CONNECTED IN CRISIS

August 26, 2020

Submitted via email

The Honorable Ron DeSantis
Governor of Florida
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Chairman Gary F. Clark
Florida Public Service Commission
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RE: Recommendations for Utility Response to the COVID-19 Pandemic

Dear Honorable Governor Ron DeSantis and Florida Public Service Commission Chairman Gary Clark:

The following letter represents the unified position of many nonprofit organizations, community leaders, and elected representatives from across Florida.

On July 29, 2020, the Florida Public Service Commission (PSC) held a workshop on the impacts the COVID-19 pandemic has had on Florida's utilities. At this event, representatives from the State's largest regulated utilities informed regulators that hundreds of thousands of Florida residents are falling behind on their utility payments, and may be subject to large overdue bills. Many of these bills exceed 90 days of non-payment, representing millions of dollars in outstanding payments looming over Florida's families.

The options and programs Florida's utilities have proposed for customers struggling to get by amid the COVID-19 pandemic and its associated economic and social impacts are insufficient, especially in light of the failure of the U.S. Congress to pass another round of coronavirus relief. Florida is still experiencing thousands of new cases of COVID-19 every day, and at the time of this writing, the State has exceeded 10,000 COVID-19 related deaths. Our economy and our residents will need time to recover from the impacts of the pandemic. The State of Florida needs strong state-level leadership from responsible institutions to protect Florida's residents and families health, safety, and economic well-being. Now is the time for action.

The signatories to this letter call upon Governor Ron DeSantis and the Florida PSC to adopt the following recommendations:

1. **The Governor or the PSC should require Florida utilities to extend stays on disconnections through January 1, 2021 at the earliest.**

   The majority of U.S. States passed statewide moratoria on utility disconnections in response to the outbreak and spread of COVID-19. We commend Florida's utilities for their voluntary suspensions of disconnection for late payment in the early stages of the outbreak, which have proven critical to ensuring the energy security of thousands of Floridians. However, many public utilities have already terminated these protections or announced plans to do so in the near future. Prematurely dispensing these protections would undermine the health and safety of Florida residents.

2. **The Governor or the PSC should mandate utilities to reconnect customers disconnected from power from March 9, 2020 through the present, especially residential households.**

While we call for forward-looking protections, we cannot ignore that the gears of disconnections have already begun to turn in some parts of our state. To ensure that protective measures do not leave any customers behind, we call on the PSC to recommend that utilities reconnect any previously disconnected customers, especially residential households, dating back to the beginning of the state of emergency. Some customers will have moved or left service territories, but utilities should at least send notice that reconnection without fee and enrollment in a balance management plan is available.

3. **The PSC should mandate utilities to waive fees and fines for customers through June 1, 2021.**

   Punitive measures to ensure compliance are inappropriate during the present crisis. Utilities should suspend fines that they normally charge for late payment, return payment, credit or debit card payment, and service reconnection until the State has achieved a full recovery.

4. **The Commission should open a docket that covers both utilities' and customers' financial challenges arising due to COVID-19, and in particular, should hold additional workshops centered on the experiences and needs of vulnerable ratepayers, community stakeholders, and utility customers impacted by the COVID-19 pandemic.**

   The July 29, 2020 workshop on COVID-19 impacts to utilities did not allow for public comment. As a result, crucial voices have been left out of the conversation. The PSC has not consulted with anyone who can credibly speak specifically on behalf of the low income, Black, Latino, and Indigenous communities that have been most impacted by the COVID-19 pandemic. These communities face burdens and barriers to participation in programs that PSC members and staff must take into consideration. The customers themselves are the ones best suited to determine whether utility programs are sufficient to meet their needs.

5. **The PSC should urge utilities to extend debt forgiveness to households facing unemployment, ALICE constrained households, and energy-debt burdened households.**

   Residents seeking assistance with their bills have found that available support falls into two general categories: deferment through repayment plans and third-party agency bill assistance. For residents struggling under the current economic crisis, deferment is not relief, and the limited availability of funds means that many residents will never see relief from third-party bill assistance. Direct bill forgiveness is necessary to the survival of households experiencing unemployment, ALICE (Asset Limited Income Constrained but Employed) households, and low-income energy burdened households (households that pay over 6% of their income on utilities). The PSC should do everything within its power to strongly urge utilities to pass savings and profits on to residential customers in the form of debt forgiveness. Such practices are a moral imperative at this time. The PSC should send a clear message that they will view such programs as strong evidence of prudent customer debt management practices.

6. **The PSC should establish and strongly recommend guidelines for utility balance management programs (alternatively referred to as “arrearage management programs”) that meet Floridians’ needs based on best practices established in other parts of the country.**

   Balance Management Programs should not impose up-front costs, should automatically enroll eligible customers, should allow for sufficient time-frames to ensure customers do not become energy-burdened, and should include a debt forgiveness element for participating customers. We provide additional details on best practices identified in other states in Attachment A.

7. **The PSC should require utilities to share additional data beyond that which was disclosed at the July 29 PSC workshop and should require utilities to provide updated data related to the COVID-19 crisis every month.**

   The information offered by utilities at the July 29 meeting was well appreciated, but was not sufficient and will quickly become outdated without further updates. We provide additional details regarding the information both the public and our elected officials need to engage in responsible decision-making in Attachment B.

8. **The PSC should mandate utilities to set robust energy efficiency goals and programs, specifically those aimed at assisting low-income customers.**

   For many years, Florida's largest utilities have under-invested in low income energy-efficiency programs critical to addressing the pervasive high energy burden so many Florida families face. The result of this long-standing failure to adequately invest in these programs has played a major contributing role in deepening the utility debt crisis we are encountering today. The PSC should recognize this and insist that utilities establish robust energy efficiency programs.

We urge the Governor and Florida Public Service Commission to consider and adopt these recommendations.

Signed:

Representative Anna Eskamani and Senator Jose Javier Rodriguez

Catalyst Miami, Central Florida Jobs With Justice, Earthjustice, Florida Conservation Voters, Forging Alliances, League of United Latin American Citizens, Miami Climate Alliance, New Florida Majority, Organize Florida, The CLEO Institute, Solar United Neighbors, Southern Alliance for Clean Energy, St. Johns Riverkeeper, and VoteSolar

cc:

Public Service Commission

Commissioner of Agriculture and Consumer Services Nikki Fried

House Speaker Jose Oliva:

Senate President Bill Galvano:

House Democratic Leader Kionne McGhee

Senate Democratic Leader Audrey Gibson

Senate President-Elect Wilton Simpson

House Speaker-Designate Chris Sprowls

House Democratic Leader-Designate Evan Jenne

House Democratic Leader-Designate Bobby DuBose

Senate Democratic Leader-Designate Gary Farmer

Attachment A
Balance Management Program Best Practices

Balance Management Programs (also known as Arrearage Management Programs) can serve an important role in helping customers to get caught up on electric bill payments and stabilize their bills. These plans have also been demonstrated to increase utilities' ability to recover unpaid balances, which benefits all customers by avoiding socialized uncollectible debt.

However, the Balance Management Programs that Florida's utilities have offered do not meet the needs of Florida's residents. At the July 29 Public Service Commission Workshop, Duke Energy's representative noted that only approximately 15,000 of a total 150,000 customers falling behind on payment are currently enrolled in an Arrearage Management Program (AMP). This low rate of participation implies one of three possibilities: utility efforts to advertise the program have been insufficient, the program itself does not meet the needs of customers, or Duke's AMPs have high barriers for participation and consequently prevent customers from enrolling.

All balance management programs should aim to provide customers with the capacity to repay their balance without experiencing energy-burden, which we define as a condition in which six percent (6%) or more of a customer's income goes towards utility payments.

At the July 29, 2020 PSC Workshop, the Office of Public Counsel recommended that utilities incorporate a debt forgiveness element into their customer balance management plans. The Office of Public Counsel cited programs offered by utilities in the Northeast as model policies the PSC should look to for guidance.

Consumer advocate groups and other large utilities throughout the U.S. have articulated best practices for Balance Management Programs (BMPS), including:

- BMPs should not have any up-front cost requirements. The TECO program requires customers to pay upwards of 30% of their outstanding balance upfront before customers can participate. These up-front cost requirements prevent the customers most in need of alternative payment options from participating and would preclude the auto-enrollment necessary to ensure that all customers who stand to benefit from participation in a BMP may do so.
- BMPs should be available to all customers who have unpaid balances, without the need for customers to provide documentation, by creating programs as an opt-out default for any customer who falls behind on bills.
- BMPs should provide customers with the opportunity to stretch payments out over at least 12 months in order to spread out unpaid balances in a manageable way
- Utilities should take the leadership displayed by utilities across the country (particularly in the Northeastern United States) and offer partial forgiveness of balances each month for those participating in a Balance Management Program as a positive incentive for customers to enroll and stay enrolled in a balance management program.

Attachment B
Data Request

Floridians should not be left in the dark when it comes to the scope of this problem. The Public Service Commission should require utilities to disclose how many customers are facing disconnection. This information should be broken down by customer type, such as residential, commercial, or industrial. For residential customers, the data provided should include demographic and socioeconomic status if possible. Gulf Energy is already tracking COVID-19-related costs, and other utilities should also track the overall balances owed and customers affected. As customers enroll in the Balance Management Plans envisioned in this letter, information on the enrollment figures and outstanding balances should also be reported on a monthly basis going forward.

The disconnection of potentially hundreds of thousands of Floridians from access to electricity would pose a substantial risk to public health and safety that residents and local governments must be prepared to face. The PSC should mandate utilities to provide the following information to the public on a monthly basis:

- Number of customers
- Dollar amount billed
- Total receipts
- Number of customers charged a security deposit
- The dollar value of security deposits charged
- Number of customers requesting a deferred payment agreement
- Total number of accounts currently past due
- Number of accounts past due by vintage (60-90 days past due or more than 90 days past due)
- The total dollar value of accounts past due
- The dollar value of accounts past due by vintage (60-90 days past due or more than 9 days past due)
- The dollar amount of late payment fees
- Number of customers charged a late payment fee
- The dollar value of late payment fees
- Number of customers charged a reconnection fee since March 1, 2020
- The dollar value of reconnection fees since March 1, 2020
- Number of disconnection notices issued
- Number of new deferred payment agreements
- The average duration of new payment agreements
- Total number of deferred payment agreements
- Number of disconnections for nonpayment
- Number of failed deferred payment agreements
- Number of service reconnections after disconnection for nonpayment
- Number of accounts written off as uncollectible

- The dollar value of accounts written off as uncollectible
- The dollar value of payments received connected to LIHEAP or other stimulus programs

In addition, the CDC reports that “racial and ethnic minority” groups are at increased risk of getting sick and dying from COVID-19 due to long-standing systemic health and social inequities. The term "racial and ethnic minority group" includes people of color from a wide variety of backgrounds and experiences. Racial and ethnic minority groups are also more vulnerable to the economic impacts of COVID-19 due to disparities in housing, average wealth, and occupation. A 2017 report by the National Association for the Advancement of Colored People (NAACP) notes that even under normal conditions, utility company shut-off policies disproportionately impact low-income and African American communities. In order to achieve equity and ensure that Black, Latino, and Indigenous communities are not facing disproportionate burden or risk, it is important to have a thorough understanding of the demographic breakdown of individuals facing disconnection. Therefore, we request that the PSC mandate utilities to provide the following information to the degree possible:

- Demographic breakdown of customers charged a security deposit
- Demographic breakdown of customers requesting a deferred payment agreement
- Demographic breakdown of accounts past due
- Demographic breakdown of accounts past due by vintage
- Demographic breakdown of customers charged a late payment fee
- Demographic breakdown of customers charged a reconnection fee since March 1, 2020
- Demographic breakdown of customers disconnected since March 1, 2020
- Demographic breakdown of customers entering into a deferred payment program

Finally, at the July 29 workshop, representatives from the major investor-owned utilities talked at length about their efforts to make contact with customers struggling to make payments. Many of our constituent organizations have heard complaints from community members that suggests these contact programs have been ineffective or inadequate. Therefore, we request that the PSC also mandate utilities to provide:

- Greater specificity regarding the number of touchpoints with customers.
- A comprehensive breakdown of how utilities are reaching out to customers.