



## CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP) FREQUENTLY ASKED QUESTIONS

### **Q: What is the California Arrearage Payment Program?**

A: The California Arrearage Payment Program, or CAPP, is a state program created by Governor Gavin Newsom and the California Legislature to reduce energy utility customers' past due bills that increased during the COVID-19 pandemic. CAPP will reduce or eliminate qualified customers' unpaid energy bills by directly applying a CAPP benefit to customer utility bills as a bill credit. CAPP is designed to help utility customers that fell behind on their energy bills because of the economic impacts of the pandemic.

### **Q: Do you need to apply or sign up to receive a CAPP benefit?**

A: No. California energy customers (gas and electric) do not need to apply for CAPP assistance. Energy utilities that apply for and receive CAPP funds are responsible for distributing CAPP benefits to eligible utility customers. If you qualify, your energy utility will automatically apply a CAPP bill credit to your account.

### **Q: Who qualifies for CAPP?**

A: Customers that were unable to pay their energy bill during the COVID-19 pandemic may qualify to receive a CAPP benefit. Only energy bill balances over 60 days past due for energy use from March 4, 2020 to June 15, 2021 qualify for relief under CAPP.

### **Q: What is the CAPP benefit amount?**

A: The amount of CAPP assistance applied to a past due energy bill will vary depending on which energy utility provides your electric or natural gas service. The amount of CAPP assistance a customer will receive will be clearly identified on their energy bill as a bill credit.

The amount of CAPP assistance extended to eligible customers depends on several factors, including available funding, the total number of customers with past due balances that qualify, and whether a customer is at risk of disconnection. While some qualifying customers may see their past due balances eliminated, other CAPP beneficiaries will see their balances reduced but not eliminated based on the size of their energy utility's customer arrearages and available funding. If a customer still has a past due balance after receiving a CAPP benefit, their utility is required to offer an extended payment plan.



Customers should contact their local energy utility for more information about payment plans and what other assistance might be available.

Other CAPP customer protections include the waiving of late fees and accrued interest, as well as the restriction that energy utilities may not disconnect CAPP recipients' energy services for 90 days after a CAPP benefit is applied to a customer's bill.

**Q: How was the amount of CAPP funding for an energy utility determined?**

A: Governor Gavin Newsom and the California Legislature directed \$1 billion in federal American Rescue Plan Act funding for CAPP. CAPP funding for each utility is determined based on the type of energy utility and the total amount of past due energy bills utility customers incurred during the COVID-19 pandemic relief period covering March 4, 2020 to June 15, 2021. Each utility will receive a share of CAPP funds based on its percentage of the statewide total of past due energy bills accrued during the pandemic relief period.

**Q: What past due balances qualify for CAPP?**

A: Customers that were unable to pay their energy bill during the COVID-19 pandemic may qualify to receive a CAPP benefit. Only customer utility bills that are 60 days or more past due for energy use during the pandemic relief period from March 4, 2020 and June 15, 2021 qualify for relief under CAPP.

**Q: When will customers receive a CAPP benefit?**

A: Energy utilities have begun the process of applying for CAPP funds. The date when a CAPP benefit is credited to a customer account will vary depending on when an energy utility completes the application process to secure CAPP funds.

**Q: I'm behind on my energy bill and worried my power will be shut off. What should I do?**

A: Contact your energy utility if you are concerned about your power being shut off. In addition, many energy utilities offer payment plans and other programs to help customers experiencing financial difficulty with paying their energy bill. Customers should contact their energy utility to learn what resources are available. Customers may also qualify for help paying their residential utility bill from the [Low Income Home Energy Assistance Program \(LIHEAP\)](#).



CAPP provides a number of consumer protections for customers that are eligible for a benefit. Utilities that receive CAPP funding are required to:

- Not disconnect customers with arrearages accrued during the COVID-19 pandemic bill relief period while CSD reviews and approves all pending CAPP applications.
- Waive late fees and accrued interest for customers awarded a CAPP benefit.
- Not disconnect a CAPP recipient's utility service for 90 days after a CAPP benefit is applied, regardless of the balance owed.
- Notify customers of the option to enter into an extended payment plan, with late fees and penalties waived, if they received a CAPP benefit and have a remaining balance after that benefit is applied.

**Q: What if a past due balance doesn't qualify for CAPP?**

A: Customers should contact their energy utility if they have a balance that doesn't qualify for a CAPP benefit to learn what payment plan options or other programs are available. Households may also be eligible for financial assistance to pay residential energy bills from the Low Income Home Energy Assistance Program (LIHEAP). Visit <https://www.csd.ca.gov/energybill> to learn more.

**Q: What other assistance is available to help pay an energy bill?**

A: Customers should contact their energy utility to learn what payment plans and programs may be available to help pay their bills. In addition to CAPP, the State of California may also be able to help through the following programs:

- [Low Income Home Energy Assistance Program \(LIHEAP\)](#) – provides financial assistance to help low-income residential households pay their energy bill.
- [California COVID-19 Rent Relief Program](#) – provides financial assistance for rent and utilities to income-eligible California renters and their landlords who have been impacted by COVID-19.

**Q: What about assistance with my water bill?**

A: Much like CAPP, the California Water and Wastewater Arrearage Payment Program has been established to help customers with their water bills. While the program has different rules, customers do not need to apply for assistance and eligible accounts will automatically receive a credit from their water company. For more information about the California Water and Wastewater Arrearage Payment Program, visit [https://www.waterboards.ca.gov/arrearage\\_payment\\_program/](https://www.waterboards.ca.gov/arrearage_payment_program/).



**Q: Do customers qualify for CAPP if they are already on a utility payment plan?**

A: If a customer has an energy bill balance 60 days or more past due incurred between March 4, 2020 and June 15, 2021 then they are eligible to receive a CAPP benefit – even if they are current on a utility payment plan.

**Q: How is CAPP funded?**

A: CAPP is funded with \$1 billion in federal American Rescue Plan Act funding. The State of California directed these funds to energy utilities to help pay down past due energy bills accrued by customers during the COVID-19 pandemic. CAPP is designed to help customers who fell behind on their energy bills because of the economic impacts of the pandemic.

**Q: Will energy rates increase in the future because of CAPP?**

A: CAPP will not impact energy rates and the bill credits do not need to be repaid by customers, or utilities.

**Q: Is the CAPP benefit taxable?**

A: The Internal Revenue Service (IRS) has issued [guidance](#) that CAPP benefits for individuals are not taxable. However, CAPP funds received by commercial customers and energy utilities may trigger tax consequences. More information about the taxability of CAPP benefits can be found by visiting the IRS's [Frequently Asked Questions](#) and [CAPP Program Notice No. 2021-09](#).

**Q: I'm a renter, how can I receive help paying my utilities?**

A: If you are a renter, you pay your utility company directly, and have a bill balance 60 days or more past due for energy usage during the period from March 4, 2020 and June 15, 2021, you are eligible for CAPP. In addition, the [California COVID-19 Rent Relief Program](#) provides financial assistance for rent and utilities to income-eligible California renters and their landlords who have been impacted by COVID-19. The [Low Income Home Energy Assistance Program \(LIHEAP\)](#) also provides financial assistance to help low-income households pay their energy bill.

**Q: If I'm a business do I qualify for CAPP?**

A: Both residential and commercial utility accounts may qualify for CAPP assistance if they have an energy bill balance over 60 days past due for utility usage during the period from March 4, 2020 and June 15, 2021. Eligible residential customers have priority for CAPP assistance. After eligible residential customers receive CAPP benefits, commercial accounts with qualifying past due balances may be eligible for CAPP assistance if funding is available.