Federal COVID Emergency Funds or State Surplus Funds to California Utility Customers for Debt Relief

In March 2020, the global COVID-19 pandemic hit California residents. Cases of infection increased, while our economy came grinding to a halt. The income and economic stability of California families who were already struggling to get by, became more tenuous. Many families who may have had a small nest egg, quickly watched it dwindle and have fallen into debt and despair.

The moratorium prohibiting utility shutoffs, adopted by the California Public Utilities Commission (CPUC) in March of 2020, has protected over 800,000 California households from losing essential utility service. However, when utility shutoff protections expire on June 30, 2021, these customers will have to pay all uncollected amounts that have accumulated over the previous 13 months. Hundreds of thousands of Californians will face a mountain of debt without the means to pay. This debt is likely to result in the loss of utility service.

An estimated 3.3 million California household’s live paycheck-to-paycheck. That is equivalent to all households in Los Angeles County. These families have almost no way to save up for a rainy day, escape mounting bills or cover emergencies. That is why, debt erasure for utility bills is needed; to give these families the fresh start they deserve. Without necessary emergency relief, the numbers of people at or near poverty will only increase, making it impossible for millions to pay for mounting utility costs, stay warm and keep the lights on.

The numbers tell the story of California’s struggling families! This is why the Governor and Legislature MUST ACT NOW to keep families’ lights on in California!

- Customer debt from Edison, SDG&E (San Diego Gas and Electric), PG&E and SoCal Gas has skyrocketed to over 1.3 billion dollars in early 2021.
- Early 2021 numbers estimate debt from publicly owned utilities at $700,000 and climbing.
- The average utility debt carried by customers is over $2000.
- Fifty percent of COVID related utility debt is being carried by low-income CARE and FERA customers.
- Over $1 million new customers have signed up for CARE and FERA discount programs since February 2020 – a 59% increase.

What Debt Elimination Will Do

- Help put California’s struggling families on the road to recovery
- Keep families housed, preventing much harder to address consequences of homelessness.
- Support self-sufficiency and family wellbeing.
- Allow families to access critical telehealth services, employment, education opportunities and fulfill civic engagement.

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