

May 12, 2021

**Proposed Framework:  
Addressing Energy Utility COVID-19 Residential Customer Arrearages and  
Maintaining Assistance Going Forward**

The following proposal from NW Energy Coalition (“NWECE”) and Oregon Citizens’ Utility Board (“CUB”) provides a framework for ending the COVID-19 energy utility service disconnection moratorium and addressing residential customer arrearages built up during the moratorium. The following proposal also sets out a concept for how assistance can be maintained to ensure that disconnections do not skyrocket after the current moratorium ends.

Overall, this framework assumes that, in the wake of a global pandemic, the public interest warrants a concerted effort among energy utilities, advocates, direct service practitioners, and other stakeholders to ensure that residential customers do not carry significant COVID-19 related arrearages into the 2021-2022 winter heating season. The pandemic’s impacts remain widespread, burdening substantial numbers of residential customers with arrearages beyond 60 days. Further complicating matters, a portion of these customers have little-to-no history of needing or accessing utility bill payment assistance resources. It is also well established that households from historically underserved communities have been disproportionately impacted by the pandemic, both in terms of public health and economic outcomes. The policy solution to residential customer arrearages as result of the COVID-19 pandemic must address these dynamics.

Therefore, this framework recommends ending the current COVID-19 energy utility service disconnection moratorium on September 30, 2021. At that time, utilities should have a complete analysis of the number of residential customers in arrears by 60+ days, and by how much, for the period beginning March 2020, when the moratorium began on a voluntary basis initially, through September 30, 2021. The Oregon Public Utility Commission (“Commission”) should then allow natural gas utilities to dedicate up to 2.0% of their 2019 revenues, and electric utilities to dedicate up to 2.5% of their 2019 revenues, to account for the total 60+ day residential arrearage balance. Note that these amounts include the 1% previously allocated through the UM 2114 stipulated agreement.

To the extent up to 2.0% of 2019 revenues for gas utilities, or up to 2.5% for electric utilities, do not cover a utility’s total 60+ day residential arrearage balance, the Commission may determine a marginally higher percentage of revenue to cover the remainder of the arrearage balance. Alternatively, a portion of Oregon Energy Assistance Program (OEAP) funds may be assumed to eliminate the delta between the allotted percentage of the utility’s 2019 revenues and the total 60+ day arrearage balance incurred by residential customers between March 2020 and September, 30 2021. Utilities may propose other options.

Additionally, utilities may either directly allocate the funds to customer accounts without the need for residential customers to contact either their utility or a community organization. Utilities may also utilize their existing Arrearage Management Plans (“AMP”). But to the extent a utility does utilize their existing AMP, and is unable to eliminate the total 60+ day residential arrears by September 30, 2021, that utility may allocate unused AMP funds sufficient to eliminate any remaining balance.

By no later than September 3, 2021, the utilities, advocates, direct service practitioners, and other interested parties shall meet to agree upon, for each utility, how best to allocate available arrearage management resources for the purpose of eliminating all 60+ day residential arrears. Commission Staff shall convene and facilitate these workshops.

After the COVID-19 disconnection moratorium ends on September 30, 2021, interested parties shall agree to institute a 2021-2022 winter heating season disconnection moratorium, starting October 1, 2021. The 2021-2022 winter heating season moratorium shall end on March 31, 2022. During this period, the utilities, advocates, and other community organizations shall coordinate around an action plan to communicate with residential customers who are either still in arrears after eliminating the COVID-19 related arrearages, or those residential customers who quickly find themselves back in arrears after the COVID-19 moratorium ends.

Utilities, advocates, and community groups should target communications to all residential customers with a history of difficulty staying current with their bills. Assistance for customers after September 30, 2021 shall come from emergency resources such as the federal Low-Income Home Energy Assistance Program (LIHEAP) and separate ratepayer funds through OEAP for electric utilities, Oregon Low-Income Gas Assistance for NW Natural and the separate assistance programs for Cascade and Avista. Our expectation is that by the time the 2021-2022 winter heating season is over, utilities and community organizations will have been able to assist a broad enough range of residential customers such that the risk of disconnections for residential customers after the 2021-2022 winter heating season is markedly lower.

Below is a summary of the framework:

- September 30, 2021: COVID-19 disconnection moratorium ends. Utilities calculate the total residential arrearages over 60+ days for the period March 2020 through September 30, 2021. The Commission authorizes using up to 2.0% of 2019 revenues for gas utilities and up to 2.5% of 2019 revenues for electric utilities to eliminate arrearages for residential customers.
- To the extent either 2.0% of 2019 revenues for gas utilities or 2.5% of 2019 revenues for electric utilities does not eliminate the 60+ day residential arrearage balance from March 2020 through September 2021 for a utility, utilities may submit a proposal to cover this delta, developed with stakeholders, detailing coverage for the remaining residential customer arrearage balance.
- Utilities may directly allocate arrearage management funds to customer accounts without the need for customers to contact either the utility or any community organization. Utilities may also utilize their existing AMPs. But to the extent AMPs do not sufficiently reach residential customer in 60+ arrears prior to September 30, 2021, remaining AMP funds may be used to eliminate all remaining arrears.

- October 1, 2021: Parties agree to institute a 2021-2022 winter heating season moratorium. Utilities shall analyze which customers had existing arrearages prior to March 2020 and contact those customers to educate them as to where and how they can receive additional bill payment assistance.
- Commission advisory group facilitated by the Diversity, Equity, and Inclusion Director shall, to the extent possible, provide its first set of recommendations by December 15, 2021 and the Commission may direct a process to determine how to implement any recommendations that the Commission approves.
- Community organizations have sufficient time to ensure that their staffing levels are adequate to identify and process clients' requests for assistance. This assistance comes from federal LIHEAP, ratepayer-supported programs from each utility, and any other dollars that have been made available for energy assistance.
- March 31, 2022: 2021-2022 winter heating season disconnection moratorium ends.

In Conclusion: This proposal framework reflects a critical starting point for what should be the continuation of stakeholder workshops facilitated by Commission Staff. Identifying and landing on a September 30, 2021 end-date for the current COVID-19 moratorium is both a proactive and reasonable step for UM 2114 parties, and one that acknowledges uncertainty regarding COVID-19 variants, as well as slowing vaccine adoption in Oregon and across the Country. Separately, the initiation of a 2021-2022 winter heating season moratorium would allow sufficient time for the Commission's Diversity, Equity, and Inclusion Director to facilitate stakeholder discussions regarding post-moratorium utility service disconnections. Finally, allowing natural gas utilities to allocate up to 2.0% of 2019 revenues and electric utilities to allocate up to 2.5% of 2019 revenues (once again, this amount includes the previous 1% allocation) reflects both the necessity to alleviate all 60+ day residential arrears in advance of the proposed 2021-2022 winter heating season moratorium and the presumed availability of both federal and state energy bill payment assistance resources.

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