California Arrearage Payment Program (CAPP)

Information Session

July 21, 2021
AGENDA

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

$993.5 Million

Public Utilities & Electric Cooperatives

$298,546,750

Investor-Owned Utilities & Community Choice Aggregators

$694,953,250
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
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.
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
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.
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)
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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</thead>
<tbody>
<tr>
<td><strong>July 19</strong></td>
<td>CSD issued Utility CAPP Program Notice 2021-01 to all state utilities</td>
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<td><strong>August 2</strong></td>
<td>Conduct utility survey to determine utility arrearages statewide</td>
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<td><strong>Sept. 2</strong></td>
<td>Survey responses due to CSD</td>
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<td><strong>Oct. 4</strong></td>
<td>Release CAPP Funding Applications to state energy utility companies that responded to the utility survey/CAPP Allocations released</td>
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<tr>
<td><strong>Dec. 6</strong></td>
<td>CAPP Application due to CSD</td>
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<td><strong>Jan. 31</strong></td>
<td>CAPP funds fully disbursed</td>
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<td><strong>Within 60 days of receiving CAPP Funds</strong></td>
<td>Benefits delivered to customer accounts</td>
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<tr>
<td><strong>Within 6 months of receiving CAPP funds</strong></td>
<td>Report on the outcome of the benefit disbursement</td>
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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.
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