

NEADA

NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

October 5, 2020

Dear Secretary Azar:

On behalf of the National Energy Assistance Directors Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), I am writing to urge you to release program funds for FY 2021 at 90 percent of the FY 2020 program level, the same percentage that was released in FY 2020 to the states prior to the enactment of a full-year appropriation.


LIHEAP is a seasonal program. Providing 90 percent of the funds at the beginning of the fiscal year is vital to the program's effectiveness. Therefore, NEADA is requesting that program funds be released no later than October 15, 2020. This will allow states to provide funds to local administering agencies to hire staff to start and plan winter heating programs and be ready to help some of the nation's most vulnerable households to maintain access to electric and gas service.

The funds will also be used to immediately help families unemployed as a result of the pandemic pay their energy bills. We estimate between 15 to 20 percent of residential customers are at least 60 days behind on their electric and natural gas bills. As of July 31, 2020, the estimated resulting electric arrearages are between \$8.0 billion and \$9.9 billion and natural gas arrearages are between \$975 million and \$1.3 billion. In addition, utility shut-off moratoriums are beginning to expire. Currently only 20 states and DC have shut-off moratoriums in place and eight are expected to expire in October. (Connecticut, Virginia, Colorado, Indiana, Arkansas, Washington, Vermont and New Mexico).

The average cost of home heating has remained unaffordable for millions of low-income households with an average annual price of \$911 last winter. According to the US Energy Information Administration, the average home heating cost last winter for those using propane was \$1,572, heating oil \$1,501, electricity \$1,162 and natural gas \$580. LIHEAP assistance is only sufficient to reach about one of six eligible households and 70 percent of recipient households have at least one vulnerable and at-risk member who is elderly, disabled or have a child under the age of six.

I appreciate your consideration of NEADA's request to release 90 percent of program funds no later than October 15, 2020. Our states are ready to deploy these funds to help some of the nation's poorest families pay their home energy bills.

Sincerely,

DocuSigned by:

4342C495019F443...
Barb Klug
Chair, NEADA