



**California Department of  
Community Services & Development**

# **California Arrearage Payment Program (CAPP)**

Report to the Legislature

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# Report on the California Arrearage Payment Program December 2022

## Preface

This report is being submitted in compliance with California Arrearage Payment Program (CAPP) legislative reporting requirements. California Government Code Section 16429.5 established CAPP and imposes the following legislative reporting requirements on the Department of Community Services and Development (CSD):

“Within 60-days of receiving final reporting from utility applicants, pursuant to subdivision (i), the department shall provide to the Legislature, and make available on its public-facing internet website a report that includes all of the following information:

- (1) Total arrearage amount applied for statewide.
- (2) Total residential customers in arrears applied for statewide.
- (3) Total CAPP funds applied for, by utility applicant.
- (4) Total CAPP funds approved by the department and disbursed to utility applicants statewide.
- (5) Total CAPP funds distributed, by utility applicant.
- (6) Total CAPP funds not expended and returned to the department, by utility applicant.
- (7) Total residential customers, statewide, included in CAPP applications received by the department.
- (8) Total residential customers, by utility applicant, included in CAPP applications received by the department.
- (9) Total active and inactive residential customers, statewide, that received a CAPP benefit.
- (10) Total commercial customers, statewide, that received a CAPP benefit.
- (11) Total commercial customers, by utility applicant, that received a CAPP benefit.
- (12) Average CAPP benefit, statewide, received by residential and commercial customers.
- (13) Total residential customers, by utility applicant, that received a CAPP benefit.
- (14) Average CAPP benefit, by utility applicant, received by residential customers.
- (15) Total expenditures by the department for the administration of CAPP.”

## **Overview of CAPP Implementation**

Established in the 2021 State Budget and California Government Code Section 16429.5 (see Appendix B), CAPP dedicated \$1 billion in federal American Rescue Plan Act (ARPA) funding to address Californians' energy debts accrued during the COVID-19 pandemic.

In total, CSD distributed \$989.5 million in energy utility bill relief and served almost 1.7 million California customers (1.67 million residential and almost 10,000 commercial customers) under the CAPP program. Forty-four utilities participated in CAPP. Specifically, eight Investor Owned Utilities (IOU) and 36 Publicly Owned Utilities (POU) received CAPP funds for the benefit of eligible customers. Upon approving a utility's application request for CAPP funds, CSD awarded funds to utility applicants and energy utilities began applying CAPP benefits to qualified customer accounts on a rolling basis in December 2021.

Active and inactive residential, along with all commercial, customers needed to have incurred past-due energy utility balances that were 60 days or older during the COVID-19 Pandemic Bill Relief Period of March 4, 2020 through June 15, 2021 in order to be eligible to receive a CAPP benefit. Energy utility customers did not need to apply to receive assistance under CAPP and energy utility applicants were responsible for administering CAPP funds, identifying eligible customers, and disbursing CAPP benefits to eligible customers. Energy utilities automatically applied a CAPP benefit, issued in the form of a CAPP credit, to eligible customer bills.

CSD implemented CAPP pursuant to the Government Code through a four-phase process. First, energy utilities interested in participating in CAPP were required to complete a utility survey wherein they reported the total number, and total amount owed, of residential and commercial energy accounts with arrearages during the COVID-19 Pandemic Bill Relief Period. CSD totaled survey results to determine each energy utility's CAPP allocation amount, which was based on an energy utility's reported arrearages as a proportion of the total statewide reported arrearages for their utility category (either the IOU or the POU category). Second, energy utilities submitted a CAPP application providing details on the eligible accounts and arrearages to be covered by their CAPP allocation.

Third, CSD disbursed CAPP allocations to energy utility applicants upon approving an energy utility's CAPP application. Pursuant to the CAPP Government Code, energy utilities were required to deliver CAPP benefits to eligible residential and commercial accounts in the form of a bill credit within 60 days of receiving their CAPP allocation. State energy utilities were also required to issue CAPP benefits in a manner that prioritized assistance to active residential customers, followed by inactive residential customers, and then commercial customers. This approach provided the maximum level of assistance to customers within the furthest priority category a utility's CAPP Allocation could support. Due to this prioritization, and the variance of pandemic period arrearages across utilities, the amount of assistance extended to a particular customer

priority category differed for each utility. The fourth and final phase of CAPP implementation required utilities to report on outcomes.

### **Legislative Report**

CAPP reporting requirements are contained in Government Code Section 16429.5, Subdivisions (i) and (j), and include both statewide and utility-specific data elements outlining eligible arrearages applied for and CAPP funds approved, disbursed, and remitted. The CAPP Government Code also requires information on the number of customers served and average benefit provided. Energy utilities had to provide these reporting elements to CSD within six months of receiving their CAPP allocations in the form of a close out report.

The energy utility close out reports confirmed each energy utility's CAPP benefit disbursement to customer accounts and also required an energy utility to remit any unused CAPP funds to CSD within the six-month timeframe. Upon receipt of all energy utility close out reports, CSD was required to compile and report all required information to the Legislature and the public – as identified by the CAPP Government Code. CAPP data, in the form of a complete summary of all legislative reporting elements, is attached as Appendix A: California Arrearage Payment Program Close-Out Report.

**APPENDIX A: California Arrearage Payment Program  
Close-Out Report**

## California Arrearage Payment Program Close-Out Report

CAPP-Eligible Arrearages Applied for by Energy Utilities

	Arrearages Applied for			
	Active Residential	Inactive Residential	Commercial	Total
<b>Investor Owned Utility</b>				
Bear Valley Electric Service	\$512,320	\$72,844	\$123,939	\$709,103
Liberty Utilities	\$1,283,529	\$80,629	\$454,569	\$1,818,726
Pacific Gas and Electric Company	\$398,946,678	\$35,539,491	\$0	\$434,486,170
PacifiCorp	\$1,537,870	\$286,187	\$0	\$1,824,057
San Diego Gas and Electric Company	\$81,229,410	\$107	\$178	\$81,229,694
Southern California Edison Company	\$242,188,169	\$46,770,079	\$49,375,571	\$338,333,819
Southern California Gas Company	\$116,873,052	\$0	\$0	\$116,873,052
Southwest Gas	\$8,752,214	\$0	\$0	\$8,752,214
<b>Total</b>	<b>\$851,323,241</b>	<b>\$82,749,337</b>	<b>\$49,954,257</b>	<b>\$984,026,835</b>

	Arrearages Applied for			
	Active Residential	Inactive Residential	Commercial	Total
<b>Public Utility and Electric Cooperative</b>				
Alameda Municipal Power	\$460,513	\$46,235	\$270,506	\$777,254
Azusa Light and Water	\$178,780	\$55,672	\$47,281	\$281,733
Burbank Water and Power	\$1,239,573	\$72,796	\$923,950	\$2,236,319
City of Anaheim	\$3,083,672	\$915,238	\$1,626,556	\$5,625,467
City of Banning	\$641,437	\$164,452	\$67,495	\$873,384
City of Corona	\$89,010	\$63,658	\$239,748	\$392,416
City of Healdsburg Electric Department	\$130,421	\$12,303	\$103,073	\$245,797
City of Lompoc Electric Division	\$846,189	\$81,395	\$122,776	\$1,050,359
City of Long Beach	\$1,444,597	\$282,204	\$151,427	\$1,878,228
City of Needles	\$19,400	\$0	\$0	\$19,400
City of Palo Alto Utilities Department	\$331,365	\$111,743	\$597,672	\$1,040,779
City of Pittsburg	\$8,213	\$836	\$0	\$9,049
City of Riverside	\$8,720,093	\$1,298,299	\$6,607,598	\$16,625,989
City of Shasta Lake	\$114,294	\$107,684	\$2,438	\$224,416
City of Ukiah	\$363,168	\$4,787	\$124,788	\$492,743
City of Vernon	\$2,390	\$18	\$668,507	\$670,916
Glendale Water and Power	\$2,654,885	\$836,398	\$1,887,503	\$5,378,786
Gridley Electric Utility	\$137,121	\$34,974	\$196,566	\$368,660
Imperial Irrigation District	\$397,471	\$885,104	\$453,217	\$1,735,792
Lassen Municipal Utility District	\$11,989	\$35,412	\$3,954	\$51,356
Lodi Electric Utility	\$472,658	\$748,455	\$290,359	\$1,511,473
Los Angeles Department of Water and Power	\$204,709,372	\$0	\$0	\$204,709,372
Modesto Irrigation District	\$8,032,209	\$1,514,621	\$1,039,996	\$10,586,826
Moreno Valley Electric Utility	\$462,471	\$41,660	\$2,514	\$506,645
Pasadena Water and Power	\$2,415,886	\$509,939	\$1,722,051	\$4,647,876
Rancho Cucamonga Municipal Utility	\$22,252	\$11,332	\$66,627	\$100,212
Redding Electric Utility	\$704,610	\$363,681	\$437,747	\$1,506,037
Roseville Electric Utility	\$115,570	\$309,694	\$104,866	\$530,130
Sacramento Municipal Utility District	\$35,818,727	\$8,687,800	\$0	\$44,506,526

**California Arrearage Payment Program Close-Out Report**  
 CAPP-Eligible Arrearages Applied for by Energy Utilities (cont'd)

	Arrearages Applied for			
	Active Residential	Inactive Residential	Commercial	Total
<b>Public Utility and Electric Cooperative</b>				
San Francisco Public Utilities Commission	\$447,541	\$5,705	\$1,431,147	\$1,884,393
Silicon Valley Power	\$1,021,720	\$673,870	\$803,192	\$2,498,782
Truckee Donner Public Utility District	\$122,377	\$34,850	\$21,608	\$178,835
Turlock Irrigation District	\$1,892,889	\$712,537	\$148,926	\$2,754,352
Anza Electric Cooperative	\$9,300	\$13,779	\$0	\$23,079
Plumas-Sierra Rural Electric Cooperative	\$58,586	\$41,622	\$3,260	\$103,468
Surprise Valley Electric Cooperative	\$93,666	\$0	\$0	\$93,666
<b>Total</b>	<b>\$277,274,415</b>	<b>\$18,678,750</b>	<b>\$20,167,349</b>	<b>\$316,120,514</b>

	Arrearages Applied for			
	Active Residential	Inactive Residential	Commercial	Total
<b>Statewide Total By Utility Type</b>				
Investor Owned Utility	\$851,323,241	\$82,749,337	\$49,954,257	\$984,026,835
Public Utility and Electric Cooperative	\$277,274,415	\$18,678,750	\$20,167,349	\$316,120,514
<b>Total</b>	<b>\$1,128,597,656</b>	<b>\$101,428,087</b>	<b>\$70,121,606</b>	<b>\$1,300,147,349</b>

## California Arrearage Payment Program Close-Out Report

CAPP Funds Approved, Disbursed, and Remitted

Investor Owned Utility	Approved Funds	Benefits Disbursed to Customers			Amount Remitted
		Residential	Commercial	Total	
Bear Valley Electric Service	\$321,068	\$321,068	\$0	\$321,068	\$0
Liberty Utilities	\$790,857	\$790,857	\$0	\$790,857	\$0
Pacific Gas and Electric Company	\$340,871,790	\$340,642,769	\$180,356	\$340,823,125	\$48,665
PacifiCorp	\$1,633,140	\$1,633,140	\$0	\$1,633,140	\$0
San Diego Gas and Electric Company	\$62,533,283	\$62,529,289	\$3,836	\$62,533,125	\$158
Southern California Edison Company	\$205,409,417	\$205,379,861	\$14,038	\$205,393,899	\$15,612
Southern California Gas Company	\$78,747,933	\$78,747,933	\$0	\$78,747,933	\$0
Southwest Gas	\$4,645,762	\$4,415,739	\$219,027	\$4,634,766	\$10,996
<b>Total</b>	<b>\$694,953,250</b>	<b>\$694,460,656</b>	<b>\$417,258</b>	<b>\$694,877,913</b>	<b>\$75,430</b>

Public Utility and Electric Cooperative	Approved Funds	Benefits Disbursed to Customers			Amount Remitted
		Residential	Commercial	Total	
Alameda Municipal Power	\$649,772	\$557,119	\$92,653	\$649,772	\$0
Azusa Light and Water	\$245,423	\$233,672	\$11,751	\$245,423	\$0
Burbank Water and Power	\$2,236,319	\$1,224,056	\$464,547	\$1,688,603	\$547,716
City of Anaheim	\$4,757,314	\$4,197,740	\$559,570	\$4,757,310	\$3
City of Banning	\$673,416	\$616,715	\$48,244	\$664,960	\$8,456
City of Corona	\$236,743	\$152,669	\$84,074	\$236,743	\$0
City of Healdsburg Electric Department	\$210,106	\$134,784	\$67,317	\$202,101	\$8,005
City of Lompoc Electric Division	\$1,050,360	\$851,185	\$108,186	\$959,371	\$90,989
City of Long Beach	\$1,574,298	\$1,506,433	\$67,865	\$1,574,298	\$0
City of Needles	\$12,684	\$12,684	\$0	\$12,684	\$0
City of Palo Alto Utilities Department	\$735,969	\$406,383	\$329,586	\$735,969	\$0
City of Pittsburg	\$9,049	\$9,049	\$0	\$9,049	\$0
City of Riverside	\$11,076,056	\$9,202,891	\$1,873,165	\$11,076,056	\$0
City of Shasta Lake	\$212,201	\$212,201	\$0	\$212,201	\$0
City of Ukiah	\$321,769	\$318,502	\$0	\$318,502	\$3,268
City of Vernon	\$670,916	\$2,408	\$668,507	\$670,916	\$0
Glendale Water and Power	\$5,199,473	\$3,202,064	\$1,792,977	\$4,995,041	\$204,432
Gridley Electric Utility	\$313,363	\$166,999	\$144,378	\$311,376	\$1,987
Imperial Irrigation District	\$1,735,792	\$1,351,624	\$382,371	\$1,733,995	\$1,797
Lassen Municipal Utility District	\$33,544	\$33,544	\$0	\$33,544	\$0
Lodi Electric Utility	\$1,039,755	\$956,013	\$83,742	\$1,039,755	\$0
Los Angeles Department of Water and Power	\$202,788,421	\$201,771,989	\$1,014,859	\$202,786,848	\$1,573
Modesto Irrigation District	\$7,169,342	\$7,169,342	\$0	\$7,169,342	\$0
Moreno Valley Electric Utility	\$470,194	\$470,194	\$0	\$470,194	\$0
Pasadena Water and Power	\$4,201,282	\$2,378,152	\$1,518,906	\$3,897,057	\$304,225

**California Arrearage Payment Program Close-Out Report**

CAPP Funds Approved, Disbursed, and Remitted (cont'd)

Public Utility and Electric Cooperative	Approved Funds	Benefits Disbursed to Customers			Amount Remitted
		Residential	Commercial	Total	
Rancho Cucamonga Municipal Utility	\$70,036	\$32,961	\$37,075	\$70,036	\$0
Redding Electric Utility	\$1,157,678	\$1,054,025	\$89,388	\$1,143,413	\$14,265
Roseville Electric Utility	\$530,130	\$360,226	\$104,438	\$464,664	\$65,466
Sacramento Municipal Utility District	\$41,369,318	\$41,369,318	\$0	\$41,369,318	\$0
San Francisco Public Utilities Commission	\$1,218,136	\$182,268	\$936,575.19	\$1,118,843.51	\$99,292
Silicon Valley Power	\$1,313,013	\$1,313,013	\$0	\$1,313,013	\$0
Truckee Donner Public Utility District	\$113,135	\$113,135	\$0	\$113,135	\$0
Turlock Irrigation District	\$2,511,694	\$2,336,210	\$137,127	\$2,473,337	\$38,357
Anza Electric Cooperative	\$21,549	\$21,549	\$0	\$21,549	\$0
Plumas-Sierra Rural Electric Cooperative	\$67,521	\$67,521	\$0	\$67,521	\$0
Surprise Valley Electric Cooperative	\$56,866	\$56,866	\$0	\$56,866	\$0
<b>Total</b>	<b>\$296,052,636</b>	<b>\$284,045,503</b>	<b>\$10,617,302</b>	<b>\$294,662,805</b>	<b>\$1,389,831</b>

Statewide Total By Utility Type	Approved Funds	Benefits Disbursed to Customers			Amount Remitted
		Residential	Commercial	Total	
Investor Owned Utility	\$694,953,250	\$694,460,562	\$417,258	\$694,877,820	\$75,430
Public Utility and Electric Cooperative	\$296,052,636	\$284,045,503	\$10,617,302	\$294,662,805	\$1,389,831
<b>Total*</b>	<b>\$991,005,886</b>	<b>\$978,506,065</b>	<b>\$11,034,560</b>	<b>\$989,540,625</b>	<b>\$1,465,260</b>

\*This total does not include CSD's administrative costs. At the end of October 2022, CSD spent \$4,602,441 for the administration of CAPP; this amount does not include ongoing administrative expenses related to close-out and audit activities.

## California Arrearage Payment Program Close-Out Report

### CAPP Recipients and Average Benefits

	Accounts Receiving a Benefit				Average Benefit Received		
	Active Residential customers	Inactive Residential customers	Commercial Customers	Total	Residential Customers	Commercial Customers	Total
<b>Investor Owned Utility</b>							
Bear Valley Electric Service	348	0	0	348	\$923	\$0	\$923
Liberty Utilities	2,335	0	0	2,335	\$339	\$0	\$339
Pacific Gas and Electric Company	476,265	87,617	1,803	565,685	\$604	\$100	\$603
PacifiCorp	1,343	284	0	1,627	\$1,004	\$0	\$1,004
San Diego Gas and Electric Company	93,916	63	54	94,033	\$665	\$71	\$665
Southern California Edison Company	322,318	25,024	12	347,354	\$591	\$1,170	\$591
Southern California Gas Company	284,005	0	0	284,005	\$277	\$0	\$277
Southwest Gas	10,032	728	303	11,063	\$410	\$723	\$419
<b>Total</b>	<b>1,190,562</b>	<b>113,716</b>	<b>2,172</b>	<b>1,306,450</b>	<b>\$532</b>	<b>\$192</b>	<b>\$532</b>

	Accounts Receiving a Benefit				Average Benefit Received		
	Active Residential customers	Inactive Residential customers	Commercial Customers	Total	Residential Customers	Commercial Customers	Total
<b>Public Utility and Electric Cooperative</b>							
Alameda Municipal Power	710	186	68	964	\$622	\$1,363	\$674
Azusa Light and Water	141	321	13	475	\$506	\$904	\$517
Burbank Water and Power	1,824	208	183	2,215	\$602	\$2,539	\$762
City of Anaheim	4,656	3,321	404	8,381	\$526	\$1,385	\$568
City of Banning	482	398	32	912	\$701	\$1,508	\$729
City of Corona	134	186	32	352	\$477	\$2,627	\$673
City of Healdsburg Electric Department	218	42	26	286	\$518	\$2,589	\$707
City of Lompoc Electric Division	1,310	303	80	1,693	\$528	\$1,352	\$567
City of Long Beach	5,140	3,403	183	8,726	\$176	\$371	\$180
City of Needles	15	0	0	15	\$846	\$0	\$846
City of Palo Alto Utilities Department	318	479	116	913	\$510	\$2,841	\$806
City of Pittsburg	7	2	0	9	\$1,005	\$0	\$1,005
City of Riverside	8,283	3,640	676	12,599	\$772	\$2,771	\$879
City of Shasta Lake	80	213	0	293	\$724	\$0	\$724
City of Ukiah	738	0	0	738	\$432	\$0	\$432
City of Vernon	6	1	68	75	\$344	\$9,831	\$8,946
Glendale Water and Power	3,464	2,204	460	6,128	\$565	\$3,898	\$815

## California Arrearage Payment Program Close-Out Report

CAPP Recipients and Average Benefits (cont'd)

	Accounts Receiving a Benefit				Average Benefit Received		
	Active Residential customers	Inactive Residential customers	Commercial Customers	Total	Residential Customers	Commercial Customers	Total
<b>Public Utility and Electric Cooperative</b>							
Gridley Electric Utility	203	80	28	311	\$590	\$5,156	\$1,001
Imperial Irrigation District	2,315	2,524	229	5,068	\$279	\$1,670	\$342
Lassen Municipal Utility District	13	143	0	156	\$215	\$0	\$215
Lodi Electric Utility	643	803	63	1,509	\$661	\$1,329	\$689
Los Angeles Department of Water and Power	177,938	57,074	2,531	237,543	\$859	\$401	\$854
Modesto Irrigation District	5,536	120	0	5,656	\$1,268	\$0	\$1,268
Moreno Valley Electric Utility	322	83	0	405	\$1,161	\$0	\$1,161
Pasadena Water and Power	2,943	774	250	3,967	\$640	\$6,076	\$982
Rancho Cucamonga Municipal Utility	35	39	22	96	\$445	\$1,685	\$730
Redding Electric Utility	719	1,036	47	1,802	\$601	\$1,902	\$635
Roseville Electric Utility	161	660	66	887	\$439	\$1,582	\$524
Sacramento Municipal Utility District	41,564	17,578	0	59,142	\$699	\$0	\$699
San Francisco Public Utilities Commission	421	102	1,718	2,241	\$349	\$545	\$499
Silicon Valley Power	1,953	6,011	0	7,964	\$165	\$0	\$165
Truckee Donner Public Utility District	229	0	0	229	\$494	\$0	\$494
Turlock Irrigation District	2,009	971	91	3,071	\$784	\$1,507	\$805
Anza Electric Cooperative	26	19	0	45	\$479	\$0	\$479
Plumas-Sierra Rural Electric Cooperative	45	69	0	114	\$592	\$0	\$592
Surprise Valley Electric Cooperative	79	0	0	79	\$720	\$0	\$720
<b>Total</b>	<b>264,680</b>	<b>102,993</b>	<b>7,386</b>	<b>375,059</b>	<b>\$773</b>	<b>\$1,437</b>	<b>\$786</b>

	Accounts Receiving a Benefit				Average Benefit Received		
	Active Residential	Inactive Residential	Commercial	Total	Residential Customers	Commercial Customers	Total
<b>Statewide Total By Utility Type</b>							
Investor Owned Utility	1,190,562	113,716	2,172	1,306,450	\$532	\$192	\$532
Public Utility and Electric Cooperative	264,680	102,993	7,386	375,059	\$773	\$1,437	\$786
<b>Total</b>	<b>1,455,242</b>	<b>216,709</b>	<b>9,558</b>	<b>1,681,509</b>	<b>\$585</b>	<b>\$1,154</b>	<b>\$588</b>

## California Arrearage Payment Program Close-Out Report

### Utilities Not Participating in CAPP

<b>Non-Participating Utilities</b>
Biggs Municipal Utilities (City of Biggs)
City of Cerritos
City of Colton
City of Industry (IPU)
Colorado River Agency
Kirkwood Meadows Public Utility District (KMPUD)
Lathrop Irrigation District (LID)
Merced Irrigation District (MID)
Shelter Cove Resort Improvement District
Trinity Public Utility District (Trinity PUD)
Valley Electric Association (VEA)

## **APPENDIX B: California Arrearage Payment Program** **Government Code**

### **CALIFORNIA GOVERNMENT CODE SECTION 16429.5.**

(a) The California Arrearage Payment Program (CAPP) is established in the Department of Community Services and Development.

(b) For purposes of this section, the following definitions apply:

(1) "COVID-19 pandemic bill relief period" means the period starting March 4, 2020, and ending June 15, 2021.

(2) "Department" means the Department of Community Services and Development.

(3) "Past due bills" means customer utility bills that are 60 days or more past due and includes both active and inactive accounts, as well as customer accounts that have payment plans or payment arrangements.

(4) "Program notice" means official guidance issued by the department regarding CAPP implementation and administration.

(5) "Utility applicant" means any of the following:

(A) A local publicly owned electric utility, as defined Section 224.3 of the Public Utilities Code.

(B) An electrical corporation or a gas corporation utility, as defined in Section 218 or 222 of the Public Utilities Code, respectively.

(C) An electrical cooperative, as defined in Section 2776 of the Public Utilities Code.

(c) All residential and commercial energy utility customers are considered eligible for CAPP assistance and shall be included in a utility applicant's request for CAPP funding. Within 90 days of receiving funds pursuant to an appropriation in the annual budget for this purpose, the department shall survey utility applicants to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and shall develop an allocation formula for determining an individual utility applicant's share of CAPP funds. In order to receive CAPP funding a utility applicant must complete both the utility survey and CAPP application including submitting all necessary data and information to support the utility applicant's request for CAPP funding. A utility applicant's CAPP allocation shall be based on the proportional share of the total statewide energy utility arrearages of the applicable category identified in subdivision (d) and as established from all survey

responses received by the department. The department shall release a program notice informing utility applicants of CAPP allocation determinations.

(1) The department shall release program notices that detail CAPP application, participation, and reporting requirements for energy utilities to receive CAPP funds and issue CAPP assistance to eligible customer accounts. There shall be a 60-day application timeframe in which a utility applicant may apply to the department for CAPP funds. The department shall contact any utility company that does not respond during the initial application period to inquire as to the status of the utility's CAPP application.

(2) In applying for funds on behalf of its customers, a utility applicant shall provide a calculation of the total amount of outstanding customer arrearages that were incurred during the COVID-19 pandemic bill relief period and shall include documentation, which shall include an account number, to support the amount of outstanding customer arrearages that were incurred during that period. In addition, the utility application shall identify for each utility account the corresponding past due bill balance accumulated during the COVID-19 pandemic bill relief period for which the utility applicant is seeking CAPP financial assistance, as defined by the department in a program notice. The general manager, utility director, or a designee shall certify that the application is true and accurate, and offer agreement on CAPP application benefit delivery, reporting, and post audit review requirements.

(d) Of the nine hundred ninety-three million five hundred thousand dollars (\$993,500,000) appropriated in Item 4700-162-8506 of the Budget Act of 2021 (Ch. 21, Statutes of 2021), the following specified amounts shall be allocated for each category of utility. Funding allocated to one of the categories that is not necessary for assistance for that category may be reallocated to another category. The allocations within the categories may be adjusted for the purposes of administrative costs.

(1) Two hundred ninety-eight million five hundred forty-six thousand seven hundred fifty dollars (\$298,546,750) shall be allocated for financial assistance to customers of local publicly owned electric utilities and electrical cooperatives.

(2) Six hundred ninety-four million nine hundred fifty-three thousand two hundred fifty dollars (\$694,953,250) shall be allocated for financial assistance to all distribution customers of investor-owned utilities, including customers served by a community choice aggregator.

(e) The department shall review the application for completeness and confirm that the utility applicant's submission supports the total amount of financial assistance requested by the utility applicant on behalf of its customers. The department shall confirm the total amount of CAPP assistance does not exceed the utility applicant's CAPP allocation amount. The department shall disburse funds within 30 days after completing review and approval of the utility applicant's CAPP application. Incomplete CAPP applications

shall be returned to the utility applicant for corrections or amendments consistent with department notes or directives. The department shall disburse funds as expeditiously as possible to utility applicants, but no later than January 31, 2022.

(f) (1) Within 60 days of receiving CAPP funds, a utility applicant shall issue CAPP assistance benefits to customers as bill credits to help address the eligible past due balance and shall include a statement that the credits are a result of California's CAPP funding. Utility applicants shall ensure all available active and inactive residential and commercial accounts are included in CAPP applications. If CAPP funding is not sufficient to meet utility applicant requests, utility applicants shall prioritize the issuance of CAPP assistance in the following order: (A) active residential customers who are past due and who, absent the CAPP assistance might be subject to service disconnection, consistent with current law, due to nonpayment of balances incurred during the COVID-19 pandemic bill relief period, (B) active residential customers with delinquent balances incurred during the COVID-19 pandemic bill relief period, (C) inactive residential accounts with delinquent balances incurred during the COVID-19 pandemic bill relief period, and (D) commercial customers with delinquent balances incurred during the COVID-19 pandemic bill relief period. An energy utility shall not disconnect a CAPP recipient's utility service, regardless of balance owed after applying a CAPP benefit, for 90 days after a CAPP benefit is applied.

(2) If a customer has a remaining balance after a CAPP benefit is applied, the utility applicant shall notify the customer of the option to enter into an extended payment plan with late fees and penalties waived. The utility applicant shall not discontinue service to the customer while the customer remains current on the repayment plan.

(3) Service shall not be discontinued due to nonpayment for those customers with arrearages accrued during the COVID-19 pandemic bill relief period while the department reviews and approves all pending CAPP applications, and the utility applicant shall waive any associated late fees and accrued interest for customers that are awarded CAPP benefits.

(4) An electrical corporation, as defined in Section 218 of the Public Utilities Code, shall use existing proportional payment processes adopted by the Public Utilities Commission in response to the COVID-19 pandemic to allocate any partial payments made by customers to the utility and other load serving entities in proportion to their respective shares of the outstanding customer charges.

(g) An electrical corporation, as defined in Section 218 of the Public Utilities Code, shall credit funding received through CAPP against customer charges owing the utility and other load-serving entities serving the customer in proportion to their respective shares of customer arrearages.

(h) Customer information shall be subject to the provisions of Section 6254.16.

(i) Within six months of a utility applicant's receipt of its CAPP allocation, the utility applicant shall submit all reporting required by the department detailed in a program notice. The utility applicant shall remit payment to the department in the total amount of any unapplied CAPP benefits as part of its final reporting to the department.

(j) Within 60 days of receiving final reporting from utility applicants pursuant to subdivision (i), the department shall provide to the Legislature, and make available on its public-facing internet website, a report that includes all of the following:

- (1) Total arrearage amount applied for statewide.
- (2) Total residential customers in arrears applied for statewide.
- (3) Total CAPP funds applied for, by utility applicant.
- (4) Total CAPP funds approved by the department and disbursed to utility applicants statewide.
- (5) Total CAPP funds distributed, by utility applicant.
- (6) Total CAPP funds not expended and returned to the department, by utility applicant.
- (7) Total residential customers, statewide, included in CAPP applications received by the department.
- (8) Total residential customers, by utility applicant, included in CAPP applications received by the department.
- (9) Total active and inactive residential customers, statewide, that received a CAPP benefit.
- (10) Total commercial customers, statewide, that received a CAPP benefit.
- (11) Total commercial customers, by utility applicant, that received a CAPP benefit.
- (12) Average CAPP benefit, statewide, received by residential and commercial customers.
- (13) Total residential customers, by utility applicant, that received a CAPP benefit.
- (14) Average CAPP benefit, by utility applicant, received by residential customers.
- (15) Total expenditures by the department for the administration of CAPP.

(k) Utility applicants shall provide all documents and data necessary for the department to complete its review and audit. The department shall provide 30 days' notice to utility applicants of any document requests to support departmental review and audit.

(l) The department shall coordinate with the State Water Resources Control Board to allocate funding to publicly owned utilities that provide both electric and water services.

(m) All actions to implement section, including entering into contracts for services or equipment, shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The department may award contracts under this section on a noncompetitive bid basis as necessary to implement the purposes of CAPP.

(n) (1) All actions to implement CAPP and expend an appropriation for this purpose, including the adoption or development of a plan, requirements, guidelines, subgrantee contract provisions, or reporting requirements, shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3). The department shall release program notices that detail CAPP application, participation, and reporting requirements by utility applicants in order to receive CAPP funds and issue CAPP assistance to eligible residential customer accounts.

(2) The department shall post all program notices related to CAPP administration on its public-facing internet website.

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