



Oregon Citizens' Utility Board

COVID-19 Energy Utility Customer Protection Plan (Version 1.1 – August 17, 2020)

Introduction

The following COVID-19 Energy Utility Customer Protection Plan (“EUCPP”) represents the views and advocacy of the Oregon Citizens’ Utility Board (“CUB”). First, CUB thanks the Oregon Public Utility Commission (“Commission”) for convening stakeholders to facilitate an investigation of utility customer impacts wrought by the COVID-19 pandemic. CUB also thanks Oregon’s seven investor-owned energy utilities (“IOUs”) for their discontinuation of service disconnections through the duration of the Commission’s public process. And while the EUCPP outlines a slate of policies that are in many ways unique to energy IOUs, certain policy proposals are potentially applicable to Oregon’s regulated telecommunications utilities. CUB would also like to thank Oregon’s regulated telecommunication utilities, both for their earlier adherence to the now lapsed “Keeping Americans Connected Pledge” and implementation of timely billing system changes to accommodate new rules to implement the Joint Legislative Emergency Board’s allocation of federal relief dollars to increase the Oregon Telephone Assistance Program subsidy through the end of 2020.

As a threshold issue for the purpose of the EUCPP, CUB recommends that the Commission identify the duration of the COVID-19 pandemic emergency, as it relates to residential customers, as having begun on 03/01/2020 and lasting at least until 04/01/2022. Yet paraphrasing Dr. Anthony Fauci from the National Institutes of Health: *The disease will always set the terms* – meaning we cannot determine when exactly the emergency will end in Oregon. Long after the worst of the public health effects have subsided, low-income families, communities of color, and elderly Oregonians may reel from austere economic conditions and/or long-term health impacts associated with the virus. Some of the ideas below go beyond the requirements of current rules and may require the Commission to implement temporary rules related to COVID-19.

CUB’s starting point for the EUCPP is recognizing that the U.S. is dealing with a once-in-a-century pandemic, which has created a once-in-a-century economic crisis. If we were dealing with a historic windstorm, the utility system would rebuild with costs financed over the next several decades. The system would improve. It would be more resilient. It would be more flexible to better accommodate distributed resources. We should, therefore, not limit ourselves to trying to get back to where we were last March but, rather, look for how we can rebuild a more equitable utility system.

CUB relied on the following sources to inform development of the EUCPP:

- [California Public Utilities Commission](#)
- [Commonwealth of Massachusetts Executive Office of Energy and Environmental Affairs: Department of Public Utilities](#)
- [Illinois Citizens Utility Board](#)
- [Illinois Commerce Commission](#)
- [National Consumer Law Center](#)
- [National Association for the Advancement of Colored People](#)
- [National Energy Assistance Directors Association](#)
- [National Energy & Utility Affordability Coalition](#)
- [National Association of Regulatory Utility Commissioners](#)
- [National Association of State Utility Consumer Advocates](#)
- [Washington Utilities and Transportation Commission](#)

This EUCPP has three ultimate goals:

1. Identify nearer term customer protections to alleviate economic harm to vulnerable IOU customers impacted by COVID-19 through 04/01/2022.
2. Identify longer term customer protections to facilitate greater preparedness for the next crisis, and with an understanding of lasting IOU customer impacts wrought by COVID-19.
3. Encourage stakeholders to contemplate big ideas to address COVID-19, climate, and equity.

Section 1: Nearer Term Energy Utility Customer Protections

Section 1 outlines CUB's proposal for the Commission oversight of the emergency moratorium on residential service disconnections, and the essential customer protections to be imposed through the duration of the moratorium. Other states have prohibited energy utility service disconnections through legislative mandate, executive order, or other regulatory action. Massachusetts and Alaska established moratoriums through November to link with their existing cold weather moratoriums, thereby extending the COVID-19 moratoriums through the winter heating season. California's Public Utilities Commission similarly implemented a disconnection moratorium through the middle of April, 2021. Other states have generally prohibited utility service disconnections until such time that their Public Utility Commission identifies an end date to the emergency.

1. The Commission should impose an IOU service disconnection moratorium.
 - a. Subject to careful review and consensus recommendation from stakeholder groups and Commission Staff, and only subsequent to Commission approval, the initial utility service disconnection moratorium should be lifted by 04/01/2021 or when Oregon's unemployment rate falls below, and is sustained at or below, 9 percent for 90 consecutive days – whichever comes first.

- Petition the Joint Legislative Emergency Board for additional energy bill payment assistance funding (potential \$30 - \$50 million request)
 - Securitized debt from energy utilities (see Section 3)
- c. Though separate and in addition to existing LIHEAP and OEAP program funds, the EUCIF could appropriately utilize the current benefit dispersal system administered by Oregon Housing and Community Services (OHCS) and facilitated by Community Action Partnership of Oregon (CAPO).
 - d. No less than \$70 million or 70 percent of the EUCIF should be reserved for customers living at or below 150 percent times the 2020 Federal Poverty Level (FPL) for the 48 contiguous states.
 - e. EUCIF debt forgiveness could be used as an incentive for customers who participate in TPAs.
 - For example: customer agrees to pay 75 percent of their arrearage balance and the energy utility would forgive the remaining 25 percent.

Section 2 - Longer Term Energy Utility Customer Protections

Section 2 outlines rules and policies necessary to ensure longer term protection for all residential IOU customers. Some are new, while others reflect improvements. Governor Brown’s Executive Order (EO) 20-04 instructs the Commission to: “Partner with Oregon Housing and Community Services to establish a public process to address and mitigate differential energy burden and other inequities of affordability and environmental justice.” The [Commission’s May 15 report regarding EO 20-04](#) states that the Commission “proposes to increase awareness and build new tools to help inform utility actions and agency decision-making processes” by: (1) “Expanding and enhancing utility reporting of service disconnects and developing a publicly accessible database to inform state actions on energy burden”; and (2) “Quantifying energy burden in Oregon through stakeholder workshops, which would be informed by Department of Labor Statistics and other sources.”

1. The Commission should prioritize the investigation and implementation of policies to mitigate energy burden such as low-income discounts and Percentage of Income Payment Plans (PIPPs). Implementation may require authorization from the Oregon Legislature.
2. The Commission should prohibit any requirements from IOUs that customer accounts be paid in full prior to participation in “Equal Pay” or equivalent programs (particularly relevant for natural gas utilities as their low-income residential customers should be encouraged to participate before the winter heating season).
3. The Commission should prohibit all service disconnection and reconnection fees.
4. The Commission should prohibit security deposits.
5. The Commission should prohibit reporting non-payments or late payments of either active or former customers to credit bureaus and/or other financial reporting agencies.
6. The Commission should prohibit use of third-party agencies to collect past due balances.

7. The Commission should limit the potential occurrence of service disconnections between the hours of 8:00am and 12:00pm to facilitate responsive, same-day reconnection of service.
8. The Commission should require IOUs to accept self-certification for customer medical certificates.
9. The Commission should open a proceeding to examine and update administrative rules as they relate to IOU communications regarding service disconnections. In particular, the Commission should consider:
 - a. Is a 15-day notice, followed by a five-day notice, and then a good faith effort at personal contact within three days of service disconnection adequate?
 - b. Is Spanish, Vietnamese, Cambodian, Laotian, and Russian translation adequate?
 - For context: The City of Portland recognizes several additional languages based on usage by 1,000 or more Limited English Proficiency residents.
10. The Commission should host a series of workshops to identify arrearage management best practices for IOUs. Workshop could include but need not be limited to:
 - a. Working with customers to avoid service disconnections
 - b. Working with customers to provide timely service reconnections
 - c. Working with community-based organizations, including but not limited to Community Action Agencies, to coordinate bill management and payment assistance
11. The Commission should require that IOUs furnish residential service disconnection reports that are (1) monthly; (2) publicly available on the Commission's website; (3) organized by zip code or census tract; and (4) include, at a minimum, each of the following data points:
 - a. Total number of residential customers
 - b. Total dollar amount billed to residential customers
 - c. Total number of residential customers charged late payment fees (after prohibition of late payment fees is lifted after 04/01/2022)
 - d. Total dollar amount of residential customer late fees collected delineated by either quartile or quantile
 - e. Total number of residential customers with arrearage balances, segmented by 30-60 days; 61-90 days; 91+ days
 - f. Total number of disconnection communications delivered by vintage (15-day, 5-day, personal contact)
 - g. Total number of service disconnections for non-payment
 - h. Total number of service reconnections, segmented by 24-hour reconnect, 48-hour reconnect, less than seven-day reconnect, and more than seven-day reconnect
 - i. Total number of **active** DRAs and ARAs
 - j. Total number of **new** DRAs and ARAs entered into
 - k. Total number of **completed** DRAs and ARAs
 - l. Total number of **revised** DRAs and ARAs
 - m. Average term of **active** DRAs and ARAs
 - n. Average term of **new** DRAs and ARAs
 - o. Average term of **completed** DRAs and ARAs

- p. Average term of **revised** DRAs and ARAs

Section 3: Thinking Big: COVID-19, Climate, and Equity

CUB remains concerned that the health effects of COVID-19 will linger for many more months, and the economic effects may last two or more years. At the same time, Oregon must reduce greenhouse gas emissions from the utility sector and address vulnerable communities' energy burden. Adding the cost of responding to COVID-19 or climate change to customers' energy utility bills may unduly burden already struggling communities. CUB believes it is worth contemplating how to address these issues simultaneously and at the least cost.

Securitization is a financial tool that could allow IOUs to access and repay long-term financing using government bonds that are repaid by utility customers, but at low cost due to lower interest rates for governmental financing compared to private borrowing options. Securitization is usually associated with financing stranded costs associated with nuclear and coal plants, but could be used to finance a larger plan to address COVID-19, climate, and equity. There may be additional ways to reduce financing costs, allowing Oregon to implement a plan that could include, but should not necessarily be limited to, the following elements:

1. Customer arrearage forgiveness
2. Low-income weatherization
3. Manufactured home replacement
4. Efficient energy management devices – including smart thermostats, electric heating/cooling pumps, and electric heat pump water heaters
5. Percent of Income Payment Plans
6. Distributed generation and storage, including community solar
7. Transportation electrification

CUB encourages other stakeholders to contemplate other ideas relating to reducing the financing costs associated with investments during this recession. We encourage stakeholders to consider policy responses that go beyond the status quo.

Summary

CUB would again like to acknowledge the Commission's important role convening and facilitating COVID-19 Customer Impact workshops. CUB also appreciates the IOUs voluntary actions and meaningful contributions to the overall discussion.

Ultimately, CUB intends for the EUCPP to serve as both a helpful and dynamic starting point for ongoing conversation among the Commission, IOUs, CUB, and other stakeholders. This version of the EUCPP reflects CUB's views and advocacy as of 08/17/2020 – because if the pandemic has

taught us anything, it is that public policy must adapt and evolve to the public health and economic conditions as they adapt and evolve. The disease will always set the terms.

Respectfully,

Bob Jenks
Executive Director

Samuel Pastrick
Advocacy & Development Manager