

PROJECT NO. 50664

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PUBLIC UTILITY COMMISSION  
OF TEXAS  
REGULATING CLERK

**ORDER  
RELATED TO COVID-19 ELECTRICITY RELIEF PROGRAM**

On March 13, 2020, in response to the growing threat of the coronavirus disease (COVID-19), Governor Greg Abbott issued a Declaration of State of Disaster for all counties in Texas. This Commission Order addresses the effects of COVID-19 for electric services provided in the areas of the state of Texas that are open to customer choice.

Through this Order, the Commission authorizes a customer assistance program for certain residential customers of electric service in areas of the state open to customer choice. The details of that plan, the COVID-19 Electricity Relief Program, are detailed in attachment C to a memorandum filed by Chairman Walker on March 24, 2020 in this project, as modified by the Chairman's memorandum filed on March 25, 2020 and discussions at the open meeting of March 26, 2020. The COVID-19 Electricity Relief Program is attached to this Order and is adopted and incorporated into and made a part of this Order.

The Commission issues this Order under its statutory authority to regulate public utilities, to regulate the provision of wholesale and retail electric service, to provide protections to retail customers of electric service, and to oversee the Electric Reliability Council of Texas, Inc. (ERCOT) as the independent organization.

The Commission recognizes that further details of the COVID-19 Electricity Relief Program will need to be addressed in the coming days and the plan will need to be supplemented and may need to be modified. The Commission also recognizes that the current state of disaster is bringing new challenges that may also need to be addressed and may require changes to the COVID-19 Electricity Relief Program. Accordingly, the Commission will continue to evaluate the issues addressed by the program and monitor the operation of the program and will supplement and modify the program in future orders as needed to address these issues.

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In addition, the initial funding mechanism for the COVID-19 Electricity Relief Program is temporary and requires further review. The Commission recognizes that there may be other funding sources available for longer-term funding of this plan. Accordingly, the charge approved in this Order will be reviewed in one month from the date of this Order, unless it is modified or extended by further Commission action before then.

Consistent with the above discussion, including the portions of the adopted memorandum, the Commission orders the following:

1. The COVID-19 Electricity Relief Program is established as a customer assistance program for eligible residential customers of retail electric service in the areas of this state open to customer choice.
2. Each transmission and distribution utility (TDU) in the ERCOT region must file within 10 days of the date of this Order a tariff rider to implement the terms of the COVID-19 Electricity Relief Program. Docket Management must give those filings its highest priority to process. Each TDU must comply with all other applicable provisions of the program.
3. The term transmission and distribution utility or TDU in this Order or in the COVID-19 Electricity Relief Program does not include a river authority.
4. Retail electric providers must cease disconnections of eligible residential customers in areas open to customer choice as provided by other orders of the Commission and the COVID-19 Electricity Relief Program and must comply with all other applicable provisions of the program.
5. ERCOT must provide the initial contribution to the TDUs for the COVID-19 Electricity Relief Program and must comply with all other applicable provisions of the program.
6. The COVID-19 Electricity Relief Program fund must make reimbursements in accordance with the COVID-19 Electricity Relief Program.
7. The Commission may supplement and modify the COVID-19 Electricity Relief Program by subsequent order.

8. TDUs must file the reports required by the COVID-19 Electricity Relief Program in Project No. 50703, *Reports of Transmission and Distribution Utilities on the COVID-19 Electricity Relief Program*.

Signed at Austin, Texas the 26th day of March 2020.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
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**DEANN T. WALKER, CHAIRMAN**

  
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**ARTHUR C. D'ANDREA, COMMISSIONER**

  
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**SHELLY BOTKIN, COMMISSIONER**

**Attachment**

**COVID-19 Electricity Relief Program**

## COVID-19 Electricity Relief Program

### Overview

- On March 19, 2020, Governor Abbott issued Executive Order No. GA-08 that set forth four orders effective from March 20, 2020 until April 3, 2020, subject to extension. The orders state the following:
  - Order No. 1 - In accordance with the Guidelines from the President and the CDC, every person in Texas shall avoid social gatherings in groups of more than 10 people.
  - Order No. 2 - In accordance with the Guidelines from the President and the CDC, people shall avoid eating or drinking at bars, restaurants, and food courts, or visiting gyms or massage parlors; provided, however, that the use of drive-thru, pickup, or delivery options is allowed and highly encouraged throughout the limited duration of this executive order.
  - Order No. 3 - In accordance with the Guidelines from the President and the CDC, people shall not visit nursing homes or retirement or long-term care facilities unless to provide critical assistance.
  - Order No. 4 - In accordance with the Guidelines from the President and the CDC, schools shall temporarily close.
- The customer assistance program (COVID-19 Electricity Relief Program) applies to residential customers meeting the eligibility criteria of the program.
- The COVID-19 Electricity Relief Program creates a temporary exemption from disconnections for non-payment for eligible residential customers in areas open to customer choice, thus protecting affected residential customers and reducing the exposure of the competitive market from excessive COVID-19-related bad debt that could lead to industry upheaval and bankruptcies.
- Only the residential classes will be eligible for the COVID-19 Electricity Relief Program and suspension of disconnection for non-payment. Retail electric providers (REPs) will contact residential customers to place the customer on deferred payment plans before submitting reimbursement claims.
- As previously recommended, the Commission will issue an order under 16 Texas Administrative Code (TAC) §§ 25.480(j)(1)(B) and 25.498(i)(1)(B) requiring REPs to offer deferred payment plans to customers who have experienced financial hardship due to the state of disaster Governor Abbott has declared for COVID-19. As provided by those rules, REPs may implement switch-holds for customers who enter into a deferred payment plan. When a customer contacts a REP and indicates an inability to pay a bill, or to make a deferred payment plan installment, the REP will inform the customer of the COVID-19

Electricity Relief Program and will provide instructions for the customer to contact the Low-Income List Administrator (LILA) to self-enroll.

- The moratorium on disconnections for non-payment currently implemented by the transmission and distribution utilities (TDUs) will end upon the implementation of the COVID-19 Electricity Relief Program as described below.

#### Mechanism

- TDUs will implement a rider to facilitate funding the COVID-19 Electricity Relief Program for customers within the customer choice areas of the Electric Reliability Council of Texas (ERCOT). The rider will collect funds to be utilized to reimburse TDUs and REPs for unpaid bills from eligible residential customers experiencing unemployment due to the impacts of COVID-19 and to ensure continuity of electric service for those residential customers.
- The rider will be a set amount per kilowatt hour (“kWh”) with funds collected and administered by the TDUs across all customer classes. The initial rider will be based on \$0.33 per megawatt hour (MWh). The TDUs will implement the rider within ten days of the Commission’s order establishing the COVID-19 Electricity Relief Program. The rider will have an immediate effective date.
- For the initial balance of the fund, each TDU will verify the amount it needs based upon estimated reimbursement requests to ERCOT. To assist the public interest under the COVID-19 Electricity Relief Program, ERCOT will provide the initial contribution of up to a total of \$15 million to create the TDUs’ initial fund balance. This contribution will be considered an allowable expense under 16 TAC § 25.363(c). For reporting purposes, ERCOT will process the contribution as an interest free receivable in its books until fully repaid by each TDU. ERCOT and each TDU will enter into an interest free loan agreement that will describe the payment terms and conditions and be consistent with the COVID-19 Electricity Relief Program. Each loan agreement will be filed with the Commission. Amounts to be repaid to ERCOT will be collected through the TDU riders and repaid prior to the end of the COVID-19 Electricity Relief Program.
- If the rider is collecting insufficient funds to cover the TDU and REP eligible costs, then the TDU will file a request for an adjustment to the rider. At any point during the pendency of the COVID-19 Electricity Relief Program, TDUs or REPs may petition the Commission for a review of or amendment to the COVID-19 Electricity Relief Program, including adjustments to the rider. The Commission will act on any petition within 30 days.
- The fund will reimburse the following entities and eligible costs: REPs with energy charges related to eligible residential customers with an unpaid, past due electric bill subject to a disconnection for non-payment notice; TDUs for delivery charges related to eligible residential customers with an unpaid, past due electric bill subject to a disconnection for non-payment notice; the third-party administrator to cover its reasonable costs of administering the COVID-19 Electricity Relief Program eligibility process; and

ERCOT for the initial contribution. Disbursements to REPs will be calculated using a standardized energy charge based on an average energy cost of \$0.04 per kWh.

- The following customer identification process will be used, facilitated by the third-party vendor, who is the same entity as the Low-Income List Administrator (LILA). A residential customer who cannot pay their electric bill due to unemployment or low-income from the effects of the COVID-19 disaster must contact the LILA. The residential customer must provide the LILA with an attestation of unemployment (to be followed by documentation of unemployment within 30 days) and sufficient information to identify the customer's electric service account (e.g., service address, account number, and telephone number). The LILA will compare the customer's information to the lists of residential customers submitted by REPs to create files of matching residential customers eligible for the COVID-19 Electricity Relief Program. Each REP must retrieve from the third-party vendor the list of residential customers served by that REP who are eligible for the COVID-19 Electricity Relief Program.
- REPs will cease submitting disconnection for non-payment orders for residential customers identified as eligible for the COVID-19 Electricity Relief Program.
- A residential customer who demonstrates eligibility for the COVID-19 Electricity Relief Program is deemed as having established satisfactory credit for the purpose of 16 TAC § 25.478(a).
- TDUs will cease charging REPs for delivery charges, except securitization-related charges, related to customers identified as eligible for the COVID-19 Electricity Relief Program.
- The COVID-19 Electricity Relief Program, including the suspension of disconnections for non-payment and addition of residential customers to the COVID-19 Electricity Relief Program will end six months after the date of the Commission order approving the program unless extended by the Commission. If Executive Order No. GA-08 is still in effect has not been lifted at the end of the six-month period, the COVID-19 Electricity Relief Program may be extended for an additional period if, after a reassessment of the need for the COVID-19 Electricity Relief Program, the Commission determines that the need for the program continues to exist. The TDUs' riders will remain in place and reimbursements to the TDUs and REPs will continue after the COVID-19 Electricity Relief Program has ended to complete any remaining COVID-19 Electricity Relief Program cost recovery and to disburse all reimbursement amounts or remaining balances.
- Final claims for reimbursement must be submitted to TDUs not later than 90 days after the end of the COVID-19 Electricity Relief Program. For any amounts recovered under the rider that remain after the end of the COVID-19 Electricity Relief Program, the TDUs will issue a refund through REPs to end-use customers in the same manner the rider was charged. REPs must pass through any monies refunded to customers.
- TDUs will prepare reports on the COVID-19 Electricity Relief Program to be filed at the Commission every 30 days providing data showing aggregate amounts of reimbursements

to the TDUs and REPs. Reimbursements and collections will be subject to reconciliation and audit by the Commission.

- REPs will submit one spreadsheet with reimbursement claims to TDUs monthly on the 15<sup>th</sup> of each month. TDUs will create a standard spreadsheet format; however, the spreadsheet will include the following information: ESI IDs; kWh usage; kWh usage x \$0.04; and Invoice Number. Reimbursement payments to REPs will be processed within 14 days.
- REPs will reflect reimbursement sought through the COVID-19 Electricity Relief Program on the affected customer's account and cease to seek continued collection where funds are received from the program during the pendency of the program. REPs are allowed to recover the remaining balances from the eligible residential customer after the cessation of the program.
- The Commission will waive all relevant deadlines within its rules related to required changes to the REP's Terms of Service and Electricity Facts Labels contract documents relevant to the COVID-19 Electricity Relief Program.
- The Commission will issue an order granting authority for the TDUs to create a regulatory asset to capture all reimbursement amounts and the ERCOT contribution. The funds collected from the rider will be used to offset the regulatory asset and the ERCOT contribution repayment. The rider will stay in effect until the regulatory asset balance is zero and ERCOT has been reimbursed.