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Electric Utility Disconnections

January 31, 2023

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SUMMARY

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Electric Utility Disconnections

When an electricity customer does not pay their electricity bill in full and on time, a process begins which can culminate in disconnection. Disconnections are closely related to electricity affordability, which has long been a topic of congressional interest. This interest increased during the Coronavirus Disease 2019 (COVID-19) pandemic. Proposals to address electricity affordability and disconnections were included in multiple pandemic relief bills introduced during the 116th Congress, but none was enacted. The 117th Congress enacted pandemic relief legislation that does, in part, provide funding to low-income customers to help pay for electricity bills. The 117th Congress also provided funding to existing programs, such as the Low Income Home Energy Assistance Program and the Weatherization Assistance Program, that provide assistance to customers who may be facing affordability challenges. Additionally, the 117th Congress passed legislation aimed at promoting energy efficiency, electrification, and renewable energy, all of which could potentially promote energy affordability in the long term.

In the early part of the pandemic, approximately 88% of residential electricity customers were protected temporarily from disconnection by state-issued disconnection moratoria or voluntary utility practices. By the end of 2021, nearly all these pandemic-related moratoria had expired, and disconnections for nonpayment resumed across the country. Observers expect disconnections will continue to increase as customers and utilities deal with arrearages accumulated when moratoria were in effect. Increased energy prices since 2021—especially for natural gas, a key input to electricity costs—add to affordability challenges.

Researchers estimate that approximately 1% of households are disconnected each year. Broader measures of energy insecurity (e.g., foregoing other necessary expenses like food or medicine) are higher, with approximately 30% of American households experiencing some form of energy insecurity. Black and Hispanic households appear more likely to be disconnected than non-Hispanic White households, even when accounting for the rates at which they receive disconnection notices. Comprehensive national data on disconnections do not exist currently, complicating analysis and policymaking in this area. In December 2022, Congress directed the U.S. Energy Information Administration to begin collecting national data on disconnections.

In the 117th Congress, some Members supported universal bans on disconnections, identifying electricity access as a basic human right. Others proposed narrower approaches, such as federal funding to cover arrearages accumulated during the pandemic. Another approach is to increase federal data collection in this area, which could potentially support future policymaking to address disconnections. The House Energy and Commerce Committee has conducted some oversight activities in this area.

Disconnections touch on multiple policy issues the 118th Congress might consider. Cost allocation is one. This issue concerns who should pay for costs associated with late payments and disconnections: the customer who did not pay, other customers of the same utility, utility shareholders (for investor-owned utilities), federal taxpayers, or some combination? Another issue is equity. Given that some racial and ethnic groups appear to be disconnected more often than others, are policy measures needed to address any inequalities in the disconnection process and existing financial assistance programs? A third issue is federalism. Current law and policy give state and local regulators essentially all authority regarding disconnection policies and practices. Any national policy might require a change in this framework.

Additional policy areas involve more uncertainty, because they are driven by current conditions in the energy system and it is unclear how these conditions may change over time. Climate change is one such area. Climate change increases factors (e.g., temperatures, extreme weather) that can increase electricity costs for some customers. Whether and how climate change may ultimately affect electricity affordability and disconnections is not well understood. A second uncertain policy area is the effects of the COVID-19 pandemic. Economic impacts and policy responses to the pandemic appear to have changed affordability and disconnections since 2020. On the one hand, levels of energy insecurity and rates of disconnection decreased in 2020 when policy support was strongest. On the other hand, the cessation of that support may lead to an increase in disconnections. Energy prices have increased in response to the pandemic, the war in Ukraine, and other factors. If higher energy prices persist, disconnections could increase.

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The Coronavirus Disease 2019 (COVID-19) pandemic raised interest in electric utility disconnections—customers losing their power when they do not pay their bills. In the early part of the pandemic, approximately 88% of residential electricity customers were protected temporarily from disconnection by state-issued disconnection moratoria or voluntary utility practices.[1] By the end of 2021, nearly all these pandemic-related moratoria had expired, and disconnections for nonpayment resumed across the country.[2]

Disconnections are closely related to electricity affordability, which has long been a topic of congressional interest. Some existing federal programs address affordability by providing financial support directly to individuals or utilities for purposes of covering utility expenses, thereby avoiding disconnection. Those programs are mentioned briefly in this report, but not discussed at length.

This report covers disconnections of residential customers for nonpayment. Residential electricity customers can lose their power for other reasons (e.g., safety, preventative power shutoffs), but those are not discussed herein. Additionally, disconnections for non-residential customers (e.g., businesses) are not discussed. This report provides information on the frequency of utility disconnections for residential customers, discusses existing federal policy related to utility disconnections and affordability, summarizes legislation introduced and enacted in the 116th and 117th Congresses aimed at reducing utility disconnections, and discusses potential policy considerations for the 118th Congress. This report focuses on electric utilities and does not cover disconnections from other utility services (e.g., natural gas, drinking water), though some issues and policies may apply to these other services.

Background

Energy Burden and Energy Insecurity

Energy burden is the percentage of gross household income spent on energy costs (electricity, natural gas, and other energy services combined) and can be higher for households with low income, high energy costs, or both. The average American household spends 3.1% of their income on energy bills, but low-income households spend 8.1% of their income on energy bills.[3] In addition, the median energy burden for Black households is 43% higher than non-Hispanic White households, and Hispanic households have an energy burden that is 20% more than non-Hispanic White households.[4] In 2020, more than 30.6 million households experienced a high energy burden in America, defined by experts as greater than 6% of income.[5] Of these 30.6

[1] CRS estimated the number of residential electricity customers covered by mandatory and voluntary pandemic-related disconnection moratoria using utility-reported customer data and moratorium information from utility websites and state regulatory documents. For more information, see CRS Report R46401, *COVID-19 Electric Utility Disconnections*, by Richard J. Campbell and Ashley J. Lawson.

[2] National Association of Regulatory Utility Commissioners (NARUC), "Map of Disconnection Moratoria," updated September 9, 2021.

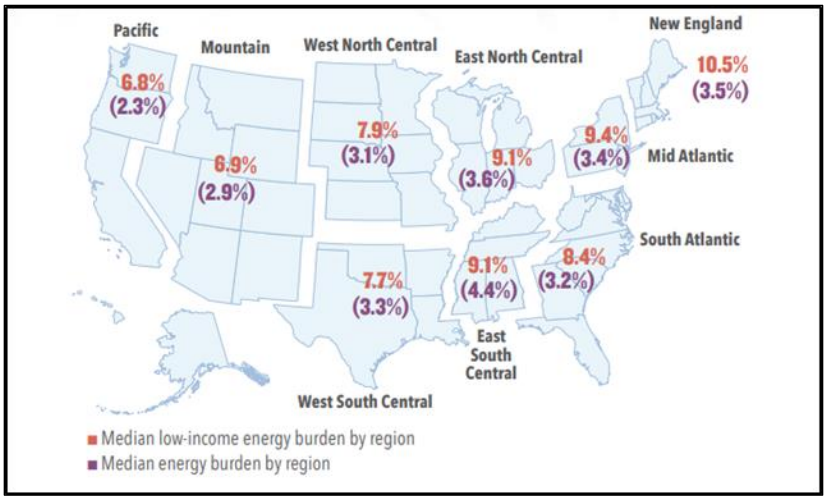
[3] Ariel Drehobl, Lauren Ross and Roxana Ayala, *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States*, American Council for an Energy-Efficient Economy (ACEEE), September 2020, p. iii.

[4] Ibid.

[5] Ibid. The ACEEE report uses the definition of a high energy burden calculated by the Applied Public Policy Research Institute for Study and Evaluation (APPRISE). APPRISE used the formula that housing should not cost more than 30% of a household's income, and energy costs should not be more than 20% of the housing cost. Applied Public Policy Research Institute for Study and Evaluation, *LIHEAP Energy Burden Evaluation Study*, U.S. Department of Health and

million households, half have a severe energy burden, defined by the American Council for an Energy Efficient Economy (ACEEE) as greater than 10% of their income being dedicated strictly to energy bills.[6] Energy burdens vary across the country, as shown in **Figure 1**. Low-income energy burdens are consistently higher than median energy burdens by region (see red values compared to purple values in the figure). The largest differences between the median energy burden and the low-income energy burden are in the Mid-Atlantic and New England, with low-income energy burdens approximately three times higher than household energy burden overall.

Figure 1. Median Household Energy Burden by Region and Income Level



Source: Ariel Drehobl, Lauren Ross and Roxana Ayala, *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States,* American Council for an Energy-Efficient Economy, September 2020, p. 14.

Notes: Purple values in parentheses show median energy burden across all households. Red values show median energy burden for low-income households, defined in this study as below 200% of the federal poverty line. Alaska and Hawaii are in the Pacific region.

High energy burden can lead to energy insecurity. Energy insecurity is the lack of access to consistent energy sources due to either high energy costs, low income in the household, or both. The U.S. Energy Information Administration (EIA)[7] uses the following measures to assess energy insecurity in the United States: reducing or forgoing basic necessities (e.g., medical care, food) to pay an energy bill, keeping the home at unhealthy or unsafe temperatures in order to reduce energy bills, or receiving a disconnection notice for bill nonpayment. According to EIA, 34 million households (27%) reported at least one of these forms of energy insecurity in 2020, as shown in **Figure 2**.[8]

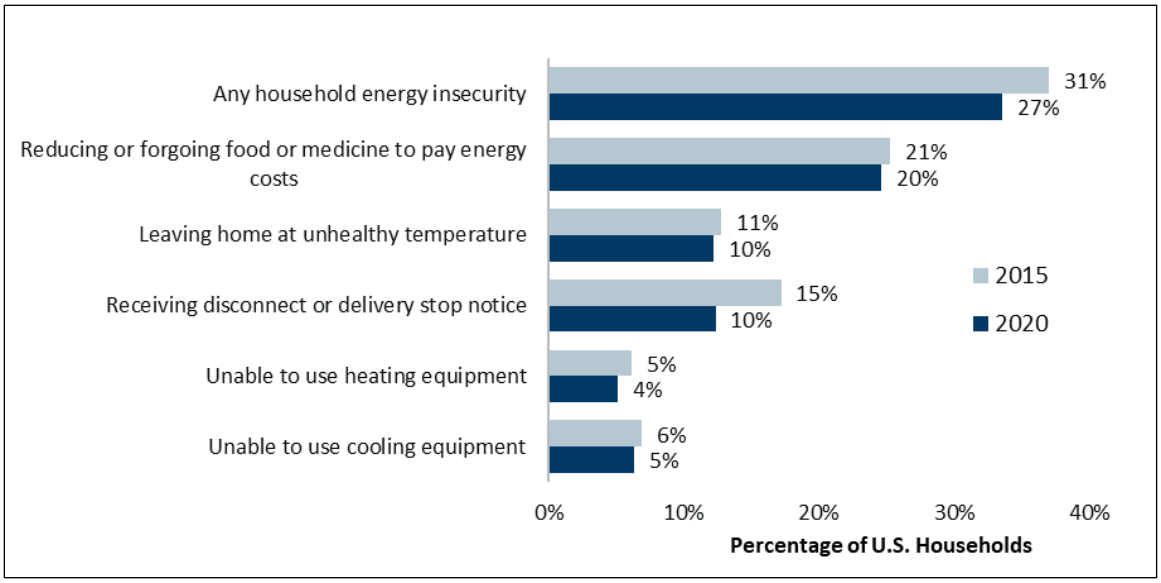
Human Services, July 2005, p. 12.

[6] Ariel Drehobl, Lauren Ross and Roxana Ayala, *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States,* American Council for an Energy-Efficient Economy, September 2020, p. ii.

[7] For background on the U.S. Energy Information Administration (EIA), see CRS Report R46524, *The U.S. Energy Information Administration*, coordinated by Ashley J. Lawson.

[8] EIA, *Today in Energy*, "In 2020, 27% of US Households Had Difficulty Meeting Their Energy Needs," April 11, 2022, https://www.eia.gov/todayinenergy/detail.php?id=51979.

Figure 2. U.S. Household Energy Insecurity in 2015 and 2020



Source: U.S. Energy Information Administration, https://www.eia.gov/todayinenergy/detail.php?id=51979.

Notes: Data from the Residential Energy Consumption Survey, conducted approximately every five years.

Disconnection Process and Regulation

When a residential electricity customer does not pay their electricity bill in full and on time, a process begins which can culminate in the customer's power being shut off, a *disconnection*. The details of the disconnection process are determined by state and local regulations. As a result, disconnection policies vary among the nearly 3,000 electric utilities in the country.[9] Processes typically follow a common sequence of events. First, the utility contacts the customer, usually several times over a period of up to several months, to attempt to receive payment. Any unpaid amount accrues during this time as an *arrearage*. Utilities may assess late fees as well. Customers may be able to enter into a payment plan with the utility to pay back the arrearages, including late fees, over a period of time (e.g., a year). Some customers may qualify for financial assistance from a utility-administered program, a state-administered program, or both. If customers are unable to pay their bill (with or without financial assistance) or enter into a payment plan, the utility may disconnect the customer. Utilities will reconnect the customer after receiving payment and (if applicable) a reconnection fee.

Federal Role

The federal role in utility disconnections is limited. Most aspects of electricity distribution are overseen by state or local regulators (e.g., state public utility commissions) pursuant to the Federal Power Act (16 U.S.C. §§791 et seq.).[10]

[9] The number of distribution utilities is from U.S. Energy Information Administration (EIA), "Investor-Owned Utilities Served 72% of U.S. Electricity Customers in 2017," August 15, 2019.

[10] For a discussion of the boundaries of federal jurisdiction for electricity, see CRS In Focus IF11411, *The Legal Framework of the Federal Power Act*, by Adam Vann. Distribution refers to the delivery of electricity to consumers, and is widely considered to be the endpoint of the electricity system (which begins with electricity generation, followed by transmission). Electric distribution utilities act as natural monopolies, under a regulatory compact implemented by

Congress has identified multiple preferred utility policies (standards) under the Public Utility Regulatory Policies Act of 1978 (PURPA; P.L. 95-617). One such standard relates to termination of electric service (i.e., disconnection). The standard encourages the following requirements regarding disconnection:

- Utilities may not disconnect customers without giving "reasonable prior notice" and allowing customers "a reasonable opportunity to dispute the reasons for such termination."
- Utilities may not disconnect customers who are unable to pay for electricity service (or can only pay in installments) "during any period of time when termination of service to an electric customer would be especially dangerous to health."
- Disconnection procedures must take into account "reasonable provisions for elderly and handicapped consumers."[11]

Details of how these requirements are implemented vary by state, as discussed below.

States' Role

Notwithstanding the general procedures for disconnection outlined above, many states have adopted regulations prohibiting utilities from disconnecting certain customers in certain conditions, in line with the PURPA standard. Some disconnection prohibitions cover households with someone of a certain age living in them (e.g., an adult older than 65 or a child). Other policies prohibit disconnection when certain income thresholds are met, when a resident qualifies for energy assistance, or when a resident has a medical condition. Many states use more than one of these criteria in their disconnection policies.[12] Some states protect these customers from disconnection at all times of the year, and some states protect them only during certain times, usually based on temperature.

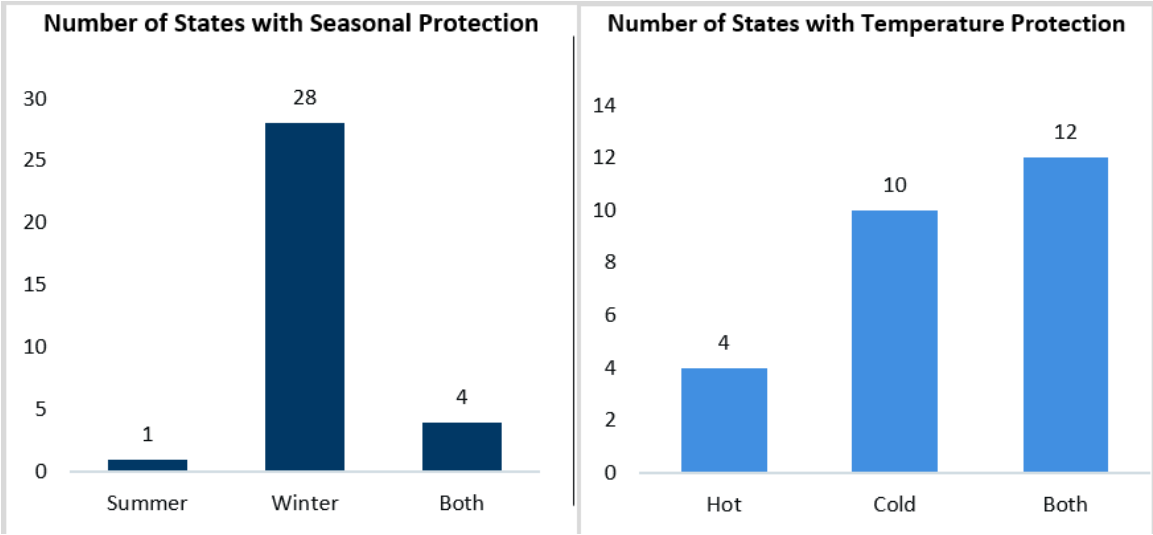
As shown in **Figure 3**, state prohibitions on disconnection cover cold times of the year more than hot times. According to data compiled by the Low Income Home Energy Assistance Program (LIHEAP) Clearinghouse, via a contract with the Department of Health and Human Services, 32 states prohibit disconnections for at least some customers during the winter months (the District of Columbia is included as a state for this purpose). Of these, four prohibit disconnections during winter and summer. One additional state (Arizona) prohibits disconnections during the summer months only. Some states prohibit disconnections when certain temperature thresholds are met. These states may or may not also implement seasonal disconnection prohibitions. The figure does not distinguish whether a state has one or both kinds of prohibitions in place. States usually define "cold" temperatures as 32°F, but some states set lower temperatures (e.g., 20°F in Iowa) or higher temperatures (e.g., 35°F in Kansas). States usually define "hot" temperatures as 95°F, but some states set higher temperatures (e.g., 105°F in Delaware) or base it on other criteria (e.g., a National Weather Service heat warning in Louisiana).

each state (including the District of Columbia, and U.S. territories). Briefly, regulatory compacts exempt distribution utilities from competition while requiring utilities to provide universal service (i.e., they provide electricity to all customers) and subject themselves to regulation by state or local authorities.

[11] 16 U.S.C. §2625(g).

[12] A summary of different state disconnection policies is available at https://liheapch.acf.hhs.gov/Disconnect/SeasonalDisconnect.htm. Typically, policies are set by state regulators and may not apply to all utilities. Specifically, publicly owned utilities and electric co-operatives in a state may have different policies.

Figure 3. State Disconnection Policies



Source: CRS analysis of data from LIHEAP Clearinghouse, https://liheapch.acf.hhs.gov/Disconnect/SeasonalDisconnect.htm.

Notes: Includes the District of Columbia. Specific date ranges for seasonal protections vary, but typically cover three or more months. Specific temperature thresholds vary as well. Some states implement both seasonal and temperature-based disconnection prohibitions. Such states are represented more than once in this figure.

Electricity costs tend to be highest in most of the country during summer months when air conditioning demand peaks. As a result, disconnection prohibitions that apply during cold periods but not hot periods may not be well suited for addressing electricity affordability.

COVID-19 Disconnection Moratoria

In response to the COVID-19 pandemic, many utilities and their regulators implemented moratoria on disconnections in certain cases. Under the moratoria, utilities were prohibited from disconnecting certain customers for nonpayment, though the policies generally allowed disconnections for safety reasons to continue. The policies were meant to both improve living conditions for individuals experiencing financial hardship due to the pandemic, and limit close contact (and potential COVID-19 spread) between utility workers and customers.[13] Approximately 88% of U.S. residential customers were covered by a moratorium for at least some portion of the pandemic.[14] Most states had lifted their pandemic-related moratoria by the end of 2021. Anecdotal evidence suggests that disconnections increased after the end of pandemic-related moratoria, at least in some parts of the country.[15]

[13] For example, the Kentucky Public Service Commission noted "disconnection processes ordinarily lead to in-person contact and, as such, pose a significant health risk due to the potential for transmission of COVID-19." Kentucky Public Service Commission, *Order in the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, p. 3, https://psc.ky.gov/pscscf/2020%20Cases/2020-00085/20200316_PSC_ORDER.pdf.

[14] CRS estimated the number of residential electricity customers covered by mandatory and voluntary pandemic-related disconnection moratoria using utility-reported customer data and moratorium information from utility websites and state regulatory documents. For more information, see CRS Report R46401, *COVID-19 Electric Utility Disconnections*, by Richard J. Campbell and Ashley J. Lawson.

[15] See, for example, Will Wade and Mark Chediak, "'Tsunami of Shutoffs' Looms with 1 in 6 Late on U.S. Energy Bills," *Bloomberg*, August 23, 2022; Jake Zuckerman, "AEP Cut 164,000 Ohioans' Power for Nonpayment Last Year,

Some disconnection moratoria also prohibited the assessment of late fees or other charges that customers would normally owe in cases of nonpayment. For example, Colorado's governor issued an executive order calling on utilities to stop disconnections and "waive reconnection fees and suspend accrual of late payment fees" for certain customers.[16] Other disconnection moratoria did not include such provisions.

In general, pandemic-related disconnection moratoria were not bill forgiveness programs. In other words, the policies allowed customers to keep electricity access in cases of nonpayment, but did not remove the obligation to pay. As a result, some customers have accrued electricity bills covering many months. The National Association of Regulatory Utility Commissioners (NARUC) noted (emphasis added):

> There is a growing consensus among state PUCs [public utility commissions], the private utility sector, and key advocates that the blanket moratoria policies enacted early on in the pandemic response could have been more strategically implemented. Moratoria policies could be more exclusive to low- and moderate-income customers with caveats that customers in arrears need to work with their utility on repayment plans to qualify. *Customers and utilities alike were unprepared for the massive arrearage burden stemming from blanket moratoria policies prohibiting disconnections.* [17]

NARUC identified more explicit communications and greater outreach regarding payment plans as two efforts that could have prevented the observed accumulation of past due bills.[18]

As of January 2023, no federal agency tracked arrearages in a comprehensive way at the national level. However, according to NARUC, some states began tracking arrearages during the pandemic.

Experts have identified an increase in arrearages since the start of the pandemic. For example, an analysis of Massachusetts utilities found that the total amount in arrears among all customers increased from $575 million in March 2020 to $794 million in June 2021. By June 2021, 460,149 customers (17.4% of Massachusetts households) were more than 90 days past due on their utility bill, compared to 362,800 (13.7% of Massachusetts households) such customers in March 2020.[19] The National Energy Assistance Directors' Association (NEADA) estimated that nationwide arrearages for electricity and heating bills combined increased from $8.1 billion at the end of December 2019 to $16.1 billion as of August 2022.[20]

Under current law, state and local utility regulators have the authority to decide how to address utility arrearages accrued during the pandemic. They could require utilities to write off this debt (where financially possible), raise rates from other utility customers to cover the cost, collect the

More Than Any Other Utility," *Ohio Capital Journal*, July 7, 2022; Hannah LaClaire, "As Energy Prices Rise, Thousands of Mainers at Risk of Losing Power," *Portland Press Herald*, May 22, 2022; Alicia Inez Guzmán and Luciana Perez Uribe Guinassi, "New Mexico Confronts a Deluge of Pandemic-Related Utilities Shutoffs," *Searchlight New Mexico*, April 2, 2022.

[16] Governor Jared Polis, *Order Limiting Evictions, Foreclosures, and Public Utility Disconnections and Expediting Unemployment Insurance Claim Processing to Provide Relief to Coloradans Affected by COVID-19*, March 20, 2020.

[17] National Association of Regulatory Utility Commissions (NARUC), *Lessons Learned from the Ongoing Response to the COVID-19 Crisis*, October 2021, p. 20.

[18] Ibid., p. 21.

[19] National Consumer Law Center, *More Can and Must Be Done to Prevent Utility Consumers from Losing Service Due to Mounting COVID-Driven Arrearages in Massachusetts and Other States*, November 2021.

[20] National Energy Assistance Directors Association, *Press Release: Families Drowning in Utility Debt—Families Owe More Than $16 Billion*, November 7, 2022, https://neada.org/wp-content/uploads/2022/11/20millionbehindPR.pdf.

debt from the customers who owe it, shift costs to the federal government through existing financial assistance programs (discussed below), or some combination of these options.[21]

How Many Americans Are Disconnected?

Unlike some other electricity information (e.g., rates, sales), the federal government has not collected comprehensive information about utility disconnections.[22] As a result, available estimates are based on consumer surveys or analysis of selected groups of utilities, and may not be fully representative of the number of disconnections occurring nationwide.

In an attempt to answer the question, "How many Americans are disconnected?" CRS identified four organizations that have extensively studied utility disconnections. Their most recent findings are summarized in **Table 1** and discussed in more detail below.

Table 1. Major Utility Disconnection Datasets

Organization	Estimated Number of Disconnections	Time Period	Sample Size	Notes
U.S. Energy Information Administration Residential Energy Consumption Survey	12.36 million disconnection notices	Jan 2020 to December 2020	18,500 households—nationally representative sample	Data on actual disconnections is not collected at this time. Data also available for previous years.
U.S. Census Bureau American Housing Survey	731,000 nationwide (includes utilities other than electricity)	January 2021 to December 2021	An integrated national longitudinal sample of households and an integrated metropolitan longitudinal sample	Racial breakdown data available. Historical data available for the years 2017 and 2013.
Center for Biological Diversity	5.7 million cumulative nationwide	January 2020 to October 2022	Utilities in 33 states and DC	Study covered utilities with information reported to state regulators.
Indiana University's Energy Justice Lab	1.5 million nationwide	May 2020 to May 2021	4 separate surveys of 1,000 individuals from low-income households each, nationally representative	Survey administered to low-income households at or below 200% of the Federal Poverty Line. Breakdowns of data by race also available.

Source: CRS analysis of U.S. Energy Information Administration, Residential Energy Consumption Survey data, https://www.eia.gov/consumption/residential/data/2020/; U.S. Census Bureau, American Housing Survey, https://www.census.gov/programs-surveys/ahs/data.html; Center for Biological Diversity, Energy and Policy

[21] Additional discussion of the options available for recovering costs of pandemic-related arrearages is available at Herman K. Trabish, "Utility Customers Owe Up To $40B in COVID-19 Debt, But Who Will Pay It?," *Utility Dive*, December 3, 2020.

[22] As discussed in the section "Options for Congress," in December 2022, Congress directed EIA to begin collecting monthly disconnection data. These data were not available as of the cover date of this report.

Institute, and BailoutWatch, *Powerless in the United States: How Utilities Drive Shutoffs and Energy Injustice*, January 2023; Indiana University's Energy Justice Lab, "Survey of Household Energy Insecurity in Time of COVID: Preliminary Results of Wave-4 and Waves 1 Through 4 Combined," July 5, 2021.

Residential Energy Consumption Survey

EIA conducts the Residential Energy Consumption Survey (RECS) periodically to assess residential energy consumption, including housing characteristics such as building stock, consumption patterns, and demographics.[23] RECS is administered approximately every five years. For 2020, the year of the last RECS, a nationally representative sample of around 18,500 households were surveyed to assess critical trends in household energy consumption.

In 2020, EIA found that 12.36 million households received a utility disconnection notice.[24] At this time, RECS does not collect data on utility disconnections specifically.

Researchers have used data from the RECS combined with other surveys to estimate the number of utility disconnections that have occurred nationally. For example, Graff and Carley used RECS data to estimate that 2 million households were disconnected for nonpayment in 2015.[25] Laird and Hernandez estimated that more than 3 million households were disconnected in 2015 by assessing the number of Americans reported being unable to use their heating or cooling equipment due to nonpayment in the 2015 RECS data.[26]

American Housing Survey

The U.S. Census Bureau, on behalf of the Department of Housing and Urban Development, conducts surveys every two years of the American public on a wide range of housing topics. Data from the 2021 survey found that 731,000 households had their utilities disconnected, though the report does not provide information about electricity disconnections specifically.[27] In other words, this estimate might include disconnections from other utility services.

Center for Biological Diversity

The Center for Biological Diversity tracked disconnections throughout the pandemic, finding that there were at least 5.7 million disconnections cumulatively from January of 2020 through October 2022.[28] Their data have been reported in a series of three reports between September 2021 and January 2023. Their analysis uses disconnection data collected by state PUCs throughout the pandemic. Not all states collected data, so nationwide values might be higher. They found shutoffs increased 79% from 2020 to 2021, following the end of most pandemic-related

[23] Residential Energy Consumption Survey (RECS) data are available at https://www.eia.gov/consumption/residential/index.php.

[24] Residential Energy Consumption Survey, "Household Energy Insecurity HC 11.1," Energy Information Agency, May 2022, p. 1, https://www.eia.gov/consumption/residential/data/2020/hc/pdf/HC%2011.1.pdf.

[25] Michelle Graff and Sanya Carley, "Covid-19 Assistance Needs to Target Energy Insecurity," *Nature Energy*, vol. 5, May 2020, pp. 352-354.

[26] Diana Hernández and Jennifer Laird, "Surviving a Shut-Off: U.S. Households at Greatest Risk of Utility Disconnections and How They Cope," *American Behavioral Scientist*, 2021, vol. 66(7), pp. 856–880.

[27] All data for the 2021 American Housing Survey can be found at https://www.census.gov/programs-surveys/ahs/data.2021.List_1739896299.html#list-tab-List_1739896299.

[28] Center for Biological Diversity, Energy and Policy Institute, and BailoutWatch, *Powerless in the United States: How Utilities Drive Shutoffs and Energy Injustice*, January 2023.

disconnection prohibitions.[29] They found disconnections also increased 29% in the first ten months of 2022 compared to the same months in 2021.[30]

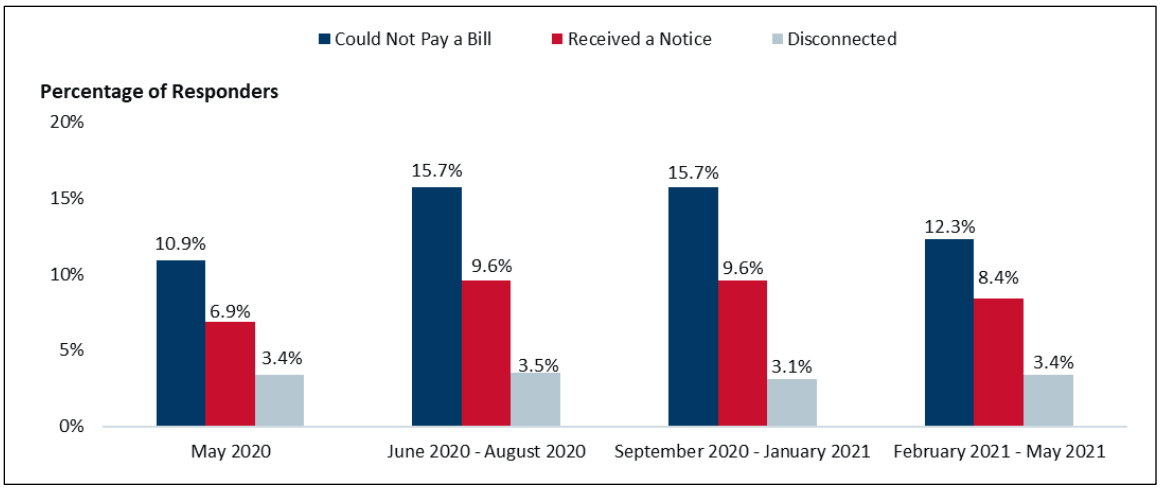
Indiana University's Energy Justice Lab

The Energy Justice Lab at Indiana University completed multiple nationally representative surveys to assess the impact of disconnections on Americans. The survey sample was 1,000 people, and administered to households at or below 200% of the federal poverty line. Researchers conducted four waves of the survey between May 2020 and May 2021. Each survey wave asked about energy expenses, household behavior and activities since the onset of the pandemic. The waves differed in the number of months they covered, ranging from one month (May 2020) to five months (September 2020 – January 2021).[31]

These researchers estimated that between May 2020 and May 2021, 1.5 million low-income households had their electricity disconnected. In addition, the rate of utility disconnections was consistent between May 2020 and May 2021 at close to 3% of respondents (**Figure 4**).

Figure 4. U.S. Energy Insecurity Among Low-Income Households

May 2020–May 2021



Source: Indiana University's Energy Justice Lab, "Survey of Household Energy Insecurity in Time of COVID: Preliminary Results of Wave-4 and Waves 1 through 4 Combined," July 5, 2021.

Notes: Energy insecurity is defined in this study as inability to pay a bill, receiving a disconnection notice, or being disconnected. Low-income households are defined in this study as households with incomes at or below 200% of the federal poverty line.

[29] Center for Biological Diversity, BailoutWatch, and Tiger Moth LLC, *Powerless in the Pandemic 2.0: Electric Utilities Are Still Choosing Profits over People*, April 2022.

[30] Center for Biological Diversity, Energy and Policy Institute, and BailoutWatch, *Powerless in the United States: How Utilities Drive Shutoffs and Energy Injustice*, January 2023.

[31] Details about each wave of the Indiana University Energy Justice Lab energy insecurity surveys are in the preliminary reports for each wave, available at https://energyjustice.indiana.edu/projects/household-energy-insecurity.html.

Disconnection Data by Racial and Ethnic Group

Energy burden, energy insecurity, and utility disconnections affect some racial and ethnic groups more than others. The share of Black households experiencing energy insecurity is about twice as high as that for White households (52% compared to 27% in 2020).[32] Similarly, the share of Hispanic or Latino households experiencing energy insecurity is about twice as high as that for households that are not Hispanic or Latino (47% compared to 25% in 2020).[33]

Data from the American Housing Survey for 2021 (**Table 2**) indicates that Black households were 14% of the population that year and 34% of the disconnections, and Hispanic households were 12% of the population and 15% of the disconnections.

Table 2. U.S. Utility Disconnections by Race of Householder, 2021

Thousands of housing units

	Total Households		Disconnected Households	
Race	**Count**	**Percent by Race**	**Count**	**Percent by Race**
White	99,310	77%	429	59%
Hispanic	16,317	12%	109	15%
Non-Hispanic	82,992	65%	320	44%
Black	18,128	14%	252	34%
Native American or Alaska Native	1,589	1%	—	—
Asian	6,948	5%	—	—
Pacific Islander	470	<1%	—	—
Two or More Races	2,058	2%	—	—
Total	128,504	100%	731	100%

Source: U.S. Census Bureau American Housing Survey, "2021 National Delinquent Payments and Notices—All Occupied Units" American Housing Survey Table Creator, https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html?s_areas=00000&s_year=2021&s_tablename=TABLES08&s_bygroup1=9&s_bygroup2=1&s_filtergroup1=1&s_filtergroup2=1.

Notes: Blank cells indicates data that did not meet American Housing Survey publication standards or were withheld to avoid disclosure. Thus, disconnected households shown do not sum to totals. Total households may not sum to totals because of rounding. Pacific Islander includes Native Hawaiian and other Pacific Islander. The American Housing Survey considers Hispanic an ethnicity, not a race. Data for Hispanic households of races other than White are not shown.

Data from Indiana University's surveys indicates similar findings. **Figure 5** shows that low-income Black, Hispanic, and other non-White households were disconnected at a rate of at least three times more than low-income White households. In Indiana University's estimation of low-income families, 3.2% of White households were disconnected, compared to 9.7% of Black households, 12.9% of Hispanic households, and 11.3% of households of other racial groups.

[32] EIA, "In 2020, 27% of U.S. Households Had Difficulty Meeting Their Energy Needs," April 11, 2022, nmjhttps://www.eia.gov/todayinenergy/detail.php?id=51979. In previous years, 11.3% of Black households at or below 150% of the federal poverty level were disconnected, compared to 5.5% of White households at or below the same level. National Association for the Advancement of Colored People, *Lights Out in the Cold: Reforming Utility Shut-Off Policies as If Human Rights Matter*, March 2017, p. 14.

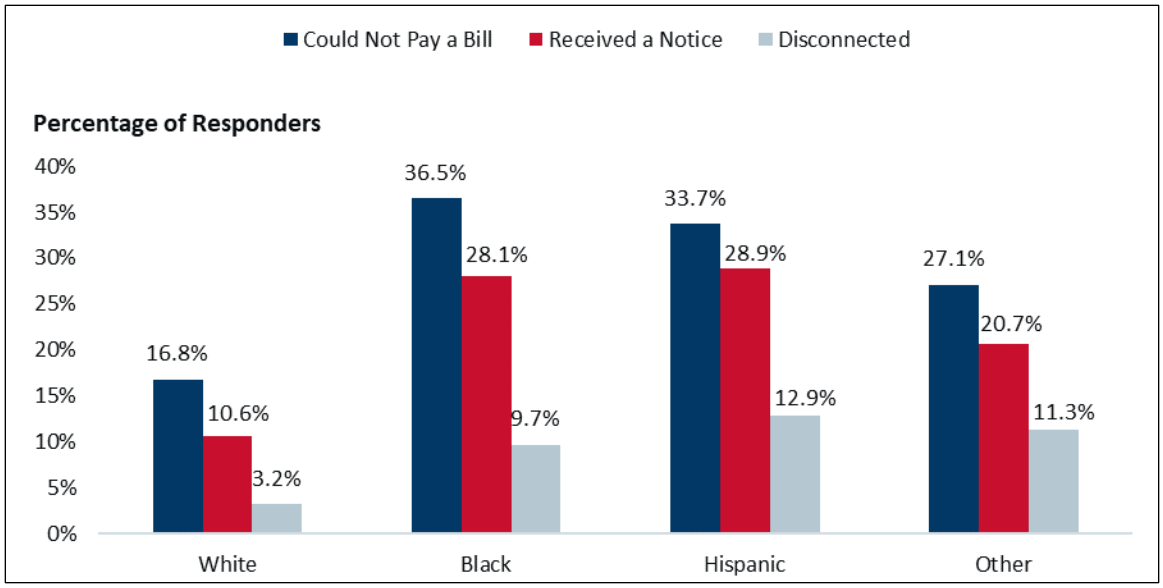
[33] EIA, "In 2020, 27% of U.S. Households Had Difficulty Meeting Their Energy Needs," April 11, 2022, https://www.eia.gov/todayinenergy/detail.php?id=51979.

These trends were consistent throughout the four waves of the survey, indicating a persistent difference in connection rates.

Additionally, **Figure 5** shows how non-White low-income households are more likely to be disconnected, even after accounting for levels of energy insecurity. For example, in Indiana University's study, the percentage of responders who could not pay a bill was 2.2 times higher for Black households compared to White households, and the percentage disconnected was 3.0 times higher.

Figure 5. U.S. Energy Insecurity Among Low-Income Households by Race

May 2020–May 2021



Source: Indiana University's Energy Justice Lab, "Survey of Household Energy Insecurity in Time of COVID: Preliminary Results of Wave-4 and Waves 1 Through 4 Combined" July 5, 2021, https://energyjustice.indiana.edu/doc/wave_4_report.pdf.

Notes: Energy insecurity is defined in this study as inability to pay a bill, receiving a disconnection notice, or being disconnected. Racial groups are as reported by the Energy Justice Lab, and may not match racial or ethnic groupings used in other surveys and analyses. Low-income households are defined in this study as households with incomes at or below 200% of the federal poverty line.

Summary

The available data suggest three main features of disconnections. First, the scale of the issue is not precisely known, as there is not currently a centralized reporting system for utility disconnections for nonpayment. However, millions of Americans are disconnected each year, potentially up to 1% or so of households. Even more households experience other forms of energy insecurity. Second, low-income households are at a higher risk for disconnections. Third, Black and Hispanic households are disconnected from their utilities at a higher rate than non-Hispanic White households, even after accounting for levels of energy insecurity. Data indicate that this discrepancy predates the pandemic and persisted throughout the pandemic.

Federal Assistance

Several federal programs provide financial assistance to cover some portion of electricity bills for some individuals. Such programs aim to prevent disconnections by providing funds that can be used to pay electricity bills.

The main federal program providing financial assistance for utility bills is the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP was established in 1981 and is funded through annual and supplemental appropriations. Through the program, the federal government makes annual grants to states, tribes, and territories to administer energy assistance programs for low-income individuals. LIHEAP does not target electricity bills specifically; program administrators have discretion in how to use funds. Historically, LIHEAP funds have been used for heating expenses more than cooling expenses. Additional information about LIHEAP is available in CRS Report RL31865, *LIHEAP: Program and Funding*, by Libby Perl.

Congress established additional assistance programs in response to the COVID-19 pandemic. Specifically, the Consolidated Appropriations Act, 2021 (P.L. 116-260) established the Emergency Rental Assistance program (ERA) to provide funds to states, localities, and tribes to provide rental assistance, housing stability services, and energy assistance (including paying utility arrearages). The American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) provided a second round of ERA funding. ARPA also established the Homeowner Assistance Fund (HAF) to support homeowners with housing costs, including utility expenses. Additional information about these programs is available in CRS Report R46688, *Pandemic Relief: The Emergency Rental Assistance Program*, by Grant A. Driessen, Maggie McCarty, and Libby Perl, and CRS Report R46830, *The Homeowner Assistance Fund in the American Rescue Plan Act: In Brief*, by Katie Jones.

The Weatherization Assistance Program (WAP) was established in 1976. Under the program, the federal government provides grants to states, the District of Columbia, and U.S. territories to administer weatherization programs for low-income households.[34] Weatherization improvements (e.g., adding insulation) can reduce energy expenses by improving a home's energy efficiency. WAP does not target electricity use specifically. For example, some WAP funds may be used for water heaters and space heating equipment that do not necessarily use electricity. Additional information about WAP is available in CRS Report R46418, *The Weatherization Assistance Program Formula*, by Corrie E. Clark and Lynn J. Cunningham.

Other federal programs and policies provide indirect financial assistance by subsidizing energy efficiency upgrades or solar installations that serve to lower electricity bills. Some of these policies target low-income households which, as noted above, have higher energy burdens on average than other households. Other subsidy programs, such as federal tax credits, are available more broadly. The extent to which these policies could prevent disconnections depends in part upon the extent to which individuals having trouble paying their bills can access them. Given the time it takes to implement efficiency and related measures, these programs may be best suited to addressing long-term affordability challenges as opposed to short-term challenges or existing arrearages.

P.L. 117-169, commonly known as the Inflation Reduction Act of 2022 (IRA), established the Home Owner Managing Energy Savings (HOMES) rebate program to provide rebates for residential energy efficiency improvements. Low-income households qualify for larger rebates,

[34] Additional information about the Weatherization Assistance Program is available at https://www.energy.gov/eere/wap/about-weatherization-assistance-program.

up to a few thousand dollars in most cases for single-family homes. The rebate program is to be administered by state energy offices. IRA also established the High-Efficiency Electric Home Rebate Program for states and tribes to provide rebates for certain efficiency upgrades or appliances. Some eligible recipients could potentially replace appliances that use greater amounts of electricity, thereby lowering bills. For example, the program covers heat pumps, which could be used to replace air conditioners. Low-income individuals qualify for larger rebates under this program as well. Any specific improvement cannot qualify for both the high-efficiency electric home rebate and the HOMES rebate. Additional information about these programs is available in CRS In Focus IF12258, *The Inflation Reduction Act: Financial Incentives for Residential Energy Efficiency and Electrification Projects*, by Martin C. Offutt.

Federal tax credits are available for certain home improvements that could reduce energy use, including energy-efficient windows, heat pumps, and solar panels. In general, the value of the tax credits is 30% of the cost of the improvement.[35] Individuals with low or no tax liability may not be able to benefit from this policy.

Legislative Proposals in the 116th and 117th Congresses

CRS conducted a search of bills on congress.gov addressing utility disconnections introduced in the 116th and 117th Congresses. The search terms used were "utility disconnection," "utility shutoff," "electricity," "service disconnected," "termination service," "disconnect service," and "loss energy service." Search terms were searched alone or in combination with each other, and words within terms were searched in proximity to each other.

In the 116th Congress, congressional debate focused on ways to address the pandemic. Three proposals related to disconnections were included in various pandemic relief bills:

- would have prohibited actions related to debt collection, including disconnections;
- would have provided financial assistance for housing costs, including utility bills; and
- would have made pandemic relief funding contingent upon taking action to prohibit disconnections, where relevant.[36]

A fourth proposal (in S. 4519) would have authorized $10 billion for grants to states to provide low-income households assistance with energy bills, including arrearages and reconnection fees that occurred during the COVID-19 emergency. None of these four proposals were enacted during the 116th Congress.

Disconnection-related proposals in the 117th Congress generally were less centered on pandemic relief, although utility expenses were included as eligible expenses in the authorizations for the Homeowners Assistance Fund and the Emergency Rental Assistance program, both of which were enacted in 2021. Other proposals in the 117th Congress generally focused on providing

[35] Additional details of the energy efficient home improvement tax credit and the residential clean energy credit are available in CRS Report R47202, *Tax Provisions in the Inflation Reduction Act of 2022 (H.R. 5376)*, coordinated by Molly F. Sherlock.

[36] See, for example, Sec. 110402, Sec. 110202, and Sec. 190701 of H.R. 6800, The Heroes Act, as engrossed in the House. These provisions were contained in several standalone bills as well.

funding to customers to cover arrearages, providing funding to utilities to cover arrearages, and establishing universal bans on disconnections (see **Table 3**).

Table 3. Legislative Proposals Addressing Disconnections in the 117th Congress

In chronological order of introduction

Short Title (if applicable)	Bill Number	Disconnection-Related Provision
Energy Debt Relief for American Families Act	H.R. 551	Would have authorized $10 billion in supplemental LIHEAP funding to cover arrearages accrued during the COVID-19 emergency.
American Rescue Plan Act of 2021	H.R. 1319 / P.L. 117-2	Established Homeowner Assistance Fund, and allows utility payment assistance as an eligible expense. Established Emergency Rental Assistance fund and allows utility payment assistance, including arrears, as an eligible expense.
Coronavirus Homeowner Assistance Act of 2021	H.R. 1710	Would have established a Homeowner Assistance Fund and allow utility payment assistance as permissible use of funds.
n/a	H.Res. 457	Would have resolved that electricity is a basic human right, and calls for a universal ban on disconnections.
Maintaining Access to Essential Services Act of 2021	H.R. 4979 / S. 1783	Would have authorized a forgivable loan program ($5 billion for publicly owned electric and $8 billion for investor-owned electric, natural gas, and propane utilities) for utilities to cover arrearages during the COVID-19 public health emergency and the two years following its end. Utilities would have had to pay back loans if they disconnect customers.
n/a	H.Res. 1364	Would have resolved that electricity is a basic human right and should not be denied based on ability to pay. Called for a ban on disconnections. Called for a federal database of disconnection data, including length of disconnections, amount of arrearages, demographics, and income levels.
Heating and Cooling Relief Act	H.R. 6437 / S. 3535	Would have amended LIHEAP, including to require that households receiving funds cannot be charged late fees or disconnected for a period of time after receiving assistance. Would also have allowed LIHEAP funding to cover arrearages.
Preventing Unnecessary Deaths During Life-Threatening Events Act	H.R. 9300	Would have amended PURPA to encourage utility regulators to consider disconnection prohibitions during extreme heat or cold weather events.
Consolidated Appropriations Act, 2023	H.R. 2617 / P.L. 117-328	Accompanying explanatory statement directs U.S. Energy Information Administration to collect monthly data on disconnections.

Source: CRS analysis of bills in congress.gov.

Notes: LIHEAP = Low Income Home Energy Assistance Program; PURPA = Public Utility Regulatory Policies Act of 1978 (P.L. 95-617).

Policy Considerations

Utility disconnections, and policies to address them, raise policy issues that may be of interest to Congress.

Cost Distribution

Nonpayment creates a cost for utilities, so policies to address nonpayment, arrearages, and disconnections may consider how these costs are distributed. In general, utility costs are fully recovered through rates. In other words, utility costs are ultimately borne by consumers. This general principle applies to any utility cost, including arrearages.

One option is to negotiate payment plans between utilities and customers, so that arrearages can be paid off over time while maintaining electricity service. This approach does not relieve a customer from their debt burden, but gives them additional time to pay it off and avoids disconnection. This approach aligns with the cost causation principle of utility ratemaking, in that the customers in arrears would be the ones responsible for paying back the utility. This approach does not address factors that contribute to high energy burdens and lack of electricity affordability in the first place, creating the risk that the same customers would fall behind on bill payments at a later date.

Another option is for utilities to forgive bills for customers in arrears. Arrearage costs could then be distributed to the utility, in the form of debt. As noted by one group, the options for distributing the costs of arrearages to different groups "will involve balancing the need for customer bill relief with saddling utilities, in particular rural cooperatives and small energy and water utilities, with additional debt."[37] Alternatively, arrearage costs could be distributed to other customers in the form of higher rates. Utility regulators might need to consider how separate factors (e.g., increased interest rates, increased electricity prices)[38] are putting financial pressure on utilities and consumers, and whether additional cost increases to cover arrearages would pose affordability or other challenges to a wider set of electricity customers.

Another option is to shift arrearage costs to federal taxpayers by, for example, providing grants to utilities for that purpose. This approach could relieve financial hardship caused (in part) by the pandemic, but would need to be balanced by consideration of other areas within the federal budget. This approach has been supported by the National Association of State Utility Consumer Advocates (NASUCA):

> Ultimately, to minimize the potential rate increases that retail consumers may face in the future and to also help maintain financial stability for utilities, Congress should consider providing direct funding to utilities with the instruction that the funding can be accessed and used only to reduce consumer arrearages through credits directly to consumer bills.[39]

[37] National Governors Association (NGA), *Memorandum on State Utility Disconnection Moratoriums and Utility Affordability*, undated, p. 2. The NGA memorandum covered energy, water, and telecommunications utilities, while this report covers electric utilities only.

[38] For discussion of some factors behind increasing electricity rates, see EIA, "During 2021, U.S. Retail Electricity Prices Rose at Fastest Rate Since 2008," March 1, 2022, and EIA, "Winter Fuels Outlook, October 2022," October 12, 2022.

[39] Letter from National Association of State Utility Consumer Advocates to The Honorable Nancy Pelosi, Speaker; The Honorable Kevin McCarthy, Minority Leader; The Honorable Mitch McConnell, Majority Leader; and The Honorable Charles Schumer, Minority Leader, May 22, 2020, https://nasuca.org/wp-content/uploads/2020/05/NASUCA-Letter-to-Congress-on-COVID-19-5-22-20.pdf.

Grants to utilities would be different than existing programs such as LIHEAP that provide financial assistance to customers. Some customers that qualify for LIHEAP assistance are not aware that they qualify, or they may face hurdles to seeking assistance, so they do not access LIHEAP funds. Grants to utilities could support these customers while potentially avoiding some barriers to access.

Establishing a new grant program for this purpose would raise administrative questions. Should grants go directly to utilities, or should they go to state agencies (e.g., state energy offices) to be provided to utilities? What oversight mechanisms would be required to ensure grants go to reducing arrearages and not other purposes? Should oversight be conducted by state and local utility regulators or by a federal agency? Should different types of utilities (e.g., investor-owned, municipal, co-operative) be treated the same or differently under such a grant program? Should all arrearages be covered (or just a subset), and how should that decision be made?

Equity

As described above, some racial and ethnic groups experience disconnections at a higher rate than others, even when accounting for levels of energy insecurity. Congress might consider whether any action aimed at reducing disconnections sufficiently and appropriately addresses this. At the same time, some analysis suggests that existing efforts to reduce disconnections does not reach a similar percentage of Black and Hispanic households as White households (**Figure 5**). Any of the potential policy options described in this report could include provisions addressing the factors that lead to this difference. One challenge is that those factors are not well understood.

Federalism

Under current law, state or local regulators have the authority to decide how to address disconnections and arrearages. This approach allows regulators to adapt their approaches to local conditions, such as average electricity usage, housing stock efficiency, and economic conditions. At the same time, the status quo may lead to different outcomes for individuals across the country. One group in favor of the status quo is the National Association of Regulatory Utility Commissioners (NARUC). For example, NARUC wrote to congressional leaders

> We believe that a federal "one-size-fits-all" approach will severely restrict or eliminate the ability of state commissions and utilities to work with customers on acceptable payment plans. In effect, any proposals that dictate how and whether utilities contact and work with customers to make payment arrangements will complicate state efforts to help guide customers through [the COVID-19 pandemic] and its aftermath into the future.[40]

Some groups may favor a more uniform national approach, motivated in part by the key role that electricity plays in society, the economy, and public health. For example, H.Res. 1364 in the 117th Congress described electricity and other utility services as a basic human right, required to survive and live a life with dignity. This resolution called for a full ban on utility disconnections.

Climate Change and Adaptation

Policies aimed at addressing utility disconnections may consider how climate change could increase overall electricity demand. Temperature is a key driver of electricity bills. In general,

[40] Letter from National Association of Regulatory Utility Commissioners to The Honorable Mitch McConnell, Majority Leader; The Honorable Charles E. Schumer, Minority Leader; The Honorable Nancy Pelosi, Speaker; and The Honorable Kevin McCarthy, Minority Leader, April 20, 2020.

electricity bills are highest in the summer months when air conditioning demand is highest. Relatively few states prohibit disconnections during hot times of the year (**Figure 3**), so people having trouble paying their bills may be more at risk of losing their electricity when they need it most.

According to the Fourth National Climate Assessment (NCA4), extreme temperatures are projected to increase even more than average temperatures in the contiguous United States.[41] One study of disconnections in California estimated that each additional day with a maximum temperature of at least 95°F increases the relative risk of disconnection by 1.2%.[42]

Warmer nighttime temperatures are potentially more challenging from a bill affordability perspective, because they extend the hours when electricity is needed for cooling. Instead of turning off air conditioners at night, people are more likely to run their air conditioners overnight if nighttime temperatures are high. Additionally, climate change is making extreme heat waves more common, including in regions of the country like the Pacific Northwest that historically had mild summers.

Additionally, extreme weather is becoming more common and intense in the United States. Extreme weather events like hurricanes or wildfires can damage electricity infrastructure. Repairing this infrastructure—or hardening it so that it can better withstand extreme weather events—is another utility expense that is often borne by customers. To the extent that responding to weather events increases electricity rates, affordability challenges could increase in the future.

Pandemic Recovery

Research indicates that while disconnections have been a persistent occurrence, they have increased somewhat since 2021. The year 2022 coincided with an end of disconnection moratoria and a phasedown of federal financial stimulus, both of which had been instituted in 2020 in response to the pandemic. The economy continues to be affected by pandemic-related trends (e.g., supply chain disruptions, increased telework), and these trends could potentially affect the rate of utility disconnection. It is currently unclear how long pandemic effects will continue or what additional federal pandemic response (if any) may be taken. Options to address utility disconnections might consider the role that the COVID-19 pandemic has played to date and might play in the future. Additionally, any future congressional action related to the pandemic might consider its impact on disconnections.

Increasing Energy Prices

Pandemic disruptions, the war in Ukraine, and other factors have led to an increase in energy prices, including electricity prices, since 2020.[43] Electricity prices may remain elevated compared to pre-pandemic levels for some time, because the cost of key inputs such as natural gas are expected to remain above pre-pandemic levels through at least the end of 2024.[44] Higher

[41] See p. 185 of Vose, R.S., D.R. Easterling, K.E. Kunkel, A.N. LeGrande, and M.F. Wehner, "2017: Temperature Changes in the United States," in *Climate Science Special Report: Fourth National Climate Assessment, Volume I* [Wuebbles, D.J., D.W. Fahey, K.A. Hibbard, D.J. Dokken, B.C. Stewart, and T.K. Maycock (eds.)]. U.S. Global Change Research Program, Washington, DC, pp. 185-206.

[42] Alan Barreca, R. Jisung Park, and Paul Stainier, "High Temperatures and Electricity Disconnections for Low-Income Homes in California," *Nature Energy*, vol. 7, October 20, 2022, pp. 1052-1064.

[43] EIA, "During 2021, U.S. Retail Electricity Prices Rose at Fastest Rate Since 2008," March 1, 2022.

[44] EIA, *Short-Term Energy Outlook*, January 10, 2023.

electricity prices could lead to more disconnections if they increase affordability issues. On the other hand, higher prices can also encourage energy-saving measures which might lower overall bill expenses. Options to address utility disconnections might consider how overall energy price increases affect affordability. Congress could also choose to evaluate energy price forecasts to determine whether or how affordability and disconnections could become growing concerns.

The 117th Congress enacted P.L. 117-169, commonly known as the Inflation Reduction Act of 2022 (IRA). Among other goals, IRA aims to promote energy efficiency, electrification, and renewable energy, all of which potentially could limit the extent to which higher energy prices increase bills.[45] For example, IRA contains provisions discussed above aimed at improving energy efficiency, especially in low-income households. When households improve their efficiency, they can lower their electricity usage (all else being equal), which can lead to lower bills. IRA implementation outcomes are currently uncertain, so the extent to which IRA provisions might reduce energy burden or disconnections in the future is unknown.

Options for Congress

Under current laws and regulations, state and local utility regulators oversee utility disconnection practices and most issues related to electricity affordability. Some states have strengthened their reporting requirements related to disconnections since the pandemic, creating an opportunity for challenges and best practices to be identified. Utilities and their regulators have existing channels for sharing such information, including national organizations like NARUC, NEADA, and utility trade associations. These entities could continue supporting state policymaking to address disconnections without additional congressional action.

Congress could also consider oversight activity to investigate current utility disconnection practices or highlight successful policies to address disconnection. The House Energy and Commerce Committee undertook some oversight actions in the 117th Congress, asking selected utilities for information related to their disconnections.[46]

Utilities and their regulators tend to voice support for federal financial assistance programs such as LIHEAP. Congress could consider appropriate funding levels for LIHEAP and whether funding levels should be changed in response to the pandemic, increasing energy prices, recently enacted legislation, or other factors. As summarized in **Table 3**, a number of bills introduced in the 117th Congress would have increased LIHEAP funding or amend it to cover arrearages or limit disconnections. Congress could also consider whether LIHEAP is currently structured appropriately to address policy issues identified above, such as equity and climate change.

Congress could also consider options to prohibit disconnections, either entirely or in certain circumstances. One option is a nationwide prohibition covering all customers, as proposed in H.Res. 1364 (117th Congress). Another option is a nationwide prohibition covering a subset of customers (e.g., households receiving other forms of federal financial assistance). Any nationwide prohibition on disconnection might need to consider implications for policy issues discussed above, such as who would pay for associated costs to utilities. A third option is for Congress to encourage states to limit disconnections. Historically, Congress has encouraged state and local

[45] Energy efficiency, electrification, and renewable energy provisions of P.L. 117-169 are summarized in CRS Report R47262, *Inflation Reduction Act of 2022 (IRA): Provisions Related to Climate Change*, coordinated by Jane A. Leggett and Jonathan L. Ramseur, and CRS In Focus IF12258, *The Inflation Reduction Act: Financial Incentives for Residential Energy Efficiency and Electrification Projects*, by Martin C. Offutt.

[46] House Committee on Energy and Commerce, "E&C Leaders Demand Answers from Utility Companies on Alarmingly High Shutoff Rates During COVID-19 Pandemic," press release, March 21, 2022.

regulators to adopt certain utility policies through PURPA and amendments thereto. H.R. 9300 (117th Congress) would have amended PURPA to encourage utilities to consider disconnection prohibitions during extreme hot or cold weather events.

Compared to other aspects of electricity, data on utility disconnections are sparse. This creates knowledge gaps that complicate policymaking in this area. It also results in a lack of transparency into utility disconnection procedures, creating uncertainty in certain areas such as racial and ethnic differences in disconnections. In the Consolidated Appropriations Act, 2023 (P.L. 117-328), Congress provided $3 million to EIA to begin collecting monthly data on utility disconnections.[47] Congress could monitor EIA's implementation of this recommendation and evaluate the need for any modifications to its data collection practices.

While additional federal data collection could improve Congress's understanding of disconnections, it might also create reporting burdens on utilities who may not currently track disconnection information in a way that can be readily reported to EIA. As is common with electricity data, different utility processes and internal practices might lead to discrepancies in how disconnection data are reported at a national level. Even if a national reporting requirement were established, industry participants might need several years to develop procedures that would result in comprehensive national datasets.

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Disclaimer

[47] The explanatory statement accompanying the Consolidated Appropriations Act, 2023 (P.L. 117-328) recommends EIA "conduct a monthly survey of electric and heating service providers of final termination notices sent due to bill non-payment, service disconnections due to bill non-payment, and Service reconnections of customers disconnected for bill non-payment, in a form and manner determined by the agency." *Congressional Record*, December 20, 2022, p. S8363, https://www.congress.gov/117/crec/2022/12/20/168/198/CREC-2022-12-20-pt1-PgS7819-2.pdf.