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Department of
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LADWP News

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LADWP Board Delivers Heartfelt Message to More than 250,000 Power and Water Customers Struggling to Pay Past Due Utility Bills Since the Onset of the COVID-19 Pandemic's Economic Disruption: 'Help is on the way'

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LADWP, with a significant funding assist from the State of California, prepares to launch the largest utility customer debt assistance initiative in the city's history. An expected \$300 million will be used to help qualifying customers whose family household budgets were crushed during the pandemic shutdown, leaving their utility

bills unpaid. Board also extends shut-off moratorium to March 2022.

LOS ANGELES (October 28, 2021)— The Los Angeles Department of Water and Power (LADWP) Board of Commissioners has announced the most comprehensive effort in the city's history to help hundreds of thousands of financially strapped customers who have been burdened by mounting unpaid utility bills due to the sustained economic impacts of the COVID-19 pandemic. In all, an expected \$300 million will be used to reduce customer utility debt for over 250,000 customers.

“COVID-19 has dealt a devastating blow to our residents, impacting their livelihoods and undermining their economic security, and it's our responsibility to help them weather this crisis,” said Mayor Eric Garcetti. “No one who is struggling to make ends meet should face further hardship, and this new program will deliver essential financial relief to help hard-working Angelenos get back on their feet.”

LADWP has developed plans to mount a citywide effort to reduce utility customer debt, and in some cases eliminate their past due debt, through an economic relief program made possible by a federal, state, and local funding collaboration. LADWP will partner with community-based organizations and organized labor in its outreach effort to help DWP customers in need of assistance. LADWP will dedicate \$15 million to complement the state and federal funding to further assist low-income customers who were late on their utility bill before the pandemic or who continued to need assistance after the state funding eligibility period.

Overall, LADWP's expansive customer financial assistance initiative will provide utility debt relief to more than 250,000 residential LADWP customers who fell behind on payments of their water and electricity bills, many of whom continue to struggle financially every month to keep up with their utility bills while grappling with how to afford living essentials such as food.

“Working families have been the hardest hit by the COVID-19 pandemic. It is imperative that we ensure that people are able to keep their lights on and water running through this difficult time. I applaud the actions that the board took and look forward to working with them to create long term solutions for easing the burden on low-income rate payers,” said Los Angeles City Council

President Nury Martinez.

“Since the onset of the pandemic, I have been a vocal advocate for financial assistance for Angelenos who have faced economic hardships due to COVID-19, including providing a utility subsidy at the local level,” said Councilmember Mitch O’Farrell, the City Council President Pro Tempore. “The Los Angeles City Council has worked tirelessly to help those in need, including enacting the nation’s strongest eviction moratorium and largest municipal rental relief program. Relief of utility debt is yet another example of the City’s leadership as Los Angeles works to emerge from the pandemic and assist those affected by COVID-19.”

The backbone of the effort is the distribution of \$285 million in pandemic relief funds expected from the State of California, and specifically earmarked for municipal utilities, to financially assist qualifying customers economically harmed by the COVID-19 pandemic pay cuts and job losses.

“We want all of our customers who have struggled to pay their electric and water bills during the COVID-19 pandemic, and those who struggle every day to make ends meet, to know that help is on the way,” said LADWP Board President Cynthia McClain-Hill. “No one should live under the stress-inducing, day-to-day threat of having their utilities shut off because their DWP bills accumulated while they were effectively severed from their livelihood by a pandemic. By partnering with our state and with local non-profit partners, we’re going to ensure that every qualified customer receives the financial assistance they need to help relieve the utility debt burden they’ve been bearing for many months while trying to keep food on their table. Today we’re sending a message as your City’s utility, that by uplifting our most vulnerable residents, we are truly helping to build a stronger, more prosperous, and equitable Los Angeles. When we say ‘LADWP Cares,’ we want you to know by our actions that we mean it.”

The utility customer financial assistance funding is part of the American Rescue Plan Act of 2021 (ARPA) that provides federal funds to the states to address the substantial harms caused by the COVID-19 pandemic, including public health and economic impacts. Funds allocated to utilities

through Assembly Bill 135 and Senate Bill 148 will be used to assist residential customers with their unpaid water and electric bills incurred from March 4, 2020 to June 15, 2021.

“We are grateful to the Biden Administration, our federal legislative delegation, Governor Gavin

Newsom, and the state legislature for providing significant funding to allow us to help our customers pay down utility debt that mounted during the COVID-19 pandemic,” said Martin L Adams, LADWP General Manager and Chief Engineer. “We also realize that financial hardships continue for many of our customers and are very pleased to offer additional help to tens of thousands more customers who need assistance.”

Customers do not need to apply to receive pandemic-related economic impact, past due utility bill payment assistance. Once the state funds are available in the coming weeks, customers with qualifying past-due balances will receive a credit on their utility bill. Customers who continue to carry an unpaid balance after the credits have been applied will become eligible for additional financial assistance, including extended utility bill repayment plans, and further help through added federally funded programs such as the Low-Income Home Energy Assistance Program (LIHEAP) administered by community-based organizations.

In response to directives from Mayor Garcetti and City Council to assist our city’s most financially disadvantaged utility customers and help them maintain their access to essential power and water services, LADWP created a new 15-million-dollar low-income customer assistance program that will provide as many as 80,000 Low-Income Discount Program customers with additional debt relief – up to \$500 per customer – and will connect these customers to additional utility debt assistance through other federal and state utility financial assistance programs administered by non-profit organizations.

Also on Tuesday, the Board of Water & Power Commissioners voted unanimously to extend the utility shutoff moratorium to March 31, 2022, to allow time for the state’s funding credits to be applied and ensure ample time for customers to access financial relief funds and other assistance programs.

LADWP’s partnership with community-based organizations will enable the department’s staff to mount an unprecedented effort to assist customers in accessing the various assistance programs to help pay off their utility debt, and help ensure uninterrupted utility service for tens of thousands of customers who would otherwise be at risk of water and power shutoff.

“This is great news for the low-income and communities of color we work with,” said Agustin Cabrera, Director of the RePower LA coalition. “People in our communities have been struggling

with utility debt since before the pandemic, and this means they won't be disconnected before the state relief funds are dispersed."

Starting November, LADWP will begin offering extended utility bill payment options to residential customers in need of long-term financial help, to provide them with more time to pay down their past due bill through more flexible, no interest installment payments. Participants in LADWP's Low Income and Lifeline discount programs will be able to repay a past due balance over a period of up to four years, a change from the prior repayment period of two years. For all other qualifying customers, repayment will be extended to three years, up from one year.

Since the start of the COVID-19 pandemic in March of 2020, LADWP ceased all shutoffs for non-payment of water and electric service so no water and power customer would go without vital residential utility services. In November 2020, LADWP helped the City of Los Angeles administer the federal CARES ACT grant program that provided more than \$33.5 million in grants, in the amount of \$500 per household, to more than 67,000 income qualified Angelenos who were financially devastated by the pandemic economic shutdown, pay cuts and job losses.

Customers who may be eligible to enroll in LADWP's Low-Income Discount Program should visit www.ladwp.com/financialassistance (<https://web.archive.org/web/20211102075234/http://www.ladwp.com/financialassistance>) to check their eligibility.

LADWP remains committed to helping its customers navigate these difficult times by connecting them to programs, services and discounts that will help reduce their energy and water usage, reduce their monthly utility bills, and help manage their payments.

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