Congress of the United States
Washington, DC 20515

January 5, 2022

Chairman Richard Glick
Federal Energy Regulatory Commission
888 First St NE
Washington, DC 20426

Dear Chairman Glick:

We write to express our concern in regard to the effect that anticipated increases in heating and energy costs will have on our constituents this winter. As the entity tasked with the regulatory mission of ensuring consumers can access reliable energy at a reasonable cost, the Federal Energy Regulatory Commission (FERC) has a significant role to play in promoting energy justice and protecting United States residents from unfairly high energy costs. Under its statutory authority, FERC has the power to influence retail rates for natural gas and electricity, including by preventing market manipulation in wholesale natural gas and electricity markets and enforcing gas spot market transparency. We urge the Commission to use its existing regulatory authority to ensure that households' energy bills are not driven up by manipulation, obfuscation, or other malfeasance from regulated entities, and to work collaboratively with other agencies to address energy debt.

Disparate energy debt burdens are a serious economic, racial, and health justice issue. In October, the U.S. Energy Information Administration (EIA) predicted that some households' winter heating bills may rise by as much as 39 percent, compared to last year—a spike that will most affect those with the fewest resources.[1] Nationally, low-income households face energy burdens that are three times higher on average than other households.[2] This is also a racial justice issue, with Black and Hispanic households having a median energy burden that is 43 percent and 20 percent higher than non-Hispanic white households, respectively.[3] The loss of utility service due to high energy burdens is one of the primary reasons for homelessness, especially for

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[1] U.S. Energy Information Admin., *Winter Fuels Outlook, October 2021*, https://www.eia.gov/outlooks/steo/report/WinterFuels.php (last visited Dec. 13, 2021).
[2] U.S. Dep't of Energy, *Low Income Household Energy Burden Varies Among States – Efficiency Can Help in All of Them*, https://www.energy.gov/sites/prod/files/2019/01/f58/WIP-Energy-Burden_final.pdf (last visited Dec. 13, 2021).
[3] Ariel Drebhobl, et al. *How High Are Household Energy Burdens?*, American Council for an Energy-Efficient Economy (Sep. 2021), https://www.aceee.org/sites/default/files/pdfs/u2006.pdf.

families with children.[4] Accordingly, during this pandemic, the loss of utility service and resulting homelessness directly led to higher COVID-19 death and infection rates among vulnerable populations.[5]

There are many overlapping factors leading to this rise in energy prices, including profiteering from oil and gas companies and high oil and gas exports. Additionally, as families across the country struggle to pay their utility bills, utility companies received significant federal support during the pandemic. Sixteen utilities received a combined $1.25 billion in financial support through the *Coronavirus Aid, Relief, and. Economic Security Act*, and some utilities have seen soaring profit margins during the pandemic.[6,7] NextEra Energy, for example, dedicated a combined $2.7 billion to CEO compensation and shareholder dividends between April 2020 and June 2021.[8]

For too long, the federal government has allowed too many utility companies to put profit above the public. We have a responsibility to ensure that everyone has access to safe living conditions, and we cannot let corporate greed or a quest for profit get in the way of fundamental human rights.

With high winter energy costs, the ongoing threat of the pandemic, and racial and economic justice issues surrounding energy debt, we urge FERC to use its existing statutory authority to better protect consumers from energy market manipulation. FERC should use existing statutory authority to provide more transparency on gas spot markets to protect consumers from companies that use hidden prices to set or manipulate energy costs on a non-competitive basis.[9]

Additionally, should prices increase this upcoming winter, FERC must closely monitor wholesale natural gas and electricity market activity to determine if any market participants are engaging in market manipulation or other violations.

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[4] Energy Efficiency for All, *Reducing Energy Burdens*, https://www.energyefficiencyforall.org/issues/reducing-energy-burdens/ (last visited Dec. 13, 2021).
[5] Nat'l Bureau of Econ. Research, *Housing Precarity & the COVID-19 Pandemic: Impacts of Utility Disconnection and Eviction Moratoria on Infections and Deaths Across US Counties,* https://www.nber.org/papers/w28394 (last visited Dec. 12, 2021).
[6] Tom Perkins, *Why Michigan utilities saw profits soar during the pandemic*, Detour Detroit (Mar. 29, 2021), https://detourdetroiter.com/why-michigan-utilities-saw-profits-soar-during-the-pandemic/.
[7] Jean Su and Christopher Kuveke, *Powerless in the Pandemic*, BailoutWatch (Sept. 2021), https://bailout.cdn.prismic.io/bailout/973caeea-9a3f-4b46-bc1c-68eb8cf63b33_Powerless_Report_v5.pdf
[8] Audrey Henderson, *Power shutoffs deepened pandemic toll while utilities collected millions in relief,* Energy News Network (Nov. 8, 2021), https://energynews.us/2021/11/08/power-shutoffs-deepened-pandemic-toll-while-utilities-collected-millions-in-relief/.
[9] Tyson Slocum, *Natural Gas Spot Prices in Need of Reform*, Public Citizen (June 1, 2021) https://www.citizen.org/article/natural-gas-spot-prices-in-need-of-reform/ (last accessed Dec. 13, 2021).

Lastly, we are encouraged to see FERC's commitment to the creation of the Office of Public Participation and the appointment of Director Elin Katz to spearhead transparency and consumer participation in FERC proceedings. It is essential that FERC's Office of Public Participation engage consumers around how FERC can protect vulnerable households in the long-term by establishing new policies that limit harm from market manipulation, non-competitive gas transactions, and other activities that put private profit above public access to affordable energy.

We also recognize that numerous agencies—including the Department of Health and Human Services and the Department of Energy—have a collaborative role to play in supporting energy consumers and promoting energy justice. Almost two years into the coronavirus pandemic, families are experiencing immensely burdensome levels of utility debt that are approximately 67 percent higher than in the average year.[10] Electric utilities carried out more than one million disconnections during the pandemic, directly threatening the health and well-being of millions of Americans.[11] And according to a recent Census Bureau survey, nearly 30 percent of respondents reported either minimizing or altogether foregoing other households expenses like food and rent to pay their energy bills in the last year.[12] In addition to using FERC's standalone statutory authority, we encourage you to work as part of a whole-of-government response on this critical issue.

Thank you, and we look forward to working with you on this matter.

Sincerely,

Jamaal Bowman, Ed.D Member of Congress	Edward J. Markey United States Senator	Jan Schakowsky Member of Congress

[10] Gabe Cohen, *Thousands of Americans will still be without power and heat this winter despite call for utility companies to prevent shutoffs*, CNN (Dec. 3, 2021), https://www.cnn.com/2021/12/03/us/detroit-power-shutoff-energy-prices/index.html.

[11] Jean Su and Christopher Kuveke, *Powerless in the Pandemic*, BailoutWatch (Sept. 2021), https://bailout.cdn.prismic.io/bailout/973caeea-9a3f-4b46-bc1c-68eb8cf63b33_Powerless_Report_v5.pdf

[12] U.S. Census Bureau, *Household Pulse Survey, Week 39, 2021*, https://www.census.gov/data/tables/2021/demo/hhp/hhp39.html#:~:text=For%20Week%2039%20the%20Census,weighted%20response%20rate%20of%205.4%25 (last visited Dec. 13, 2021).

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Richard Blumenthal
United States Senator

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cc:

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