

# PULP (NON) FICTION

*a Pennsylvania Utility Law Project publication*

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Utility Hotline 844-645-2500



**PULP**  
PENNSYLVANIA  
UTILITY LAW PROJECT

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## LIHEAP 2020/2021 – APPLY NOW!

The Low Income Home Energy Assistance Program (LIHEAP) officially opened on November 1, 2020. Consumers with income at or below 150% of the Federal Poverty Level can now apply for Cash grants, Crisis grants, and Crisis Interface.

LIHEAP applications are available online at <https://www.compass.state.pa.us/> or by calling 866-857-7095.

If you would like detailed information about LIHEAP, please watch our recording of the November 2 webinar or download our current LIHEAP manual [here](#).

## The WINTER MORATORIUM and COVID-19 PROTECTIONS

Winter termination protections are now available for low and moderate income Pennsylvania households. From December 1st through March 31st, PUC regulated electric and gas utilities may not terminate service for customers with household income at or below 250% of the Federal Poverty Level (FPL) without explicit permission from the PUC.

Customers at 251%- 300% of the FPL are also protected from service termination, due to COVID-19 protections, if they reach out to their utility companies, apply for available utility assistance programs, and request a payment arrangement.

## ADDITIONAL INFORMATION to SHARE

**PULP created infographics and brochures about the moratorium, LIHEAP, and COVID-19 protections and assistance programs. They can be found [here](#).**

## UTILITY DEBT SURGES THROUGH COVID-19, UP 71% YEAR OVER YEAR

Utility debt is growing at an unprecedented rate as a result of COVID-19. **As of November 30, 2020, regulated utility debt for low income consumers reached \$734.5 million – a 71% increase in residential debt year over year.**<sup>1</sup> In addition to astronomical increases in residential consumer debt, the number of residential customers eligible for termination reached nearly 900,000 customers – up approximately 35% year over year.

Keep in mind, these figures do not include unregulated utility debt at Pennsylvania's 1200+ unregulated water and wastewater authorities and rural electric cooperatives, nor does it include the cost of deliverable fuels like oil, propane, coal, and wood.

Also note that winter heating costs may exponentially increase the level of utility debt for low income families as we trudge through the cold winter months.

Without an immediate and substantial influx of assistance, and ongoing protections from termination, hundreds of thousands of Pennsylvanians will lose access to critical utility services this Spring.

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*Pennsylvania needs utility assistance and equitable debt collection practices to help struggling low income families maintain utility services when emergency protections begin to expire.*

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## UGI: 2020 RATE CASE<sup>2</sup>

PULP recently completed litigation in UGI's 2020 Rate Case. On behalf of its low income clients, PULP actively opposed any rate increase, due to the COVID-19 pandemic and the economic devastation that our communities are experiencing as a result of pandemic-related restrictions. We further argued that UGI be required to provide additional assistance and consumer protections to help alleviate the growing utility debt crisis that has emerged as a result of COVID-19.

Ultimately, UGI was approved to raise rates approximately \$20 million, or roughly 3.8% - far less than its originally proposed 10.6% increase. UGI was also required to adopt a number of additional customer assistance and consumer protections, including:

- No increase to the fixed customer service charge
- Increased the Low Income Usage Reduction Program budget by \$80,000 per year
- Temporary Pandemic Relief Package:
  - Flexible universal service enrollment, waived late fees, enhanced outreach
  - \$2M in additional Hardship Fund grant assistance (Operation Share)
  - Increased maximum Operation Share grants from \$400 to \$600
  - Increased eligibility for Operation Share grants to 250% FPL
  - Decreased the maximum usage threshold for participation in LIURP

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<sup>1</sup> Data reported at Pa. PUC Docket M-2020-3019244.

<sup>2</sup> Pa. PUC Docket R-2019-3015162.

- Increased the LIURP budget by \$500/job for COVID-related costs and protective gear
- COVID-19 Emergency Relief Program:
  - If a customer is not eligible for assistance through an existing UGI program (CAP or Operation Share), and lost income as a result of pandemic or received stimulus check, the customer can receive a one-time credit (up to \$400) in amount equal to 25% of balance + payment arrangement for balance.

These additional customer assistance and consumer protections are vital at this unprecedented time of economic uncertainty. However, more relief is needed to fully address the unprecedented level of utility arrears accrued through the pandemic!

## **PGW APPEAL: IMPLEMENTING REVISED ENERGY BURDEN STANDARDS<sup>3</sup>**

In Fall 2020, the Pennsylvania Public Utility Commission issued a Final Policy Statement Order, which (among other important amendments) significantly improved the energy burden standards for utility-run Customer Assistance Programs.<sup>4</sup>

<b>PUC Revised Energy Burden Standards</b>	<b>Former Standard</b>	<b>Revised Standard</b>
Combined Electric and Gas	0-50% FPL	13%
	51-100% FPL	16%
	101-150% FPL	17%
Electric Only	0-50% FPL	5%
	51-100% FPL	6%
	101-150% FPL	7%
Gas Only	0-50% FPL	8%
	51-100% FPL	10%
	51-150% FPL	10%

While not binding law, the Commission’s Final Policy Statement urged gas and electric utilities to incorporate the revised policies. This began what is likely to be a long battle to implement the improved energy burden standards across the state.

On January 6, 2020, PGW was the first utility to go before the Commission with an expedited request to lower the applicable energy burden consistent with Commission Policy. PGW proposed to implement the reduced energy burden standards as a Pilot Program.

On February 21, 2020, PGW filed a Petition seeking expedited approval to implement the Commission’s revised energy burden standards. On behalf of its clients, PULP strongly supported PGW’s proposal. On March 26, 2020, the Commission issued a Final Order which granted PGW’s Petition and allowed PGW to implement revisions to the CRP.

<sup>3</sup> Pa. PUC Docket P-2020-3018867.

<sup>4</sup> Pa. PUC Docket M-2019-3012599.

The Office of Consumer Advocate and the Office of Small Business Advocate have appealed the decision to the Commonwealth Court, and the appeal remains pending at this time. PULP continues to support swift implementation of the energy burdens set forth in the revised CAP Policy Statement, and – on behalf of its clients – will vigorously defend the Commission’s approval of PGW’s reduced energy burden standards.

Fortunately, there was no stay of the Commission’s Order – so PGW’s reduced energy burden standards took effect September 1, 2020 – providing reduced bills to approximately 60,000 Philadelphians!

Every year, thousands of PGW customers lose access to critical natural gas services because they are unable to afford their bills. The spread of COVID-19 has taken a disproportionate economic toll on low income households, especially in Black and Brown communities, and continues to cause significant levels of unemployment throughout the state. It is critical that PGW’s reduced energy burden standards remain intact to help ensure that low income Philadelphians remain connected to service.

## **RGGI: WHAT, WHO, WHY, and HOW**

The Regional Greenhouse Gas Initiative (RGGI) has a lot of buzz right now – and for good reason. It has the potential to generate an estimated \$300 million in revenue for the state through a carbon cap and reinvestment program. In addition to reducing carbon emissions, the primary goal of the program, the proceeds from the carbon auction program could bring substantial resources to support low income and frontline communities through comprehensive energy efficiency and weatherization programming and could bring new jobs to historically disinvested communities. But if we don’t get the reinvestment side right, RGGI could also increase energy costs for economically vulnerable consumers.

### What is RGGI?

RGGI is an initiative of 10 New England and Mid-Atlantic states to reduce greenhouse gas emissions from the power sector. RGGI is a regional carbon dioxide (a greenhouse gas) budget trading program. You can read more about it at [www.rggi.org](http://www.rggi.org).

### How does RGGI work?

States participating in RGGI set a regional limit (or cap) on carbon dioxide (CO<sub>2</sub>) emissions from electric power plants that burn fossil fuels (like coal). Power plants must buy allowances for their annual CO<sub>2</sub> emissions (1 allowance is equal to 1 ton of CO<sub>2</sub>). The cleaner the energy, the less it costs.

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*RGGI has the potential to generate \$300 million in revenue that can be reinvested into programs that support low income communities and communities of color to improve access to safe, affordable, and energy efficiency housing.*

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Some power plants may buy too many – or not enough – allowances to cover the pollution they produce. They can buy and sell allowances in an auction, as long as all power plants collectively stay under the emissions limit. States participating in RGGI will receive the money from the auction to reinvest in Pennsylvania.

### Why is RGGI important for Pennsylvania?

Low income communities and communities of color are disproportionately exposed to pollutants that cause climate change and are disproportionately affected by the impacts of climate change. These communities are more likely to be located closer to polluting industries, resulting in more severe health impacts due to their disproportionate exposure to harmful air pollutants. They often reside in poor quality housing with indoor pollutants and health hazards like mold, asbestos, and lead. And are more likely to be displaced by floods and other extreme weather events. This population frequently lacks access to resources to resolve these problems without assistance.

RGGI provides an avenue for Pennsylvania to reduce CO<sub>2</sub> emissions that contribute to climate change while creating a revenue source for the Commonwealth that can be reinvested into impacted communities. We believe that reinvestment dollars must flow to historically disinvested low income communities and communities of color to help improve access to healthy and affordable housing, and to reduce home energy usage and improve energy affordability over the long term.

As a market-based program, there will be a cost to utility ratepayers as power generators factor in the cost of allowances to the energy they are selling. Thus, while RGGI offers a tremendous opportunity for progress in Pennsylvania, it also poses a risk to low income Pennsylvanians if the proceeds are not reinvested directly into programs that reduce energy costs for low income consumers and improve access to healthy, affordable housing and economic opportunity in low income communities.

As we move forward, PULP will continue fighting to ensure that RGGI provides a holistic benefit to low income communities and communities of color, and helps alleviate the intersectional burden of energy insecurity and climate change.

### How is Pennsylvania Planning to Participate?

Pennsylvania's Environmental Quality Board published a proposed regulation that, if finalized, will establish the Commonwealth's participation in RGGI. This regulation opened for public comment on November 7<sup>th</sup>. **The public comment period will close on January 14, 2021.** For more information about how to submit written comments, visit the [Environmental Quality Board home page](#).

### Additional Resources:

[Guide to the Environmental Regulatory Process in Pennsylvania](#) (includes how to draft helpful comments). [El Proceso Regulatorio Ambiental en Pensilvania](#)

[Pennsylvania Department of Environmental Protection's RGGI page](#)

## PULP Staffing Updates:

On August 3, 2020 PULP welcomed Laura Edinger, Senior Policy Analyst, to our staff. Before joining PULP, Laura served as the Regulatory Coordinator for the PA Department of Environmental Protection and as an Executive Policy Specialist at the PUC. For her complete story, visit our [blog](#).

## SAVE THE DATE: January 27, 2020 Webinar

PULP is teaming up with the Housing Alliance of Pennsylvania and Community Legal Services to provide a Utility Moratorium Webinar on **January 27, 2020**.

Registration information will be released in the new year, so STAY TUNED!

## Contact the Pennsylvania Utility Law Project:

### **Contact for Advocates**

Advocates can contact PULP with questions about how to assist a client to connect, maintain, or prevent termination of their electric, natural gas, or water utility account.

717-236-9486 x222 (Kristen) / [pulp@palegalaid.net](mailto:pulp@palegalaid.net)

### **Contact for Clients**

Low income clients who are unable to connect to service or are facing a utility termination can call the Utility Hotline for assistance with resolving their utility issue.

Toll Free: 1-844-645-2500 / [utilityhotline@palegalaid.net](mailto:utilityhotline@palegalaid.net)

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