

# ENSURING ACCESS TO ESSENTIAL SERVICES

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## EXECUTIVE SUMMARY

Access to energy and water utilities is essential for the health and wellbeing of all Americans. And yet, thousands of households in Virginia face utility disconnections every year, including during the hottest days of summer or coldest days in winter. Even drinking water and wastewater management systems require electricity to operate. We must leverage the clean energy transition currently underway in Virginia to address inequalities baked into our current system by improving protections for households from gas and electricity disconnections, modeling policy approaches taken by other southeastern states.<sup>1</sup> Ensuring access to energy services ensures that the lights are on, that clean water is available, and that waste management systems remain in operation for vulnerable households. We can achieve these ends through a coordinated policy effort that recognizes that all people have a right to these goods.

## CHALLENGE

Virginia currently has among the weakest disconnection protections for electric and gas customers of any state in the southeast.<sup>2</sup> Although people with certified medical reasons may earn exemption from electricity disconnections, other households in the Commonwealth with outstanding electric bills – including those with children, elderly, and disabled residents – are vulnerable to having their power disconnected, even during weather extremes.<sup>3</sup> Black and brown households are more likely to lose power than white households due to the enduring legacies of structural racism.<sup>4</sup> Meanwhile, there is no statewide disconnection standard for gas or water utilities. When people do lose utility services, they often face additional fees related to the disconnection and reconnection as they try to resolve their accounts and have their essential services restored.

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Utility disconnection policies vary among the 33 electric utilities and 8 gas utilities in Virginia, so Virginia residents are subject to very different disconnection policies based on their utility provider.<sup>5</sup> During the state of emergency enacted by Governor Northam in response to COVID-19, Virginia established a limited disconnection moratorium which expires 60 days after the state of emergency ends on June 30, 2021. The state also addressed household inability to pay with a novel utility debt repayment program designed to help people resolve Covid-induced arrearages over time while maintaining electricity and gas services during the repayment period.<sup>6</sup> Yet, the provision for payment plans does not apply to debt incurred outside of the circumstances of the pandemic. We must adapt the model approach taken while the state of emergency was in effect to secure the wellbeing of customers of electric and gas utilities over the long-term, and not merely during a time of global crisis.

Further, in February of 2021, the Virginia General Assembly recognized water as a human right and specifically stated that the state of Virginia recognizes that no household be “deprived of water because of inability to pay” and that disconnections are “contrary to promoting public health and welfare.”<sup>7</sup> Though the resolution passed by the General Assembly recognizes the human right to water, there are no binding policies that specifically ensure water access following the end of the utility moratorium and in years to come. It is imperative to protect access to water services for our most vulnerable communities, as every human being has the right to safe, clean, affordable, and accessible water

adequate for human consumption, cooking, and sanitation purposes in times of crisis and at times of peace.

## SOLUTION

We can address the lack of uniform disconnection policies across utilities in Virginia by establishing baseline standards for cooperative,

municipal and investor-owned utilities to follow when households face electric or gas disconnections. By limiting the ability of utilities to disconnect households on a seasonal basis and during weather extremes, including increasingly frequent heatwaves and climate related disasters, or during other widespread and extended public emergencies, we can protect public health. By limiting the financial consequences related to late payments, non-payments, or disconnections and reconnections, we can make it easier for households to maintain access to essential energy services, or to restore them in the event of a disconnection. Finally, by addressing the overall burden that many households face in accessing these essential utilities, we can help ensure that energy and water services are affordable for more people.<sup>8</sup>

## POLICY RECOMMENDATIONS

Establish seasonal limitations on utility disconnections that protect households from losing electricity, water, wastewater, or gas services during extreme temperature periods, most but not all of which occur in the coldest months (November through March) and warmest months (July through September) of the year.

Prohibit electric, water, wastewater, and gas utilities from disconnecting customers during a declaration of a state of emergency from either the federal or state government and during extreme weather events, including when a heat warning or winter storm warning has been issued by local or state authorities.

Prohibit utilities from assessing disconnection and reconnection fees to customers who do lose power, water, or wastewater services due to late bills or non-payment of bills.

Require utilities to offer customers who have accrued arrearages, or who have a demonstrated financial hardship, a repayment plan that is mutually agreed upon to be affordable and sustainable for the customer; does not require new deposits, down payments, late fees, interest charges or penalties; and that does not apply eligibility criteria such as installment plan history or credit rating, modeling such repayment plans after the Emergency Debt Repayment Plan which was included in the 2020 Special Session I Virginia State Budget.

First Snow of the Year - Virginia Beach, Va |  
Image credit: Hira Azher

