

NEADA Press Release

Electric and Gas Residential Arrearages are Growing Rapidly Projected to grow from \$9.8 billion as of July 31 to \$24.3 Billion by Year End

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October 1, 2020. Millions of Americans are falling behind on their home energy bills as a result of job losses due to the pandemic. Utilities across the nation are reporting significant increases in the number of households in debt. While the data are still being reported, the pattern is clear – the average amount owed to utilities is increasing and as summer cooling bills are reported and the winter heating season begins, the amount in arrears is expected to grow significantly.

Arrearages are Growing: Arrearage data reports collected from states show a clear pattern – the number of households behind on their bills is growing. Some utilities are now reporting more than 20 percent of their customers are falling behind.

If Additional Federal Funding is Not Provided Electric and Natural Gas Arrearages Could Reach \$32 Billion by the End of the Year: Reflecting the rapidly changing conditions, 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.

By the end of the year, we are estimating an additional \$11 billion to \$15.9 billion in electric arrearages and for natural gas, an additional \$3.5 billion to \$4.7 billion. That would bring the total in arrearages by the end of the year for electricity, between \$19 billion and \$25.8 billion, and for natural gas, between \$4.5 billion and \$6 billion.

Additional Federal Funding is Needed to Address Growing Arrearages: Struggling families turn to the Low Income Home Energy Assistance Program (LIHEAP) to help them pay their home energy bills. Earlier this year, the National Energy Assistance Directors Association asked Congress for an additional \$4.3 billion to help newly unemployed families pay their home energy bills. Congress provided \$900 million, only a portion of the expected increase in need.

The updated version of the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act) in the U.S. House of Representatives, released yesterday, would add \$4.5 billion in emergency funding for LIHEAP. This funding would go a long way towards averting the disaster we are predicting. The Senate and Trump Administration need to follow the lead in the House and support \$4.5 billion in supplemental funding for LIHEAP.

Shut-off Moratoriums are Expiring: Utility shut-off moratoriums are beginning to expire. Currently only 21 states and DC have shut-off moratoriums in place and nine are expected to expire in October. (Connecticut, Virginia, Colorado, Indiana, Arkansas, Washington, Vermont, New Hampshire and New Mexico). If additional federal funds is not provided, millions of families could be at risk of shut-off of vital electric and natural gas services.

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