

# **A tidal wave of utility shutoffs is coming: 34.5 million households will lose shutoff protections in the next month.**

## **An impact analysis of changing utility shutoff moratoriums**

By Michael Thomas

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In the early weeks of the COVID-19 pandemic, millions of Americans lost their jobs as the economy ground to a near halt. Unemployment rose to levels not seen since the Great Depression. Shortly afterwards states around the country passed emergency laws to protect the most vulnerable people. In 32 states, governors and public utility commissions (PUCs) passed **utility shut-off moratoriums** to ensure that no households lost their electricity because they couldn't pay their bill.

Six months later many of those moratoriums have expired or are set to expire in the next month. Between May and mid-August 10 states allowed their moratoriums to expire. In the next month another 14 state moratoriums will expire. That means by October 1st a total of 36 states won't have moratoriums in place. <sup>1</sup>

In order to understand the impact of these policy changes, Carbon Switch analyzed data provided by public utility commissions in these states, unemployment data, and energy spending data. Our goal was to understand how many people could be at risk of losing their electricity this year. <sup>2</sup>

### **Key highlights from this report**

- **In the next month 34.5 million households will lose their utility shutoff protections** as moratoriums in 14 states expire. About 4 million of those households are currently below the federal poverty line. 4 million people in those states are unemployed.
- **76 million American households won't have utility shutoff moratoriums after October 1st.** By that point moratoriums will be voluntary in 36 states. About 10 million of the households in those states are currently below the federal poverty line. Another 9.5 million people in those states are unemployed.

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<sup>1</sup> National Association of Regulatory Utility Commissioners, Map of Disconnection Moratoria (August 18, 2020) <https://www.naruc.org/compilation-of-covid-19-news-resources/map-of-disconnection-moratoria/>

<sup>2</sup> All data from this report is based on data from the following government datasets: Department of Housing and Urban Development, [https://www.huduser.gov/portal/datasets/il.html#2020\\_data](https://www.huduser.gov/portal/datasets/il.html#2020_data) Department of Energy, <https://www.energy.gov/eere/slsc/maps/lead-tool> Bureau of Labor Statistics, <https://www.bls.gov/bls/news-release/laus.htm>

- **In some states 33% of utility customers are behind on bills.** In North Carolina 1,369,786 households are behind on payments. When the statewide moratorium expires on September 1st they will all be at risk of losing their power.
- **8 of the country's 10 biggest utilities will shut off customers' power by Sept 15.** These utilities serve 53 million Americans. The only two utilities that won't resume shut offs by September 15th are PG&E and SCE, California-based utilities that legally can't resume shutoffs until at least next year due to the state's moratorium.<sup>3</sup>
- **Black families are twice as likely to have their power shut off as white families.** According to the 2009 United States Energy Information Administration's Residential Energy Consumption Survey African American households at or below 150% of the federal poverty level were shut off twice as frequently as white households (11.3% compared to 5.5%).<sup>4</sup>
- **Utility shutoffs cost lives, people's health, and their dignity.** Every year brings stories of people killed after their power is shut off (often due to fires and heat stroke). A recent study showed that people often forgo essentials like food in order to save up enough money to get the power back on.<sup>5</sup>

## In the wake of COVID-19 tens of millions of households will be at risk

In the next month utility shutoff moratoriums will expire in 14 states. As you can see in the second column of the table below there are ~34.5 million households in those states. About 4 million of those households are below the federal poverty line according to the Department of Housing and Urban Development. And another 4 million people in those states are unemployed according to data released last week by the Bureau of Labor and Statistics.

By October 1st moratoriums will be voluntary in 36 states meaning that investor-owned utilities can shut off the power on some of the most vulnerable people in America. As you can see in the third column in the table below, there are 76 million American households in those states. About 10 million of them are below the federal poverty line. And 9.5 million people in those states are unemployed.

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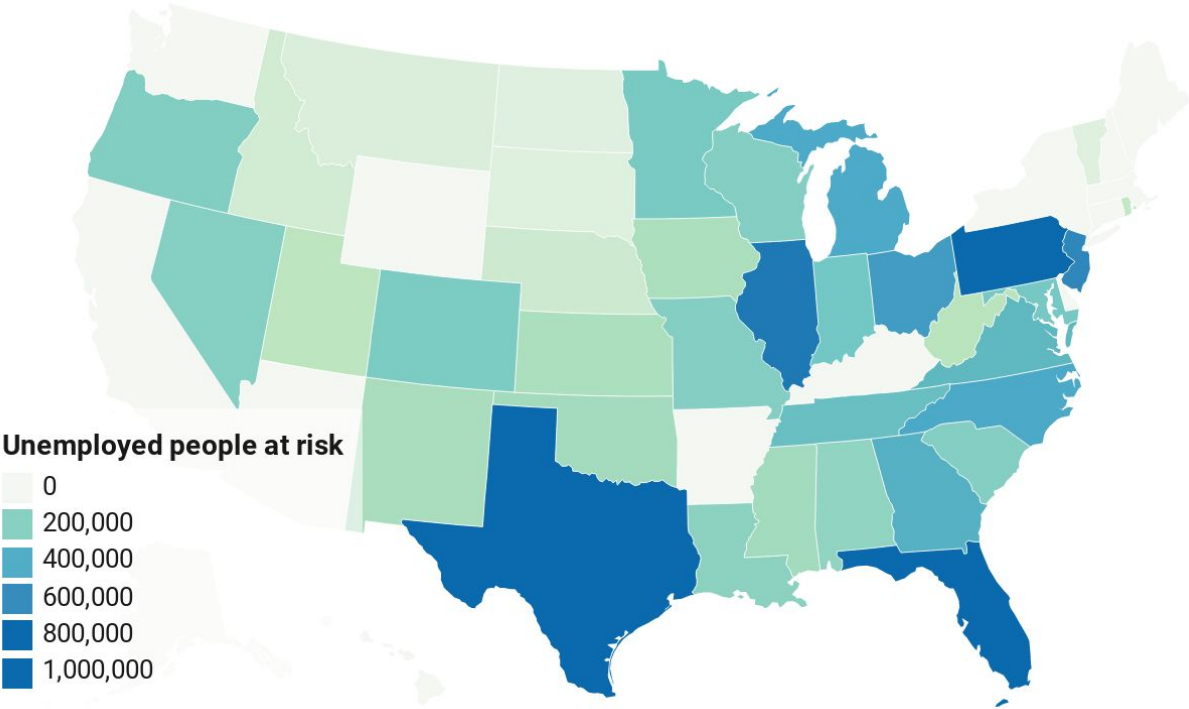
<sup>3</sup> For this report we used information from the EIA on the biggest investor-owned utilities and updated their number of customers with information from the utilities' websites. Energy Information Agency, <https://www.eia.gov/todayinenergy/detail.php?id=7650>

<sup>4</sup> NAACP, Lights Out in the Cold [https://naACP.org/wp-content/uploads/2020/07/Lights-Out-in-the-Cold\\_NAACP-ECJP-4.pdf](https://naACP.org/wp-content/uploads/2020/07/Lights-Out-in-the-Cold_NAACP-ECJP-4.pdf)

<sup>5</sup> Survey of Household Energy Insecurity in Time of COVID, Indiana University [https://oneill.indiana.edu/doc/research/energy-insecurity-survey-june-2020.pdf?\\_ga=2.256794316.617866999.1592234109-1468293896.1585660132](https://oneill.indiana.edu/doc/research/energy-insecurity-survey-june-2020.pdf?_ga=2.256794316.617866999.1592234109-1468293896.1585660132)

|                       | Losing protection within a month | No protection after Oct. 1 |
|-----------------------|----------------------------------|----------------------------|
| Total households      | 34,583,203                       | 76,388,751                 |
| Households in poverty | 4,281,384                        | 9,920,034                  |
| Unemployed people     | 4,313,492                        | 9,534,706                  |

So where will the most people be at risk of shutoffs? The map below shows the number of unemployed people in states with moratoriums that won't be active after October 1st. (Grey states have moratoriums that last through the end of 2020 hence the "0 unemployed people at risk" figure in the legend).



**In some states 33% of utility customers are behind on payments**

In [a July 15 report](#), the Governor’s office reported that 1.3 million customers had been spared from disconnects due to his emergency order that banned utility shutoffs. As they wrote: "Between April 1 and June 30, 1,369,786 residential customer accounts have become eligible for disconnection but have not been disconnected." (For context, there are 3,815,392

households in North Carolina meaning that more than a third of households are behind on payments).

Unfortunately little has changed in North Carolina since that July 15 report and the moratorium is set to expire on September 1st. According to the most recent BLS data, there are 419,812 unemployed people in the state (compared to 199,494 a year ago).

Wisconsin is another state that released data on how many customers are behind on their utility bills. According to [a recent government report](#) about 33% of utility customers were behind on payments as of July (compared to 12% a year ago).

When surveyed for that report, 36 of the 41 utilities that responded said they planned to resume shutoffs. We Energies, a utility that serves 1,183,000 customers in Wisconsin said 32,000 customers met disconnect criteria (27% of their total).

But with millions of shutoffs looming the Public Service Commission in Wisconsin [voted](#) to extend the moratorium until October 1st.

In Florida “accounts in arrears” (the industry term for customers that are behind on payments), are up 60% compared to the year before according to [presentations](#) by executives at the biggest utilities obtained by Carbon Switch.

Florida Power and Light, one of the country's biggest utilities, had 250,000 accounts in arrears as of the end of June. The company began shutting off the power on customers in mid-July.

## **The biggest utilities in the country plan to shut off customers' power**

In March utilities across the country announced that they would temporarily suspend shutoffs. Few of them specified when they would resume shutoffs. Many of them have quietly resumed shutting off the power on their customers in the months since. While others plan to resume shutoffs in mid-September. One of the country's biggest utilities, Southern Company — a Georgia-based utility with 9 million customers — never had an internal shutoff moratorium in the first place.

Carbon Switch gathered data on the number of customers at the 10 largest utilities and their shut off policies. We found that the top 10 utilities control 62% of the investor-owned utility market and serve 63 million customers. (It's important to note that a customer is a household, not an individual. Considering the average household in America has 2.5 people, their policies likely affect about 157.5 million Americans).

Here's a summary of these utilities shutoff policies during the pandemic:

- 1 utility (Southern Company) never stopped shutting off their customers' power.<sup>6</sup>
- 3 utilities (Exelon, Xcel, and Florida Power and Light) quietly resumed shutoffs in May and July.<sup>7 8 9</sup>
- 4 utilities (Duke Energy, Dominion Energy, First Energy, and AEP) plan to resume shut offs in September.<sup>10 11 12 13</sup>
- 2 utilities (PG&E and SCE) are barred by California's moratorium from shutting off their customers' power until at least next year.

It's worth emphasizing that the only utilities that have extended their moratoriums past September 15th are the two utilities based in California, a state with the nation's longest spanning moratorium. The others plan to resume shut offs despite recent reports that as many as a third of customers are behind on payments in some states.

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<sup>6</sup> The moratorium on utility disconnects has ended – what you need to know if you still can't pay, WSB-TV <https://www.wsbtv.com/news/local/atlanta/moratorium-utility-disconnects-has-ended-what-you-need-know-if-you-still-cant-pay/5YGFEMCLQFFNPLFE5XVSSQNFZQ/>

<sup>7</sup> ComEd (an Exelon Company), Coronavirus Updates <https://www.comed.com/News/Pages/coronavirusupdates.aspx>

<sup>8</sup> Madison mayor, others call for moratorium as thousands face utility shutoff Friday, Wisconsin State Journal

[https://madison.com/wsj/news/local/govt-and-politics/madison-mayor-others-call-for-moratorium-as-thousands-face-utility-shutoff-friday/article\\_0b2dbdf3-7cf6-5e80-bb1d-925d7f672ea5.html](https://madison.com/wsj/news/local/govt-and-politics/madison-mayor-others-call-for-moratorium-as-thousands-face-utility-shutoff-friday/article_0b2dbdf3-7cf6-5e80-bb1d-925d7f672ea5.html)

<sup>9</sup> 'Tidal Wave' Of Power Shut-Offs Looms As Nation Grapples With Heat, KCRW <https://www.kcrw.com/news/shows/morning-edition/npr-story/892995058>

<sup>10</sup> Duke Energy <https://news.duke-energy.com/releases/duke-energy-florida-plans-gradual-return-to-standard-business-operations-while-extending-assistance-for-customers-in-need>

<sup>11</sup> Dominion Energy proposes four-month 'no disconnection' policy for customers, NBC-12 <https://www.nbc12.com/2020/06/01/dominion-energy-proposes-four-month-no-disconnection-policy-customers/>

<sup>12</sup> First Energy, <https://www.firstenergycorp.com/help/safety/coronavirus.html#:~:text=We%20will%20resume%20disconnects%20for%20customer%20outreach%20starting%20in%20August.>

<sup>13</sup> AEP, <https://www.aepohiowire.com/covid-19-disconnection-suspension-faqs/>

| Utility                    | Customers   | Shut off status        |
|----------------------------|-------------|------------------------|
| Exelon                     | 10 million  | Resumed May 1          |
| Southern Company           | 9 million   | Never stopped          |
| Duke Energy                | 7.5 million | Will resume Sept 15    |
| Dominion Energy            | 7 million   | Will resume Sept 14    |
| First Energy               | 6 million   | Will resume Sept 15    |
| PG&E                       | 5 million   | Regulated by state law |
| Southern California Edison | 5 million   | Regulated by state law |
| Florida Power and Light    | 5 million   | Resumed July 15        |
| American Electric Power    | 5 million   | Will resume Sept 14    |
| Xcel Energy                | 3.6 million | Resumed in July        |

## Shutoffs and injustice

In 2018 a 72-year-old woman living in Sun City West, Arizona died during a heat wave in which temperatures reached 100 degrees. Shortly after her death investigators learned that she died because Arizona Public Service Co., her local utility had shut off her power (she died of a heat-related illness). According to a report by The Phoenix New Times, she had been paying \$125 per week — all she could afford on a fixed income — but it wasn't enough. The utility shut her power off because her balance was \$176.84 in the negative.<sup>14</sup>

Every year there are similar heartbreaking stories. There are stories of people who die of carbon monoxide poisoning, people who freeze to death, and people who die from fires started by candles — all because their utilities were shut off.

[Fatal Bronx Blaze Was Caused by Candles](#)  
[Man Who Froze Had History of Late Utility Payments](#)  
[Elderly Woman Dies After Gas Shut Off](#)

And as the NAACP report pointed out in [Lights Out in the Cold](#), utility shutoffs disproportionately affect black people in America. According to the 2009 United States Energy Information Administration's Residential Energy Consumption Survey African American households at or below 150% of the federal poverty level were shut off twice as frequently as white households (11.3% compared to 5.5%).

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<sup>14</sup> Arizona's Largest Utility Stops Non-Payment Disconnects, US News  
<https://www.usnews.com/news/best-states/arizona/articles/2019-06-13/arizonas-largest-utility-stops-non-payment-disconnects>

[Recent data](#) from academics at Indiana University shows that in the time of COVID-19 this racial injustice hasn't changed. In a poll the percentage of black respondents who struggled to pay an energy bill in April or May of this year was twice as high as their white counterparts.

The threat of utility shutoffs also affect people's health. According to that same Indiana University study, "Approximately 22% of respondents reported that in the previous month they had reduced or put off expenses for basic needs like medicine or food in order to pay their energy bills."

## Conclusion

As a social enterprise we are obligated to do social good, not maximize profits. That's why we felt compelled to produce this report, despite the fact that it may frustrate utility companies that we will likely work with in the future.

So let us be clear in saying utility shutoffs are an injustice we shouldn't allow in the wealthiest country in human history. They are a form of racism. And often they are lethal.

The millions of Americans that lost their jobs in the wake of COVID-19 shouldn't be subjected to more pain. They shouldn't lose more of their dignity. They shouldn't have to forgo more meals just to keep the lights on so their children can attend remote classes.

In nearly all of the stories and press released we reviewed for this report, we saw the same claim by utilities: "We encourage our customers to seek bill assistance to avoid shutoffs." But according to the National Consumer Law Center, these programs and communications only reach 1% of eligible households. By contrast, 100% of shutoffs reach those same people.

Whether to shutoff a customers' power shouldn't be left up to investor-owned utilities. That's why we are joining the [830+ organizations](#), and [113 members of Congress](#) in calling for a national moratorium on utility shutoffs to save millions of people from losing their power during the worst economic crisis since the Great Depression.

## Appendix

### Status of state moratoriums (as of August 24, 2020)

| State          | Status           | Date        |
|----------------|------------------|-------------|
| Alabama        | Always voluntary |             |
| Florida        | Always voluntary |             |
| Idaho          | Always voluntary |             |
| Michigan       | Always voluntary |             |
| Missouri       | Always voluntary |             |
| Nebraska       | Always voluntary |             |
| Nevada         | Always voluntary |             |
| New Jersey     | Always voluntary |             |
| North Dakota   | Always voluntary |             |
| Ohio           | Always voluntary |             |
| Oklahoma       | Always voluntary |             |
| Oregon         | Always voluntary |             |
| South Dakota   | Always voluntary |             |
| Utah           | Always voluntary |             |
| South Carolina | Expired          | May 14      |
| Mississippi    | Expired          | May 26      |
| Iowa           | Expired          | May 27      |
| Kansas         | Expired          | May 31      |
| Montana        | Expired          | June 30     |
| West Virginia  | Expired          | July 1      |
| Georgia        | Expired          | July 14     |
| Louisiana      | Expired          | July 16     |
| Illinois       | Expired          | July 26     |
| Indiana        | Expired          | August 14   |
| New Mexico     | Expires soon     | August 28   |
| Tennessee      | Expires soon     | August 29   |
| Virginia       | Expires soon     | August 31   |
| Maryland       | Expires soon     | September 1 |



|                      |                   |              |
|----------------------|-------------------|--------------|
| North Carolina       | Expires soon      | September 1  |
| Wisconsin            | Expires soon      | September 1  |
| Delaware             | Expires soon      | September 5  |
| Pennsylvania         | Expires soon      | September 6  |
| Colorado             | Expires soon      | September 9  |
| Minnesota            | Expires soon      | September 11 |
| Rhode Island         | Expires soon      | September 30 |
| Texas                | Expires soon      | September 30 |
| Vermont              | Expires soon      | September 30 |
| Hawaii               | Expires soon      | October 1    |
| Arizona              | Expires this year | October 15   |
| Washington           | Expires this year | October 15   |
| New Hampshire        | Expires this year | October 16   |
| Arkansas             | Expires this year | October 18   |
| Alaska               | Expires this year | November 15  |
| California           | Expiration TBD    |              |
| Connecticut          | Expiration TBD    |              |
| District of Columbia | Expiration TBD    |              |
| Kentucky             | Expiration TBD    |              |
| Maine                | Expiration TBD    |              |
| Massachusetts        | Expiration TBD    |              |
| New York             | Expiration TBD    |              |
| Wyoming              | Expiration TBD    |              |