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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100 - 17700] (Division 4 added by Stats. 1945, Ch. 119.)

PART 2. STATE FUNDS [16300 - 16649.95] (Part 2 added by Stats. 1945, Ch. 120.)

CHAPTER 2. Special Funds [16346 - 16429.10] (Chapter 2 added by Stats. 1945, Ch. 120.)

ARTICLE 12. California Arrearage Payment Program Under the American Rescue Plan Act of 2021 [16429.5 - 16429.7] (Article 12 added by Stats. 2021, Ch. 85, Sec. 9.)

16429.5. (a) The California Arrearage Payment Program (CAPP) is established in the Department of Community Services and Development.

(b) For purposes of this section, the following definitions apply:

- (1) "COVID-19 pandemic bill relief period" means the period starting March 4, 2020, and ending June 15, 2021.
- (2) "Department" means the Department of Community Services and Development.
- (3) "Past due bills" means customer utility bills that are 60 days or more past due and includes both active and inactive accounts, as well as customer accounts that have payment plans or payment arrangements.
- (4) "Program notice" means official guidance issued by the department regarding CAPP implementation and administration.
- (5) "Utility applicant" means any of the following:
 - (A) A local publicly owned electric utility, as defined in Section 224.3 of the Public Utilities Code.
 - (B) An electrical corporation or a gas corporation utility, as defined in Section 218 or 222 of the Public Utilities Code, respectively.
 - (C) An electrical cooperative, as defined in Section 2776 of the Public Utilities Code.

(c) All residential and commercial energy utility customers are considered eligible for CAPP assistance and shall be included in a utility applicant's request for CAPP funding. Within 90 days of receiving funds pursuant to an appropriation in the annual budget for this purpose, the department shall survey utility applicants to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and shall develop an allocation formula for determining an individual utility applicant's share of CAPP funds. In order to receive CAPP funding a utility applicant must complete both the utility survey and CAPP application including submitting all necessary data and information to support the utility applicant's request for CAPP funding. A utility applicant's CAPP allocation shall be based on the proportional share of the total statewide energy utility arrearages of the applicable category identified in subdivision (d) and as established from all survey responses received by the department. The department shall release a program notice informing utility applicants of CAPP allocation determinations.

(1) The department shall release program notices that detail CAPP application, participation, and reporting requirements for energy utilities to receive CAPP funds and issue CAPP assistance to eligible customer accounts. There shall be a 60-day application timeframe in which a utility applicant may apply to the department for CAPP funds. The department shall contact any utility company that does not respond during the initial application period to inquire as to the status of the utility's CAPP application.

(2) In applying for funds on behalf of its customers, a utility applicant shall provide a calculation of the total amount of outstanding customer arrearages that were incurred during the COVID-19 pandemic bill relief period and shall include documentation, which

shall include an account number, to support the amount of outstanding customer arrearages that were incurred during that period. In addition, the utility application shall identify for each utility account the corresponding past due bill balance accumulated during the COVID-19 pandemic bill relief period for which the utility applicant is seeking CAPP financial assistance, as defined by the department in a program notice. The general manager, utility director, or a designee shall certify that the application is true and accurate, and offer agreement on CAPP application benefit delivery, reporting, and post audit review requirements.

(d) Of the nine hundred ninety-three million five hundred thousand dollars (\$993,500,000) appropriated in Item 4700-162-8506 of the Budget Act of 2021 (Chs. 21 and 69, Stats. 2021), the following specified amounts shall be allocated for each category of utility. Funding allocated to one of the categories that is not necessary for assistance for that category may be reallocated to another category. The allocations within the categories may be adjusted for the purposes of administrative costs.

(1) Two hundred ninety-eight million five hundred forty-six thousand seven hundred fifty dollars (\$298,546,750) shall be allocated for financial assistance to customers of local publicly owned electric utilities and electrical cooperatives.

(2) Six hundred ninety-four million nine hundred fifty-three thousand two hundred fifty dollars (\$694,953,250) shall be allocated for financial assistance to all distribution customers of investor-owned utilities, including customers served by a community choice aggregator.

(e) The department shall review the application for completeness and confirm that the utility applicant's submission supports the total amount of financial assistance requested by the utility applicant on behalf of its customers. The department shall confirm the total amount of CAPP assistance does not exceed the utility applicant's CAPP allocation amount. The department shall disburse funds within 30 days after completing review and approval of the utility applicant's CAPP application. Incomplete CAPP applications shall be returned to the utility applicant for corrections or amendments consistent with department notes or directives. The department shall disburse funds as expeditiously as possible to utility applicants, but no later than January 31, 2022.

(f) (1) Within 60 days of receiving CAPP funds, a utility applicant shall issue CAPP assistance benefits to customers as bill credits to help address the eligible past due balance and shall include a statement that the credits are a result of California's CAPP funding. Utility applicants shall ensure all available active and inactive residential and commercial accounts are included in CAPP applications. If CAPP funding is not sufficient to meet utility applicant requests, utility applicants shall prioritize the issuance of CAPP assistance in the following order: (A) active residential customers who are past due and who, absent the CAPP assistance might be subject to service disconnection, consistent with current law, due to nonpayment of balances incurred during the COVID-19 pandemic bill relief period, (B) active residential customers with delinquent balances incurred during the COVID-19 pandemic bill relief period, (C) inactive residential accounts with delinquent balances incurred during the COVID-19 pandemic bill relief period, and (D) commercial customers with delinquent balances incurred during the COVID-19 pandemic bill relief period. An energy utility shall not disconnect a CAPP recipient's utility service, regardless of balance owed after applying a CAPP benefit, for 90 days after a CAPP benefit is applied.

(2) If a customer has a remaining balance after a CAPP benefit is applied, the utility applicant shall notify the customer of the option to enter into an extended payment plan with late fees and penalties waived. The utility applicant shall not discontinue service to the customer while the customer remains current on the repayment plan.

(3) Service shall not be discontinued due to nonpayment for those customers with arrearages accrued during the COVID-19 pandemic bill relief period while the department reviews and approves all pending CAPP applications, and the utility applicant shall waive any associated late fees and accrued interest for customers that are awarded CAPP benefits.

(4) An electrical corporation, as defined in Section 218 of the Public Utilities Code, shall use existing proportional payment processes adopted by the Public Utilities Commission in response to the COVID-19 pandemic to allocate any partial payments made by customers to the utility and other load serving entities in proportion to their respective shares of the outstanding customer charges.

(g) An electrical corporation, as defined in Section 218 of the Public Utilities Code, shall credit funding received through CAPP against customer charges owing the utility and other load-serving entities serving the customer in proportion to their respective shares of customer arrearages.

(h) Customer information shall be subject to the provisions of Section 7927.410.

(i) Within six months of a utility applicant's receipt of its CAPP allocation, the utility applicant shall submit all reporting required by the department detailed in a program notice. The utility applicant shall remit payment to the department in the total amount of any unapplied CAPP benefits as part of its final reporting to the department.

(j) Within 60 days of receiving final reporting from utility applicants pursuant to subdivision (i), the department shall provide to the Legislature, and make available on its public-facing internet website, a report that includes all of the following:

(1) Total arrearage amount applied for statewide.

(2) Total residential customers in arrears applied for statewide.

- (3) Total CAPP funds applied for, by utility applicant.
- (4) Total CAPP funds approved by the department and disbursed to utility applicants statewide.
- (5) Total CAPP funds distributed, by utility applicant.
- (6) Total CAPP funds not expended and returned to the department, by utility applicant.
- (7) Total residential customers, statewide, included in CAPP applications received by the department.
- (8) Total residential customers, by utility applicant, included in CAPP applications received by the department.
- (9) Total active and inactive residential customers, statewide, that received a CAPP benefit.
- (10) Total commercial customers, statewide, that received a CAPP benefit.
- (11) Total commercial customers, by utility applicant, that received a CAPP benefit.
- (12) Average CAPP benefit, statewide, received by residential and commercial customers.
- (13) Total residential customers, by utility applicant, that received a CAPP benefit.
- (14) Average CAPP benefit, by utility applicant, received by residential customers.
- (15) Total expenditures by the department for the administration of CAPP.

(k) Utility applicants shall provide all documents and data necessary for the department to complete its review and audit. The department shall provide 30 days' notice to utility applicants of any document requests to support departmental review and audit.

(l) The department shall coordinate with the State Water Resources Control Board to allocate funding to publicly owned utilities that provide both electric and water services.

(m) All actions to implement this section, including entering into contracts for services or equipment, shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The department may award contracts under this section on a noncompetitive bid basis as necessary to implement the purposes of CAPP.

(n) (1) All actions to implement CAPP and expend an appropriation for this purpose, including the adoption or development of a plan, requirements, guidelines, subgrantee contract provisions, or reporting requirements, shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3). The department shall release program notices that detail CAPP application, participation, and reporting requirements by utility applicants in order to receive CAPP funds and issue CAPP assistance to eligible residential customer accounts.

(2) The department shall post all program notices related to CAPP administration on its public-facing internet website.

(Amended by Stats. 2022, Ch. 28, Sec. 69. (SB 1380) Effective January 1, 2023. Inoperative July 1, 2025, pursuant to Section 16429.6. Repealed as of January 1, 2026, pursuant to Section 16429.6.)

16429.6. This article shall become inoperative on July 1, 2025, and, as of January 1, 2026, is repealed.

(Added by Stats. 2021, Ch. 85, Sec. 9. (AB 135) Effective July 16, 2021. Repealed as of January 1, 2026, by its own provisions.)

16429.7. (a) Notwithstanding any other law, any assistance or relief authorized by, and provided to an individual by a utility applicant under, the California Arrearage Payment Program (CAPP) established pursuant to this article shall be treated in the same manner as the federal earned income refund for the purpose of determining the individual's eligibility to receive benefits under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, excluding benefits under Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, or amounts of those benefits.

(b) Notwithstanding any other law, any assistance or relief authorized by, and provided to an individual by a utility applicant under, the California Arrearage Payment Program (CAPP) established pursuant to this article shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of that individual or any other individual for benefits or assistance or the amount or extent of benefits or assistance under any state or local program not covered in subdivision (a). With respect to a state or local program, this subdivision shall only be implemented to the extent that it does not conflict with federal law relating to that program, and that any required federal approval or waiver is first obtained for that program.

(Added by Stats. 2022, Ch. 3, Sec. 2. (SB 113) Effective February 9, 2022. Inoperative July 1, 2025, pursuant to Section 16429.6. Repealed as of January 1, 2026, pursuant to Section 16429.6.)