

NEADA

NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

March 18, 2022

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and Minority Leader McCarthy:

On behalf of the National Energy Assistance Directors Association (NEADA), we are writing to request an additional \$5 billion in supplemental funds for the Low Income Home Energy Assistance Program (LIHEAP) to address rising home energy prices this winter, the resulting increase in utility arrears, and the need to address emergency cooling needs this summer.

We are very concerned that the current federal funding for LIHEAP is not sufficient to meet the needs of low income families in light of the alarming increase this winter across all sources of home energy fuel – natural gas, electricity, heating oil and propane. Based on NEADA's analysis of energy price data, the average cost of home heating have increased by almost 38 percent, from \$888 last year to \$1,224 this winter.

By fuel type, the cost of home heating this winter for those using natural gas has increased from \$573 to \$860 and electricity from \$1,192 to \$1,300. Families using delivered fuels have seen an even greater increase this winter, with the cost for those using heating oil, increasing from \$1,210 to \$1,850 and for those using of propane from \$1,158 to about \$1,900.

For many struggling families, higher prices can mean being forced to choose between heat, food or medication. About 29% of Americans who were surveyed had to reduce or forego expenses for basic household necessities to pay an energy bill in the last year, according to the U.S. Census Bureau's [Pulse Survey](#). And that was before natural gas prices started to rise.

The LIHEAP appropriation is not designed to increase when prices rise. When the cost of fuel goes up, the amount of product LIHEAP can purchase decreases. As a result, the purchasing power of the FY 2022 appropriation has effectively been reduced by \$1.4 billion from \$3.8 billion to \$2.4 billion and the approximately \$2.5 billion in remaining stimulus funds were

reduced by \$945 million to \$1.56 billion for a net reduction of about \$2.3 billion in the purchasing power of available LIHEAP funds.

Of even greater concern is that with rising prices we expect arrearages to grow. While outstanding arrearages are not as high as at the peak of the pandemic, they are still almost double the average of arrearages normally seen at this time year, at about \$24 billion, as compared to a normal range of about \$12 billion.

Lastly, last year the Biden Administration issued a [statement](#) calling for states to use their LIHEAP funds to help families purchase cooling equipment. Our current funding is not sufficient to fulfill that request. However, we believe that cooling is an important need for struggling families and if we had the resources, we could move quickly to expand the current LIHEAP cooling benefits.

In summary, in order to address the concerns raised in this letter, we are requesting an additional \$5 billion for LIHEAP for FY 2022: \$4.0 billion to address increase in home heating costs and the continued high rate of arrearages and \$1.0 billion to begin moving on the purchase of Energy Star rated air-conditioning equipment and assist with the cost of cooling.

Sincerely,

Barb Klug

Barb Klug
Chair, NEADA