

California Arrearage Payment Program (CAPP)

Information Session

July 21, 2021



California Department of
Community Services & Development

AGENDA

- Background
- Program Description and Allocation
- General Requirements
- Implementation Overview
- Next Steps



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Background

- State Budget Act of 2021 appropriates \$1 billion from the state's American Rescue Plan Act (ARPA) allocation to CSD to implement CAPP.
- California Government Code Section 16429.5 clarifies CAPP implementation considerations and administrative requirements such as:
 - eligibility
 - utility company requirements
 - schedule of implementing events
 - benefit delivery and prioritization of eligible customers
 - fund disbursement and expenditure
 - reporting



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Program Description

CAPP offers financial assistance to residential and commercial customers of electric and gas utility companies to reduce bill delinquencies accrued during the COVID-19 pandemic emergency.

Interested Utility Companies will apply directly to CSD on behalf of eligible customers. Utility Companies will be responsible for:

- Identifying utility customers eligible for CAPP assistance;
- Delivering financial CAPP benefits to eligible customer accounts;
- Reporting the outcome of disbursing CAPP assistance to eligible customers.



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GENERAL REQUIREMENTS

- **Eligible Utilities** - Public, investor-owned, and electric cooperative utilities
- **Eligible Customer** - Residential and commercial energy utility customers (active and inactive) with past-due balances during March 4, 2020 – June 15th, 2021
- **Survey** – Utility submits survey informing CSD of utility arrearage amounts by customer type.
- **Application** – Utility that submitted a survey is eligible to submit application for funding request. *Receipt of CAPP funds is contingent upon submitting the survey and application.*
- **Benefit Delivery** – Utility disburses benefits to eligible customers within 60 days of receiving CAPP funding
- **Reporting** – Within 6 months of receiving CAPP funds, utility submits report to CSD on funds applied, schedule of accounts and remittance of unapplied funds



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Implementation Overview

On July 19, CSD issued Utility CAPP Program Notice 2021-01 communication to all state utility companies offering a general overview of CAPP.

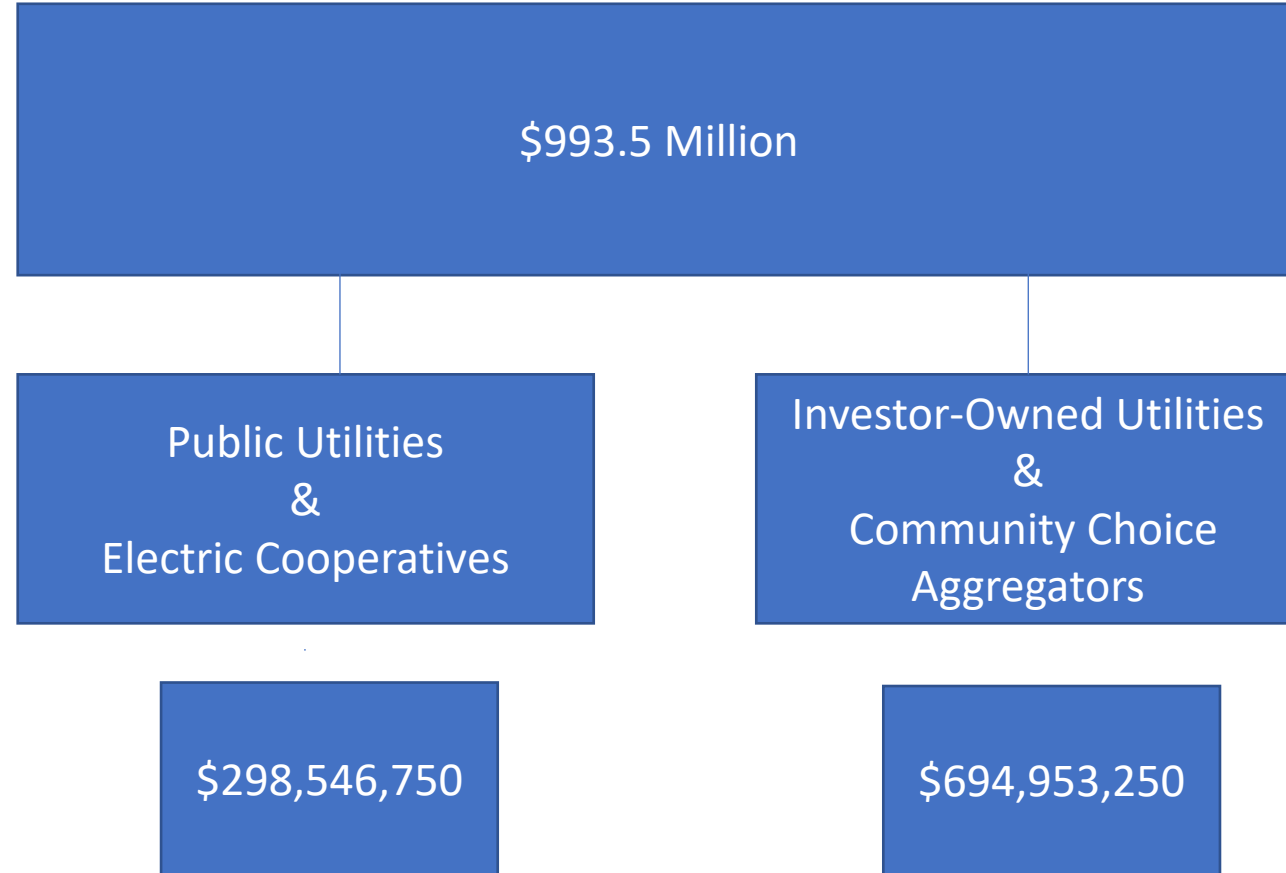
August 2: CSD will release CAPP Utility Survey to determine utility arrearages statewide and formulate distribution of CAPP funds to utility applicants.

- Utility response due within 30 days (**Sept. 2**)
- CSD will issue CAPP Program Notice 2021-02 to communicate survey instructions
- CSD will issue CAPP Program Notice 2021-03 to communicate survey results and utility allocation determinations



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CAPP Allocation



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Implementation Overview

October 4, CSD is targeting release of a CAPP Application electronically to utility companies that responded to the utility survey.

Key CAPP Application considerations:

- Applications issued and submitted electronically
- Due within 60 days (**Dec. 6**)
- Customer Prioritization
- Amount requested for each customer priority category
- Client list to include account type (res/comm), status (active/inactive), account number, and arrearage balance for account
- Customer Protection Requirements
- Funds will be disbursed within 30 days of application approval or no later than January 31, 2022



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CAPP Prioritization

1. **At Risk of Disconnection** - active residential customers with past-due balances of 60 days or more and at risk of disconnection, under normal circumstances, due to nonpayment of balances incurred during the COVID-19 pandemic bill relief period.
2. **Past-due** - active residential customers with past-due balances of 60 days or more incurred during the COVID-19 pandemic bill relief period.
3. **Inactive account** - inactive residential customers with past-due balances of 60 day or more incurred during the COVID-19 pandemic bill relief period.
4. **Commercial** - commercial customers with past-due balances of 60 days or more incurred during the COVID-19 pandemic bill relief period.



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CAPP Customer Protections

- **No disconnection** of customers during CAPP application review period
- **90-day protection** from disconnection after CAPP benefit applied
- **Notice of Available Payment Plans** transmitted to customers with a remaining balance after applying a CAPP benefit
- **Waive late fees** and accrued interest for customers that receive a CAPP benefit but maintain a balance and enter a repayment plan



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Implementation Overview

Within 60 days of receiving CAPP funds, utility applicant must deliver benefits to customer account in a form of a bill credit.

The customer's bill must reflect a statement informing the source of the credit is CAPP.



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Implementation Overview

Within 6 months of receiving funds, utility will supply CSD with the following:

- ✓ Report of total CAPP funds disbursed
- ✓ Schedule of accounts that received CAPP assistance, to include the account number, account type and the amount of the CAPP assistance applied to the account
- ✓ Remittance in the amount of any unapplied CAPP funds
- ✓ Additional items as outlined in Government Code Section 16429.5(j)



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Estimated Implementation Timeline

July 19 - CSD issued Utility CAPP Program Notice 2021-01 to all state utilities

August 2 - Conduct utility survey to determine utility arrearages statewide

Sept. 2 – Survey responses due to CSD

Oct. 4 – Release CAPP Funding Applications to state energy utility companies that responded to the utility survey/CAPP Allocations released

Dec. 6 – CAPP Application due to CSD

Jan. 31 – CAPP funds fully disbursed

Within 60 days of receiving CAPP Funds – Benefits delivered to customer accounts

Within 6 months of receiving CAPP funds – Report on the outcome of the benefit disbursement



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Next Steps

- ✓ CAPP Utility Survey
 - ✓ All energy utilities must provide CSD a point of contact to receive the CAPP Utility Survey
 - ✓ Point of Contact for the CAPP Utility Survey can be registered via email at: CAPP@CSD.ca.gov
 - ✓ CAPP Utility Survey release date – August 2, 2021
- ✓ Review [CAPP Program Notice 2021-01](#)
- ✓ Register to CSD's [Email Subscriptions](#) to receive Program Notices, meeting information, etc.



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Input, Q&A

- Options for extending CAPP assistance to CAPP priority groups
 - 100% of the debt for all groups in order of priority
 - 100% of debt for priority group 1 (at-risk of disconnection) and certain percentage for each of the other priority groups
- Coordination
 - Designated points of contacts – top executive contact plus primary point and secondary point of contact
 - Ongoing coordination
- Any challenges with the timeline?
- Status of moratoriums?
- Open Q&A

