

## **Statement of the George Wiley Center in Dockets #4770 and #4780**

On behalf of the George Wiley Center, the Rhode Island Center for Justice respectfully submits the following statement regarding the Application for Approval of a Change in Electric and Gas Base Distribution Rates filed by National Grid (“the Company”) on November 27, 2017 in Docket #4770 and the Proposed Power Sector Transformation (PST) Vision and Implementation Plan filed November 28, 2017. The George Wiley Center remains grateful for the opportunity to participate in this critically important proceeding and offers the following comments regarding rate design for low-income utility consumers.

### **Introduction**

The purpose of this statement is to: (1) describe the ongoing crisis of involuntary loss of service due to inability to pay which affects low-income utility consumers in Rhode Island; (2) highlight the need for affordable and sustainable bills for low-income consumers in light of energy burden and the role of percentage of income payment plans in achieving this end; (3) support the proposed plan to increase the A-60 low income total bill discount to 25% with an additional discount “adder” of 5% for customers entering the program through certain prescribed programs that indicate a greater financial need, and (4) support the inclusion of three scorecard metrics that are relevant to low-income consumers in the Performance-Based Incentives as part of the Power Sector Transformation.

### **I. The George Wiley Center has been a leading voice for low-income utility consumers for over three decades.**

For thirty-one (31) years, The George Wiley Center has been a grassroots agency that organizes members of the low-income community to advocate for systematic changes aimed at alleviating problems associated with poverty. Since our inception in 1981, the George Wiley Center has been the leading grassroots organization focused on Utility Justice in Rhode Island. Dedicated to organizing around utility access for over thirty (30) years, the George Wiley Center

has had a vigilant presence in Rhode Island and has been a leader organization nationwide. George Wiley Center staff have also played an important role in supporting others interested in Utility Justice organizing, offering coaching, strategy, and alliance with grassroots groups around the country. The George Wiley Center has worked directly with, and on behalf of, tens of thousands of low-income utility consumers across the State and borne direct witness to the acute suffering and extreme harms associated with termination of residential utility service.

The work of the George Wiley Center is based on the belief that each person in our community is endowed with innate dignity and worth. Each deserves a decent home, adequate clothing and nutritious food, the essential resources for intellectual and emotional development and participation in civic engagement. These goals are achieved through community education and awareness and community organization and development. The George Wiley Center works closely with community members to amplify their voices and has had input from tens of thousands of directly impacted consumers on what they need in order to be able to achieve consistent and sustainable utility bill payment.

## **II. Loss of Utility Service due to Inability to Pay Creates a Humanitarian Crisis for Rhode Island Households.**

Each year, social service agencies across Rhode Island face thousands of requests from families for help preventing the termination of their utility service. Unaffordable utility bills are especially prevalent among low-income consumers as these struggling households simply do not have the financial resources to make ends meet. Even one unanticipated expense for a family, such as a major car repair, medical emergency, or need to relocate, can be financially disastrous. Following the 2008 recession, the number of Rhode Island households seeking help to keep their electric and gas services connected increased dramatically, adding tremendous strain on a system already unable to keep up with need.

Further exacerbating conditions in Rhode Island is that fact that utility costs are significantly higher for those who live in older, poorly weatherized houses and apartments, which make up a substantial portion of the Rhode Island housing stock available to low-income

consumers. Misaligned incentives for investment in energy efficiency cause tenants living in substandard rental units to be especially vulnerable to high energy bills. Without essential utility services individuals' and families' problems can spiral out of control. Loss of utility service can lead to disastrous consequences, including eviction, homelessness, absence from school, loss of employment, and family separation. People without utility service face a heightened risk of illness and death, from hypothermia, carbon monoxide poisoning, and house fires caused by reliance on unsafe alternatives such as candles for light and wood burning stoves or other combustion hazards for heat. Those with pre-existing, serious medical conditions are among the most at risk. Devices requiring electricity such as refrigerators to preserve doctor-prescribed medication, or nebulizers, are eliminated when utility services are terminated. The loss of electric service thus can lead to expensive in-patient hospitalization due to lack of access to refrigerated storage for life-sustaining medication.

Low-income individuals and families are often met with impossible choices: pay the utility bill or the rent, seek potentially costly medical treatment or purchase food, etc. A broad body of research demonstrates the interconnection between energy burden with measures of well-being. Increased energy burden—i.e., greater unaffordability—corresponds with greater suffering as measured in terms of food insecurity, deteriorated health outcomes, and loss of economic opportunity.

The George Wiley Center has worked with thousands of households facing the loss of their utility services. The picture that emerges is both consistent and grim: even at current rates, many thousands of Rhode Islanders simply do not have secure access to utility service due to the cost burden. Many of these consumers are disabled or elderly, living on fixed incomes already inadequate to pay for housing, utilities, and basic needs. Others are working families with young children facing the increasing costs associated with childcare. The downstream negative impacts of loss of utility service are as well-documented as they are devastating: loss of housing, negative health outcomes, economic instability and unemployment, and family separation. Each of these outcomes carries at a tremendous cost to the individuals or families experiencing them and the State.

**III. A percentage of income payment plan would effectively promote consistent and sustainable bill payment while decreasing the incidence of service termination.**

As detailed in the Direct Testimony of Roger Colton on behalf of the Division of Public Utilities and Carriers dated April 6, 2018, current measures aimed at reducing energy burden and increasing consistent bill payment have failed. As further demonstrated by the thousands of terminations of residential service occurring each year, current utility rates are unaffordable for low-income consumers. Decreasing LIHEAP payments, dwindling charitable funds, continuing economic struggles, and the realities of poverty in Rhode Island all contribute to the crisis of termination. It is manifestly clear that a different approach is needed if the tide of terminations is to be turned and progress achieved toward the goal of a “sustainably payable bill” referenced in the April 6, 2018 testimony of Roger Colton.

The experience of the George Wiley Center, the voices of the communities we serve, and Rhode Island’s own history all strongly argue that the most effective and efficient method for achieving these ends is the implementation of income-sensitive rates for low-income residential consumers, tying their utility bills to a percentage of their income. Such programs have been successful in almost a dozen states, ranging from Ohio to New Jersey to Colorado and several more. By linking utility bills to a percentage of income, we can ensure that consumers will not be energy burdened. Such plans have been shown to increase consistent payment by consumers and better reward utility companies with consistency of payment and reduction of the costly termination and reconnection process. They have also proven easy to administer for the agencies charged with their oversight. Countless government programs, including LIHEAP, already capture significant amounts of data about consumer income, including comprehensive checks. Connecting a percentage of income payment plan to already existing government operated or sponsored programs which verify income for participation would allow for efficient administration.

Too many Rhode Islanders are unable to afford utility bills that fail to consider their income. The cost of the current termination crisis in human, health, and economic terms, is borne not only by the consumer faced with loss of service but also by the State as a whole. These two basic facts mandate that we design a payment system that will fairly compensate National Grid

while allowing low-income consumers to continue to access utility service. Income-sensitive payment plans achieve the various goals that have been articulated for low-income customers. Once implemented, these plans are easily adjusted to account for inefficiencies, unexpected outcomes, and misaligned incentives, as demonstrated by Ohio's recent reworking of its program.

**IV. The proposed 25% discount with 5% adder is an important step in the right direction.**

The George Wiley Center acknowledges the findings set forth in Roger Colton's Direct Testimony on behalf of the Division of Public Utilities and Carriers dated April 6, 2018. The George Wiley Center agrees with the conclusion that the creation of a low-income total bill discount of 25% with an additional discount "adder" of 5% for customers entering the program through certain prescribed programs that indicate a greater financial need will benefit low-income utility consumers. The low-income discount of 25% with a 5% adder for the most low-income consumers will result in an overall decrease in monthly bill totals for low-income consumers as compared to the status quo, thus advancing the goal of sustainably payable bills for low-income consumers.

**V. The George Wiley Center Supports the Inclusion of Three Scorecard Metrics Relevant to Low-income Consumers in the Performance-Based Incentives Program of the Power Sector Transformation.**

The Scorecard Metrics included in the Performance-Based Incentives are important tools that will establish data collection systems to inform areas for future performance incentives. Scorecard Metrics iii, iv, and v require data collection relating to the utilization of electric vehicle chargers in low-income neighborhoods, enrollment in the Arrearage Management Payment Plan (AMP), and enrollment in the low-income discount agreed to as part of the settlement respectively.

These data tools will be critically important to inform the process of meaningful efforts to support and expand electric vehicle adoption by low-income consumers, reduce uncollectible debt by encouraging AMP enrollment in lieu of termination of service, and support the global goal of a sustainably payable bill for low-income consumers by expanding enrollment in the low-income

discount. If what gets measured gets focused on, then these Scorecard Metrics are important steps toward a process through which the Company, the Division and advocates for low-income consumers can work together to set future performance goals, with real consequences, that will expand electric vehicle access to low-income consumers, reduce bad debt, and ensure that all consumers eligible for the low-income consumer are being enrolled, resulting in expanded continuity of utility service.

## Conclusion

Based on the George Wiley Center's decades of experience working with low-income utility consumers, it presents the following conclusions: (1) involuntary termination of residential utility service for inability to pay inflicts tremendous, disproportionate, and lasting hardship on low-income households; (2) the goals of reducing the incidence of involuntary termination of residential utility service due to inability to pay, and increasing consistent and sustainable bill payment by low-income consumers, are best met through income-sensitive rate design, such as a percentage of income payment plan; and **(3) the proposed plan to create a low-income total bill discount of 25% with an additional discount "adder" of 5% for customers entering the program through certain prescribed programs that indicate a greater financial need will benefit low-income utility consumers and result in an overall decrease in monthly bill totals for low-income consumers as compared to the status quo.** The George Wiley Center, therefore, offers its support of the proposed discount and the scorecard metrics relevant to low-income consumers as part of the comprehensive settlement of Dockets 4770 and 4780.

Respectfully submitted on behalf of the George Wiley Center,



Jennifer L. Wood,  
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