

APRIL 30, 2021

# Utility Customer Debt Relief Update



# EBCE Debt Relief Objectives

- Design program(s) that has **meaningful impact** for customers
- **Leverage** existing debt relief programs
- Maintain **discount** for all customers

# EBCE Efforts

2020

- \$10M savings for Bright Choice customers
- \$2M in donations to support services for food, health, and housing
- Suspended debt collections and return of customers to PG&E for non-payment

2021

- Estimated ~\$6M<sub>1</sub> savings for Bright Choice customers
- Enhance outreach and engagement around State and Federal utility debt relief programs to support customer participation and persistence (AMP, LIHEAP, REACH)
- Expect up to \$10M in direct customer debt relief
- Continuation of suspension of non-payment policies through June

# EBCE Initial Analysis

- No real change by overall count in residential customers with arrears
- Almost 10x increase for CARE
  - Only ~20% of total CARE customers at EBCE are in >60day arrears
- Almost 5x increase for Small Business

## YoY Count of Customers within each Arrearage Bin

Arrearage Values (> 60 days)	Residential (1/2020)	Residential (1/2021)	Residential CARE/FERA (1/2020)	Residential CARE/FERA (1/2021)	Small Commercial (1/2020)	Small Commercial (1/2021)
\$0-100	19,633	19,471	1,552	11076	777	3175
\$100-200	4,698	3,895	551	4139	145	635
\$200-300	1,992	1,961	218	2519	64	319
\$300-400	980	1,098	118	1653	44	228
\$400-500	551	620	82	1102	35	129
\$500-600	287	399	51	705	26	126
\$600-700	158	269	20	484	19	92
\$700-800	92	196	11	366	19	65
\$800-900	45	136	16	196	11	47
\$900-1000	41	102	2	158	10	48
\$1000-2000	80	347	9	384	49	251
\$2000-5000	24	89	1	40	15	176
\$5000-50000	9	27	0	6	3	40
Total	28,590	28,610	2631	22,828	1,217	5,331

# Leveraging Existing Programs

## EBCE Connected Communities

# Focus Group Outcomes

- EBCE completed **nine focus groups** of customers facing arrearage and disconnections in four languages between November and March
- Findings include that customers in arrears are:
  - **Multiple bills:** constantly balancing multiple bills, including rent, food and many utilities
  - **Awareness:** aware of their debt and managing bill payments to avoid stoppage of service
  - **Ongoing hardship:** facing ongoing financial difficulty more-so than one-time events
  - **Payment mechanics:** not using automatic payment options due to limited bank balances that can cause payment failures which cascade into account lockouts and fees
  - **Service:** want flexibility and understanding from utility Customer Service Representatives
  - **Ineligibility:** not all eligible for income-qualified programs since income thresholds are so low

## Recommendations/Requests:

1. want more programs to help reduce bills and manage payments
2. need in-language assistance and outreach from trusted community organizations

# EBCE Connected Communities Goals

Enhance economic and social well-being of communities most impacted by COVID-19 by significantly reducing utility debt and risk of utility disconnection

- Non-payment of PG&E charges is the only cause for customer disconnection
  - utility debts to EBCE cannot cause a disconnection
- EBCE is focused on solutions that help customers manage both PG&E and EBCE past due bills

# EBCE Connected Communities Debt Management Funnel

Analysis/Segmentation of customers to understand best utility debt management options for each customer

Targeted outreach – unique to each customer's specific circumstances – to support participation in utility debt management program

Customer enrolled in utility debt management program (AMP, LIHEAP)

On-going monitoring and support of customer to ensure persistence in program

EBCE debt forgiveness for outstanding arrearages



# AMP - ARREARAGE MANAGEMENT PLAN

- **Eligibility:** CARE/FERA customers with >\$500 debt
- **Mechanics:** Customer must make monthly payment of current amount due in order to get 1/12 of outstanding debt forgiven. Cannot miss 2 consecutive payments.
- **Potential eligible EBCE Customers:** ~13,500 currently
- **Participating EBCE Customers:** ~1,500 currently with average EBCE debt of \$315
- **Current value of debt forgiveness = \$472,500**
- **Estimated total value of debt forgiveness = \$4.25M**

EBCE is

1. Developing an outreach plan for education/enrollment
2. Actively working with CPUC to expand customer eligibility
3. Looking into ways to keep customers on AMP for full year

# CARE/FERA Enrollment

- **Eligibility:** Residential customers with household income below 200%-250% of Federal Poverty Guidelines. Leads to eligibility for AMP.
- **Mechanics:** 18%-20% discount applied by PG&E on full amount owed (including EBCE charges) – EBCE continues to get full payment
- **Participating EBCE Customers:** ~117,000
- **2020 value of discount = ~\$11M**

EBCE is

1. Doing outreach to encourage enrollment
2. Actively working with CPUC to try to expand customer eligibility

# Other Programs

## Relief for Energy Assistance through Community Help (REACH)

- **Eligibility:** Residential customers with household income below 200% of Federal Poverty Guidelines that have received a disconnection notice
- **Mechanics:** One-time credit of \$300
- **Potential eligible EBCE Customers:** 0, currently no disconnections

## Low Income Home Energy Assistance Program (LIHEAP)

- **Eligibility:** Residential customers based on monthly household income
- **Mechanics:** One time bill credit, can be used towards current charges for customers on the AMP program

EBCE is

1. Providing this information as reference on our website (<https://ebce.org/customer-assistance/>)
2. Promoting these programs via social media

# DAC-GT / CSGT

## Disadvantaged Community Green Tariff / Community Solar Green Tariff

- **Eligibility:** Residential CARE customers within “disadvantaged communities”
- **Mechanics:** 20% discount applied on full amount owed (including EBCE charges)
- **Potential eligible EBCE Customers:** ~2,150
- **Participating EBCE Customers:** Not yet launched
- **Annual value of discount = \$216,720** (based on standard residential generation charges of \$42/month)

EBCE is

1. Actively working to meet regulatory requirements to launch Request for Offers (RFO) and to identify eligible community sponsors for projects
2. Working on operational requirements to launch tariff as early as this summer

# Covid-19 Customer Debt Relief Proceeding (R.21-02-014)

- **Purpose:** Implement relief to address customer debt accumulated from March 2020 – June 2021
- Types of relief still unidentified
- Expected Proposed Decision in May 2021

EBCE is working through/with CalCCA to:

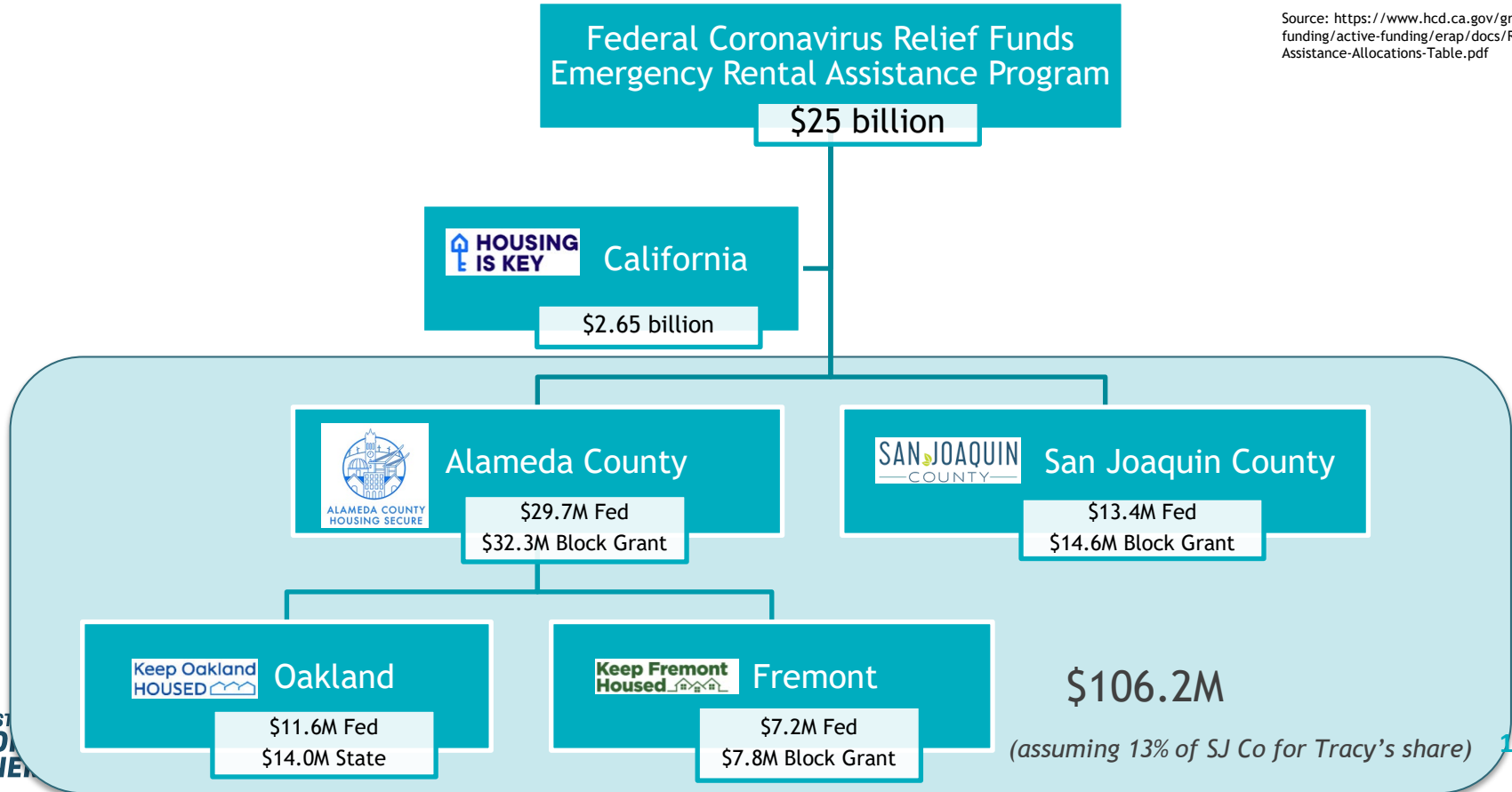
1. Lower AMP eligibility requirements from \$500 to \$250,
2. Work closely with customers to identify flexible payment plans,
3. Leverage existing funding such as ERAP programs, and
4. Work with CBOs to identify programs that best fit the needs of the community

# Leveraging Existing Programs

Federal, State, and Local  
Emergency Rental  
*[and Utility!]*  
Assistance Programs  
(ERAP)

# Emergency Rental Assistance Program (ERAP) Funds

Source: <https://www.hcd.ca.gov/grants-funding/active-funding/erap/docs/Rental-Assistance-Allocations-Table.pdf>



# Electric Utility Debt Relief Application Example



## Back Rent

What is your current monthly rent?

\$ What is your current monthly rent?

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How much total rent do you currently owe?

\$ How much total rent do you currently owe?

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Number of months behind on rent?

Number of months behind on rent?

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Do you have unpaid utilities, e.g., PG&E, EBMUD, internet? \*

Do you have unpaid utilities, e.g., PG&E, EBMUD, internet? \*

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How much do you currently owe in back utility payments?

\$ How much do you currently owe in back utility payments?

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Number of months behind on utilities?

Number of months behind on utilities?

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Do you live in a rent-controlled unit? \*

Do you live in a rent-controlled unit? \*

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Have you lived there for 5 years or more? \*

Have you lived there for 5 years or more? \*

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# Payments to EBCE

- Payments are made to PG&E
- Prorata payment allocations to EBCE
- PG&E cannot track payments that simply come through as a check towards customer account arrears
- Ideally, EBCE would know from local agencies or PG&E exactly which customers received a utility debt payment through these programs

# Reference Slides:

## *Additional EBCE Analysis*

# In-Progress Analysis

## Understanding Customers' Electricity Debt

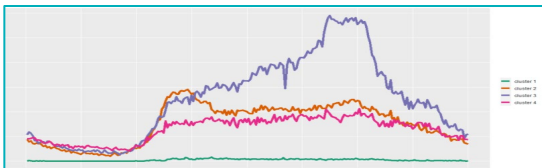
### Goals:

- Distinguish groups of customers whose debt was affected by the pandemic; how it was affected; and whether it has improved.
- Understanding arrearage behavior types and amounts owed using arrearage and interval energy data.

### Methodology

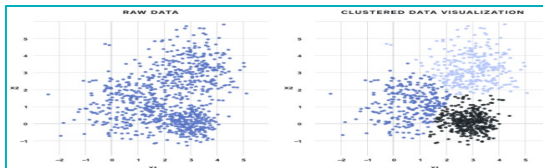
- Time Series Clustering: Identifies natural groups over a **span of time**
- Group Clustering: Identifies natural groups based on **similar characteristics**
- Distribution Comparison: Identifies significant **statistical difference** between groups

# Leveraging Cluster Analysis for Debt Relief



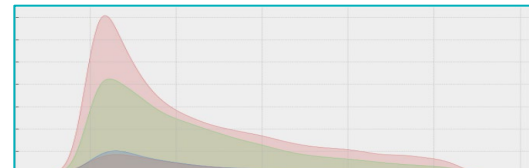
## Time Series Clustering

- Group arrearage behavior patterns and amounts over time.
- Identify customers impacted by pandemic along with how they are recovering (or not)
- Design support programs based on customer clusters



## Group Clustering

- Group customers based on debt amounts and arrear occurrences
- Identify customers based on how their debt is accruing across 30, 60, or 90 day accounting buckets
- Design interventions based on need



## Distribution Comparison

- Compare distributions of arrearage by customer class
- How has arrearages changed for each segment and what range of debt experienced the highest increase?
- Design interventions to provide appropriate support to customers with different needs