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Mark Wolfe: 202-320-9046 / mwolfe@neada.org

Winter Heating Price Outlook:
Home Heating Expenditures Remain High for this Winter
Prices Decline for Households Using Natural Gas

Home heating costs this winter will remain unaffordable for millions of lower income families. The National Energy Assistance Directors Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), today released its projections of home heating costs for the upcoming winter heating season.

Prices for home heating this coming winter will remain at near record levels for home heating due to an expected colder winter except for the states in the western part of the nation. The only bright spot is an expected decline in the cost of natural gas heating by 7.8 percent relative to last winter, from $787 to $726 (Table 1).

For those using heating oil, prices are expected to increase by 8.7 percent to $2,275, up from $2,094 last year, reflecting the increasing tightening in petroleum markets, and more recently due to fears of a supply shortfall because of recent decisions by Russia and Saudi Arabia to cut back on petroleum production. Households heating with propane can expect a 4.2% increase in expenditures, from $1,476 last winter to $1,538 this year.

Table 1. Estimated Winter Heating Expenditures

2023-24 vs. 2022-23 winter heating seasons. "Average of All Sources" is a weighted average of winter heating expenditures by households using the four energy sources listed.

Winter Heating Season	Electricity	Natural Gas	Propane	Heating Oil	Average of All Sources
2022-23	$1,357	$787	$1,476	$2,094	$1,118
2023-24	$1,374	$726	$1,538	$2,275	$1,106
Percent Difference	1.2%	−7.8%	4.2%	8.7%	−1.1%

The winter heating season is defined as October through March.

Table: National Energy Assistance Directors Association • Created with Datawrapper

According to Mark Wolfe, Executive Director of NEADA, the continued high cost of home heating, coupled with increased demand for summer cooling due to rising temperatures, will put millions of lower income families at risk of falling behind on their energy bills. This can leave families with no choice but to make difficult decisions between paying for food, medicine, and rent. As a result, NEADA sent a letter today to the Congressional Leadership asking for a $2 billion supplemental increase in LIHEAP of to maintain the current program funding level of $6 billion to cover the continued high cost of home heating and cooling due to the increased number of summer heat waves.

The letter notes that many states have reported that applications are up by between 10 and 20 percent from last year's levels. If funding is reduced to the $4 billion level as currently included in the House and Senate spending bills, states will be forced to reduce the number of households served by up to one million households and reduce average benefit levels.

The following tables provide additional background on NEADA's winter price outlook for home heating:

Table 2 lists nominal winter heating expenses for the 10 year period between 2014-15 to 2023-24.

Table 3 estimates winter heating expenditures for the winter heating season of 2022-23.

Table 4 estimates winter heating expenditures for the winter heating season of 2023-24.

Table 5 estimates the difference in total home heating expenditures for the winter of 2022-23 vs. 2023-24.

Table 6 estimates heating degree days by region based on National Oceanic and Atmospheric Administration reports.

Table 7 estimates electric winter heating expenditures by region.

Table 8 estimates natural gas winter heating expenditures by region.

Table 2. Nominal Winter Heating Expenditures

"Average of All Sources" is a weighted average of winter heating expenditures by households using the four energy sources listed

Winter Heating Season	Electricity	Natural Gas	Heating Oil	Propane	Average of All Sources
2014-15	$1,159	$601	$1,668	$1,612	$928
2015-16	$1,044	$481	$901	$1,036	$756
2016-17	$1,055	$533	$1,129	$1,139	$803
2017-18	$1,142	$565	$1,377	$1,411	$881
2018-19	$1,174	$586	$1,571	$1,604	$914
2019-20	$1,123	$539	$1,352	$1,110	$847
2020-21	$1,180	$573	$1,212	$1,162	$885
2021-22	$1,232	$723	$1,861	$1,587	$1,031
2022-23	$1,357	$787	$2,094	$1,476	$1,118
2023-24	$1,374	$726	$2,275	$1,538	$1,106

The winter heating season is defined as October through March.

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Table 3. Estimated Heating Expenditures for Winter 2022-23

	Households (Millions)	Percent of Total Households	Average Household Expenditures	Total Expenditures (Billions $)	Percent of Total Expenditures
Electricity	53.9	42.9%	$1,357	$73.1	52.1%
Natural Gas	60.3	48.1%	$787	$47.5	33.8%
Propane	6.3	5.0%	$1,476	$9.3	6.7%
Heating Oil	5.0	4.0%	$2,094	$10.4	7.4%
Total	125.5	100.0%	$1,118	$140.3	100.0%

The winter heating season is defined as October through March.

Table: National Energy Assistance Directors Association • Created with Datawrapper

Table 4. Estimated Heating Expenditures for Winter 2023-24

	Households (Millions)	Percent of Total Households	Average Household Expenditures	Total Expenditures (Billions $)	Percent of Total Expenditures
Electricity	53.9	42.9%	$1,374	$74.0	53.9%
Natural Gas	60.3	48.1%	$726	$43.8	31.9%
Propane	6.3	5.0%	$1,538	$9.7	7.1%
Heating Oil	5.0	4.0%	$2,275	$11.3	8.2%
Total	125.5	100.0%	$1,093	$137.2	100.0%

The winter heating season is defined as October through March.

Table: National Energy Assistance Directors Association • Created with Datawrapper

Table 5. Difference in Total Expenditures, Winter 2022-23 vs. 2023-24

	Billions $
Electricity	$0.9
Natural Gas	−$3.7
Propane	$0.4
Heating Oil	$0.9
Total	−$3.1

Table: National Energy Assistance Directors Association • Created with Datawrapper

The projected spike in heating oil prices leads to a disproportionate share of national heating expenditures among all energy sources, relative to the actual percentage of households using heating oil to keep their home warm.

Table 6. Heating Degree Days, by Region

Region	Winter 2022-23	Winter 2023-24	Percent Change
Northeast	4,487	4,751	5.9%
Midwest	5,180	5,307	2.4%
South	2,047	2,213	8.1%
West	3,622	3,047	−15.9%

The winter heating season is defined as October through March.

Table: National Energy Assistance Directors Association • Created with Datawrapper

Except for the western part of the nation, winter temperatures are expected to be colder, resulting in higher energy use. Table 6 shows the change in heating degree days from last winter to this winter for the four Census regions. Although the Northeast, Midwest, and the South regions are projected to have a colder winter than last year, the West region can expect a significantly warmer winter.

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