

Disconnection Protections

CUSTOMER AGENCY

✓ SAFEGUARD

AT A GLANCE



TARGET COST DRIVERS

This policy addresses overall affordability, easing customer cost pressures that may arise from any of the drivers listed below.

- **Aging grid infrastructure**
- **Fuel price volatility**
- **Extreme weather/wildfires**
- **Load growth**
- **Misaligned utility incentives**



IMPACT TIME HORIZON

Page 2

How long it typically takes before changes materialize in utility behavior or customer bills



Short-term (0–2 years)



POTENTIAL COST SAVINGS

Page 2

The level of cost savings that can reasonably be expected to result from this policy



Not applicable

CONTEXT AND BACKGROUND

Utility disconnection protections are policies that prevent electricity (or gas) shutoffs when customers do not pay their bills.

These policies aim to protect public health and safety by ensuring that everyone has access to electricity for critical energy services like heating, cooling, cooking, and running medical equipment. Protections can also prevent housing displacement and foster trust between utilities and their customers.

Protections generally apply to the most vulnerable customers and/or during periods of vulnerability (e.g.,

extreme heat or cold); disconnection protections [expanded in many places](#) as a response to the financial hardship created by the COVID pandemic. The expansion of temporary disconnection protections during the COVID pandemic prompted increased interest in permanent protections, particularly for the most vulnerable households.

REAL-WORLD EXAMPLES

Most states offer some level of disconnection protections for nonpayment, typically applied on a temporary basis or under specific circumstances as described above.



Arkansas [protects vulnerable customers from shutoffs](#) during periods of extreme heat or cold. For example, utilities cannot shut off power to customers aged 65 or older or customers with a disability if the National Weather Service forecasts a temperature of 95 degrees during the next 24 hours. The commission developed these rules under broad legislative authority and direction to protect vulnerable customers rather than as the result of a specific legislative directive.



Illinois [requires utilities](#) to provide adequate notice and reason for disconnection, requires they allow customers to remedy the problem to avoid disconnection, and sets limits on disconnection under certain circumstances. Limits apply to certain medically vulnerable customers, veterans, military personnel on active duty, periods of cold weather, and hot weather. Illinois established heat-based protections via [House Bill 1541](#) and cold-based protections via a [2024 amendment to the Public Utilities Act](#). The state also has performance incentive mechanisms that incentivize reduced disconnections.



Texas [provides restrictions](#) regarding the timing of disconnection (e.g., not during or on the day immediately preceding a holiday or weekend), disabled or medically vulnerable customers, and extreme weather. Many of Texas's protections are established by agency rules, but its cold-weather protections for gas shutoffs are codified [in statute](#).



Virginia, [via House Bill 906](#), provides disconnection protections to customers during periods of extreme heat or cold; on Fridays, weekends, holidays, or immediately before holidays; and during future outbreaks of communicable disease. The legislation also establishes guidelines for notices of nonpayment.



IMPACT TIME HORIZON

Short-term (0–2 years)

Laws may specify that protections take effect immediately (common for emergency measures). If the law follows a standard effective date plus regulatory implementation, it may take a few months to a year before customers are protected.



POTENTIAL COST SAVINGS

Not applicable

Disconnection protections alone do not directly result in cost savings. See the [Arrearage Management policy page](#) for more information.



FURTHER READING

- [“State Energy Justice Roundtable Series: Customer Affordability and](#)

- [Arrearages,”](#) National Association of Regulatory Utility Commissioners, 2023
- [“Advancing Equity in Utility](#)

- [Regulation,”](#) United States Department of Energy, 2021
- [“Protecting Access to Essential Utility](#)

- [Service During Extreme Heat and Climate Change,”](#) National Consumer Law Center, 2023



LEGISLATIVE DESIGN AND IMPLEMENTATION CONSIDERATIONS

Legislative approaches will differ state-to-state but can consider the following actions and parameters when establishing disconnection protections:

Eligibility criteria

Defining which households qualify for protections based on income (e.g., percent of federal poverty level), participation in federal programs (e.g., Supplemental Nutrition Assistance Program (SNAP) or Low Income Home Energy Assistance Program (LIHEAP)), or membership in a designated priority group (e.g., individuals with medical conditions, older adults, or households with young children) leads to programs that effectively support vulnerable populations.

Cause for disconnection

Establish the reasons utility service may be disconnected, including specific types of nonpayment such as nonpayment of bills or a failure to meet the terms of deferred payment agreements. Setting standards on when disconnection is prohibited (e.g., a failure to pay disputed charges before the dispute has been resolved) leads to stronger consumer protections.

Notice and communication standards

Establish a framework for advanced notice of disconnection. This could involve prohibiting disconnection on holidays or weekends, for example, to reduce risk of hardship. Legislation could require notices be published in advance and in multiple languages while including information on customer assistance and appeal rights.

Disconnection windows

Setting restrictions on disconnections during discrete severe weather phenomena, crises like the COVID pandemic, cold or hot weather (e.g., days with high temperatures above 95 degrees Fahrenheit or below 32), or specific seasonal periods (e.g., November 1 through March 31) enhances customer safety. Legislation can also establish how long disconnection protection lasts, for example, by protecting a medically vulnerable customer from disconnection for 60 days after a

The table below provides examples of how authority and responsibility for disconnection protections may be distributed across key entities.

VENUE	POTENTIAL ROLES
Legislature	<ul style="list-style-type: none"> • Define eligibility criteria • Determine allowable causes for disconnection • Provide a framework for notice and communication standards • Require reporting
Regulator	<ul style="list-style-type: none"> • Refine and apply notice and communication standards • Determine the details of setting disconnection windows • Coordinate with other related programs
Administration	<ul style="list-style-type: none"> • Sign emergency orders on disconnection protections when applicable • Establish and coordinate with related policies and programs
RTO/ISO	<ul style="list-style-type: none"> • No major role

nonpayment, and it can set a framework for extending the length of these protections.

Minimum delinquency period

At least 42 states require a utility to give customers a critical window to

resolve missed payments before facing disconnection, generally falling between 15 and 45 minimum days.

Minimum arrearage thresholds

At least seven states protect customers from disconnection over small debts by specifying a minimum amount of customer debt before a utility can disconnect service, ranging from about \$50 to \$500.

Establishment of related policies

Pairing disconnection protections with arrearage management programs or other similar policies, such as bill assistance, leads to more comprehensive solutions for addressing deferred payments and sustaining affordability.

Reporting requirements

Require regular reporting of disconnections, restoration rates, arrearage size, and payment plan utilization by ZIP code and income bracket to track policy outcomes.

Establishment of regulatory authority

Grant regulators specific authority to revise protections based on program performance and needs.



CASE STUDY: COLORADO

OVERVIEW

Colorado provides some of the strongest [disconnection protections](#) in the Mountain West, focused on low-income households and individuals with medical conditions. In 2020, [Senate Bill 20-030](#) required the Colorado Public Utilities Commission to establish disconnection protections, and [House Bill 22-1018](#) expanded those protections two years later. The Commission now oversees a winter disconnection moratorium, medical exemption process, and coordination with energy assistance programs like LEAP (the Low-Income Energy Assistance Program). The protections are multifaceted but focus most strongly on energy security during the winter months.

KEY TAKEAWAYS

Colorado's policy combines protections with robust process and coordination with bill assistance and arrearage management programs to deliver a strong safety net for customers.

THE DETAILS

Eligibility criteria

The law provides restrictions on disconnection to protect health and safety, including for medically vulnerable customers.

Cause for disconnection

The law stipulates reasons for which disconnection may or may not be implemented.

Notice and communication standards

Colorado law requires written notice at least ten days in advance of disconnection in Spanish and English, including information like available state, federal, and local agencies with energy assistance programs and inform the customer of their rights, including their rights to a dispute.

Disconnection windows

The law provides temperature-based protections (32°F and below, 95°F and above).

Minimum delinquency period

The disconnection date is 30 days after the disconnection notice.

Minimum arrearage thresholds

Colorado law does not set a statewide minimum arrearage threshold.

Establishment of related policies

The state establishes a structure and process for installment payment plans to manage arrearage.

Reporting requirements

Utilities must track and report monthly statistics, including on the number of disconnections, reconnections, customers entering and defaulting on payment arrangements, and total dollar amount of arrears.