

of which the Commission has jurisdiction. The Commission is authorized under ORS 756.060 to adopt reasonable and proper rules relative to all statutes administered by the Commission.

The Commission's regulatory authority is further specified in ORS Chapters 756 and 757, as relevant here. Under ORS 756.090, a utility must keep and maintain records as required by the Commission. The Commission may require a utility to furnish information to carry into effect the provisions of ORS chapters 756, 757, 758, and 759, per ORS 756.105.

The Commission has adopted certain administrative rules relevant to the matters discussed herein in OAR Chapter 860, Divisions 21.

Analysis

Background

On March 8, 2020, Governor Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-19.¹ Several extensions of that order were issued, the last of which, extended the state of emergency to June 28, 2021.² Effective June 30, 2021, Governor Brown lifted most COVID-19 restrictions.³

On September 24, 2020, the Commission authorized Staff and the affected investor-owned energy utilities and stakeholders to execute a stipulation that was developed during the Commission's Investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

During the timeframe between September 24, 2020 and October 23, 2020, Parties refined the Energy Term Sheet and Stipulated Agreement on terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic.

Parties include (though are not limited to): utilities, Clackamas County Social Services, Community Action Partnership of Oregon (CAPO), Community Action Agency of Washington County, Community Energy Project (CEP), Multnomah County Office of Sustainability, Northwest Energy Coalition (NVEC), Oregon Citizens' Utility Board (CUB), and Verde.

¹ EO 20-03 (March 8, 2020).

² EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-38 (September 1, 2020); EO 20-67 (December 17, 2020), EO 21-05 (February 25, 2021), and EO 21-10 (April 29, 2021).

³ EO 21-15 (June 25, 2021).

At its public meeting on November 3, 2020, the Commission approved the UM 2114 Stipulated Agreement. See Order No. 20-401, <https://apps.puc.state.or.us/orders/2020ords/20-401.pdf>.

At its special public meeting on February 23, 2021, the Commission extended the April 1, 2021, date on which the energy utilities may resume providing a 15-day late notice for residential customers before disconnection to June 15, 2021. The Commission also directed Staff to report back to the Commission in the middle of May regarding the moratorium and whether additional changes should be considered. See Order No. 21-057, <https://apps.puc.state.or.us/orders/2021ords/21-057.pdf>.

At its public meeting on March 23, 2021, the Commission approved the Arrearage Management Plans of Avista, Cascade Natural Gas, NW Natural, Idaho Power, and PacifiCorp. The Commission previously approved Portland General Electric's AMP on February 11, 2021.

At its special public meeting on May 23, 2021, the Commission took the following actions, as memorialized in Order No. 21-164; <https://apps.puc.state.or.us/orders/2021ords/21-164.pdf>:

- Extended the date to send disconnection (late) notices to customers until July 16, 2021;
- Directed Staff to work with stakeholders to possibly supplement arrearage management plans;
- Directed Staff to consult with the parties to develop recommendations for specific characteristics to identify customers that should receive special protection against energy disconnections, and the circumstances under which such protections should be provided. Further directed Staff, if a joint recommendation cannot be presented, to outline the various characteristics and circumstances considered, and provide a description of the reasons why such characteristics and circumstances were proposed, and were deemed reasonable or unreasonable by Staff.
- Directed Staff, within 30 days following Commission action on recommendations for characteristics and circumstances to be used to protect certain customers against disconnections of energy service, to propose rulemaking or other process that would have the effect of preventing the disconnection of such customers for a defined period of time; and

- Directed the DEI Director to report to the Commission no later than the August 24, 2021, Public Meeting, with a status report, and any findings and recommendations that may exist at that time concerning the workshops convened under Paragraph 28 of the UM 2114 Stipulated Agreement.

At its special public meeting on July 13, 2021, the Commission, amongst other directives, directed Staff and the Diversity, Equity, and Inclusion (DEI) Director to further examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement to analyze and discuss approaches to arrearage management; including, but not limited to, alternatives to disconnections in the post-moratorium period, Commission Order 21-236, <https://apps.puc.state.or.us/orders/2021ords/21-236.pdf>.

July 22, 2021, Workshop Agenda

The following agenda was presented during the July 22, 2021, workshop, facilitated by DEI Director, Ezell Watson.

Time	Item	Presenter
15 min	Welcome and greetings/group operating agreements (Participants to introduce themselves via chat)	Ezell Watson
15 min	Review current customer protections	Michael Dougherty
	Small group discussion break-out session to discuss the following questions:	
45 min	<ol style="list-style-type: none"> Considering the current process for disconnections for non-payment, how would you assess or evaluate the manner in which utilities currently handle those procedures? Are there policy updates that you might recommend? Is proper notification given? The window of time in which a disconnection can occur – is it small enough, large enough, etc.? (The goal for this question is process improvement.) Arrearage Management: <ol style="list-style-type: none"> Please describe an arrearage management program or arrearage management best practices you believe would cost effectively: 	All

- i. Reduce residential arrearages
 - ii. Prevent additional past due balances from re-accumulating/facilitate on-time payment behaviors.
 - b. Where possible, please point to data sources and/or real-world examples that serve to evidence your response.
3. Alternatives to Disconnection:
 - a. Please describe alternatives to disconnection for non-payment. Alternatives should, at a minimum:
 - i. Be practicable and cost effective,
 - ii. Incentivize resumption of timely payment,
 - iii. Discourage habitual non-payment behaviors.
 - b. Where possible, please point to data sources and/or real-world examples that serve to evidence your response.

There will be an option for journaling and commenting via use of a Google form.

15 min	Group Reporting – Spokesman to provide summary	All
15 min	Brainstorming activity for future workshop topics and adjournment	All

Current Customer Protections

The following current protections under rule were discussed:

- OAR 860-021-0320, Disconnection of Service on Weekends - This rule requires that utilities not disconnect service on Friday, Saturday, Sunday, any state recognized holiday, and the day before a state recognized holiday (exceptions include safety, voluntary disconnects, “no signer” cuts, and theft).

Who Qualifies: - Anyone who is a customer with the utility. It does not apply to someone taking service who has not both applied for service and been accepted

as a customer by the utility. (Customer Definition: Someone who has applied for service, been accepted, and is receiving service).

Process to Obtain Protection - Anyone who has “customer” status is automatically protected. No action required by customer.

How Many Customers usually take advantage of this protection - All utility “customers” are protected.

- OAR 860-021-0407, Severe Weather Moratorium - This rule prohibits disconnections of residential customers when the forecast high temperature for any day is less than 32 degrees, and remains in effect until the forecast high reaches 32 degrees or higher. It also prohibits disconnections on days when a Heat Advisory has been declared, and remains in effect until the Heat Advisory is lifted.

Who Qualifies - All residential customers in a geographic location where a moratorium has been declared by the utility.

Process to Obtain Protection - Anyone who has “customer” status is automatically protected. No action required by customer.

How Many Customers usually take advantage of this protection - All residential utility “customers” are protected.

- OAR 860-021-0510, Medical Certificates - This rule prohibits utilities from disconnecting the service of a customer who has obtained an Emergency Medical Certificate from a “qualified medical professional” stating disconnection would significantly endanger the physical health of the customer or a member of the household.

However, the rule also states a customer is not excused from paying for their energy service. In order to avoid disconnection, the medical certificate holder is required to enter into a time payment agreement (TPA). The Commission generally expects TPA terms which are longer than normal, and which meet the needs of the customer. If the utility and customer cannot agree on the term, the customer may appeal to the PUC who may set the term.

If the customer experiences a financial hardship, the TPA can be renegotiated once.

Utilities are required to notify Consumer Services when they propose to disconnect a Medical Certificate holder.

Who Qualifies - Any customer or household member whose life would be significantly endangered by the loss of utility service, and who obtain a Medical Certification from a qualified medical professional who will attest to that.

Process to Obtain Protection - Customer must request their qualified medical professional issue a Medical Certificate attesting to the circumstances which qualify the customer for the Medical Certificate. The medical professional submits the Medical Certificate form to the utility. Under the UM 2114 Stipulated Agreement, customers have the ability to self-certify for a two-month period.

How Many Customers usually take advantage of this protection - Since early 2020, there has been a voluntary moratorium on disconnections in place, so utilities have not been relying on medical certificates to limit disconnections. The following numbers are for 2019:

- Pacific Power – 863
- Portland General Electric (PGE) – 3,556
- Northwest Natural – 215
- Avista Utilities – 1
- Cascade Natural Gas – 10
- Idaho Power - 15

Staff and stakeholders noted the higher number of medical certificates in PGE's territory.

Small Group Workshops

As shown in the Workshop Agenda, participants (approximately 63) were broken into small groups that were facilitated by Staff (Michelle Scala, Anna Kim, Max St. Brown, and Bret Farrell). The small groups were designed to have maximum participation by stakeholders and utilities.

Key discussions that initiated from the small groups included:

1. Current process for disconnections for non-payment:

Many advocates believed that energy was a basic human right and that it should be treated as a public service with universal access. Many advocates believed that a

customer should never be disconnected for the inability to pay. However, with that said, the following ideas were discussed:

- Utilities should establish better methods to connect customers in crisis to agencies that can help them. Methods should be simple, clean, and, uncomplicated for customers to understand. In developing methods, utilities should also consider that Black and Latino households get disconnected more often. This speaks to the importance of having well-trained customer service representatives.
- Utilities should continue to seek preferred contact method of customers. Participants stated that customers sometimes do not open bills from utilities because they know that they are unable to pay. As a result, bill inserts may be very ineffective.
- Utilities should continue to use new and any successful methods established during the moratorium to reach customers in the post moratorium period. Methods used by PGE, which can send an email directly to the energy assistance agency on the customer's behalf, should be explored by other utilities.
- Utilities should find ways to build trust between customers and utilities. The goal is to engage with customers. Disconnection should always be the last resort.
- Important baseline to establish: Uninterrupted access to electricity or energy for those who choose to have service. Long-term goal is to get to a place where no one is disconnected for inability to pay.
- The length of time for disconnection should be based on how quickly customers can get energy assistance. If customers are calling the utility and actively seeking assistance, they shouldn't be disconnected. Currently as a result of UM 2114, if customers are actively seeking energy assistance, the Company is giving them more time (two months) prior to disconnection.
- Utilities, stakeholders, and Staff should review the current severe weather moratorium to better protect customers during, before, and after extreme events.

- Energy efficiency should be explored in greater detail and Oregon should implement energy efficiency models after successful initiatives that are occurring in other states (e.g. Vermont, Michigan, and Illinois).
- All parties should engage in the process of establishing low-income rates to reduce energy burden among low-income customers. Additionally, there should be a program to make electricity a subscription like community solar.

2. Arrearage Management

The discussion on arrearage management flowed nicely from the disconnection conversations. Key points were:

- Utilities should continue to help customers most in need, which includes customers on energy assistance and in the 91+ day arrearage bucket. This suggestion is in alignment with AMP Principles established by Staff.
- Utilities should continue to learn from their experiences administering AMPs to customers to ensure maximum effectiveness.
- Discussants have talked to families that have received the instant grant and found it successful. Its simplicity and ease of application was appreciated. Payment matching programs can be complicated and off-putting. How can we make it so that the best benefits are the easiest to get?
- All parties should engage in the process of developing percentage of income payment programs (PIPP - like in Ohio and Colorado where ability pay is taken into account), limit bills for low-income customers, and level bill pay through new rates. It is important to consider systemic issues including living wages and the wealth gap.
- Parties should work together to figure out how customers can maintain regular payments to avoid falling deep into arrears. This would include categorical eligibility for assistance, low-income rates, and better use of data to identify at risk communities.
- It is important to find a longer term solution. It is challenging if customers have to reapply in four months. It's also important to set customers up for success moving forward, for example, with discounts, PIPP, flat rate. Customers should enroll and stay enrolled in a program versus a program that is temporary.

- Participation by local governments such as Washington County that leveraged federal funds to help reduce arrearages.
- Add more outreach for energy efficiency. Legislature this year passed increases in low-income weatherization funds.

3. *Alternatives to Disconnection*

The following points were brought forward:

- As an alternative to disconnection, leaving utility services on, but using a throttling technique where the kW is restricted, maybe utilizing a smart meter, for example; some similarity to cell phone service where there's free low speed data service once the high speed data allotment is used up.
- Energy efficiency, energy assistance, and low-income rates would help to alleviate energy burden.

Going Forward

All parties realize that there is a great deal of work on disconnection policies going forward. This work includes:

- Reviewing, and updating if necessary, severe weather moratorium rules.
- Establishing rules for air quality index (AQI) moratoriums including the right baseline for the moratorium (100 – Unhealthy for Sensitive Groups, 150 – Unhealthy); and processes and references (ex. Oregon Department of Energy Air Quality Advisories, <https://oregonsmoke.blogspot.com/>, www.airnow.gov) that forecast air quality to implement a moratorium.
- Establishing rules concerning customer displacement due to wildfires.
- Determining what characteristics in Commission Order No. 21-236 should be maintained post-moratorium, including necessary rule changes.
- Partnering with the Energy Trust on low-income energy efficiency opportunities.
- Researching programs with local governments to leverage state and federal funds to help reduce customer arrearages.

- Collecting qualitative research that focuses on the experience of disconnection by utilizing the S.E.L.F.L.E.S.S. (Social Equity Lenses and Framework, Lowering Energy Stress Successfully) committee to host focus groups that center the voices of customers who have experienced disconnection recently (within the 12-24 months preceding the moratorium) and also seeks to center the experience of undocumented persons.

Conclusion

The first disconnection workshop gave all parties the opportunity to express their views on disconnection policies. Staff and the DEI Director will schedule additional workshops to effectuate any necessary rule changes and bring recommendations to the Commission in December 2021.

Staff and the DEI Director greatly appreciate the participation and contribution by utilities and stakeholders.

PROPOSED COMMISSION MOTION:

Informational Filing – no recommended action.