

Res. M-4849 Directs Utilities to Extend Emergency Customer Protections Through June 30, 2021

On January 15, 2021 [draft Resolution M-4849](#) was mailed. The proposed Resolution directs 1) electric, gas, water and sewer, and communications corporations to extend customer protections initially applied in response to the COVID pandemic via [Resolution M-4842](#) and 2) electric, gas, and water utilities to plan for expiration of the Emergency Customer Protections to ease the transition for customers.



Overview of Resolution

- Extends the Emergency Customer Protections for residential and small business customers from April 16, 2021 to June 30, 2021. Most notably, protections include:
 - » Electric, gas and water utilities must suspend disconnections of customers that haven't paid bills.
- Requires electric, gas, and water utilities to ease transition for customers with expiration of Emergency Customer Protections.
 - » The transition plan must be designed to proactively communicate with customers to newly enroll, or sustain their enrollment in programs to manage their utility bills.
 - » Utilities will coordinate with the California Department of Community Services and Development to leverage federal assistance for and communications with customers.
- Utilities can track any incremental costs associated with implementing the resolution against memorandum accounts established with Resolution M-4842.

POTENTIAL IMPACT: If successful in reaching all eligible customers with bill management program information, utilities' implementation of transition plans would accelerate customer enrollments in programs prior to expiration of emergency customer protections. Specifically, energy and water utilities could experience:

- Rapid increase in participation in new bill payment plan options available that extend the period customers can pay bills and allow a portion of energy bills to be forgiven;
- Fewer customer disconnections and greater likelihood that energy utilities' will stay under CPUC established percentage cap of disconnections permitted; and
- Larger amount of uncollected bill balances for longer durations.



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Background

The Emergency Customer Protection measures were adopted in 2019 via CPUC Decisions under the disaster relief rulemaking R.18-03-011, and applied during COVID pandemic initially on March 17, 2020 through a CPUC Executive Director letter.

Data presented at a COVID Impacts on Energy Customers Workshop on November 12, 2020 showed since COVID:

- The number of customers with unpaid bills totaling more than \$500 has more than doubled;
- The number of low-income customers with “arrearage” amount more than \$500 has more than quadrupled;
- The number of customers with bill payment arrangements has decreased overall; and
- The total number of enrollments in California Alternate Rates for Energy, a bill discount program for low income customers, has increased by 11 percent.

Data presented at a workshop on Water Affordability During COVID-19 on October 30, 2020 indicated that:

- Enrollment in the water utilities’ Customer Assistance Programs (CAPs) increased by 11 percent since March; and
- The number of customers behind in their water bills in September 2020 rose by about 18 percent compared to 2019 average.

Since April 2020, when Emergency Customer Protections applied for the COVID-19 pandemic in March 2020, the Disconnections proceeding (R. 18-07-005) Decision (D.) 20-06-003 created additional bill payment plan options for energy customers, specifically:

- Arrearage Management Plans for income-qualified customers with eligible arrearages (where the IOU forgives 1/12 of customer’s beginning balance for each on-time monthly bill payment); and
- 12-month payment plans allowing customers to pay off the entire amount of an arrearage over 12 months, which must be offered to all customers before disconnection.

Next Steps:

Opening Comments are due January 22, 2021 and Reply Comments are due January 29, 2021. This Resolution is on the February 11, 2021 Voting Meeting.

If adopted, the Resolution requires electric, gas, and water utilities to submit draft transition plans to the Low Income Oversight Board by February 25, 2021 for review and feedback.

Future Actions:

The CPUC reserves the right to extend the Emergency Customer Protections further.