Disparate Energy Insecurity Impacts:
The Need For Racial Justice in Utility Billing, Credit and Collections

National Community Action Partnership 2021 Convention

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National Consumer Law Center

Fighting Together for Economic Justice

Energy Security

- Uninterrupted, affordable access to basic residential home energy services without
  - Disconnection notices
  - Involuntary disconnection of service
  - Foregoing other necessities to retain service
  - Maintaining unhealthy indoor temperature

Utility Service a Basic Necessity

- Consequences of energy insecurity include (but are not limited to):
  - Threats to health and safety
    - Illness, hospitalization
    - House fires
    - Loss of life
  - Spoiled food
  - Eviction
  - Reduced academic performance
  - Inflated Covid-19 risk

Energy Security Disparities

- State
  - Consumer protections
    - Seasonal or temperature-based shutoff protections, serious illness and elderly protections, payment agreements, late payment fees and security deposit requirements
  - Bill assistance
    - Current bill reductions, arrearage management
  - Effective energy efficiency programs
    - Whole house, deep retrofits, appliance and equipment replacement
    - Zero upfront payment
    - No financing that reduces cash flow benefit of energy efficiency

Energy Security Disparities

- Utility service territory
  - Rates and bills
  - Credit and collection protocols
    - ***Reasonable*** payment agreements
    - Rates of service disconnection
    - Willingness to work with cash-strapped customers
    - Account write-offs and referral to collection agencies
    - Prepaid service

Energy Security Disparities

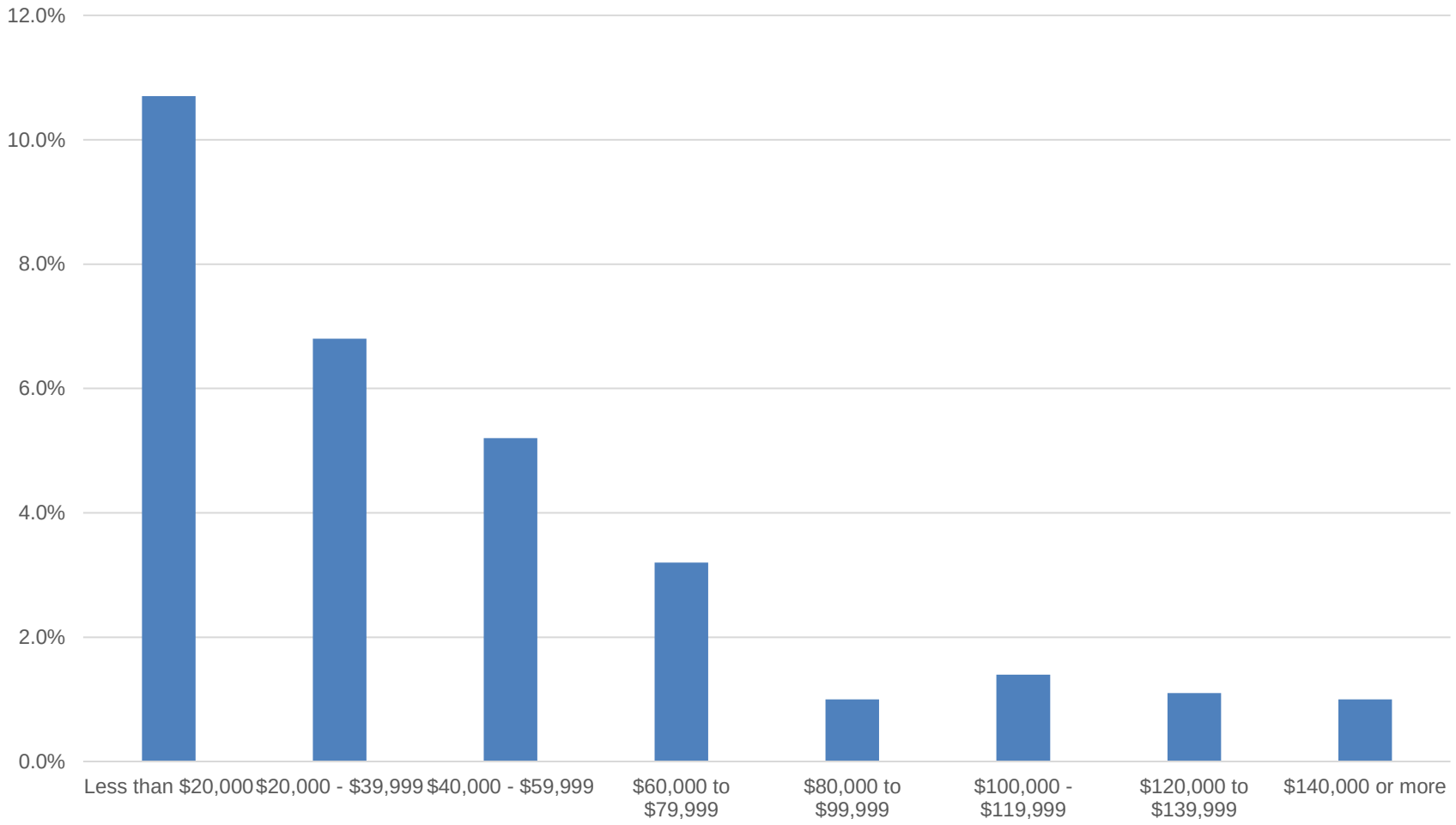
- Income
  - Low income
    - Insufficient income to pay for basic monthly necessities
  - Insecure income and benefits
    - Hourly wages
    - Poor health care and time off benefits
- Race
  - Even when controlling for income

Electricity Disconnected Inability to Pay * Race of Householder * Region: U.S. Household at or Below 150% Poverty in 2009

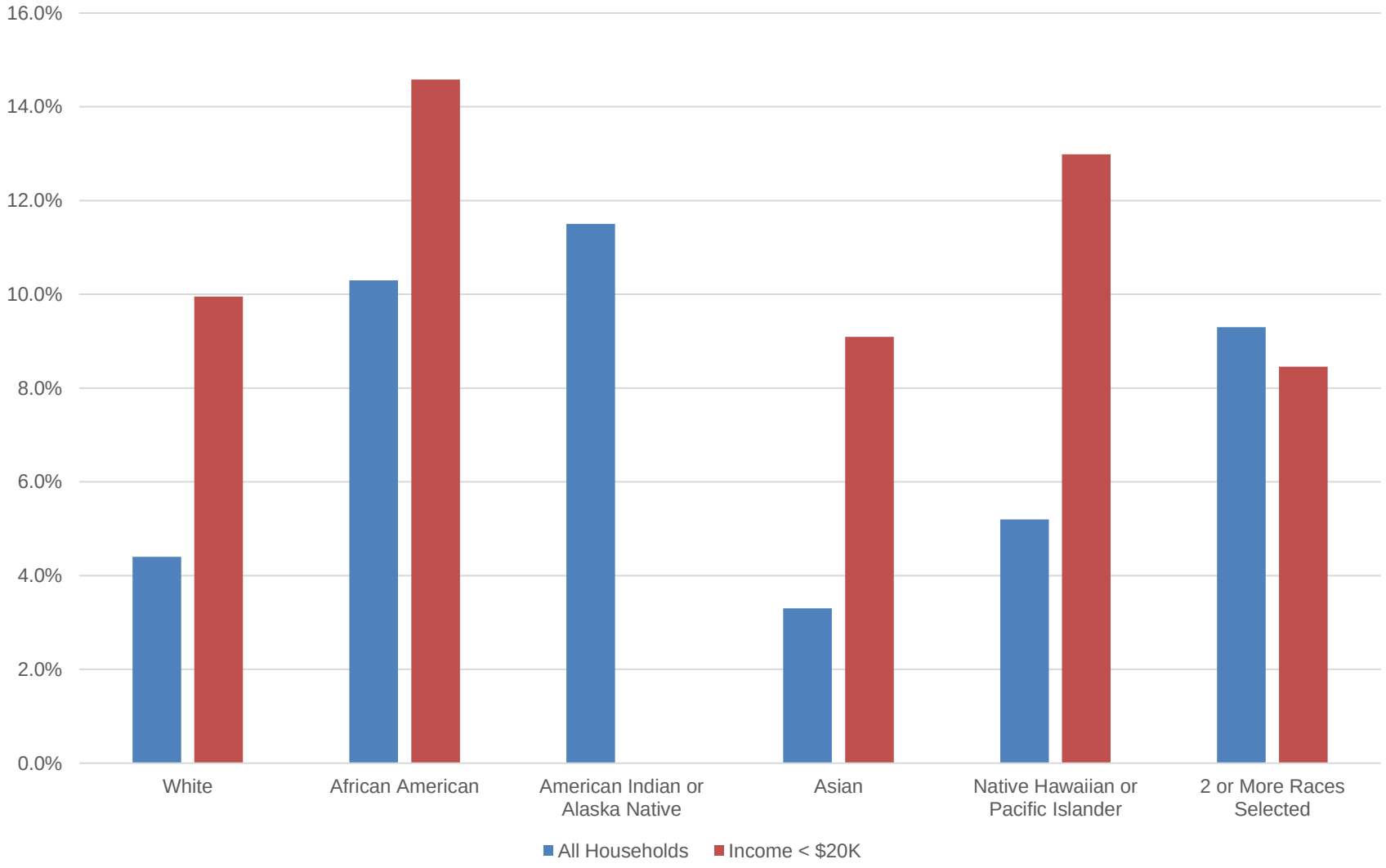
			Race and Latino Descent of Householder				
			White	African-American	Latino	2 or More Races	Total
Northeast	No	Count	2644306	725791	1094894	61542	3803830
		%	95.2%	94.2%	92.6%	76.0%	94.5%
	Yes	Count	108494	45005	61541	19410	197145
		%	3.9%	5.8%	5.2%	24.0%	4.9%
Midwest	No	Count	3419706	1341659	638667	104388	5194320
		%	93.1%	92.6%	95.9%	81.7%	93.1%
	Yes	Count	253091	107983	27431	23451	384525
		%	6.9%	7.4%	4.1%	18.3%	6.9%
South	No	Count	7077186	2183720	1840937	14125	9890996
		%	93.4%	83.9%	92.4%	100.0%	91.1%
	Yes	Count	503159	418555	152349	0	965375
		%	6.6%	16.1%	7.6%	0.0%	8.9%
West	No	Count	4035675	388463	2310679	78936	5012604
		%	96.3%	95.6%	96.8%	84.9%	96.4%
	Yes	Count	144626	18047	66223	14047	176720
		%	3.5%	4.4%	2.8%	15.1%	3.4%
Total	No	Count	17176873	4639633	5885177	258991	23901750
		%	94.3%	88.7%	94.5%	82.0%	93.1%
	Yes	Count	1009370	589590	307544	56908	1723765
		%	5.5%	11.3%	4.9%	18.0%	6.7%

Source: EIA 2009 RECS Microdata Crosstabulated by National Consumer Law Center – jhowat@nclc.org

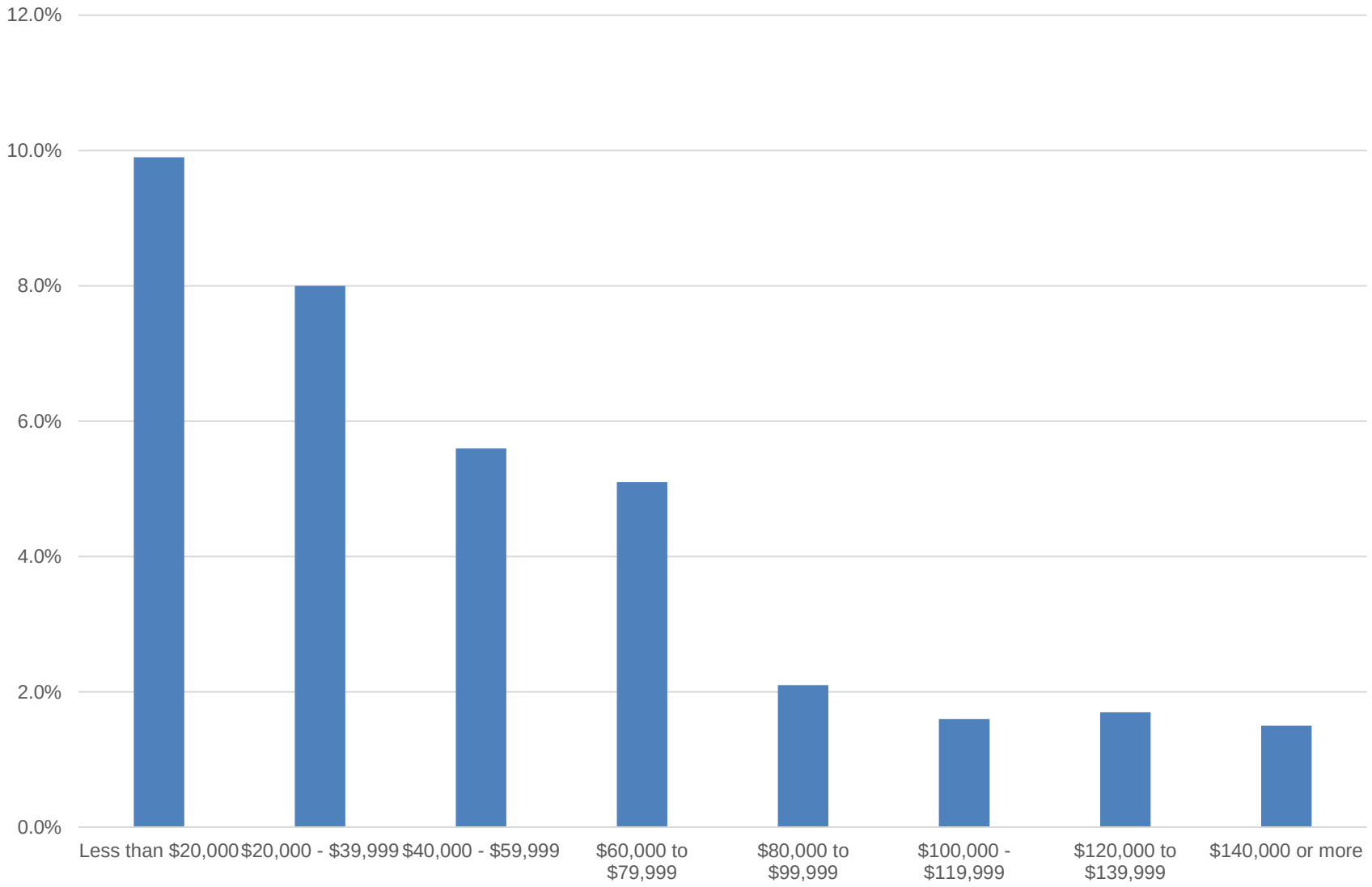
Loss of Heat in the Past Year Due to Unaffordable Utility Service/Fuel or Heating System Repair by Annual Gross Household Income



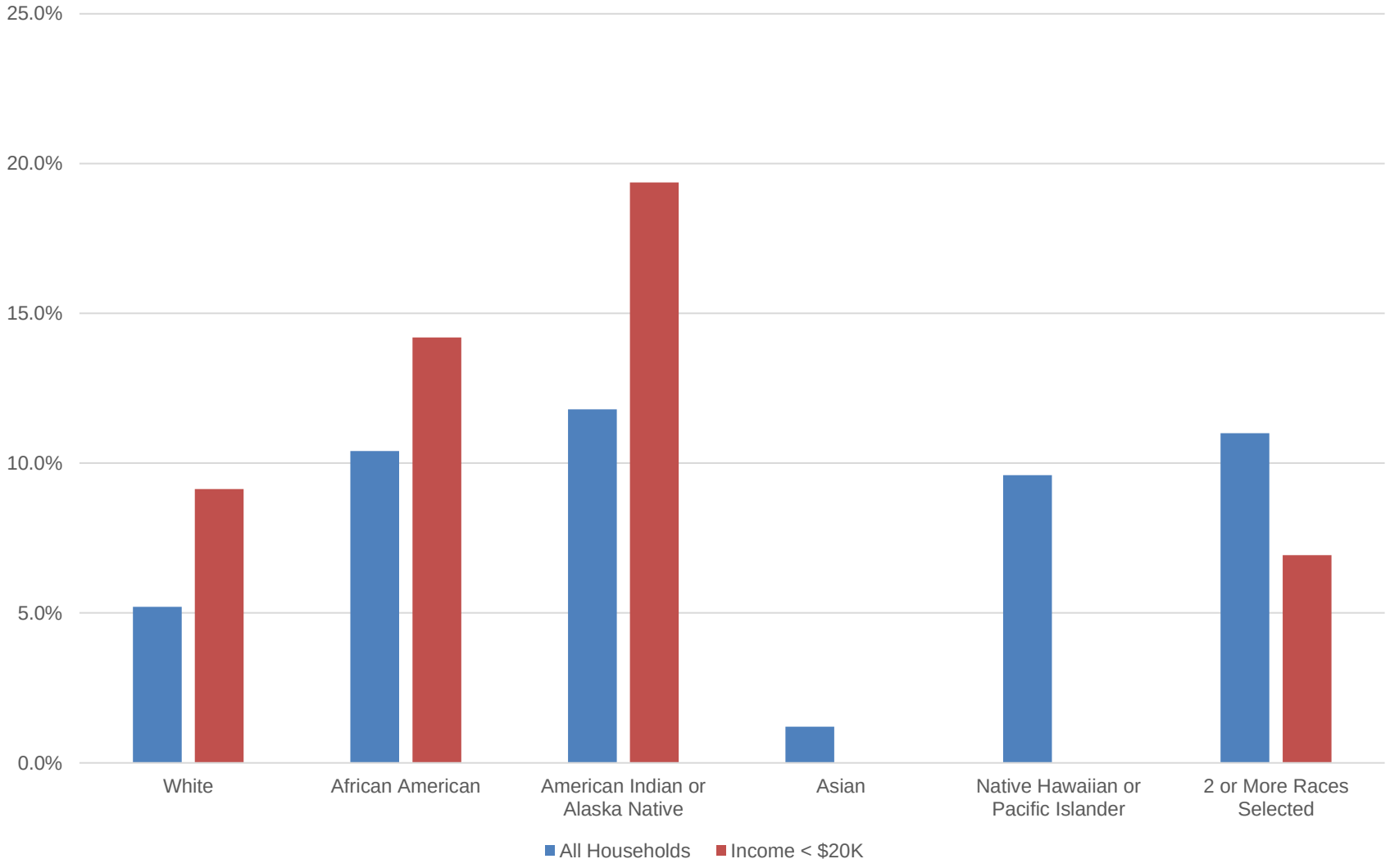
Loss of Heat in the Past Year Due to Unaffordable Utility Service/fuel or Heating System Repair by Race



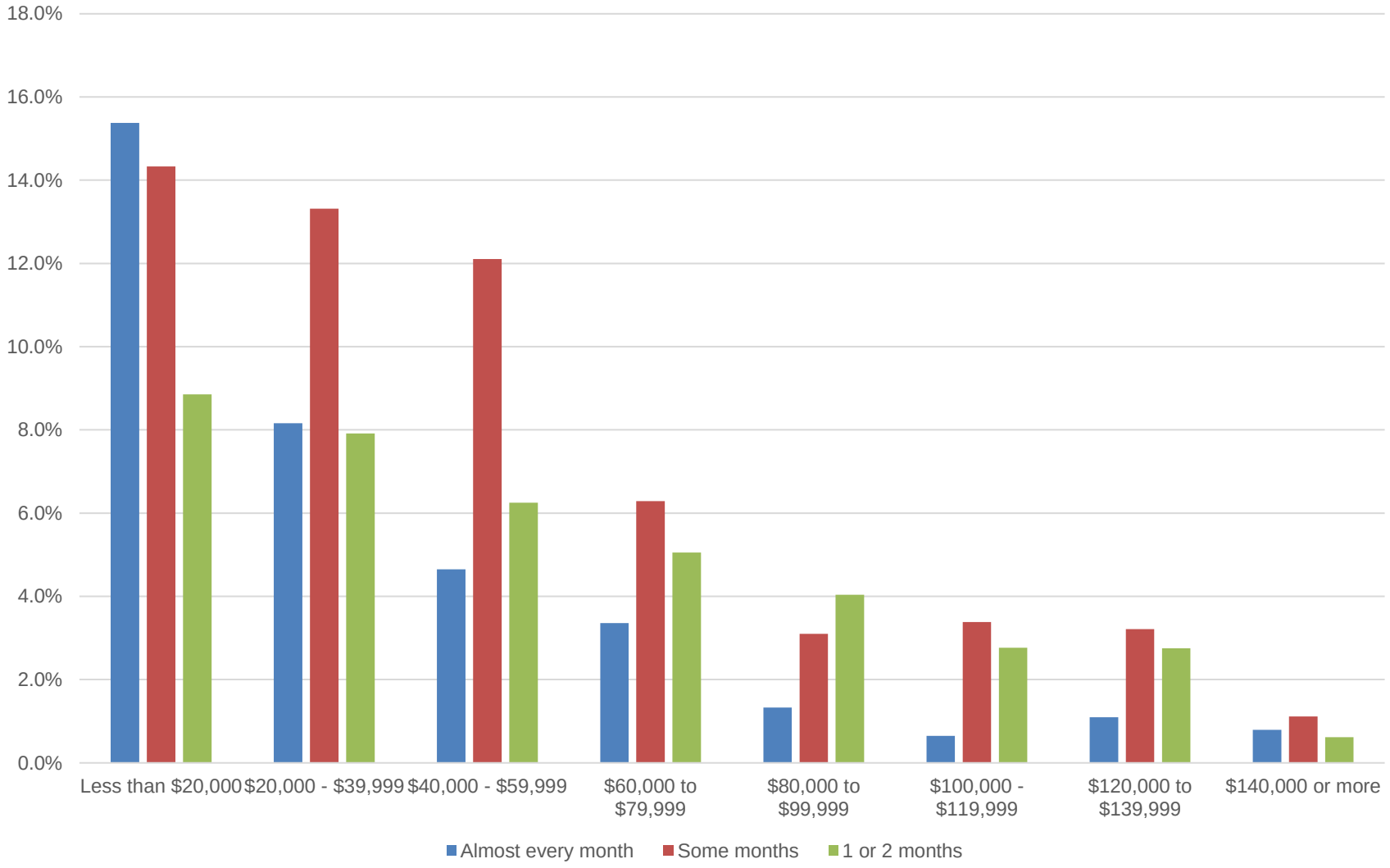
Loss of Cooling in the Past Year Due to Unaffordable Utility Service or AC Repair by Household Income



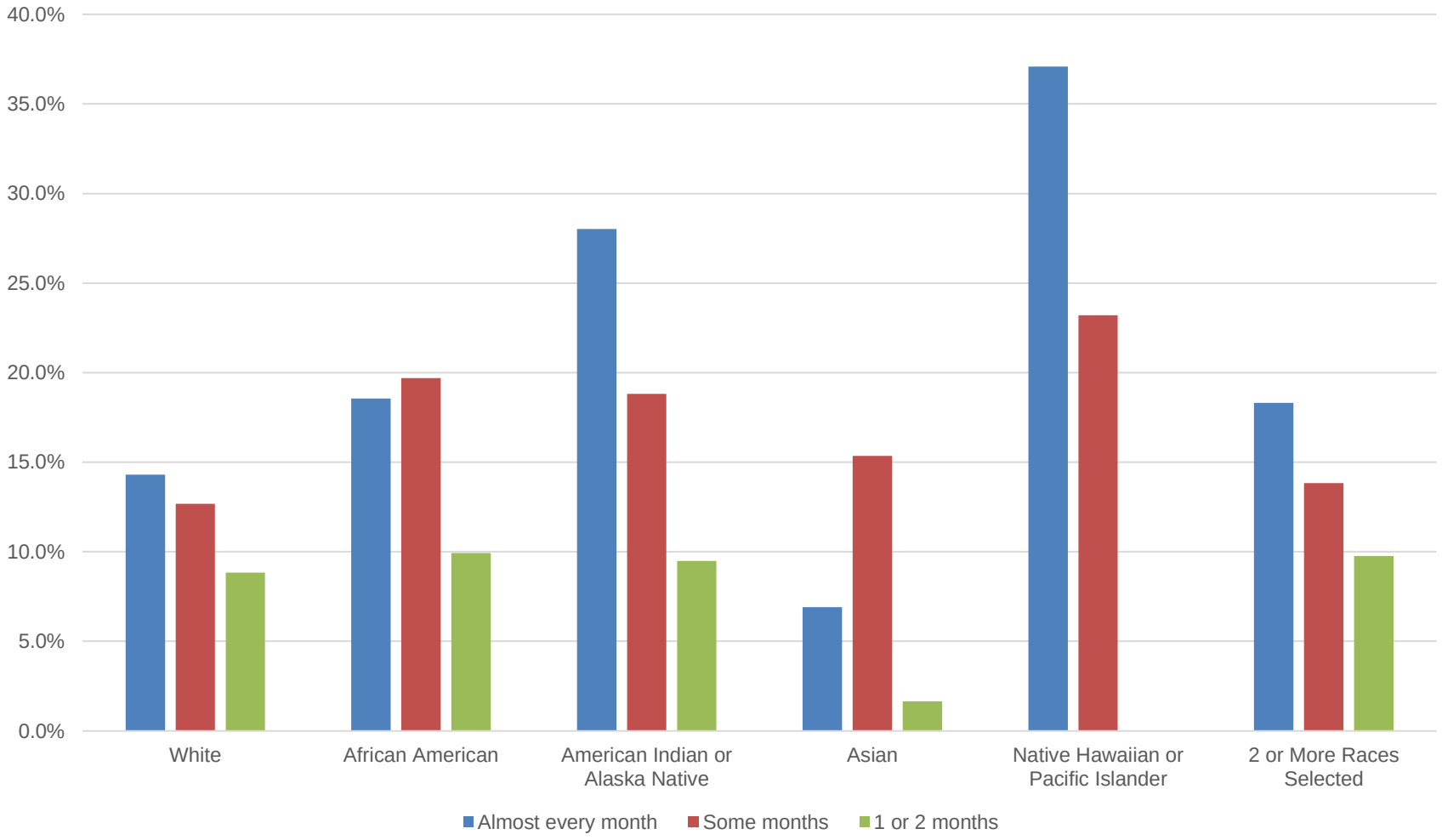
Loss of Cooling in the Past Year Due to Unaffordable Utility Service or Heating System Repair by Race of Householder



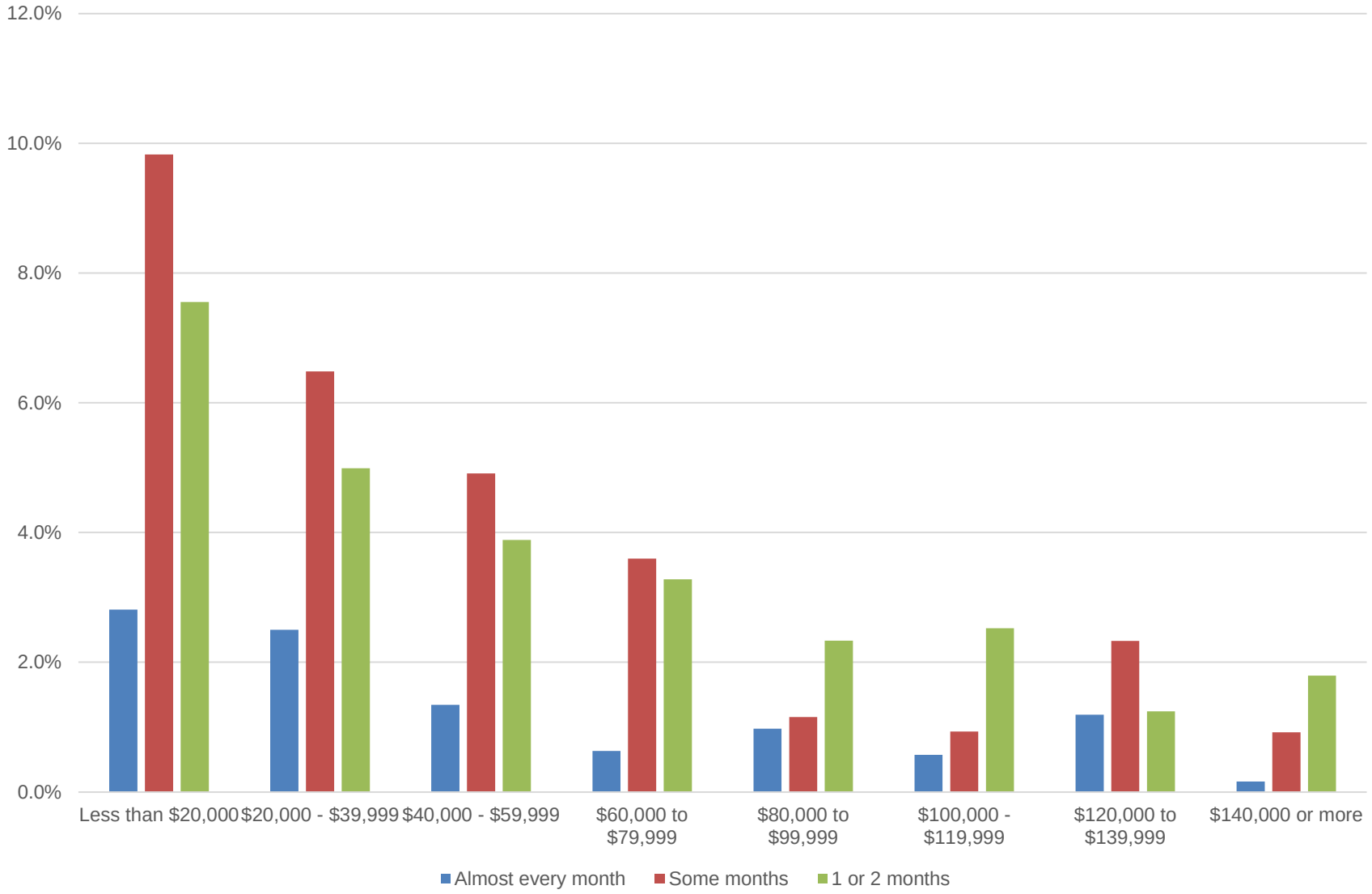
Frequency of Reducing or Forgoing Basic Necessities Due to Home Energy Bill by Household Income



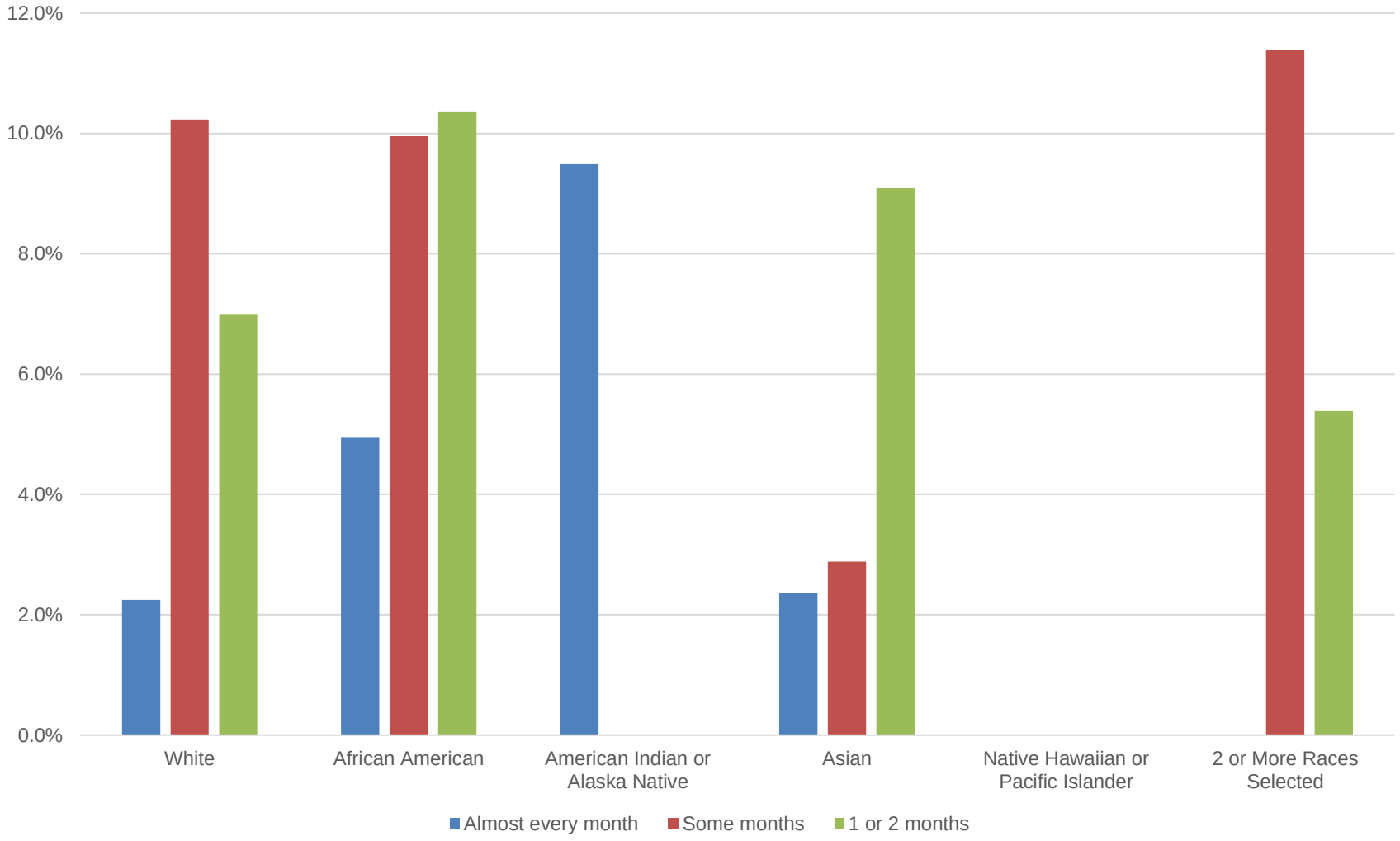
Frequency of Reducing or Forgoing Basic Necessities Due to Home Energy Bill by Race
- *Income < $20K*



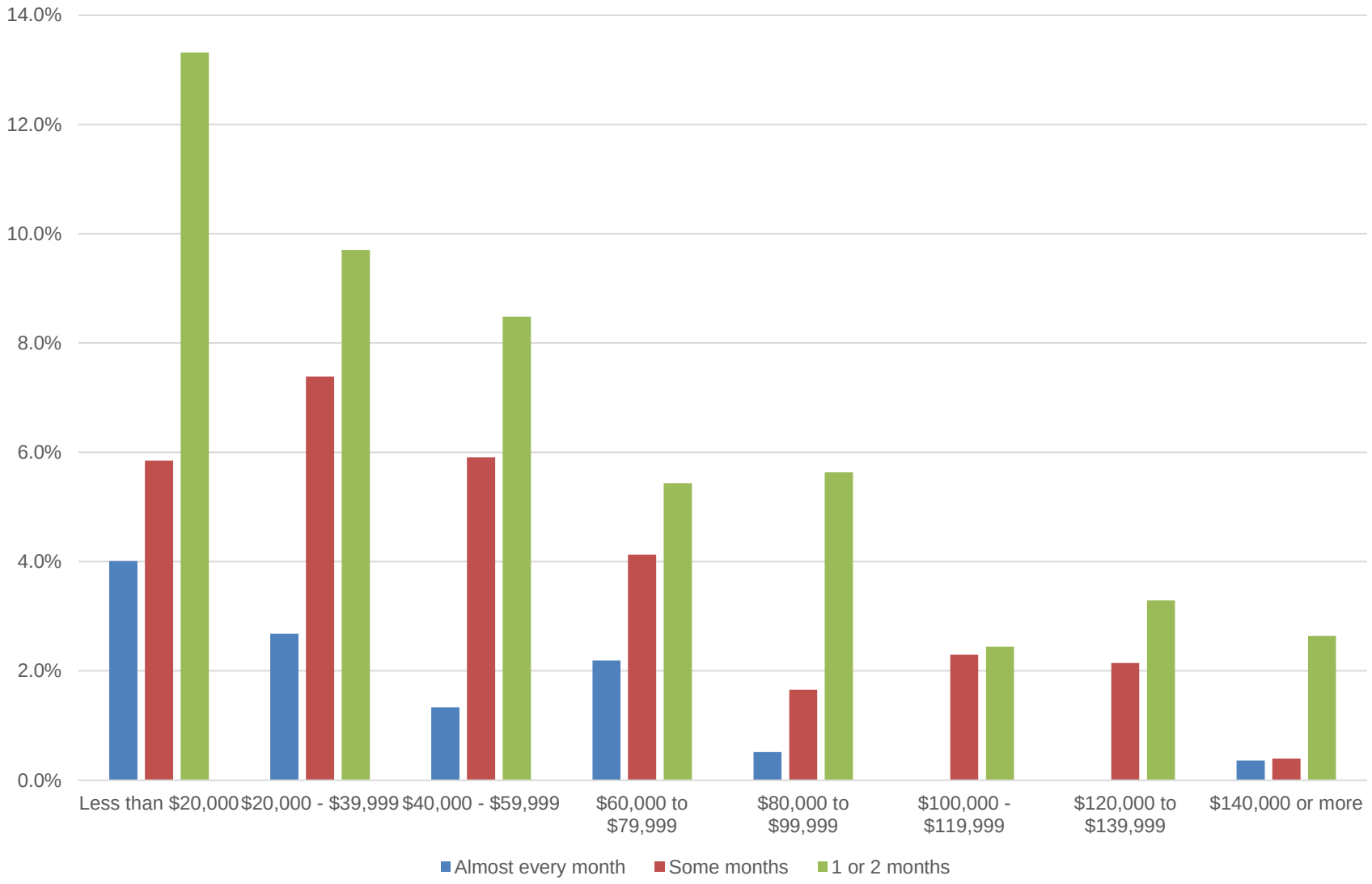
Frequency of Keeping Home at Unhealthy Temperature by Household Income



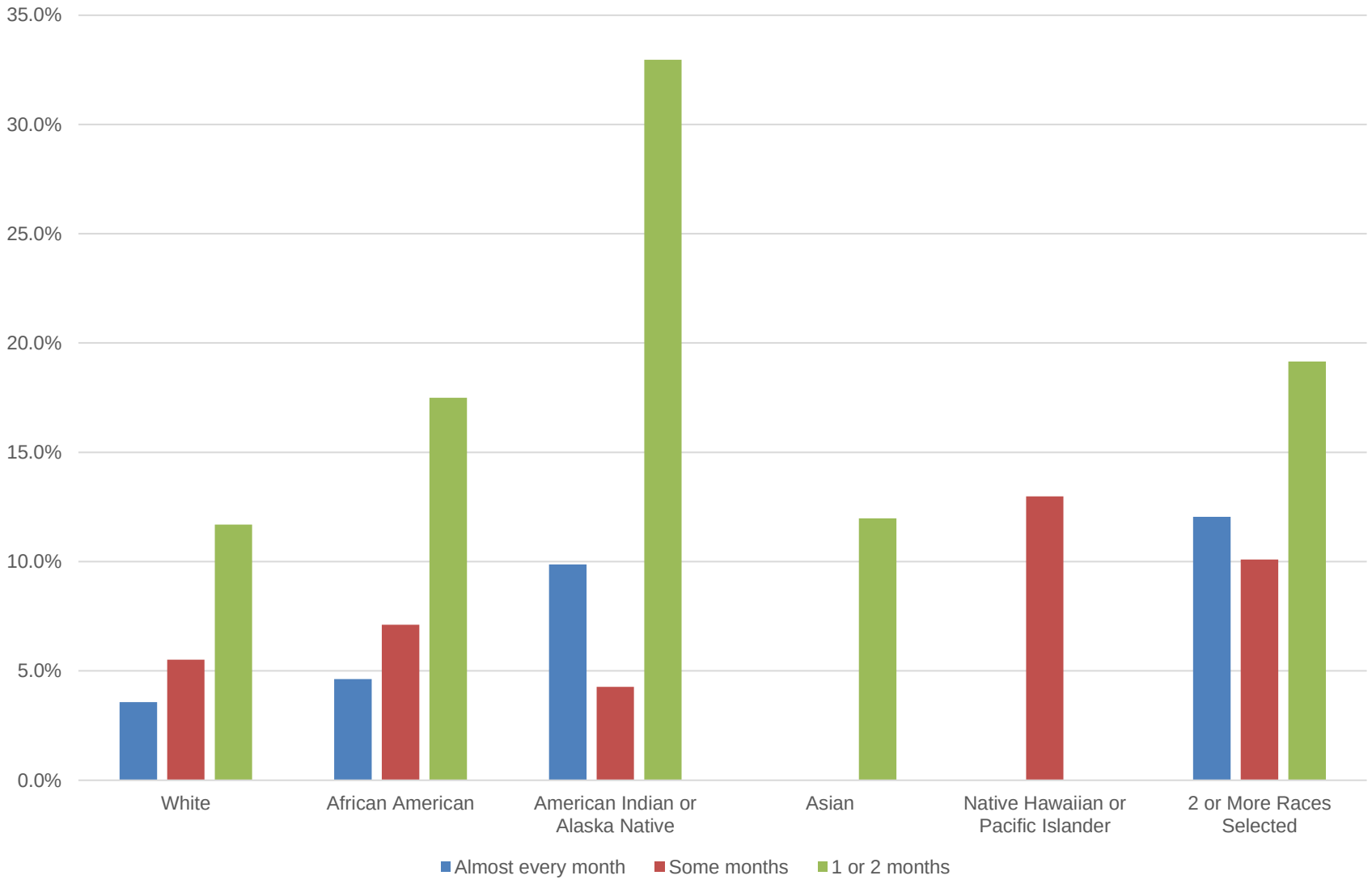
Frequency of Keeping Home at Unhealthy Temperature by Race of Householder
- *Income < $20K*



Frequency of Receiving Disconnect Notice by Annual Gross Household Income in 2015



Frequency of Receiving Disconnect Notice - ***Income < $20K***



Objectives of *Collecting and Reporting Comprehensive, Time-series Credit and Collections Data*

- Informed, effective public policy and regulatory decision-making is dependent on reliable, comprehensive time-series data
- Track the home energy security of general residential customers, low-income customers, and others particularly susceptible to harm from loss of service
- Identify home energy security disparities by race and income
- Gauge the effectiveness of programs and policies intended to enhance affordability and ensure high levels of home energy security
- Gauge the effectiveness of credit and collection policies and protocols
- Should not be used to gauge WX or EE program participation

Credit and Collection Data Points – ***Both*** General Residential and Identified Low-Income ***By Zip Code***

- Number of residential accounts
- Total billed and receipts amounts
- Number and dollar value of late payment fees
- Number and dollar value of unpaid accounts 60-90 days after issuance of a bill
- Number and dollar value of unpaid accounts 90+ days after issuance of a bill
- Number of accounts referred to collection agencies
- Number and duration of new payment agreements
- Number of accounts sent notice of disconnection for non-payment, and number of service
- Number of disconnections for non-payment
- Number of service restorations after disconnection for non-payment
- Number of customers completing an extended payment plan
- Average duration of service disconnection for restored accounts
- Number and dollar value of accounts written off as uncollectible

Involuntary Residential Service Disconnections by Zip Code and Race:
January 2019 - February 2021 - Eversource Service Territory

Zip	Total Accounts	Total Disconnections for Non-payment - January 2019 -	Disconnections to Accounts Ratio	Disconntions to Accounts Ratio Rank	Non-white Percent of Population	NonWhite Population Rank	White Population	City	County
06710	4091	1097	0.2681	1	41%	17	59%	WATERBURY	NEW HAVEN
06120	4529	1166	0.2575	2	80%	2	20%	HARTFORD	HARTFORD
06112	8644	2168	0.2508	3	87%	1	13%	HARTFORD	HARTFORD
06702	1070	263	0.2458	4	46%	11	54%	WATERBURY	NEW HAVEN
06114	10970	2560	0.2334	5	71%	3	29%	HARTFORD	HARTFORD
06105	9617	2207	0.2295	6	63%	5	37%	HARTFORD	HARTFORD
06106	15415	3431	0.2226	7	57%	6	43%	HARTFORD	HARTFORD
06051	13423	2962	0.2207	8	36%	23	64%	NEW BRITAIN	HARTFORD
06704	10594	2332	0.2201	9	47%	9	53%	WATERBURY	NEW HAVEN
06708	12878	2479	0.1925	10	26%	36	74%	WATERBURY	NEW HAVEN
06706	5758	1080	0.1876	11	46%	12	54%	WATERBURY	NEW HAVEN
06705	10807	2018	0.1867	12	41%	18	59%	WATERBURY	NEW HAVEN
06108	9535	1711	0.1794	13	47%	10	53%	EAST HARTFORD	HARTFORD
06372	42	7	0.1676	14		237			
06052	3437	530	0.1542	15	25%	38	75%	NEW BRITAIN	HARTFORD
06451	9932	1513	0.1523	16	23%	40	77%	MERIDEN	NEW HAVEN
06855	287	40	0.1395	17	25%	39	75%	NORWALK	FAIRFIELD
06053	14456	1958	0.1354	18	26%	37	74%	NEW BRITAIN	HARTFORD
06450	14990	1980	0.1321	19	21%	43	79%	MERIDEN	NEW HAVEN
06320	11865	1541	0.1299	20	43%	15	57%	NEW LONDON	NEW LONDON
06118	11162	1430	0.1281	21	43%	16	57%	EAST HARTFORD	HARTFORD
06810	20785	2553	0.1228	22	45%	13	55%	DANBURY	FAIRFIELD
06263	225	27	0.1199	23	3%	195	97%	ROGERS	WINDHAM
06103	1397	167	0.1196	24	41%	19	59%	HARTFORD	HARTFORD
06854	5769	676	0.1172	25	36%	24	64%	NORWALK	FAIRFIELD
06002	9043	1024	0.1132	26	64%	4	36%	BLOOMFIELD	HARTFORD
06226	6650	751	0.1129	27	32%	26	68%	WILLIMANTIC	WINDHAM
06387	410	46	0.1123	28	19%	53	81%	WAUREGAN	WINDHAM
06010	27161	2880	0.106	29	16%	64	84%	BRISTOL	HARTFORD
06040	16061	1701	0.1059	30	39%	22	61%	MANCHESTER	HARTFORD
06110	5469	551	0.1007	31	35%	25	65%	WEST HARTFORD	HARTFORD
06353	112	11	0.098	32	53%	7	47%	MONTVILLE	NEW LONDON
06018	1397	133	0.0952	33	6%	152	94%	CANAAN	LITCHFIELD
06770	13252	1236	0.0933	34	21%	44	79%	NAUGATUCK	NEW HAVEN
06095	12165	1133	0.0931	35	49%	8	51%	WINDSOR	HARTFORD
06061	108	10	0.0927	36	0%	224	100%	PINE MEADOW	LITCHFIELD
06902	27817	2571	0.0924	37	44%	14	56%	STAMFORD	FAIRFIELD
06373	124	11	0.0887	38	0%	225	100%	ONECO	WINDHAM
06383	23	2	0.0883	39		238			
06790	16513	1441	0.0873	40	11%	97	89%	TORRINGTON	LITCHFIELD
06457	20654	1746	0.0845	41	27%	32	73%	MIDDLETOWN	MIDDLESEX
06098	5241	430	0.082	42	7%	135	93%	WINSTED	LITCHFIELD
06081	690	56	0.0812	43	15%	73	85%	TARIFFVILLE	HARTFORD
06850	9117	740	0.0812	44	28%	30	72%	NORWALK	FAIRFIELD
06786	3797	308	0.0811	45	7%	136	93%	TERRYVILLE	LITCHFIELD
06779	3388	263	0.0776	46	6%	153	94%	OAKVILLE	LITCHFIELD
06851	11490	892	0.0776	47	22%	41	78%	NORWALK	FAIRFIELD
06042	10000	771	0.0771	48	40%	20	60%	MANCHESTER	HARTFORD

Racial Disparities in Utility Disconnections: Methodology

- Matching zip code-level American Community Survey race and population data with the zip code-level disconnections data provided by Utility
- Calculate total disconnections by zip code over selected period
- Create a ratio of total disconnections to total residential accounts for each zip codes
- Sorted and rank zip codes by percent of the population consisting of people of color and Latinx people (Non-white population).

Findings in Eversource CT Territory

- Strong correlation (.774) between race/ethnicity and service disconnections.
- 248 zip codes served by Eversource
- Among the 20 zip codes with the highest disconnections ratio, 12 were among the top 20 zip codes with the highest people of color/Latinx populations.
- Findings reflect unequivocal racial equity ramifications and illustrate the need for enhanced utility bill affordability and efficiency programming.
- Reversing the inequities that are ‘baked into’ the existing home energy security landscape requires purposive corrective action.

Post-moratorium Energy Security Programs and Policies

- Restore access to service for any utility customer whose service has been cut off without requiring a down payment
- Waive late payment fees and security deposit
- For past-due bills, provide deferred payment plan options that are affordable based on a household's actual income and expenses
- For households with low incomes, use debt forgiveness programs that avoid adding to current monthly bills.
- Expand bill payment programs that reduce monthly bills to an affordable level.
- As weatherization crews safely return to work, expand access to comprehensive whole-house energy efficiency and retrofit opportunities
- Requiring much more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.

Some NCLC Tools

- Residential Electric Utility Arrearage Scenarios
  - https://bit.ly/covid-state-electric-arrears
- Data Collection
  - http://bit.ly/brief-covid-19-data
- Program Design Template
  - https://bit.ly/RPT-covid-19-program-design

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