Abstract:

Keeping Everyone's Lights on in the Clean Energy Transition: Lessons from COVID-19

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The COVID-19 pandemic exacerbated persistent challenges faced by low-income utility customers, especially the threat and fact of utility disconnections. Although utilities are among the most regulated industries in the United States, few utilities have been required to provide data about utility disconnections and few utility commissions have examined the issue in depth. Yet recent scholarship—some in response to COVID-19—has affirmed that utility disconnections have dramatic effects on individuals and families. Some studies have identified utility disconnections as the second leading cause of homelessness. Moreover, these disconnections disproportionately affect low-income, Black, and Latino customers. Utility disconnections, especially for electricity service, will only become more disruptive in a clean-energy and post-pandemic world that is moving to “electrify everything” and to make telework and tele-schooling widespread practices. Scholars have also argued that equity and justice require addressing energy insecurity and affordable access in the transition to a low-carbon electricity system. This presentation argues that despite a history of frequent skepticism toward low-income supports in utility regulation, it is time for utility regulators to reconsider adopting policies that can prevent or mitigate disconnections. The presentation identifies several policies that have been implemented by states—often in recent years, sometimes as part of climate policies or COVID-19 efforts—that can go a long way to addressing disconnections. In particular, state public utility commissions should reconsider establishing “lifeline” or low-income customer rates; mandating utility disconnection reporting; mandating goals and plan to provide universal and affordable utility access; removal of barriers to reconnection; and arrears forgiveness programs. The paper further argues that such policies are in keeping with modern utility regulatory theory and with the concept of a just-transition to a clean-energy economy.