

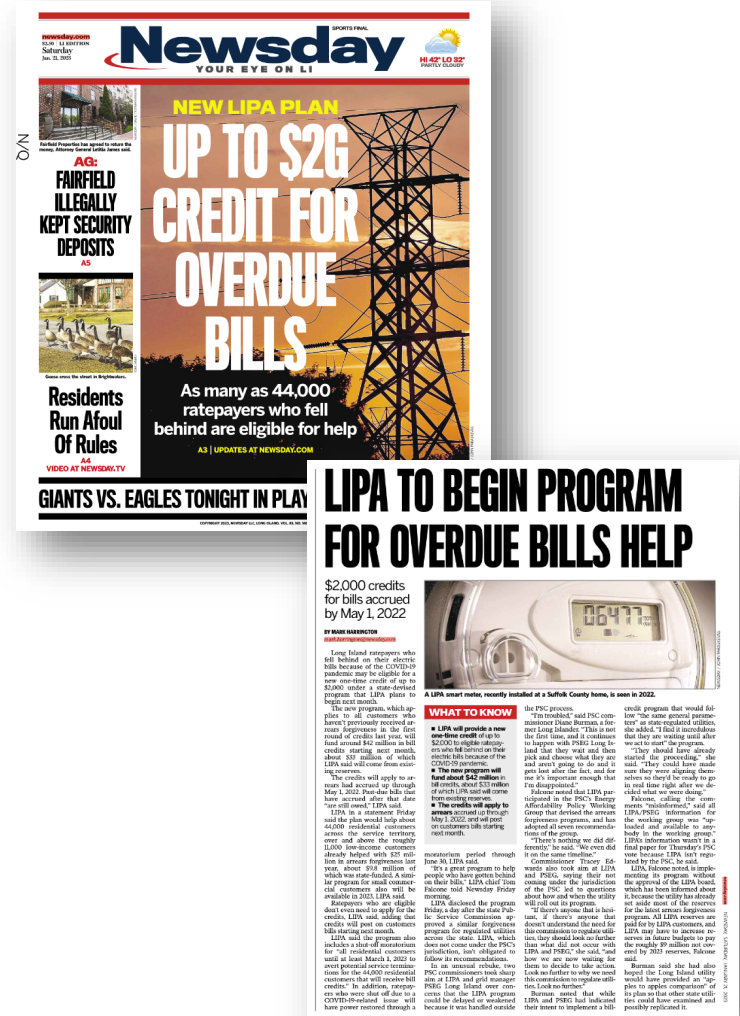


## **DISCUSSION OF PHASE 2 — COVID-19 BILL CREDIT PROGRAM**

February 15, 2023

# COVID-19 BILL CREDIT PROGRAM

- In 2022, LIPA forgave **\$25 million** of past-due bills for nearly **11,000 low-income customers** as part of Phase I of New York's COVID-19 electric bill credit program. LIPA also increased monthly utility bill discounts for low-income customers by 33% in 2022 and 7.6% in 2023
- In February, LIPA advanced Phase II of the COVID-19 electric bill credit program to help an additional **38,800 residential customers** and **750 small commercial customers** with past-due electric bills
  - One-time bill credit of **up to \$2,000** for residential customers with unpaid bills that accrued during the COVID-19 pandemic. All residential customers who did not receive a bill credit in Phase I of the program are eligible for a credit for unpaid bills accrued through May 1, 2022
  - 750 small commercial customers (demand less than 40 kW) received a one-time bill credit of **up to \$2,884** for arrears through May 1, 2022



# PHASE 2 – CUSTOMER BILL CREDIT PROGRAM

## Eligible Arrears (subject to final audit) as of 2/8/2023

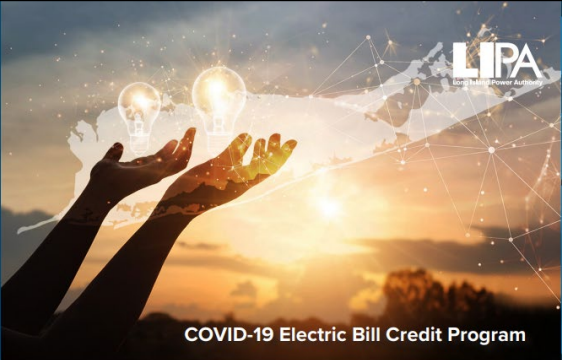
	<u>Residential</u>	<u>Small Commercial</u>
• Eligible Accounts	38,800	750
• Eligible Arrears	\$36.9 M	\$1.1 M
• Amount previously reserved as uncollectible expense	\$28.9 M	\$0.8 M

## Expected funding sources

- LIPA reserve fund for uncollectible expense already reflected in rates in 2022 and 2023
- Delivery Service Adjustment recovers excess uncollectible expense, to the extent necessary
- No additional State or Federal funding is available

# FACT SHEET

FACT SHEET



COVID-19 Electric Bill Credit Program

The COVID-19 pandemic caused financial hardship for many people. Past-due electric bills significantly increased for all utilities and more than doubled in New York.

In 2022, LIPA forgave \$25 million of past-due bills for nearly 11,000 low-income customers as part of Phase I of New York's COVID-19 electric bill credit program. LIPA also increased monthly utility bill discounts for low-income customers by 33% in 2022 and 6.7% in 2023.

LIPA is now moving forward with Phase II of the COVID-19 electric bill credit program to help an additional 44,000 customers with past-due electric bills.

## FREQUENTLY ASKED QUESTIONS

**WHAT IS THE COVID-19 ELECTRIC BILL CREDIT PROGRAM?**

The electric bill credit program is a one-time bill credit of up to \$2,000 for residential customers with unpaid bills that accrued during the COVID-19 pandemic. All residential customers who did not receive a bill credit in Phase I of the program are eligible for a credit for unpaid bills accrued through May 1, 2022.


**HOW MANY CUSTOMERS WILL BENEFIT FROM THE COVID-19 ELECTRIC BILL CREDIT PROGRAM?**

Approximately 44,000 residential customers across Long Island and the Rockaways will receive bill credits from Phase II of the program.

**ARE COMMERCIAL CUSTOMERS ELIGIBLE FOR THE ELECTRIC BILL CREDIT PROGRAM?**

A program for LIPA's small commercial customers with a demand of up to 20 kilowatts (kW) will also be available in February 2023.

Fact Sheet: COVID-19 Electric Bill Credit Program | 1



## [COVID-19 Electric Bill Credit Program Fact Sheet](#)



**Discussion**

Questions?

# PHASE I – ACTIONS TO ASSIST LOW-INCOME CUSTOMERS

**Increased bill discounts:** On July 1, 2022, we increased the base bill discount by 33%. Additional increase of 7.6% for 2023



## CUSTOMER BENEFIT:

*Lower electric bills*

**Continuation of shut-off moratorium:** Extended pandemic shut-off moratorium for low-income customers



*Protection from service disconnection*

**Enhanced rebates for heating/cooling and efficiency:** Proposing \$7.5 million in new funding for low-income home heating/cooling and weatherization in 2023



*Lower future energy costs*

**Automation of enrollment in low-income programs:** Designed 2022 metric to incentivize PSEG Long Island to automate enrollment of low-to-moderate income customers



*Ease of participation*

**Outreach to customers eligible for NYS assistance:** Enrolling customers in all available state aid programs



*Reduced debt*

**Arrears reduction program:** Bill credit to low-income customers to eliminate arrears accrued through 5/1/2022



*Elimination of debt incurred up to May 2022*



# PHASE II – BILL CREDIT PROGRAM FOR ALL RESIDENTIAL CUSTOMERS

## Elements of Phase 2 (*same as IOU program*)

1. One-time bill relief for residential customers not relieved in Phase 1 and small commercial customers
2. The arrears must be from the COVID-19 period (before May 1, 2022)
3. The credit is subject to an “up to” cap per customer (\$2,000 for residential), which is designed to eliminate COVID-19 period arrears for 75% of customers
4. Bill credit is automatic (customer does not need to sign up)
5. Allow reinstatement, through June 30, 2023, of accounts held by eligible residential customers who were shut off in 2022
6. Existing rate mechanism reconciles accrued bad debt expense to the budget from COVID-19
7. Suspend residential shut-offs through the later of March 1, 2023, or 30 days after credits have been applied

## Details

- LIPA and PSEG Long Island participated in the Energy Affordability Policy working group since 2021 and implemented bill discount increases and Phase 1 arrears forgiveness
- \$36.9 million in residential arrears forgiven in Phase 2, helping 38,800 customers
- \$1.1 million in small commercial arrears forgiven in Phase 2
- \$29.7 M already reserved for (uncollectible expense); remaining subject to true-up
- Residential and commercial credits were applied on February 8