

EXPIRING ELECTRICITY SHUTOFF BANS COULD LEAVE 56% OF STATES WITH NO BINDING PROTECTIONS

AN ANALYSIS OF STATE AND VOLUNTARY MORATORIA ON ELECTRIC UTILITY SHUTOFFS

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The COVID-19 crisis has left tens of millions of individuals and families without work and struggling to pay for basic services like electricity, water and broadband. Unfortunately, these beleaguered people aren't getting much federal help.

Federal recovery packages have offered little assistance for these services. Some states and companies have stepped up to ensure that people won't go without power during the crisis, but these commitments are both insufficient and inconsistently implemented. That leaves many states and communities without legally binding protections against electricity disconnections.

This analysis compiles data from governor and state regulatory body orders and builds off the [research](#) of the Energy and Policy Institute (EPI), which has led the charge on tracking states and utilities that have committed to suspending disconnections. The National Association of Regulatory Utility Commissioners (NARUC) and utility groups have coordinated their own state response [tracker](#).

KEY FINDINGS

The analysis identified several major concerns about shutoff protections:

- **SEVEN STATE SHUTOFF MORATORIA ARE EXPIRING SOON.** Several state orders are set to expire in the next two weeks if officials do not extend them. Montana's order expired on April 24. The Kentucky and Ohio orders are in place until May 1. Washington's extends through May 4. The Kansas, Mississippi and Rhode Island orders are set to expire by mid-May.
- **MOST UTILITIES' VOLUNTARY SHUTOFF MORATORIUMS HAVE MAJOR SHORTCOMINGS.** Of the 62 major investor-owned utilities reviewed, 29 have not promised to suspend late fees, 56 have not promised to reconnect service for people who already had their electricity shut off, and 48 say nothing about creating payment or assistance plans to facilitate debt forgiveness for their customers. Only four explicitly offer a discount program or fund to help with bill forgiveness.
- **STATE MORATORIA ARE LIMITED AND FLAWED.** Only 58% percent of states are covered by mandatory orders from governors or utility regulators. Most orders appear to apply only to regulated utilities and don't cover many rural cooperatives and other public power providers that supply nearly [28 percent](#) of American power overall. Only one-third include provisions to protect low-wealth families, like suspending late fees and charges.

The findings underscore two key points: A nationwide moratorium on electricity shutoffs, as supported by more than [100 Members of Congress](#), is essential to protect all communities in this crisis. Moreover, energy solutions like distributed solar development and energy efficiency programs are vital to immediate job generation and long-term recovery of the country.

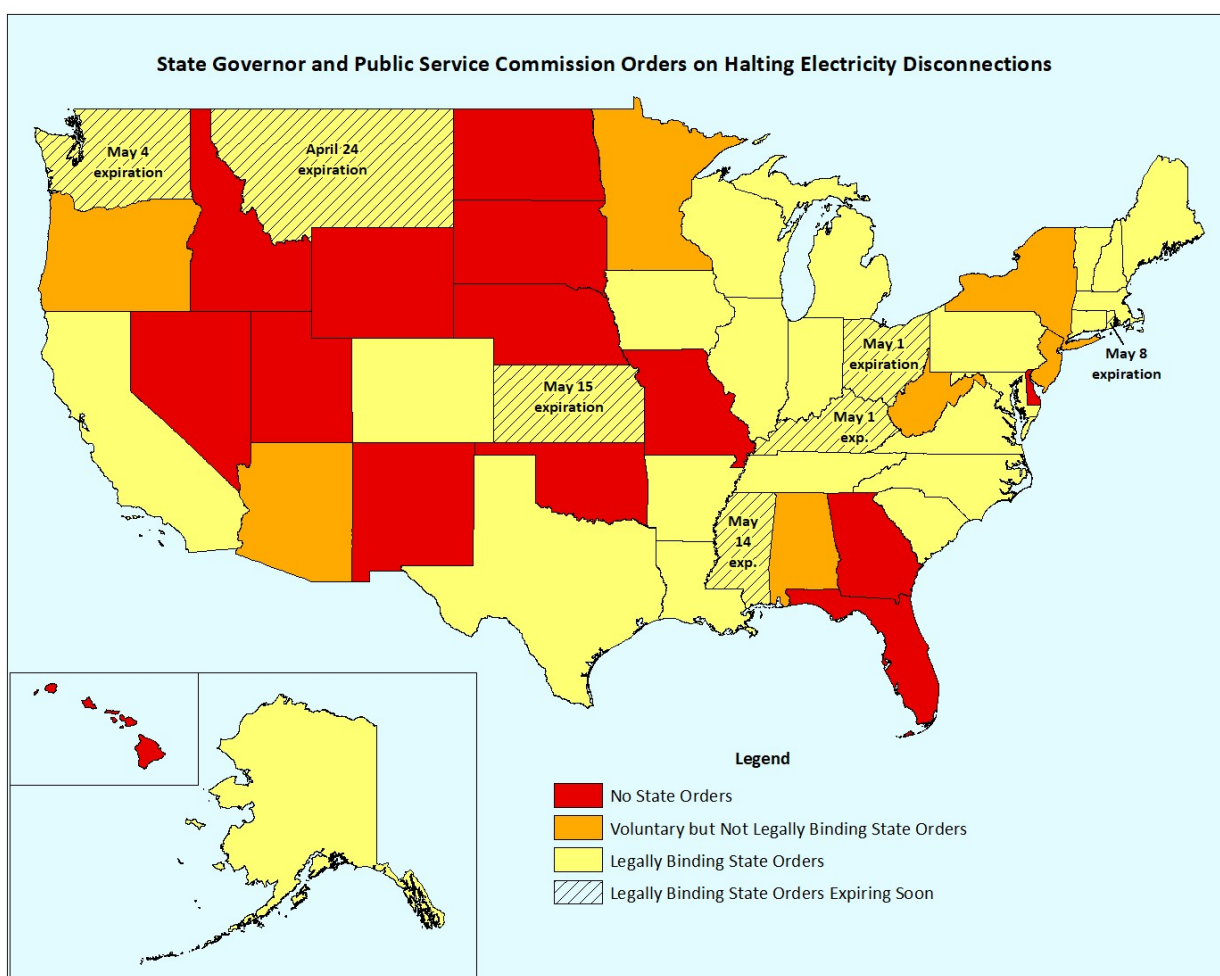
EXPIRING STATE MORATORIA WILL LEAVE MILLIONS WITHOUT LEGAL PROTECTION

Currently, 42 percent of states do not have any legally binding protections from electricity service disconnections during the COVID-19 crisis. Governors and utility regulators of these states have not issued any orders banning power disconnections for nonpayment.

Only 58 percent of states are covered by mandatory orders from governors or utility regulators. At least one state legislature – Alaska’s – passed a moratorium [bill](#) as well. However, most of these orders appear to apply only to regulated utilities (mostly consisting of investor-owned utilities) and not *all* utilities. Missing from protective coverage are many rural cooperatives, municipal utilities and other public power providers that provide nearly 28 percent of American power overall.

That means that even in states with mandatory orders in place, a significant number of communities served by non-regulated utilities are left behind. Notable exceptions to this include North Carolina and Iowa, which have orders that explicitly apply to *all* utilities.

What’s more, some state orders are set to expire in the next two weeks if officials do not extend them. Montana’s order expired on April 24. Orders in Kentucky and Ohio are in place until May 1. Washington’s extends through May 4. The Kansas, Mississippi and Rhode Island orders are set to expire by mid-May.



Note: We reviewed Energy & Policy Institute's tracker and NARUC's tracker and conducted an internet search to identify and characterize these state orders. If there are updates or clarifications you would like to share, please email us at gryan@biologicaldiversity.org.

Moreover, the quality of the state-mandated moratoria varies significantly. Of state orders, only one-third include important provisions to protect low-wealth families, like suspending late fees and charges, reconnecting customers who have already lost their power, and creating transparent plans to help customers pay off their debt. Therefore, even if people won't see their power get shut off for now, they'll be racking up financially crippling bill debt that will likely result in their power getting shut off as soon as the state moratoria are lifted.

Some state orders are more robust. Colorado's executive order waives reconnection fees and suspends late-payment fees for families and businesses affected by the crisis. It also calls on utility regulators to make "reasonable efforts" to reinstate service for customers who have already been disconnected.

North Carolina's protections are similar. With orders coming from both the utility commission and Gov. Roy Cooper, customers of all utilities — the major investor-owned utilities, electric cooperatives and municipal utilities — are covered. Late fees are suspended, reconnections without charges are encouraged, and customers are to be provided with the "opportunity to make reasonable payment arrangements to pay off over at least a six-month period" any debt they accrue.

Washington, D.C.'s order is the only one that we reviewed that clearly extends until after the state of emergency is lifted, with a 15-day buffer period. Alaska's bill, one of the strongest protections identified, lasts until November 15.

But these are the outliers, and even they are imperfect. Reports in North Carolina show that more than 500 customers were disconnected in March, even with the protections in place. Hundreds of North Carolina customers remain without service, with the state's largest utilities reporting that they have restored service to almost no customers during the first three weeks of April.

UTILITIES' VOLUNTARY MORATORIA DON'T OFFER NATIONWIDE PROTECTIONS

A number of the major investor-owned utilities have voluntarily imposed suspensions on disconnections. The Edison Electric Institute, a powerful industry group that represents the majority of investor-owned utilities, announced that all of its members suspended disconnections for non-payment as a response to the COVID-19 crisis.

Some individual utility companies exceeded EEI's basic policies, including Duke Energy, one of the largest utilities in the country, which voluntarily suspended shutoffs and waived late fees starting in mid-March.

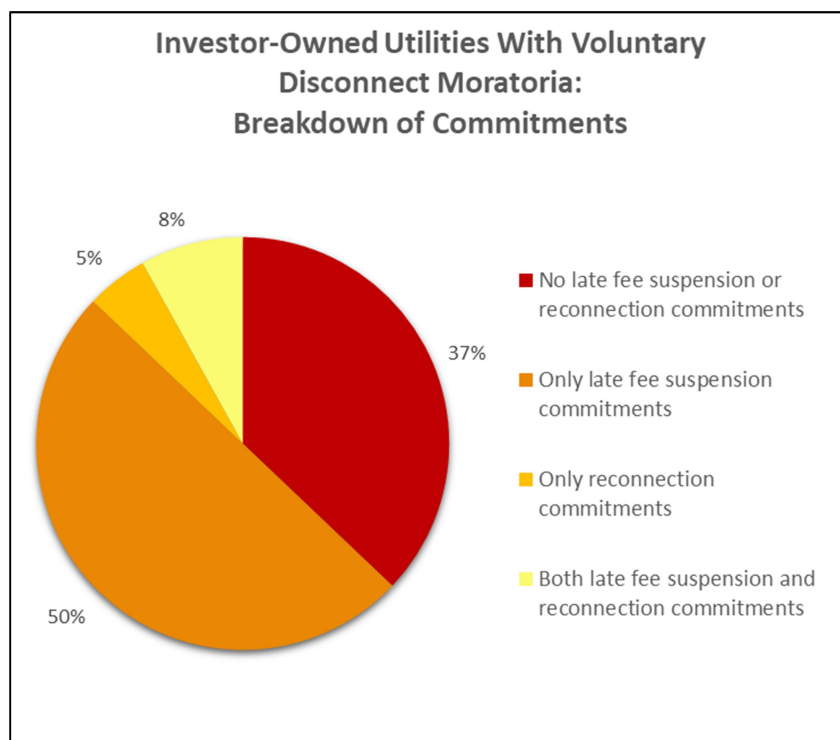
To their credit, these policies have provided assurance to their customers in states without mandatory moratoria. But these voluntary moratoria from corporations are not legally binding and have other major flaws.

First, EEI's commitment, as well as the commitments of some of its individual members that have voluntarily adopted their own policies, are insufficient. EEI's commitment does not specify how long these protections will last. It also says nothing about late payment fees, reconnections, or how to help people pay their bills in the future. Although some individual utilities have implemented their own policies on late fees and bill payment plans, the majority have not.

Of the 62 major investor-owned utilities reviewed, 29 have not promised to suspend late fees, 56 have not promised to reconnect service for people who already had their electricity shut off, and 48 say nothing about

creating payment or assistance plans to facilitate debt forgiveness for their customers. Only four explicitly offer a discount program or a fund to help with bill forgiveness. So, while families can't afford to pay their bills, they'll be racking up debt that utilities will eventually try to recover from them, and it's not clear how or when that will happen.

Second, in the 21 states without mandatory state orders, customers of electric cooperatives and public utilities are still left at the whim of their utility. That means that if they lose their jobs and can't pay their bills, thousands of households could have their power shut off. Many of these are already low-wealth households living in rural communities. They could be accruing vast arrearages of unpaid bills and late payment fees with few prospects of recovering power without assistance.



Grassroots efforts to pressure cooperatives to institute moratoria have paid off in some cases. In North Carolina, nearly 30 organizations, including Appalachian Voices and the NC Justice Center, sent a [letter](#) urging Gov. Cooper to ensure that all utilities, including rural electric cooperatives and municipal utilities, be forced to suspend disconnections after a previous order by utility regulators covered only investor-owned utilities. About a week later, the governor [did exactly that](#).

But during this emergency, it's unreasonable to expect individuals to pressure their small utilities — many of whom are genuinely facing financial ruin if enough customers can't pay their bills — to suspend disconnections without federal assistance and guidance.

Public power and electric cooperatives are not in the same financial position as larger investor-owned utilities to offer these protections. And individuals who can barely afford to pay their bills under normal circumstances certainly shouldn't be expected to rack up further debt just to keep their lights on during a pandemic.

A NATIONWIDE MORATORIUM IS ESSENTIAL

The patchwork of state protections shows why we need a national moratorium on *all* utility shutoffs. This policy should combine the best elements of state policies. That should include ensuring that no one will lose power during and for an extended period after the official state of emergency, suspending all late payment fees, automatically reconnecting service for those who already had their power shut off, and requiring utilities to assist their customers in managing any accrued bills, including loan forgiveness for low-wealth families.

More than [830 public organizations](#) and [113 Members of Congress](#) have called for this nationwide moratorium to be included in the next coronavirus rescue package.

We have just begun to see the impacts of this pandemic on the energy sector, and there's no telling how companies and individual states will continue to respond as this crisis lengthens. With federal guidance and funding, we could ensure that *all* residential and small business customers can keep the lights on without racking up unmanageable debts. This support needs to ensure that smaller electric utilities, including rural electric cooperatives and municipal utilities, can weather the storm alongside the larger investor-owned utilities.

Critically, a true recovery plan would not only offer the moratorium as a short-term solution to the current acute economic crisis, but would also offer long-term solutions to the chronic issue of disconnections.

According to the most recently available 2017 data from the [U.S. Census Bureau](#), 1.2 million households (or approximately 1% of total households) experienced utility shutoffs within the past three months of taking the survey, and 18.4 million households (or approximately 15% of total households) reported receiving notice within the prior three months that they would have utilities shut off for missed payments.

Federal and state policy is required to address these chronic problems and spur immediate job creation to recover our economy from the pandemic. Policy that supports distributed clean energy and efficiency program development drives not only local job generation, but also energy security and community resilience in the long-term.

As millions across the country face the threat of electricity shutoffs due to coronavirus-precipitated job losses, it's more apparent than ever that we need solutions that allow families to generate their own power and decrease dependence on centralized utilities. That will allow them to weather such crises, which are sure to rise in the face of growing wealth inequality and increasing climate impacts.

A just transition off fossil fuels and onto distributed clean energy would increase community and ecological resilience after this crisis is over — if we start planning now.

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