

# COVID-19 Customer Debt Forgiveness

NW Energy Coalition

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# Washington State 90+ Day Customer Arrearages (June 2021)

Utility	90+ Day Residential	% 2020 Revenues	90+ Day Commercial*	% 2020 Revenues
AVA	\$7,129,976	0.85%	\$3,101,993	0.37%
CNG	\$1,568,524	0.59%	\$819,842	0.31%
NWN	\$1,036,978	1.43%	\$167,661	0.23%
PAC	\$6,285,608	1.74%	\$578,467	0.16%
PSE	\$37,777,986	1.14%	\$11,721,002	0.36%
<b>Total</b>	<b>\$53,799,072</b>	<b>1.11%</b>	<b>\$16,389,065</b>	<b>0.32%</b>

\* Different definitions of commercial in Data

# Arrearage discussion

- Vast majority of residential arrears are amongst customers who are not "known" to be low income
- Connecting customers in need to assistance will take time and effort, and some people will fall through the cracks
- Ultimately, some customers will be disconnected, some will be sent to collections, and some amount of bad debt will be written off, which is its own cost
- Current amount of 90+ day residential arrears is 0.59%-1.74% of total company revenues (2020) – progression varies by utility

# Debt Relief in Other States

*(Not comprehensive research)*

**Maryland:** CARES funding direct to utilities for arrearages, in priority: (1) Past low income participants; (2) households with medical certificates; (3) Oldest arrearages

**Michigan:** CARES funding to utilities to credit additional funding for those receiving LIHEAP, utilities waive 25% of the arrearage

**Oregon IOUs:** varies by utility - funding can be provided to those without qualified low-income status. Some auto-grants.

# Debt Relief Status in Other States, con't

**New Jersey:** CARES funding to autogrant LIHEAP participants behind on bills

**California:** state funding to establish utility grant fund; utilities receive proportion of funding based on total arrearages with commitment to set up payment plans and avoid disconnects

**Illinois:** federal funding to provide automatic grants through utilities for those who have been enrolled in LIHEAP between 2018 and 2021

# Idea for Discussion

**Allow for the forgiveness of all residential customer arrearages 90+ days, regardless of income, as of some identified date (e.g., July 31, 2021)**

Possible Process: Modify the deferred accounting orders to broaden and change the description of "customer bill assistance"

## Other considerations:

- commercial arrearages?
- may miss connection to other services through CAPs
- messaging, communications
- others?