SUPPORT HB906 / SB480

Topic: Protect utility customers from losing essential water and power services during high-risk periods including extreme temperatures. **Bill Patrons**: Delegate Shin; Senator Aird

REASONS TO SUPPORT:

Lower-income households spend more of their money on energy bills than any other income group. In Virginia, utility assistance is the top unmet need, according to 2-1-1. While almost 923,000 households in Virginia are income-eligible for energy assistance, only about 197,000 households were helped in 2021.⁽¹⁾ When households can't pay their bills, utility companies may shut off their power or water, regardless of how hot or cold it is outside or how soon their power may be restored.

Seniors, infants, and people with medical conditions or disabilities face especially serious risks from shutoffs. In addition to health and safety risks, the financial cost of shutoffs can be substantial. Customers often must pay to have their utility reconnected, must become current on outstanding bills, may have to make a security deposit, if they haven't already done so, and can face additional late charges and penalties.

WHAT THE BILL DOES:

This legislation codifies the <u>SCC's 2022 study recommendations</u> to formalize a policy to protect utility customers from losing essential water and power services during high-risk periods.⁽²⁾ The bill protects customers from shutoffs for non-payment during extreme cold and hot weather, during public health emergencies, and on or before non-business days, including Fridays, weekends, and holidays.

The bill also ensures that customers who have been shut off will be timely reconnected without paying onerous fees prior to restoring service. It requires that utilities make better efforts to notify customers of a pending shutoff, including by providing notice in English and Spanish, and it requires utilities to inform customers about available assistance programs. Lastly, it requests a study to develop formal recommendations for utility data reporting requirements to inform public policy decisions aimed at improving energy affordability.



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This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit www.vcnva.org/bill-tracker. VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.

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WHY THIS MATTERS:

- Virginia is only one of seven states in the country without shutoff protections during hot and cold weather periods.
- In 2022, there were 304,374 utility shutoffs in Virginia. 21,659 occurred in December; 25,785 shutoffs occurred in July⁽³⁾
- Low-income Virginia households (up to 30% Area Median Income) spend on average 14% of their income on energy costs, compared to 4% for households at 100% AMI.⁽⁴⁾

1 Virginia Department of Social Services' 2021 "Biennial Report on the Effectiveness of Low-Income Energy Assistance Programs," p. 9, 11. Total includes assistance from LIHEAP programs, the Department of Energy's Weatherization Assistance Program, Senior Cool Care, and Appalachian Power and Dominion Energy utility funds.

2 Virginia State Corporation Commission, Division of Public Utility Regulation. Letter study in response to HB1054 (Delegate Shin, 2022 Virginia General Assembly). December 6, 2022.

3 Energy Justice Lab, Indiana University, <u>Utility Disconnections Dashboard</u>. These numbers exclude any municipal utility shutoffs and any shutoffs made by Southwestern Virginia Gas.

4 Department of Energy's Low-Income Energy Affordability Data Tool.



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