

WHAT'S THE OPPOSITE OF "CONGRESS?" SOCIAL DISTANCING

By Elizabeth Whitney



Although it is easy to forget amid the partisan bickering that characterizes politics, the term “congress” means “the act of coming together and meeting.” In the sudden upside-down world of today, social distancing has left us all longing for opportunities to safely interact with others.

But for the legislative body of Congress, the pandemic has made coming together and meeting that much harder. There is no precedent for remote voting. Setting up a new secure solution would cost precious time and, by so doing, invite all kinds of dissent among the ranks that could hold up future aid packages. Instead, congressional leaders have so far only attempted to negotiate at the top levels, insisting upon unanimity among their rank and file and hoping the other side will swallow its dissent in the name of quickly providing aid.

That was how the first three COVID-19 aid packages came together.

One, two, three punch

In early March, before the full extent of the coming damage was even known, the House introduced the Coronavirus Preparedness and Response Supplemental Appropriations Act and passed it by a vote of 415-2; the Senate interrupted its consideration of the energy bill to pass it 96-1 the next day; and it was signed into law the following day. But it was almost immediately evident that the bill, which contained \$8.3 billion in supplemental funds for federal agencies, was woefully inadequate.

Five days later, the House introduced another bill, the Families First Coronavirus Response Act. This one included more money for agencies as well as food assistance, an expansion of unemployment insurance, and new family and sick leave options for people unable to work due to COVID-19 or quarantine.

Speaker Nancy Pelosi (D-Calif.) had largely negotiated the bill with Treasury Secretary Steven Mnuchin instead of other congressional leaders, and it earned a handful of “nay” votes in the House before the speaker adjourned, forcing the Senate to adopt the bill without changes. Senate Majority Leader Mitch McConnell (R-Ky.), who had already begun discussing additional measures, told his colleagues they may need to “hold their nose” to pass the House bill. It ultimately passed the Senate four days later with a vote of 90-8, but, with rapidly escalating unemployment, discussions had already turned to what would come next.

After reluctantly passing the House bill, McConnell insisted that the next bill would be drafted by the Senate. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided stimulus checks to most individuals, established the Paycheck Protection Program (PPP) to provide forgivable loans to small businesses, and provided direct lending to airlines and other major industries. The Senate intended to force the House to accept the bill as drafted, but Pelosi moved aggressively to negotiate additional provisions in order to pass the bill unanimously through the House without calling members of Congress back to Washington, D.C. She released draft text of her own bill, which included two troubling provisions preventing utilities from shutting off services, among other things.

Ultimately, the CARES Act passed both chambers after the parties agreed to increased funds for the Low Income Home Energy Assistance Program (LIHEAP), greatly increased unemployment benefits, a state and local government relief fund, and more funding for hospitals. The Senate, which had been meeting in person for over a week after

the rest of the nation went into quarantine, finally recessed.

Immediately, even if remotely, the parties began discussing the possibility of another bill.

So much left undone

Two key patterns have emerged: the scope of the crisis is increasingly outpacing the scope of each bill being discussed, and the parties’ willingness to set partisan differences aside is decreasing with each round of negotiations.

Even with social distancing measures in place, Congress spent April debating two different relief packages: a Phase 3.5 bill to simply replenish the funding for certain programs in the CARES Act that had already run dry (that bill has now become law), and a Phase 4 bill to address new aspects of the crisis. Infrastructure and other economic stimulus measures are now discussed as part of an eventual Phase 5 or 6 as Congress struggles to mitigate the immediate damage.

For utilities, much is at stake. As job losses mount, non-payments are on the rise and load is on the decline. An effort to impose a nationwide moratorium on utility disconnects is on the table, which could exacerbate liquidity concerns. NWPPA, sensing the urgency for its members, converted its annual legislative rally to a virtual visit, calling on lawmakers to provide more funds for LIHEAP, provide consumer-owned utilities access to the PPP, and avoid a national mandate on disconnects. (See article on facing page.)

Members and staff welcomed the calls and input from utilities. Perhaps they can follow NWPPA’s lead and find a different way to congress. **NWPPA**

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Pandemic Impacts and Federal Aid Dominate D.C. Virtual Rally Sessions

By Nicole Case

Last month, NWPPA members, led by the NWPPA Board of Trustee Executive Committee, braved the new world of expansive video conferencing to meet with members of Congress, senators, congressional staff, and key administration officials. With a message centered on the impact of the COVID-19 pandemic on consumer-owned utility members and their customers, members learned to navigate sometimes less-than-ideal audio and video capabilities to convey our unique Greater Northwest message of preparedness, commitment, and the benefits of local control to federal policymakers.

“We had a great team of NWPPA members who stepped up by dedicating several days to make these presentations. It was important that Congress heard these stories at this time as they consider a string of emergency bills. Throughout this crisis, public power in the West is delivering on the mission,” said NWPPA Executive Director Scott Corwin.

The timing of this year’s virtual rally required NWPPA members to focus solely on issues associated with the worldwide pandemic. And rightfully so, as the U.S. Congress and the administration, in a somewhat frantic pace, worked on a series of aid packages to help Americans impacted by the pandemic. (See facing article for more information.)

Our message emphasized an almost universal commitment by NWPPA members to discontinue shut-offs for nonpayment and waive late fees due to the pandemic. We also described the many ways that utilities assist their customers. Especially during emergencies, the concept of local control works best as consumer-owned utilities know their community and customers. Working together with customers to find alternate means of payment helps bridge the gap between nonpayment and an end to the emergency.

Earlier last month, Oregon’s Senator Jeff Merkley (D) and Congressman Peter DeFazio (D) led a letter to House and Senate leadership seeking legislation to place a federal moratorium on all utility shut-offs during the pandemic. Utilities would also be barred from shut-offs or seeking repayment from customers for

six months after the end of the pandemic.

In exchange, the Oregon members of Congress suggest federal support to help with financial losses. NWPPA members raised several concerns, noting this proposal for unusual federal intervention in local utility policy is unnecessary given

most utilities’ commitment to discontinue shut-offs. The shut-off moratorium could exacerbate increases in accounts receivable by overriding locally crafted programs and sending a message that electric bills need not be paid. Consumer-owned utility approaches, which work with customers to manage the inability to pay, are better able to lessen the impact on utility finances and ensure that the cost to consumers will be manageable at the end of this pandemic.

Additional proposals to mandate a moratorium on utility shut-offs continue to circulate on Capitol Hill, with some tying a moratorium to a utility accepting federal aid during the pandemic. To the extent that proposals progress and that utilities seek this aid, a shut-off moratorium should be limited to residential customers that are in economic distress due to the pandemic, limited to the period of the emergency, and not imply debt forgiveness.

NWPPA’s message was well received by most of its congressional delegation. A few continue to feel strongly that a national shut-off moratorium is necessary to ensure no one is denied an essential service such as electricity or water. A clear picture of the financial impact of the pandemic is incredibly fluid and real data on the revenue impact of load loss and increases in account receivables is hard to pin down; therefore, follow up with the delegation will be necessary.

Also well received was NWPPA’s support for other finance tools to aid consumer-owned utility customers. Support for increasing the amount of funds for the Low Income Home Energy Assistance Program (LIHEAP) is shared

NWPPA MEMBER RESPONSE DURING THE PANDEMIC

- Implementing Emergency and Pandemic Plans**—As operators of essential, critical infrastructure, consumer-owned utilities have long planned for disasters and other emergencies.
- Keeping the Lights On**—Electricity reliability is crucial to support safety and the functioning of our communities during the pandemic. We are following CDC guidelines and, like many essential services, are struggling to secure personal protective equipment and virus testing kits for our employees.
- Suspending Residential Disconnections and Waiving Late Fees**—NWPPA members have voluntarily suspended power shut-offs and late fees for non-payment and are working with customers on payment assistance plans.

IMPACT OF THE PANDEMIC ON NWPPA MEMBERS

- Cash Flow and Liquidity Issues**—Closure of all non-essential businesses and shelter-in-place orders have led to a loss of electric loads and revenue. Although the consumer-owned utilities are well-prepared, financial options could eventually be depleted.

AID FOR CONSUMER-OWNED ELECTRIC UTILITIES AND THEIR CUSTOMERS DUE TO PANDEMIC

- Oppose national moratorium on disconnections.
- Increase LIHEAP funding for low-income households.
- Secure access to federal loans or grants to address financial liquidity issues.
- Clarify eligibility of electric cooperatives as qualifying “business concerns” for SBA Paycheck Protection Program.
- Restore ability to advance refund tax-exempt municipal bonds to free up funds.
- Ensure adequate funding for federal agencies to address wildfire suppression.

among the congressional delegation. NWPPA also suggested that LIHEAP eligibility requirements could be loosened as more people with higher annual income levels are unemployed due to the pandemic. This flexibility in eligibility will take more discussion as the U.S. Congress moves toward a fourth economic stimulus package.

Additional issues raised with the congressional delegation include reauthorizing the ability of municipal utilities to advance refund tax-exempt municipal bonds, ensuring electric cooperative eligibility for the Small Business Administration’s Paycheck Protection Program, and ensuring that federal land and emergency management agencies are well funded and prepared for the wildfire season. On the latter issue, consumer-owned utilities are preparing for the wildfire season and acknowledge that a wildfire emergency on top of the pandemic could stretch already frayed local economies.

Our virtual rally was the beginning of a dialogue that will continue as the U.S. Congress continues discussions about a fourth COVID-19 aid package. As the pandemic endures and its impact on NWPPA’s members continues, NWPPA will work to refine its message to federal policymakers in support of financial tools to aid members and their customers. For more on policy actions regarding the pandemic, please see our website at www.nwppa.org/coronavirus-covid-19/.

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