

Wilmington, Delaware
April 17, 2025

**Rev. 1
#0042**

Sponsor:

**Council
Member
Darby**

Co-Sponsor:

**Council
Member
Owens
Hackett
Willauer**

WHEREAS, the Wilmington City Council 2022-2025 Strategic Plan prioritizes a “Health Wilmington” and “Stabilized Wilmington,” where residents have access to access to electricity, heating, and water, which are essential for public health, safety, and well-being; and

WHEREAS, Delmarva Power provides critical utility services to thousands of Delaware residents, including vulnerable populations such as seniors, low-income families, and individuals with medical conditions. Economic hardships, rising energy costs, and other financial challenges have left many residents struggling to pay their utility bills, increasing the risk of disconnections and financial penalties; and

WHEREAS, economic hardships, rising energy costs, and other financial challenges have left many residents struggling to pay their utility bills, increasing the risk of disconnections, and financial penalties. The discontinuation of utility services negatively impacts public health, safety, and overall quality of life, particularly for households with children, individuals with disabilities, and medically vulnerable residents. Utility shutoffs also further jeopardize the stability of Wilmington’s neighborhoods by triggering condemnation actions that can result in property abandonment and vacancies; and

WHEREAS, the Wilmington City Council affirms the sentiments of the letter sent by members of the Delaware General Assembly to Acting Public Advocate Ruth Ann Price on January 30, 2025, requesting an investigation of inordinately expensive electric bills. This Council also asks for further action to provide short-term and long-term relief to Delmarva Power customers facing unaffordable debts; and

WHEREAS, previous moratoriums on shut-offs and late fees during the COVID-19 pandemic demonstrated the effectiveness of such policies in stabilizing communities and preventing unnecessary hardships. The honorable Governor, honorable members of the Delaware General Assembly, and the Delaware Public Service Commission have regulatory authority over utility providers operating within the state and can implement consumer protections during economic and public health crises; and

WHEREAS, Delmarva Power has cited “factors like extreme cold, increased usage, and cost of energy” as contributing to higher energy costs. The company has responded to concerns by expanding customer service to offer payment arrangements, due date extensions, budget billing, energy assistance resources for eligible customers, waivers of late payment fees for January and February, suspensions of disconnections for nonpayment in February, and waivers of deposits for disconnected customers who are seeking to restore service. These actions are insufficient to protect vulnerable customers from financial hardship resulting from their bills; and

WHEREAS, four bills addressing the impacts of electricity costs on consumers have been introduced in the Delaware General Assembly. Senate Bill 59 (SB 59), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Utility Rates; Senate Bill 60 (SB 60), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Utility Rates; Senate Bill 61 (SB 61), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Voting by Members of the PJM Interconnection Regional Transmission Organization; and House Bill 50 (HB 50), An Act to Amend Titles 7 and 29 of the Delaware Code Relating to Energy Assistance, address aspects of the electricity purchasing process that can result in variations in the price residential customers ultimately pay; and

WHEREAS, a utility's rate base has significant implications for the price consumers pay for their usage. Under the current standards, the Delaware Public Service Commission is required to apply the "business judgment rule" standard, whereby there is limited discretion to evaluate the costs included in a rate increase justification. SB 59 would authorize the Delaware Public Service Commission to apply the "prudence" standard, which would allow the Commission to use its expertise to refuse, "in whole or in part," certain expenses and costs included in a utility's rate base that do not meet an objective standard of "just and reasonable and prudent" costs. The "prudence" standard is applied in 48 states; and

WHEREAS, extraneous expenses also influence base rate costs charged by utility companies, particularly those that are investor-owned. SB 60 would place parameters on the expenses incurred by public utility companies that can be recovered from customers. Restricted expenses would include expenses generated through lobbying or other activities intended to influence the legislative process, such as membership in organizations and other entities that engage in activities intended to exercise political influence, contributions to political candidates and issue committees, charitable giving expenses, and advertising intended to attract new customers; and

WHEREAS, the activities of the Pennsylvania-New Jersey-Maryland (PJM) Interconnection Regional Transmission Organization significantly affect the price and reliability of energy generated and transmitted through the regional electric transmission system. The votes cast by the PJM Interconnection Regional Transmission Organization's stakeholder groups determine energy market rules and policies, guide long-term supply and demand planning, and set the agenda for grid improvements for years to come. SB 61 would bring greater transparency to these deliberations by requiring the disclosure of votes cast

regarding matters considered by the PJM Interconnection Regional Transmission Organization; and

WHEREAS, HB 50 would provide immediate relief to numerous customers struggling to pay their current bills by supplementing funds available through Low Income Home Energy Assistance Program (LIHEAP) and establishing the Delaware Energy Fund to give access to financial assistance for energy costs to Delawareans with household incomes below 350% of the federal poverty level.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that this Council expresses strong favor for Senate Bill 59 (SB 59), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Utility Rates; Senate Bill 60 (SB 60), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Utility Rates; Senate Bill 61 (SB 61), An Act to Amend Title 26 of the Delaware Code Relating to Public Utilities and Voting by Members of the PJM Interconnection Regional Transmission Organization; and House Bill 50 (HB 50), An Act to Amend Titles 7 and 29 of the Delaware Code Relating to Energy Assistance to address structural factors that influence the long-term affordability of regulated public utilities and provide relief for residents facing costly electric utility debt.

BE IT FURTHER RESOLVED that this Council urges the honorable members of the Delaware General Assembly to support SB 59, SB 60, SB 61, and HB 50 to bolster our State's capacity to ensure that Delawareans are less susceptible to unreasonable rate increases.

BE IT FURTHER RESOLVED that this Council urges honorable Governor Matt Meyer, the honorable members of the Delaware General Assembly, and the Delaware Public Service Commission to immediately institute a moratorium on electric utility shut-offs and late

fees for residential customers for a period of 6 to 12 months, or until a comprehensive review of affordability measures is completed.

BE IT FURTHER RESOLVED that this Council recommends that the moratorium apply to all residential customers experiencing financial hardship, with a streamlined process for customers to self-certify their need without burdensome documentation requirements. No late fees, penalties, or interest charges should accrue on overdue balances during the moratorium period. Delmarva Power should also conduct public awareness campaigns to ensure affected residents are aware of the moratorium, assistance programs, and their rights under this resolution.

BE IT FURTHER RESOLVED that this Council calls on Delmarva Power to work with the Delaware Public Service Commission, state legislators and agencies, and nonprofit organizations to expand financial assistance programs, including flexible repayment plans and bill forgiveness options for low-income households.

BE IT FURTHER RESOLVED that this Council expresses support for the production of a quarterly report by the Delaware Public Service Commission to the Delaware General Assembly detailing the number of customers impacted, financial implications, and recommendations for long-term affordability solutions.

BE IT FURTHER RESOLVED that for the long-term well-being of utilities customers, this Council encourages the General Assembly to establish a task force to explore long-term protections, including energy affordability reforms, income-based billing models, and expanded funding for low-income energy assistance programs.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: The Wilmington City Council 2022-2025 Strategic Plan prioritizes a “Health Wilmington” and “Stabilized Wilmington,” where residents have access to access to electricity, heating, and water, which are essential for public health, safety, and well-being. This Resolution expresses support for the appeal by members of the Delaware General Assembly to the Public Acting Public Advocate Ruth Ann Price on January 30, 2025, requesting an investigation of inordinately expensive electric bills. The Resolution also express strong favor for Senate Bills 59, 60, and 61, as well as House Bill 50, which propose legislative action to provide short-term and long-term relief for Delmarva Power customers facing financial hardship. The Resolution further urges additional actions, including but not limited to, immediately instituting a moratorium on electric utility shut-offs and late fees for residential customers for a period of 6 to 12 months, or until a comprehensive review of affordability measures is completed.