Testimony In Opposition of H.B. 5441, AN ACT CONCERNING UTILITY SHUTOFFS FOR CERTAIN CUSTOMERS.

I would like to thank Distinguished Co-Chairs Senator Needleman and Representative Steinberg, Vice Chairs, Ranking Members, and Members of the Energy and Technology Committee for the opportunity to submit testimony in opposition of H.B. 5441, An Act Concerning Utility Shutoffs For Certain Customers. My name is Hannah James, and I am a Master of Public Health Candidate at the Yale School of Public Health. I am also a resident of New Haven.

Utility disconnection is the “crisis point” of energy insecurity and is unethical—that is why many states, including Connecticut, enacted mandatory utility disconnection moratoriums during COVID-19 to protect the safety and health of families facing financial hardship. It is why many states have laws preventing utilities from shutting off services because of unpaid bills during the winter, though differing criteria for eligibility including income and temperature, and burdens of proof.1

Though shutoff protections are vital to protecting the public’s health and safety, there are major loopholes in Connecticut’s protections given the specific criteria for eligibility. For example, during Connecticut’s Winter Moratorium from November 1, 2021 to May 1, 2023, while customers were entitled to have gas heat (CGS 262c(b)(1)) and electric service (CGS (16-262c(b)(1))) between 11/1 and 5/1 even if they owed the utility money, once the moratorium ended, gas companies could refuse to reinstate services during the warmer months between 5/2 and 10/31 if the household had (a) been able to keep their service during the winter period because customers obtained “hardship” protection or (b) not issued payment since 5/1, which includes either minimum payment under the payment arrangement or 20% owed to the gas company at the point of their shut off date, except in the case of a life-threatening situation.2 While this moratorium did provide some relief and was a critical effort by Connecticut’s Public Utility Regulatory Authority (PURA) to prevent Eversource and Avangrid from using the threat of utility shutoff to coerce bill payment, PURA and advocacy groups identified major concerns for when the moratorium was set to expire, including insufficient communications to customers about their option to avoid a shutoff, how to enter a payment plan, or how to file paperwork to receive a “hardship” designation.3

Currently, all customers who have life-threatening medical conditions or who are “seriously ill” are protected absolutely from utility shutoffs, whether or not they have the means to pay their utility bills, provided their conditions are certified by a medical professional. However, H.B. 5441 proposes to amend the existing statute’s eligibility requirements from “the customers lacks the financial resources to pay for his or her entire account” to “the customer is a hardship case and lacks the financial resources to pay his or her entire account” and remove from the definition of who is a hardship case persons who are seriously ill or who has a household member who is. In effect, this bill would reduce shutoff protections for medically protected customers as they are no longer to be considered “hardship” customers, according to the definition of “hardship” which eliminates subsection (iv) below:

“(i) A customer receiving local, state or federal public assistance; (ii) a customer whose sole source of financial support is Social Security, United States Department of Veterans Affairs or unemployment compensation benefits; (iii) a customer who is head of the household and is unemployed, and the household income is less than three hundred per cent of the poverty level determined by the federal government; (iv) a customer who is seriously ill or who has a household member who is seriously ill; (v) a customer whose income falls below one hundred twenty-five per cent of the poverty level determined by the federal government; and (vi) a customer whose circumstances threaten a deprivation of food and
The testimony submitted by Eversource states that “approximately 7,000 Eversource customers who do not have a financial hardship but are medically protected have unpaid bills amounting to $60 million in bad debt costs” and that H.B. 5441 will “protect all customers from avoidable costs of unpaid bills by customers who can pay but aren’t.” This is a false conclusion. The presumption medically protected customers “can pay but aren’t” needs to be investigated. There is overwhelming evidence that those with medical needs often struggle to pay medical bills, even if they have insurance, due to rising deductibles, out-of-network charges, and the fact many people have modest assets to cover medical expenses. Many with high medical expenses report cutting spending on food, basic household needs, and other household bills like utility bills, mortgages, and student loans as a result of healthcare costs and debts.

There are many reasons the medical protection designation is key to protecting vulnerable community members and should remain a separate classification for utility shutoff protections. Many who are medically protected may not have even applied for “hardship” status due to:

- **Not being aware** they qualify for the “hardship” classification and need to separately apply to receive utility shut off protection, which is reflective of the lack of customer education and outreach by utility companies

- **High barrier to application**, as the “hardship” classification application requires customers to apply every year in the fall and provide substantial documentation to their respective regional Community Action Agency, which will then work with the Department of Social Services (DSS) to administer the Connecticut Energy Assistance Program (CEAP). DSS will then pay allotted benefits directly to the utility company or fuel supplier. Required documents include: (i) copies of heating bills, electric bills or copies of your rental lease showing your utilities are included in rent, (ii) proof of income (for those who are employed, copies of paystubs that show income from 4 consecutive weeks anytime in the last 3 months or a signed letter from payroll department/ employer stating your income in this time period) or SNAP and cash assistance documentation (3) other forms including for non-receipt of child support payments or certifications of disabilities. Note: Many news articles and studies report experiences of those who have applied for assistance through electric utilities and the government including the “cumbersome process,” “slow follow-up,” and “intrusive questions about personal circumstances.”

The prospect that customers who have life-threatening medical conditions or who are “seriously ill” might be worried about utility shutoffs due to back payments when the cost of medical care is so high is disturbing. As it stands, the statute does not even consider those with “non-life-threatening medical conditions,” those who do not meet the definition of “seriously ill,” or those who do not have access to medical professional to provide certification of their condition. Moreover, those who outside of the “hardship” classification such as undocumented immigrants, do not qualify for any protections at all. The current statute already sets a high threshold for shutoff protections and should not be further raised as H.B. 5441 proposes to do.

Instead, the issue of debt payments to utility companies must be addressed through multipronged solutions that do not compromise the health and wellbeing of Connecticut families. The field of energy justice research and practice is burgeoning with evidence-based and equitable solutions to improve affordability, reduce costs, and ensure utilities are paid for services provided. The Energy Justice Lab based out of Indiana University and University of Pennsylvania published a report titled “Electric Utility Disconnections: Legal Protections & Policy
Recommendations” including that states should adopt broad definitions of medical conditions to better protect vulnerable customers from shutoffs.¹⁰

Energy insecurity is already a serious problem across the county and in Connecticut that should not be made worse by permitted utility shutoffs. Energy insecurity disproportionately affects marginalized community members including those with low-income, communities of color, older adults, persons with disabilities, and people living with chronic diseases, many of whom are renters with older and less energy efficient housing stock and appliances,¹¹ as shown in Figure 1 below.¹²,¹³ In 2020, 27% of all U.S. households (34 million households) reported difficulty paying energy bills or reported that they had kept their home at an unsafe temperature because of energy cost concerns, often forgoing food or medicine to pay for energy costs.¹² Further, Figure 1 also highlights the cumulative burdens of economic, housing, and health hardships that can be exacerbated by energy insecurity.

![Figure 1. US households reporting some form of energy insecurity (2020)](source: US Energy Information Administration, Residential Energy Consumption Survey)

Connecticut has some of the highest cost electricity rates in the country, even compared to other states in New England. The average Connecticut household spends 11.8% of its income on energy, but the percentage is six to seven times higher for low-income residents, renters, and homeowners earning below 30% of the state median income.¹⁴ In comparing the energy burden between Connecticut and Massachusetts as shown in Figure 2, households in Connecticut with 0-30% of median income have higher energy burdens (17%) than households in Massachusetts with 0-30% of median income (12%). Households with 30-60% and 60-80% of median income also face higher energy burdens in Connecticut as compared to the households with the same level of median income in Massachusetts. A similar level of difference in energy burden between Connecticut and New York is
demonstrated in Figure 3, where households in Connecticut with 0-30% of median income have higher energy burdens (17%) than households in New York with 0-30% of median income (13%).

A report published in 2022 titled “Energy Justice and Health in a Changing Climate” by Operation Fuel and Vermont Law School, Yale School of Public Health, and the Yale School of the Environment found that many renters and tenants in Connecticut who live in poorly maintained buildings pay higher energy bills despite active efforts to minimize costs, ranging from unplugging appliances to stuffing newspapers under drafty doors. They also face greater health risks, such as exposure to carbon monoxide from running ovens for heat, water leaks, and mold. Climate change is also linked to more extreme weather events both in terms of frequency and intensity. Connecticut is already facing extreme heat with 2023 being reported as CT’s second hottest year on record and extreme cold with Governor Lamont activating the state's severe cold weather protocol in winter 2023/2024. As these trends continue, household energy use will also likely increase, shaping energy costs and availability.

While energy insecurity is often thought of as an economic issue, it is critical to think of the profound implications it has on health. Research demonstrates that energy insecurity is linked to adverse outcomes in mental health, respiratory health, thermal stress, and sleep quality. Children experiencing household energy insecurity have increased odds of household and food insecurity, and of reported poor health, hospitalizations, and developmental risks. Furthermore, the use of alternative heating methods such as space heaters, ovens, and stoves, are linked to harmful environmental exposures such as methane, indoor air pollutants, and injuries and fatalities associated with house fires. Injuries, including hypothermia, heat stress, and heat-related illnesses and fatalities are associated with dangerous extreme temperatures in the home, demonstrating the links between energy insecurity and increased hospital and emergency department visits.
Energy insecurity is a serious issue in Connecticut—utility shutoffs for any reason would only exacerbate existing inequities especially in areas with excessive energy burdens as shown in red Figure 4. Harford, Bridgeport, Waterbury, and New Haven, have energy burdens consistently more than double the 6% affordability threshold and annual affordability gaps that exceed $2,000. With 1 in 6 American families behind on utility bills in 2022, which includes more than 20 million families, the need is dire to consider other mechanisms to make energy more affordable and reduce debts to utility companies that do not put families at risk of harming their health and safety.

Figure 4. Building energy burden by census tract
(Source: Operation Fuel Report, Mapping Household Cost Burdens (May 2023))

Thank you for the opportunity to testify in opposition of H.B. 5441. Please feel free to contact me for further information or additional research.

Sincerely,

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References


