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ADVOCATES ISSUE CALL TO UTILITIES TO NEGOTIATE IN LIGHT OF ILLINOIS UTILITY AFFORDABILITY CRISIS

Green Power Alliance, Advocates Hold Press Conference on PURR Act HB2172 and SB1842

CHICAGO — Core partners of the Campaign to End Energy Poverty held a press conference to discuss the energy unaffordability crisis plaguing the state. New data issued from the Department of Commerce and Economic Opportunity (DCEO), the agency that oversees the state's energy assistance programs, reveals the depth of the problem. Five pending utility rate increase requests and utility record profits will only exacerbate the situation.

To bring attention to this crisis, the Green Power Alliance, the lobbying affiliate of Blacks in Green, the National Consumer Law Center, and other advocacy organizations called on the utilities to come to the negotiating table and work to achieve passage of the People's Utility Rate Relief (PURR) Act - HB2172, and SB1842, a separate bill that would increase available energy assistance dollars to begin to meet the immense need throughout the state.

The PURR Act - HB 2172 – will protect the interests of Illinois consumers and keep families safe by minimizing disconnections of essential utility services for medically vulnerable populations and requiring the Illinois Commerce Commission (ICC) to specifically assess the impacts of utility revenue collection practices by zip code. The Bill is the product of the Campaign to End Energy Poverty, sponsored by the Green Power Alliance, the lobbying arm of Blacks in Green (BIG[™]), and the National Consumer Law Center, with input and support from consumers and advocates from throughout the state.

"We've been inviting decision-makers to come to the table and work out a morally-correct bill by May 19 for months now," said Naomi Davis, founder and CEO of Blacks in Green. "In the meantime, the data keeps rolling in, painting the painful reality of the severity of the affordability crisis that affects millions of Illinois customers struggling to pay for heat and light."



The severity of the affordability crisis is apparent in the following newly released data, proving that existing assistance programs are inadequate to meet the needs of utility customers:

- The number of LIHEAP applicants is at its highest level in several years (327,500 LIHEAP customers projected for 2023 fiscal year). Applications over the course of this program year are up approximately 31%. Only 21% of LIHEAP-eligible Illinois customers are served by the program on average. No state serves more than about 21% of the eligible low-income population.
- PIPP has been shut down since September 2022 and will be shut down to new enrollees in 2023 as well. Illinois spent \$4 million more on PIPP in 2023 (11% increase) but served 21% fewer customers.
- Reconnection assistance grants spiked as of April 2023 because so many people are in crisis. Spending on reconnection assistance is up 250% this year as compared to pre-COVID years. That's the result of a 60% increase in both the number and individual Reconnection Assistance grant amounts due to increased utility bills.
- Each utility has the largest ever (or near largest) rate increase request pending before the Commission. All electric and gas customers will likely see annual rate increases for the foreseeable future.
- Utility arrearages grew to \$458 million, compared to the prior month's \$400 million level, as reported to the ICC in April.
- No utility program is solving the problem of growing arrearages reported each month or excessive energy burdens (above 6%).

"We are at crisis utility unaffordability levels in Illinois. We need the PURR Act now to end the punitive approach to revenue collection, inconsistencies in customer policies and ensure a robust discount rate that actually improves affordability and reduces energy burden," said Karen Lusson, senior attorney with the National Consumer Law Center and manager of NCLC's Project Stay Connected – Illinois.

All the while, utilities filed for yet another rate increase with the ICC in January, with decisions coming from the ICC by the end of 2023:

- ComEd filed to increase rates by \$1.5 billion over the next four years, a \$17 per month increase for the average customer by 2024. Hundreds of millions in additional rate increases are expected in the year ahead;
- Ameren Electric filed for a nearly half-billion rate increase over the next four years;
- Ameren Gas filed to increase its rates by another \$135 million, estimated to cost customers another \$6.68 per month;



- Nicor Gas's rates have already increased 63 percent since 2018, with a record-breaking \$321 million increase now pending before the ICC, which would increase monthly bills by more than \$9 per month for the average customer;
- Peoples Gas requested a \$402 million rate increase in its latest filings, a monthly bill increase of about \$12 per month; meanwhile nearly 20 percent of their customers are behind on unaffordable bills to the tune of \$125 million.

"Each month, Illinois families are forced to make difficult decisions as to which life essentials—like food or medicine—they'll have to forego because of unaffordable utility bills," said Rosazlia Grillier, Co-Chair, Community Organizing and Family Issues (COFI) Board of Trustees, Co-President Emeritus, POWER-PAC IL and Governing Council Leader, United Parent Leaders Action Network. "The pandemic took us to the edge, we can't allow the utilities to push us over the cliff."

The PURR Act is a sensible, needed and fair approach to improving energy affordability that protects our most vulnerable populations from disconnection. It provides a blueprint for ensuring customers have affordable bills. It incentivizes utilities to assist customers in accessing programs – including energy assistance and energy efficiency programs – rather than disconnect them when monthly utility bills are unaffordable. It revises the century-old punitive revenue collection practices that ignore the essential nature of utility service and punish people for being poor. The PURR Act includes the following new utility and regulatory requirements:

- Requires electric and gas utilities to provide qualified financially-struggling customers a discounted monthly rate
- Provides new protections from disconnection for medically and financially vulnerable households due to inability to pay
- Reduces high default rates on deferred payment agreements (DPAs) by making them more affordable and reasonably structured
- Requires utilities to dedicate more of existing energy efficiency budgets to low-income weatherization efforts
- Halts disconnections of pending applicants for the Low Income Home Energy Assistance Program (LIHEAP)
- Incorporates a heat index assessment in the summertime disconnection prohibition to halt disconnections of utility customers during high humidity and heat advisories
- Halts electric and gas utilities' current practice of accelerating disconnections of customers deemed at higher risk for nonpayment based on a black-box algorithm scoring system
- Memorializes in statute now voluntary wintertime prohibitions on disconnection from December 1 through March 31
- Requires the ICC to incorporate affordability assessments in all decisions impacting customer rates



• Requires ICC assessment of credit and collection procedures to halt disproportionate impacts on particular communities

We are grateful for all of the following partners in support of the PURR Act - HB2172:

- Chicago Environmental Justice Network (CEJN)
- Community Organizing and Family Issues (COFI)
- Environmental Defense Fund (EDF)
- Faith in Place
- Illinois Association of Community Action Agencies (IACAA)
- Illinois Clean Jobs Coalition (ICJC)
- Illinois Environmental Council (IEC)
- Little Village Environmental Justice Organization [LVEJO)
- Natural Resources Defense Council (NRDC)
- Sierra Club Illinois
- Woodstock Institute

Legislators have until May 19th to support the PURR Act during this legislative session. Press conference organizers urged Chicago residents to contact their legislators to take action in support of the PURR Act - HB2171 and SB 1842, before the May 19 deadline.

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About Blacks in Green & Green Power Alliance

Blacks in Green (BIG[™]) is an environmental justice and economic development non-profit organization based in the Historic West Woodlawn community of Chicago, Illinois. BIG is the creator of the Sustainable Square Mile[™], considered the gold standard for Black community economic development, where African American families walk-to-work, walk-to-shop, walk-to-learn, walk-to-play, own the businesses, own the land and live the conservation lifestyle. BIG teaches neighbors to be their own emergency management system in the Age of Climate Crisis by building green, self-sustaining, mixed-income, walkable-villages with economies in energy, horticulture, housing, tourism and waste. Green Power Alliance is its lobbying affiliate.

About the National Consumer Law Center

Since 1969, the nonprofit <u>National Consumer Law Center® (NCLC®</u>) has worked for consumer justice and economic security for low-income and other disadvantaged people in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services and training.