 4, 2020 and December 31, 2021.
- CAPP 2.0 funds were disbursed to participating utilities on November 22, 2022, but as of February 2023, the four major IOUs reported in excess of \$2.37B of outstanding utility arrearages. POU utility debt estimates are over \$500M.
- SoCalGas reports show total residential arrearages have increased 90% from Oct. 2022 to Feb. 2023.

90%
increase of
gas debt in
5 months



- To address the vast and growing amount of utility debt, we strongly recommend maintaining the remaining \$550M in CAPP funds and disbursing this critical relief to low-income households for debt accrued up through the Governor's stated end of the Covid State of Emergency (February 28th, 2023).

CAPP funding is needed for low-income households through the emergency period

- Utilities' Arrearage Management Payment (AMP) plans are insufficient to address utility debt; IOUs report high numbers of involuntarily unenrolled customers and low completion rates.
- The Low-Income Home Energy Assistance Program (LIHEAP) has several barriers to entry for households and has reported serving only 5-6% of California's income-eligible population.
- Meanwhile, CAPP has distributed around \$1.6B of credits to customers' accounts