



Keep the Lights On!

Re: Request to Provide \$2 Billion for Utility Customer Debt Relief

April 5, 2021

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

Thank you for exercising bold leadership to protect California families during the coronavirus public health crisis by promoting moratoria to prevent housing evictions and utility disconnections. We are writing to follow up the February 12, 2021 letter we sent requesting COVID-related utility customer debt relief. The shutoffs moratorium, adopted by the CPUC, has protected 800,000 California households who are typically disconnected annually from their utility service. When these shutoff protections expire on June 30, customers will be required to pay all uncollected amounts that have accumulated over the previous 13 months. Hundreds of thousands of Californians will face a mountain of debt they cannot afford that may result in the loss of utility service. We need your help to address this looming crisis.

Based upon recent increases in COVID-related Investor Owned Utility customer debt, and our commitment to include customer of Publicly Owned Utilities, our coalition of direct service providers, grassroots activists and consumer advocates estimates that the **need for customer debt relief has grown to \$2 billion.**

Whether the American Rescue Plan or state budget surplus funds are distributed through the existing LIHEAP network or another mechanism, it is critical that all low-income California households who are behind on their bills receive debt relief, regardless of immigration status or utility provider. Following are brief testimonials describing the need for customer utility debt assistance from each organization signing onto this letter.

The Greenlining Institute works towards a future where communities of color have access to economic opportunities that will lead to building wealth and meet the challenges posed by climate change.

The economic recession caused by the COVID-19 pandemic disproportionately impacts low-income people of color. Even prior to the recession, people of color in California disproportionately experienced difficulty paying for basic needs such as housing, health care, and utilities. Additionally, low-income people of color who live in disadvantaged communities suffer severe health impacts as a result of living in highly polluted environments. A significant population of impacted customers lives in Publicly Owned Utility (POU) territories. Greenlining primarily intervenes at the California Public Utilities Commission (CPUC) in order to advance our mission. Last month, the CPUC opened a proceeding that focuses on identifying funding and developing mechanisms to address energy arrearages accumulated during the COVID-19 period. However, the CPUC does not have jurisdiction over POU and thus, solutions resulting from this proceeding will not be available to customers living in POU territories. Current data that we received from different POU's such as Sacramento Municipal Utility District and Los Angeles Department of Water and Power (these are two of the biggest POU's in the state) suggests that POU customers are shouldering debt accrued during the pandemic that exceeds half a billion dollars for unpaid energy bills alone. Greenlining supports all of the organizations represented in this letter and urges CA's decision-makers to provide sufficient energy debt relief to all vulnerable Californians, including those living in POU territories.

Los Angeles Alliance for a New Economy (LAANE), a nationally recognized advocacy organization dedicated to building a new economy for all, strongly urges the State to create a one-time funding allocation toward past-due publicly-owned utility bills.

Access to vital services such as water and electricity is a human right necessary for survival, but as we approach the end of utility shutoff moratoria throughout the state, this human right is at stake for hundreds of thousands of households. Along with disproportionate rates of illness, death, and unemployment, communities of color and low-income communities have been accumulating insurmountable levels of utility debt during the COVID-19 pandemic. Debt erasure is needed to give these families the fresh start they deserve.

Communities for a Better Environment builds people's power in communities of color and low income communities across California to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments. CBE organizes in Richmond, East Oakland, Wilmington, and Southeast Los Angeles.

As utility debt bills are scheduled to come due and the disconnections moratorium is coming to an end, our communities will still have to choose between basic needs like rent, groceries, or rising utility bills, while we bury more of our loved ones and more of us struggle to heal from the unknown long-term effects of COVID-19. Without complete utility debt forgiveness, the state is condemning generations of its people to unfathomable hardship.

Central Coast Energy Services/San Francisco Peninsula Energy Services, is a non-profit organization that provides utility payment assistance, weatherization services, energy conservation through home improvement, consumer education and advocacy for low-income households in the counties of Santa Cruz, Monterey, San Benito, San Mateo, Marin, Santa Clara, and the City and County of San Francisco.

The COVID-19 pandemic has intensified the financial disparities among low-income households, especially for our senior and disabled populations. It has become nearly impossible for these households to afford their utility bills. As a LIHEAP Service Provider, we are concerned that our limited funds will not be enough to assist our most vulnerable populations. These communities are in crucial need of relief from their utility arrearages in order to prevent a major crisis from happening.

The Insight Center is a research and policy organization based in Oakland, California. We work throughout the Bay Area, the State of California, and nationwide to ensure that all people become and remain economically secure. Our advocacy focuses on those who have been most harmed by discrimination, racism, and injustice – namely, people of color, women, and their families. Due to our country's legacy of inequality, these communities of color would be most harmed by rising utilities debt and shutoffs, especially during this unprecedented pandemic.

As a research and policy nonprofit located in one of the most expensive housing markets in the country, Insight has taken a close look at the extensive effects of rising costs and stagnant wages on every day Californians. In a state often noted for its prosperity, an estimated 3.3 million households live paycheck-to-paycheck, with little to no opportunity to save up for a rainy day, escape mounting bills, or cover emergencies. Black, Latinx, Native, and Asian communities will continue to be among the hardest hit by the virus due to systemic health disparities and deep racial and gender inequities. Utilities are a basic human right. And yet, without needed emergency relief, the numbers of people at or near poverty will only increase, making it nearly impossible for millions to pay for mounting utilities costs, stay warm, and keep the lights on.

Spectrum Community Services strives to improve the health and safety of seniors and low income residents in Alameda County by enhancing their quality of life and helping them age at home with dignity.

The high costs of housing and power bills in the Bay Area leave our clients with difficult choices every month on which bill to pay. Electricity is key for children's success in school and parents success at work/finding work. Assisting with a portion of their utility bill will help keep these families housed preventing much harder to address circumstances of homelessness.

North Coast Energy Services, Inc. provides LIHEAP services to six California counties. We have experienced an increase in need for utility assistance in all of our services areas. We have seen larger utility balances over the last few months than we have ever seen before. Our clients are the most vulnerable in our communities and are struggling with the increased cost of living since the pandemic began last March.

Community Action Marin is committed to racial and economic equity driven by our vision that all have an equal opportunity to live our lives with dignity and respect. As the largest nonprofit human services provider in Marin County, we work with people experiencing economic hardship on a daily basis and understand how utility debt can undermine self-sufficiency and family well-being.

"Marin County has the highest income disparity in the state as well as some of the highest rents. COVID-19 has resulted in greater economic hardship for low-income families, many of whom have accumulated significant utility debt in an effort to stay current with their rent."

Democratic Socialists of America San Francisco is the largest socialist organization in the US. Members build progressive movements for social change by establishing a socialist presence in communities and in politics.

Many of our members lost their jobs during the pandemic and do not qualify for any government relief programs. When the moratorium on shut-offs is lifted, members will not have the earnings to pay back bills for utilities services accumulated over a year or even two months.

Community Action Partnership of Kern is one of the largest non-profits in Kern County and Kern's official anti-poverty agency with more than 900 employees and 15 programs dedicated to helping those we serve build economic power and sustainable futures. The CAPK Energy Program assists income-eligible residents with utility bill payments, home weatherization, and energy education, at no cost to the participants.

Many Kern County residents already facing poverty have been unemployed due to the COVID-19 Pandemic. Thousands of those we serve have fallen behind on their utility, household and personal bills and that has created worry and financial crisis – even homelessness in some cases. The CAPK Energy Program can reduce or eliminate utility debt and allow constituents to use that money to pay their rent or mortgage and keep their home.

TURN–The Utility Reform Network, a consumer advocacy group that represents 30 million residential utility customers of PG&E, Edison, SoCal Gas and SDG&E, is concerned about drastic increases in arrearages owed by utility customers since the beginning of the COVID crisis.

According to data provided by the four largest utility companies, **the amount of unpaid bills more than doubled from \$500 million at the end of February 2020 to over \$1.1 billion at the end of December 2020, an increase of \$650 million over pre-COVID levels** in the first seven months of energy usage during the pandemic. By June 30 when the shutoff moratorium ends, we expect the increase in arrearages to substantially exceed \$1.3 billion, and that nearly 1 million households will be at risk of utility disconnection, unless action is taken to reduce customer debt and provide households with a reset.

ACCES, the association of 42 State Low-Income Energy/Weatherization Providers that provides energy and weatherization services to 230,000 LIHEAP eligible households annually in all 58 California counties, is concerned about the enormous bills that have piled up for families in recent months.

"The ability to heat one's home, water and food is essential to sustaining a household's health and safety. Keeping the lights on, our food/medicine refrigerated and our communications' connections to the outside world are a basic threshold of safety and well-being for all of us during these precarious, COVID times. Many of our clients face the loss of these basic needs including water, because they cannot afford to pay off their large past due bills and they need help now."

Redwood Community Action Agency, a non-profit community action agency that provided energy, human services and other programs to 16,000 low-income rural households of Humboldt and Modoc counties in 2020 believes that overwhelming utility debt threatens the ability of people to remain housed.

“The loss of essential utility services places our clients’ health and safety at risk as well as their ability to sustain housing. We have seen a huge increase in the number of clients requesting help with their past due energy bill and they have no idea how they are going to pay it off. In most cases, their incomes are not sufficient to pay off the arrearage in a timely manner which leaves them hopeless and afraid.”

Centro La Familia Advocacy Services, a champion to the underserved population in rural and urban Fresno County for five decades, has the mission of providing services that empower and support families and individuals in our culturally diverse community.

“Our clients need help to survive economically, as Fresno County has some of the highest poverty rates in the state, as well as high energy use that accompanies the extreme heat and cold experienced in this region, rising rent costs, along with the economic impact and additional costs of sheltering at home during the pandemic. Households are struggling to survive, even more during these difficult times, and often this means prioritizing either feeding the family or paying bills.”

The Central Valley Urban Institute is a policy and advocacy organization representing the voices of hundreds of thousands of low income residents, and the voice of disadvantaged communities throughout the Central Valley.

“The Central Valley is facing an extraordinary crisis in utility delinquency. Coronavirus is harming Black and Brown communities at jarring rates due to longstanding disparities in healthcare and our economy. History, however has taught us that the road to justice is long and arduous, and it is clear that in order to meet the scale and scope of this crisis, swift action must be taken.”

California Alliance for Retired Americans (CARA) is California's largest grassroots advocacy organization representing over 1 million older adults through our 300+ affiliated organizations. CARA works on issues to improve the quality of life for older adults, people with disabilities, caregivers, and low income communities through education, organization, and advocacy.

“Many of our members are low income and struggle to pay for their housing, utilities, food, and medical expenses including prescription drugs. During the pandemic, older adults have had to choose what to pay for yet many are unaware that there are programs that could assist them. We must expand the resources available to low income and isolated older adults, and improve outreach and education efforts to make them aware of what might be available to them.”

We call upon you to take bold action to protect utility ratepayers by allocating \$2 billion of Federal COVID Emergency Funds or State surplus funds to utility customer debt relief. California cannot afford skyrocketing utility debt and increasing numbers of families at risk of being deprived of lighting, heating and cooling needed for health and safety, and even evicted from their homes when the disconnections moratorium ends on June 30. Your leadership is needed to implement a solution that promotes equity, fairness, and sustainability.

Thank you for your consideration,



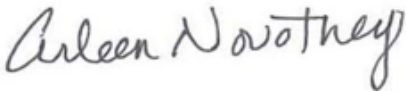
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