



Utility Debt & Disconnections Crisis

Prepared for the General Audit and Oversight Committee

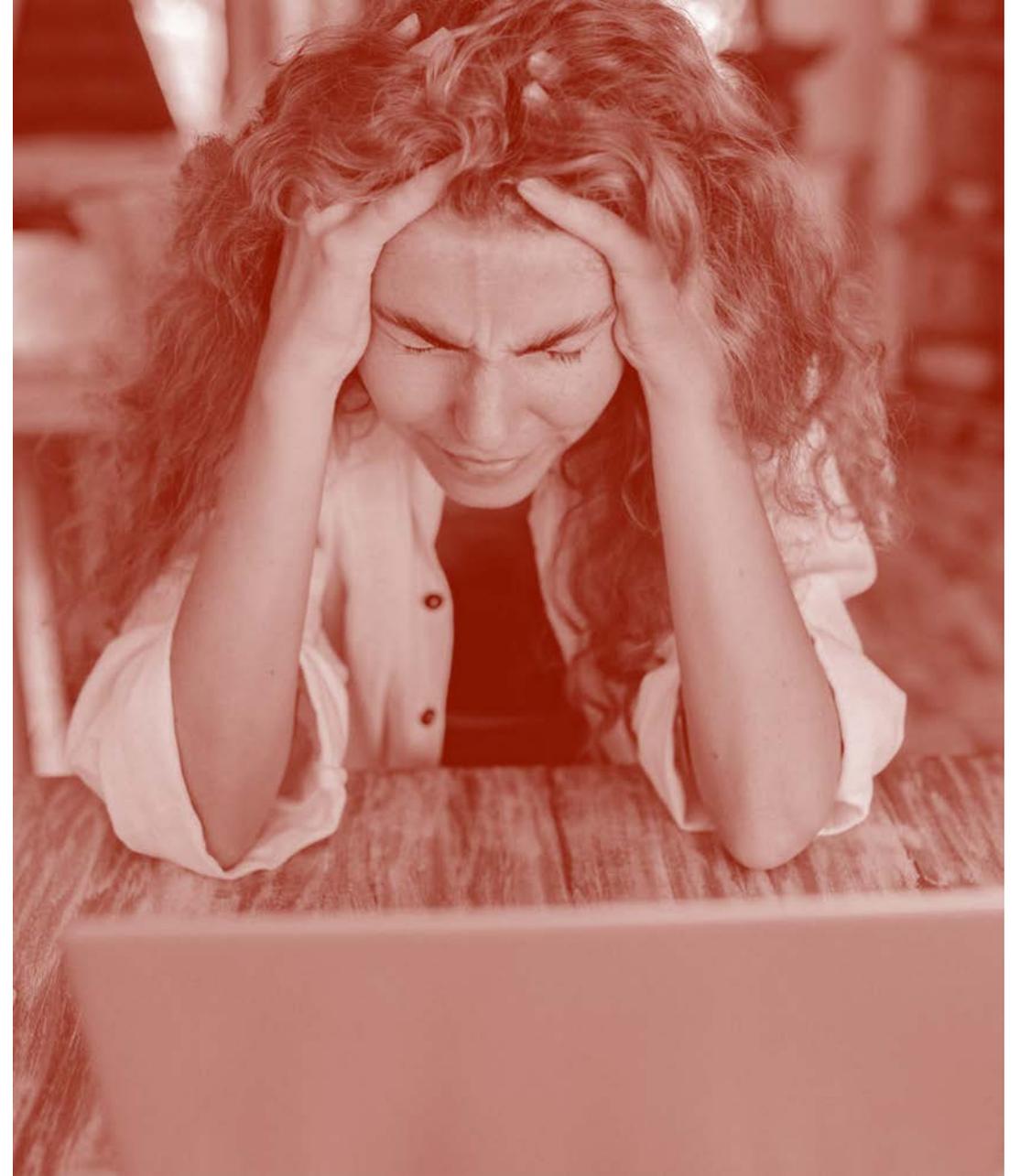
San Francisco Board of Supervisors

May 6, 2021

Bryan Goebel, Executive Officer

Utility Debt Crisis

- Thousands of San Francisco residential and commercial customers are behind on their utility bills
- Could face power disconnections when the statewide moratorium on power shutoffs ends on June 30, 2021
- LAFCo highlighted a potential disconnections crisis in research projects in 2019 and 2020
- While statewide efforts are underway to help utility customers, will the outcome provide sufficient relief?



California Utility Debt Relief Efforts

Moratorium on power shut offs ends on June 30, 2021

CPUC Covid debt rulemaking process

Governor Newsom request to provide utility debt relief

State lawmakers urging stimulus funds for utility debt forgiveness

LAFCo Research on Disconnections

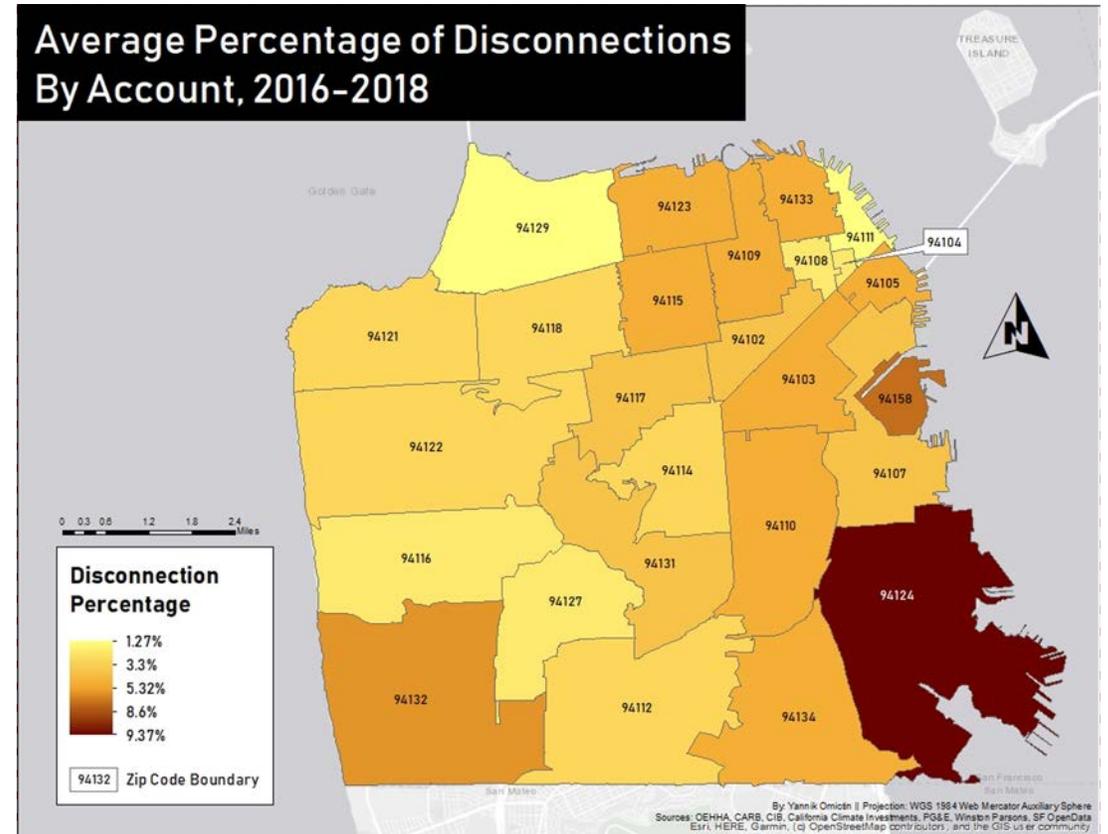
2019 report, **“Advancing Equity and Community Investment in CleanPowerSF”** focused on disconnections and recommendations for CleanPowerSF by LAFCo research associate Winston Parsons

KEY FINDING

- **Roughly 15,000 annual power shutoffs in San Francisco due to non-payment of energy bills (2016-2018)**

2019 LAFCo Disconnections Report

- Highest rates of disconnections were in areas with the greatest historical burdens from power generation in San Francisco, namely Bayview-Hunter's Point
- Report made recommendations to reduce or eliminate disparities accessing affordable, sustainable power



Power is a Right: Preventing a Utility Disconnection Crisis in San Francisco Before and After COVID-19

- Coro Fellow Adiba Khan analyzed a June 2020 CPUC decision addressing power disconnections among low-income utility customers
- Result of legislation (SB 598) by Senator Ben Hueso
- Requires CPUC to “develop policies, rules and regulations” to reduce gas and electric service disconnections by 2024

Interviews



CPUC Decision Analysis

1. Low-income assistance programming
2. Section 8 residents
3. Vulnerable Populations (65+ and under 12 months)
4. Limiting zip code disconnection rate
5. Reconnection goals
6. Establishment & reestablishment deposits
7. Medical Baseline Program
8. Multi-language communications

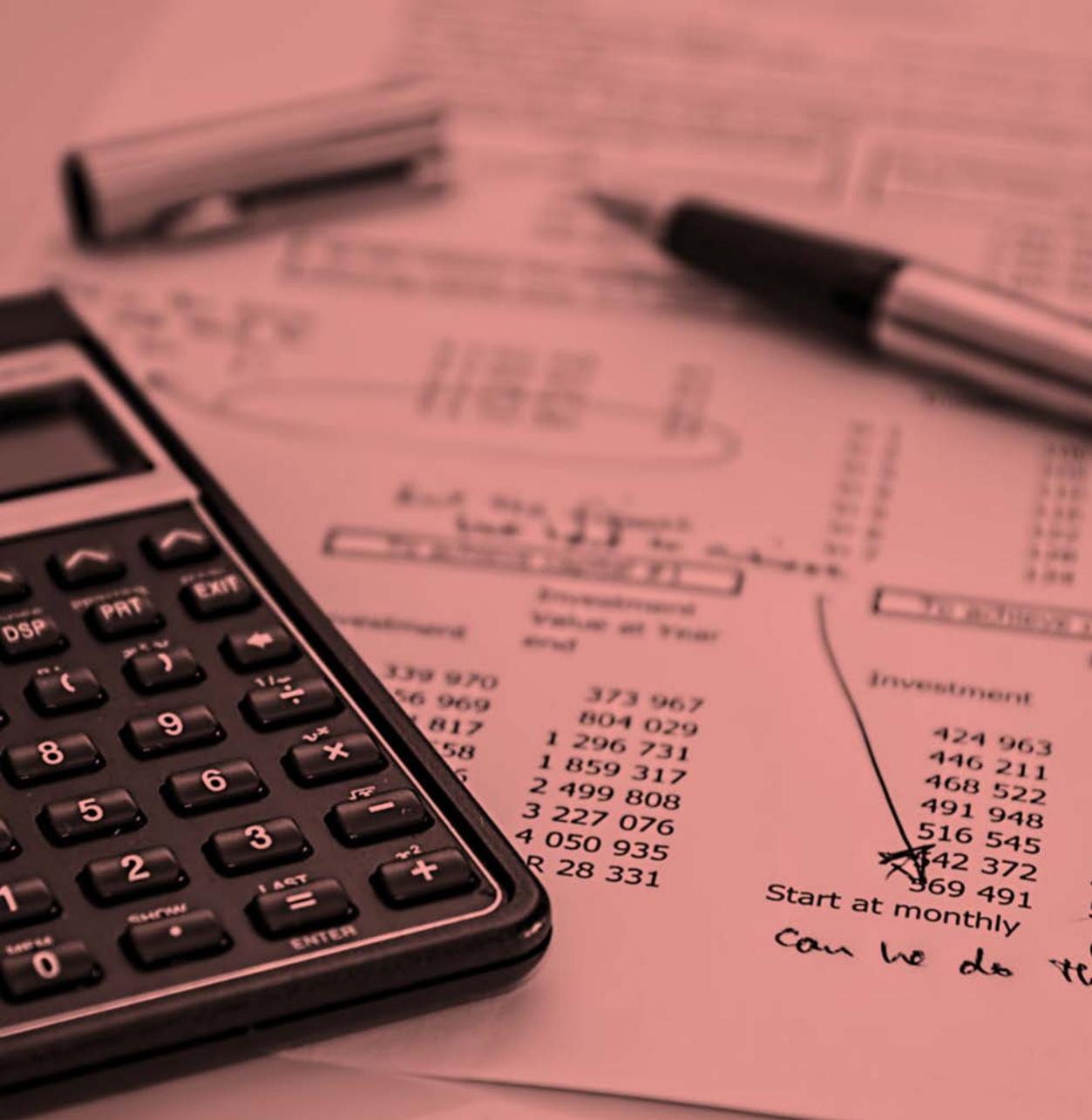


LAFCo Research on Disconnections

2020 report, **“Power is a Right: Preventing a Disconnections Crisis in San Francisco During and After COVID-19”** by Coro Fellow Adiba Khan

KEY FINDING

- **CPUC June decision was insufficient to prevent debt accumulation during the shutoff moratorium and prevent power disconnections after the moratorium**



Arrearage Management Plan (AMP) Analysis

- **Must be CARE/FERA eligible**
 - Bad standards for SF cost of living
- **Must pay bill on time**
 - Allowed only two non-sequential missed payments to stay eligible
 - Two consecutive missed payments? Resident is disqualified from the program
 - Once kicked out, resident must wait one year

Recommendations

- Board of Supervisors should pass a resolution urging CPUC and Governor to extend the power shutoff moratorium
- Board of Supervisors should pursue all local, state and federal funding sources to eliminate all debt from delinquent accounts for low-income residents
- Consider other measures to forgive the debt and lessen the overall financial burden of low-income utility customers



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Thank You



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