



NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

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End of Winter Energy Update | April 2023
Utility Arrearages Continue to Increase
Applications for LIHEAP Reach Highest Level in since 2009
Electric Prices Increase Almost Twice the Rate of Inflation

Energy prices are increasing on average faster than the rate of inflation and are becoming increasingly unaffordable for millions of low income families. For the second year in a row, the cost of winter heating has risen faster than the overall rate of inflation and is now at the highest level in more than 10 years. The level of utility consumer debt – the amount consumers owe their utilities – has increased from \$15.9 billion at the end of January 2022 to \$17.8 billion by the end of January 2023. While long term utility arrearage data is not available, we believe that these numbers represent the highest level of arrearages on record.

About 20.5 million households (one out of six in the nation) were behind on their electric bills at the end of January 2023, up from 19.0 million the prior year and about 13 million were behind on their natural gas bills up from 12.5 million during the same period. Families owed an average of \$617 on their electric bills up from \$594 and owed on their natural gas bills owed \$397 up from \$366 during the same period.

Electricity – National Arrearage Estimates

| | Percent Households in Arrears | Estimated Total Households in Arrears | Average Amount Owed | Estimated National Arrearages |
|-----------|-------------------------------|---------------------------------------|---------------------|-------------------------------|
| Jan, 2023 | 15.6% | 20.5M | \$617 | \$12.6B |
| Jan, 2022 | 14.8% | 19.1M | \$594 | \$11.3B |

Table: National Energy Assistance Directors Association • Created with Datawrapper

Natural Gas – National Arrearage Estimates

| | Percent Households in Arrears | Estimated Total Households in Arrears | Average Amount Owed | Estimated National Arrearages |
|-----------|-------------------------------|---------------------------------------|---------------------|-------------------------------|
| Jan, 2023 | 16.3% | 13.0M | \$397 | \$5.2B |
| Jan, 2022 | 15.9% | 12.5M | \$366 | \$4.6B |

Table: National Energy Assistance Directors Association • Created with Datawrapper

Arrearage Rates by Utility: While the average percentage of customers in arrears varies considerably from utility to utility, many utilities are reporting arrearage rates of more than 17% of their residential customers.

- Table 1 provides a list of 20 utilities reporting arrearage residential rates of more than 17%.
- Table 2 provides a list of the same 20 utilities showing the average by their residential customers. The amount owed by customers to their utilities also varies considerably from utility to utility with the average amount in some cases exceeding \$1,000.
- Table 3 provides a comparison between utility arrearage rates for January 2022 and January 2023.

Table 1: Selected Utility Residential Arrearage Data 1/30/22

| State (Utility) | Utility Type | Customers in arrears | Total Customers | % in Arrears | Amount Owed | Average Household Arrearages |
|--|----------------|----------------------|-----------------|--------------|----------------|------------------------------|
| Massachusetts (Fitchburg / Unitil) | Electric | 7,881 | 25,984 | 30.3% | \$ 10,028,079 | \$1,272 |
| Massachusetts (EGMA - Eversource) | Gas | 81,587 | 303,461 | 26.9% | \$ 40,043,942 | \$491 |
| California (San Diego Gas and Electric) | Gas & Electric | 343,079 | 1,332,007 | 25.8% | \$ 222,672,224 | \$649 |
| DC (Pepco) | Electric | 72,550 | 301,010 | 24.1% | \$ 32,797,056 | \$452 |
| California (Pacific Gas and Electric) | Gas & Electric | 1,281,161 | 5,542,988 | 23.1% | \$ 921,407,094 | \$719 |
| Massachusetts (WMA - Eversource) | Gas & Electric | 45,014 | 195,249 | 23.1% | \$ 34,596,140 | \$769 |
| New Jersey (Public Service Electric and Gas) | Gas & Electric | 497,608 | 2,300,794 | 21.6% | \$ 414,095,412 | \$832 |
| New Jersey (Elizabethtown Gas) | Gas | 58,855 | 281,178 | 20.9% | \$ 21,117,981 | \$359 |
| California (Southern California Gas) | Gas | 1,159,042 | 5,691,100 | 20.4% | \$ 228,869,598 | \$197 |
| Massachusetts (Massachusetts Electric) | Electric | 231,844 | 1,151,898 | 20.1% | \$ 314,111,239 | \$1,355 |
| Massachusetts (EMA Gas - Eversource) | Gas | 55,040 | 274,569 | 20.0% | \$ 34,614,866 | \$629 |
| Maryland (Southern Maryland Electric Coop) | Electric | 31,097 | 155,606 | 20.0% | \$ 7,801,174 | \$251 |
| New Jersey (Atlantic City Electric) | Electric | 96,606 | 502,606 | 19.2% | \$ 97,473,592 | \$1,009 |
| Massachusetts (Berkshire) | Gas | 6,781 | 35,444 | 19.1% | \$ 2,789,549 | \$411 |
| Michigan (DTE) | Gas & Electric | 532,121 | 2,812,133 | 18.9% | \$ 198,655,961 | \$373 |
| Massachusetts (Boston) | Gas | 127,675 | 678,799 | 18.8% | \$ 104,174,602 | \$816 |
| Maryland (Pepco) | Electric | 98,881 | 542,104 | 18.2% | \$ 32,733,430 | \$331 |
| California (Southern California Edison) | Electric | 810,142 | 4,527,295 | 17.9% | \$ 668,519,286 | \$825 |
| Illinois (People's Gas Light) | Gas | 141,484 | 806,019 | 17.6% | \$ 85,816,092 | \$607 |
| Georgia (Georgia Power) | Electric | 401,781 | 2,333,036 | 17.2% | \$ 54,835,566 | \$136 |

Table 2: Selected Utility Residential Arrearage Data 1/30/23

| State (Utility) | Utility Type | Customers in arrears | Total Customers | % in Arrears | Amount Owed | Average Household Arrearages |
|--|---------------------|-----------------------------|------------------------|---------------------|--------------------|-------------------------------------|
| Massachusetts (Fitchburg / Unitil) | Electric | 7,483 | 26,208 | 28.6% | \$9,714,683 | \$1,298 |
| California (San Diego Gas and Electric) | Gas & Electric | 336,801 | 1,341,214 | 25.1% | \$205,498,686 | \$610 |
| Massachusetts (WMA - Eversource) | Gas & Electric | 48,153 | 196,460 | 24.5% | \$35,549,636 | \$738 |
| DC (Pepco) | Electric | 75,475 | 310,899 | 24.3% | \$39,009,517 | \$517 |
| Maryland (Southern Maryland Electric Coop) | Electric | 36,077 | 157,496 | 22.9% | \$12,712,819 | \$352 |
| Massachusetts (EGMA - Eversource) | Gas | 77,171 | 348,485 | 22.1% | \$66,631,445 | \$863 |
| New Jersey (Public Service Electric and Gas) | Gas & Electric | 507,725 | 2,321,985 | 21.9% | \$253,081,486 | \$498 |
| New York (Central Hudson) | Gas & Electric | 61,676 | 285,060 | 21.6% | \$78,421,076 | \$1,272 |
| California (Southern California Gas) | Gas | 1,226,694 | 5,733,357 | 21.4% | \$248,563,271 | \$203 |
| California (Pacific Gas and Electric) | Gas & Electric | 1,165,079 | 5,578,972 | 20.9% | \$920,447,123 | \$790 |
| New Jersey (Elizabethtown Gas) | Gas | 59,831 | 286,943 | 20.9% | \$18,755,387 | \$313 |
| Massachusetts (EMA Gas - Eversource) | Gas | 57,644 | 277,800 | 20.8% | \$37,890,745 | \$657 |
| Massachusetts (Massachusetts Electric) | Electric | 239,307 | 1,156,198 | 20.7% | \$309,206,562 | \$1,292 |
| Maryland (Pepco) | Electric | 108,040 | 546,628 | 19.8% | \$46,699,122 | \$432 |
| Michigan (DTE) | Gas & Electric | 539,931 | 2,789,026 | 19.4% | \$189,266,429 | \$351 |
| Massachusetts (Boston) | Gas | 127,840 | 684,012 | 18.7% | \$114,141,945 | \$893 |
| Illinois (People's Gas Light) | Gas | 151,228 | 811,615 | 18.6% | \$100,952,032 | \$668 |
| California (Southern California Edison) | Electric | 849,388 | 4,570,365 | 18.6% | \$801,006,407 | \$943 |
| New Jersey (Atlantic City Electric) | Electric | 91,227 | 502,606 | 18.2% | \$74,178,516 | \$813 |
| Massachusetts (Berkshire) | Gas | 6,401 | 35,548 | 18.0% | \$3,618,127 | \$565 |

Table 3: Difference Between Arrearage Percentage in January 2022 vs 2023

| State (Utility) | Customers in arrears 1/22 | Customers in arrears 1/23 | Total Customers 1/22 | Total Customers 1/23 | % in Arrears 1/22 | % in Arrears 1/23 | Difference 1/23- 1/22 |
|--|---------------------------|---------------------------|----------------------|----------------------|-------------------|-------------------|-----------------------|
| Massachusetts (Fitchburg / Unitil) | 7,881 | 7,483 | 25,984 | 26,208 | 30.3% | 28.6% | -1.8% |
| California (San Diego Gas and Electric) | 343,079 | 336,801 | 1,332,007 | 1,341,214 | 25.8% | 25.1% | -0.6% |
| Massachusetts (WMA - Eversource) | 45,014 | 48,153 | 195,249 | 196,460 | 23.1% | 24.5% | 1.5% |
| DC (Pepco) | 72,550 | 75,475 | 301,010 | 310,899 | 24.1% | 24.3% | 0.2% |
| Maryland (Southern Maryland Electric Coop) | 31,097 | 36,077 | 155,606 | 157,496 | 20.0% | 22.9% | 2.9% |
| Massachusetts (EGMA - Eversource) | 81,587 | 77,171 | 303,461 | 348,485 | 26.9% | 22.1% | -4.7% |
| New Jersey (Public Service Electric and Gas) | 497,608 | 507,725 | 2,300,794 | 2,321,985 | 21.6% | 21.9% | 0.2% |
| New York (Central Hudson) | 45,763 | 61,676 | 285,469 | 285,060 | 16.0% | 21.6% | 5.6% |
| California (Southern California Gas) | 1,159,042 | 1,226,694 | 5,691,100 | 5,733,357 | 20.4% | 21.4% | 1.0% |
| California (Pacific Gas and Electric) | 1,281,161 | 1,165,079 | 5,542,988 | 5,578,972 | 23.1% | 20.9% | -2.2% |
| New Jersey (Elizabethtown Gas) | 58,855 | 59,831 | 281,178 | 286,943 | 20.9% | 20.9% | -0.1% |
| Massachusetts (EMA Gas - Eversource) | 55,040 | 57,644 | 274,569 | 277,800 | 20.0% | 20.8% | 0.7% |
| Massachusetts (Massachusetts Electric) | 231,844 | 239,307 | 1,151,898 | 1,156,198 | 20.1% | 20.7% | 0.6% |
| Maryland (Pepco) | 98,881 | 108,040 | 542,104 | 546,628 | 18.2% | 19.8% | 1.5% |
| Michigan (DTE) | 532,121 | 539,931 | 2,812,133 | 2,789,026 | 18.9% | 19.4% | 0.4% |
| Massachusetts (Boston) | 127,675 | 127,840 | 678,799 | 684,012 | 18.8% | 18.7% | -0.1% |
| Illinois (People's Gas Light) | 141,484 | 151,228 | 806,019 | 811,615 | 17.6% | 18.6% | 1.1% |
| California (Southern California Edison) | 810,142 | 849,388 | 4,527,295 | 4,570,365 | 17.9% | 18.6% | 0.7% |
| New Jersey (Atlantic City Electric) | 96,606 | 91,227 | 502,606 | 502,606 | 19.2% | 18.2% | -1.1% |
| Massachusetts (Berkshire) | 6,781 | 6,401 | 35,444 | 35,548 | 19.1% | 18.0% | -1.1% |

Winter Utility Disconnection Protections: Winter utility disconnection moratoriums are now expiring putting millions of families at risk of shut-off if they are not able to pay their utility bills

- 32 states have date-based disconnection moratoriums during the winter months.
- 20 states and the District of Columbia have temperature-based disconnection moratoriums for cold temperatures.
- 11 states have both date-based and temperature-based moratoriums.
- 42 states have at least one of the two disconnection policies in place.

While comprehensive data on disconnections is not currently available, a recent report by the Center for Biological Diversity, [Powerless in the US](#), for example, estimated that about 4.2 million households were shut-off from power in 2022.

Underlying Reasons for the Increase in Arrearages: Families are falling behind on their home energy bills because of continued high home heating prices, rising prices for essential goods and services that are increasing faster than the rate of inflation and the end of federal income-based stimulus payments. The combination of rising prices and cutbacks in income supports is creating a perfect storm of misery for low income families that is making it increasingly difficult for them to pay their home energy bills. These concerns are explained in more detail as follows:

- **Home Heating Prices Remain at Highest Level in 10 Years:** Based on NEADA's analysis of home energy prices, households faced significant increases in home heating expenditures this winter compared to last year. On average, households paid 12.7 percent more for home heating this winter and 31.2% more than two years ago. Heating oil expenditures had the largest increase relative to the other fuels, with a 25.9 percent increase, which is nearly \$500 more than the 2021-22 winter heating season. Natural gas expenditures also saw a significant jump of 14.5 percent more than last year, more than an additional \$100. While prices for home energy are finally coming down they have yet to be fully reflected in the retail price of electricity and natural gas.

Estimated Winter Heating Costs, 2020-21 to 2022-23

All Fuels is a weighted average of all home heating sources, using the number of households by energy type.

| Winter Heating Season | Natural Gas | Electricity | Heating Oil | Propane | All Fuels |
|-------------------------------|-------------|-------------|-------------|---------|-----------|
| 2020-21 | \$572 | \$1,180 | \$1,212 | \$1,162 | \$885 |
| 2021-22 | \$723 | \$1,231 | \$1,860 | \$1,587 | \$1,031 |
| 2022-23 | \$828 | \$1,360 | \$2,342 | \$1,727 | \$1,162 |
| % Difference, 22-23 vs. 21-22 | 14.5% | 10.5% | 25.9% | 8.8% | 12.7% |
| % Difference, 22-23 vs. 20-21 | 44.8% | 15.3% | 93.2% | 48.7% | 31.2% |

Source: Average Consumer Prices and Expenditures for Heating Fuels During the Winter, U.S. Energy Information Administration Short-Term Energy Outlook • Created with Datawrapper

The following table shows historical winter heating expenditures by fuel source, adjusted for inflation in terms of current dollars. Even when adjusted for inflation, natural gas expenditures are the highest they have been in 10 years. Heating oil expenditures and the average expenditures of all four energy sources highlighted – natural gas, electricity, heating oil, and propane – are the highest they have been since the early part of the 2010s.

Inflation-Adjusted Historical Winter Heating Expenditures

| Winter Heating Season | Natural Gas | Electricity | Heating Oil | Propane | All Fuels |
|-----------------------|-------------|-------------|-------------|---------|-----------|
| 2012-13 | \$729 | \$1,377 | \$2,718 | \$1,759 | \$1,150 |
| 2013-14 | \$807 | \$1,476 | \$2,692 | \$2,720 | \$1,270 |
| 2014-15 | \$759 | \$1,464 | \$2,106 | \$2,036 | \$1,172 |
| 2015-16 | \$603 | \$1,309 | \$1,130 | \$1,300 | \$948 |
| 2016-17 | \$654 | \$1,295 | \$1,385 | \$1,398 | \$986 |
| 2017-18 | \$679 | \$1,372 | \$1,654 | \$1,695 | \$1,058 |
| 2018-19 | \$691 | \$1,384 | \$1,852 | \$1,890 | \$1,077 |
| 2019-20 | \$622 | \$1,297 | \$1,561 | \$1,282 | \$978 |
| 2020-21 | \$650 | \$1,342 | \$1,378 | \$1,321 | \$1,006 |
| 2021-22 | \$766 | \$1,304 | \$1,970 | \$1,681 | \$1,092 |
| 2022-23 | \$828 | \$1,360 | \$2,342 | \$1,727 | \$1,162 |

Expenditures are adjusted for inflation by multiplying the original value by the ratio of the current CPI and the CPI for that winter heating season. The CPI data come from the all items in U.S. city average, all urban consumers index and are seasonally adjusted. The CPI for past winter heating seasons is an average of the monthly CPI data for that season, October – March. The current 2022-23 CPI is an average of the monthly CPI for October – December 2022, the latest data available for this winter.

Source: U.S. Energy Information Administration, U.S. Bureau of Labor Statistics • Created with Datawrapper

Inflation in Core Goods: Inflation in core goods purchased by low income families are increasing faster than the overall rate of inflation. According to the April 2023 CPI report, while the overall inflation rate is up by about 5%, the rate for food is up by 8.5%, energy services (natural gas and electricity) 9.2% and shelter 8.2%.

End of Pandemic Support: [Income support payments](#) provided during the pandemic have now ended including providing cash payments and delivering the payments automatically to families; expanding unemployment coverage to include part-time and self-employed workers,; Making the full Child Tax Credit available to the lowest-income children and providing a portion of the

benefit monthly, while also substantially increasing the credit amount; Providing uninterrupted health insurance coverage for Medicaid and Children’s Health Insurance Program (CHIP) enrollees across all states and lowering or eliminating premiums for ACA marketplace enrollees. Establishing a federal eviction prevention program and increasing rental assistance for people experiencing homelessness, at risk of homelessness

Census Bureau Household Pulse Survey: Families Struggling to Pay High Energy Bills

The NEADA model for estimating national utility arrearages closely tracks other data that indicate families are struggling to pay high energy bills along with other closely watched indicators of family poverty.

The Census Bureau’s Household Pulse Survey reported that lower income families are struggling to pay their home energy bills:

- 35% of low income families were unable to pay their home energy bill at least one month in the past year.
- 50.6% of low income families scaled back on basic necessities to pay their home energy bill including medicine and food at least one month in the past year.
- 31.7% reported keeping their house at an unsafe temperature at least one month in the past year.

Percent of Households Unable to Pay Energy Bill

House was unable to pay an energy bill or unable to pay the full bill amount, at least one month in the last year

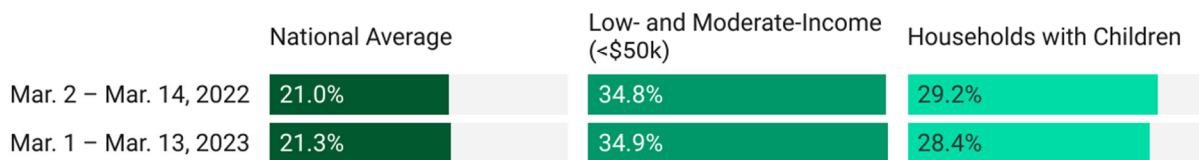


Chart: National Energy Assistance Directors Association • Source: U.S. Census Bureau Household Pulse Survey • Created with Datawrapper

Percent of Households Foregoing Basic Necessities to Pay Energy Bills

Household reduced or forewent expenses for basic household necessities, such as medicine or food, in order to pay an energy bill, at least one month in the last year

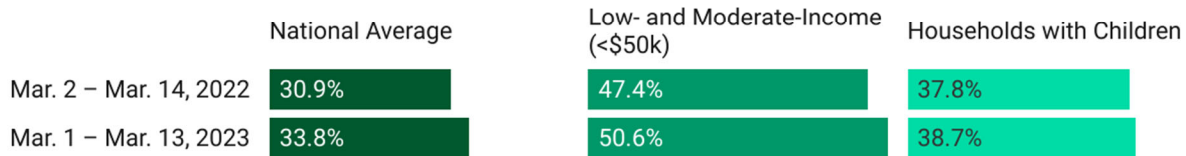


Chart: National Energy Assistance Directors Association • Source: U.S. Census Bureau Household Pulse Survey • Created with Datawrapper

Percent of Households Keeping Home at Unsafe Temperature to Save Money on Energy Bill

Household kept home at a temperature that felt unsafe or unhealthy, at least one month in the last year

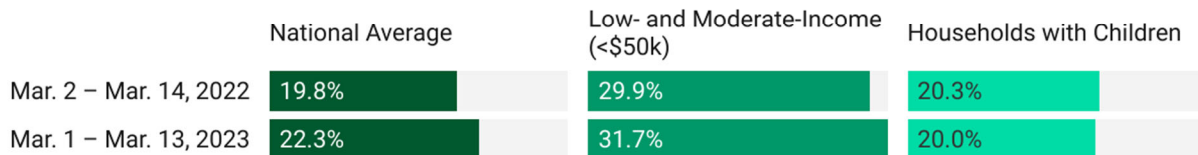


Chart: National Energy Assistance Directors Association • Source: U.S. Census Bureau Household Pulse Survey • Created with Datawrapper

The Census Bureau launched the survey in April 2020 to gather information on key economic indicators including food, housing and energy costs during the pandemic.

Applications for Energy Assistance: A recent survey of the state Low Income Home Energy Assistance Program (LIHEAP) directors reported that the highest increase in applications for the Low Income Home Energy Assistance Program (LIHEAP) since 2009 and the highest total rate of applications since 2011, as families struggle with paying some of their biggest home energy bills in more than a decade.

The number of households receiving energy assistance during the current winter season is up by an estimated 1.3 million, from 4.9 million to 6.2 million, the largest one-year increase since 2009. And these numbers don't even account for possible increases in applications this summer to help families pay for air-conditioning as they deal with rising temperatures due to climate change.

Adequacy of Funds to Meet the Need: States currently have sufficient funds to help families pay their winter energy bills. However, states could run out of funding if the rate of new applications continues to increase. States are also concerned that they will not have sufficient remaining funds to help families pay for cooling assistance this summer as the need for this assistance increases with rising summer temperatures.

The reason for the increase in the number of applications is not surprising. Families are struggling to pay high energy bills along with other rising costs for essential goods that are increasing at a faster rate than the overall rate of inflation.

NEADA is the primary educational and policy organization for state directors of the Low Income Home Energy Assistance Program and the Low Income Household Water Assistance Program, which are federal programs that help low-income families pay their heating and cooling bills, and water and wastewater bills, respectively. For more information about NEADA visit www.neada.org