

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED
10/05/20
01:21 PM

Order Instituting Rulemaking to Investigate
and Design Clean Energy Financing Options
for Electricity and Natural Gas Customers

Rulemaking 20-08-022
(Filed August 27, 2020)

Comments of the National Consumer Law Center on the Order Instituting Rulemaking

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October 5, 2020

I. Introduction

In accordance with the schedule set out in the Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers (OIR) issued on September 4, 2020,¹ the National Consumer Law Center (NCLC) respectfully submits these timely comments on the OIR.

II. Background

Since 1969, the nonprofit [National Consumer Law Center® \(NCLC®\)](#) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. NCLC advocates for equitable access to affordable, reliable utility service for low-income consumers and has a long history in the creation and implementation of low-income utility assistance programs.

III. Clean Energy Financing Options Should Not Expose Low-income Homeowners and Renters to Risk of Disconnection or Loss of Housing and Homeownership.

The exposure of risk of disconnection, loss of home or equity in home, or loss of rental housing to low-income (e.g., CARE-eligible) customers should be addressed as a preliminary

¹ Order paragraph 7.

matter or explicitly addressed for the various financing products in this proceeding. In addition, we recommend that the proceeding address whether there are guarantees with various financing products to prevent the loss of energy service or loss of rental housing or homeownership for low-income customers.

NCLC has a long history supporting the establishment of low-income energy efficiency and affordability programs and also has deep expertise in consumer laws. Well-designed and responsibly delivered energy efficient improvements decrease energy consumption while increasing comfort and providing a healthier home. However, NCLC also has deep expertise with consumer lending and the dangers that risky loan products, deceptive marketing and door-to-door contracting scams pose to low-income households. As the OIR notes, there have been problems with anti-consumer practices with California's residential PACE program.² Even well-meaning, but expensive debt can be toxic for a household struggling to pay for basic necessities such as the rent or mortgage, medical care and food. The OIR notes that some private lenders tend to view On-Bill Repayment as less risky because customers tend to pay their utility bills more regularly than other monthly bills.³ However, low-income households should not be put in a situation where they are trading off paying for basic necessities in order to pay off an energy efficiency loan to avoid disconnection. Consumers entering into these clean energy financing agreements should be vetted to ensure an ability to pay the loan terms.

IV. Conclusion

NCLC looks forward to working with the Commission and parties on ensuring that the clean energy financing products that will be explored in this proceeding do not increase the risk of

² OIR at 6.

³ OIR at 7.

disconnections for residential customers, particularly low-income consumers, and that these products to not jeopardize homeownership or lead to unaffordable debt.

Respectfully submitted,

//s// Olivia Wein

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