

**[EXTERNAL] Public Comment for 5/10 LIOB Leg Subcomm Mtg**

[REDACTED]

Thu 5/4/2023 11:36 AM

To: Weaver, Gillian <Gillian.Weaver@cpuc.ca.gov>

📎 2 attachments (570 KB)

TURN Extension of CAPP Sign\_On\_April\_26\_2023.pdf; Utility Debt Relief Fact Sheet (1).pdf;

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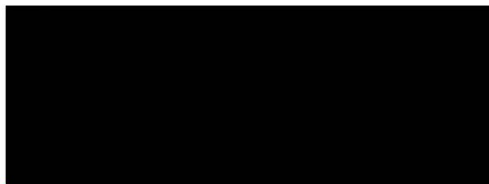
Good morning Gillian,

Hope you are well. My name is Jordyn (she/her) and I work with the Greenlining Institute. I wanted to pass along some materials for the Subcommittee to consider as part of their discussion under agenda item 4 (CAPP 2022 Funding) scheduled for the 5/10 Legislative Subcommittee Meeting.

1. Stakeholder letter regarding CAPP Funding
2. Greenlining Fact Sheet regarding Utility Debt.
3. Link to my blog on [California's Enduring Energy Debt Crisis](https://greenlining.org/2023/california-is-enduring-energy-debt-crisis/).  
<https://greenlining.org/2023/california-is-enduring-energy-debt-crisis/>

Please let me know if you are not the correct person to contact to ask that these materials be shared with the Subcommittee for their upcoming meeting. I appreciate your time and please let me know if you have any questions.

Warm regards,  
Jordyn

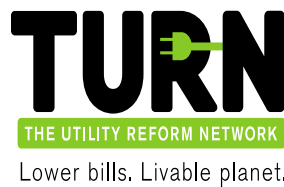


Senator Nancy Skinner  
Chair, Senate Budget and Fiscal Committee  
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Senator Josh Becker  
Chair, Senate Budget Subcommittee 2 on Resources, Environmental Protection and Energy  
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**RE: 1) Reject Governor's Proposed to Cut Utility Debt Relief Funds and**  
**2) Reallocate \$550 million to help low-income ratepayers with Covid-era debt**

Dear Budget Committee Members,

In the 2022 state budget the Governor and Legislature took necessary action to allocate \$1.2 billion to assist California utility ratepayers with hundreds of millions of dollars in unprecedented utility debt accumulated during the thick of the Covid pandemic. The California Arrearage Payment Program (CAPP) funds were narrowly earmarked to cover debt accumulated between March 4, 2020 and December 31, 2021. The program did what it aimed to do in terms of covering the debt for that time, however, due to the limited timeline of this program –only a portion of the COVID-related declared state of emergency debt was addressed-more than \$550 million of these funds remain unspent.

The Governor's January budget proposal seeks to cut these funds and not use them to assist utility ratepayers. As organizations that represent and advocate on behalf of low-income communities of color, seniors, disabled and veterans who are often the first hit, hardest hit and by extension-last to recover, ***we urge you to reject the Governor's proposed funding cuts to CAPP, and instead, reauthorize the CAPP funds to be used to help low-income ratepayers get out from under utility debt accumulated during the ENTIRE Covid State of Emergency period ending on February 28, 2023.***

Families throughout California continue to struggle with utility debt from the COVID declared emergency period. In February, the four major IOU's reported over \$2.37 billion dollars or arrears-this is over four times the average amount of arrearage debt carried by IOU's pre pandemic. Estimates for POU debt is upwards of \$500 million dollars. This is an indication that

the pandemic recovery is not over and struggling families continue to need utility debt relief to keep the lights on.

The Governor officially lifted the Covid State of Emergency on February 28, 2023. If the CAPP funding is authorized to cover debt up until this date, hundreds of millions of dollars of debt would be addressed giving struggling families much needed relief. Participants in the low-income CARE and FERA programs as well as other utility saving programs offered through the POU's are disproportionately people of color, immigrants, disabled and seniors -this financial assistance would go a long way to allowing these folks to address other pressing fiscal challenges.

CAPP has been effective in alleviating significant customer debt and providing a streamlined process to deliver credits directly to customers' utility bills. At a time of unprecedented debt, soaring inflation rates and skyrocketing natural gas prices, we need your support in ensuring that the entire \$1.2 billion originally allocated to alleviate utility debt is used for this purpose. Considering the unprecedented debt faced by low-income ratepayers no dollar should go unspent.

**Utility Customer Debt is Increasing.** Data provided by PG&E, SoCal Edison, SoCal Gas and SDG&E in their January Disconnection Settlement Reports show that debt for CARE and FERA customers surpassed \$770 million. In a five-month period from October 2022 to February 2023, SoCal Gas reported that debt went up by 90%.

California cannot afford skyrocketing utility debt and increasing numbers of families at risk of being deprived of lighting, heating, cooling, medical devices and communication services that are needed for health and safety. High utility debt is an indicator of housing vulnerability and utilities are a requirement for habitability in subsidized housing. Allowing the current COVID created utility debt to go unaddressed will trigger unprecedented utility shutoffs across the state as IOU's begin to increase shutoffs as a debt collection tool in the coming months. Buying down this debt for vulnerable families will help ensure the recovery support promised to those who have already sacrificed so much and desperately need this funding to climb back from the COVID pandemic.

We, the undersigned urge the legislature to return the \$550 million dollars in CAPP funding to the CSD budget and direct them to allocate these remaining funds to low-income families.

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Executive Director

Insight Center  
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San Diego Community Power  
Laura Fernandez  
Director of Legislative & Regulatory Affairs

Sonoma Clean Power  
Geoff Syphers  
Chief Executive Officer

## Utility Debt Relief:

### An Urgent Need in California's Energy Affordability Crisis

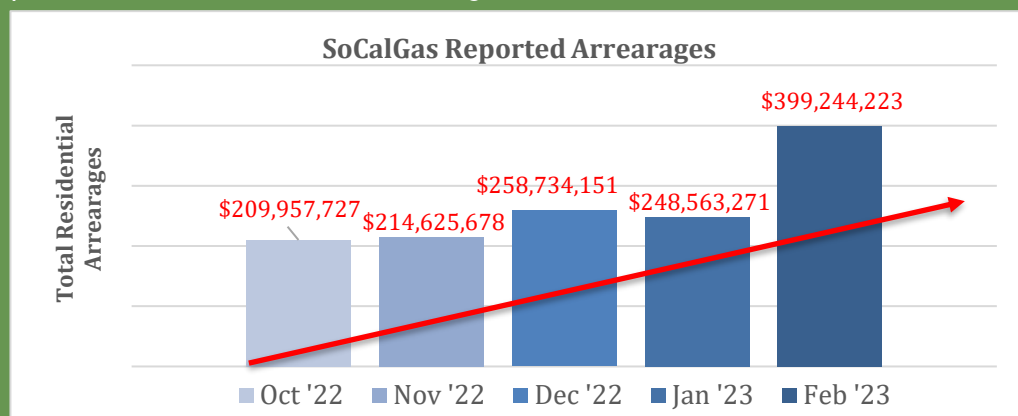
Utility debt impacts lives and can lead to disconnections, evictions, loss of employment, impossible tradeoffs of paying utilities over groceries, and potentially fatal health impacts. The compounding factors of inflation, high oil and natural gas prices, and the lingering impacts of Covid are already 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