

# 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 Mike Johnson  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

October 24, 2024

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Johnson and Minority Leader Jeffries:

On behalf of the National Energy Assistance Directors Association, representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), we are writing to request supplemental funding of \$1.6 billion to help some of the nation's poorest families pay their heating and cooling bills this year. This is the same level of supplemental funding that was requested last year by the Administration.

Home energy prices are rising rapidly. In fact, we have estimated that the cost of winter heating could increase by as much as [10.5%](#) this year (from \$889 to \$982), due to expected colder weather in the Northeast and Midwest states and rapidly rising electric prices across the nation, especially in the Western states.

We are especially concerned about families using heating oil and propane because state public service commissions do not have the authority to impose shut-off protections on these fuels like they can for those using regulated fuels like electricity and natural gas. For those using heating oil this winter, for example, the price of home heating is estimated to increase by 6.1% (from \$1,851 to \$1,963), reflecting increased usage due to colder weather in the Northeast. Households heating with propane can expect a 7.3% increase in expenditures (from \$1,343 to \$1,442) for similar reasons. Of further concern, prices for home heating oil and propane could rise even higher due to increased tension in the Middle East putting additional pressures on low income families.

The largest increase in price will be for families using electricity to heat their homes, increasing by 13.6% (from \$1,063 last winter to a projected \$1,208 this winter). Last month, EIA released a [report](#) showing that, from January 2023 through mid-August 2024, 58% of all electric utility rate increases were granted by regulators nationwide. EIA projects that, if electric utility rate increases continue to be granted at similar levels, by the end of the year rate increases will reach \$8.9 billion.

Low-income households that rely on electricity for heating and cooling already struggle to pay their utility bills - NEADA has found that about one out of six American families are behind on their utility bills, owing a total of \$19.6 billion as of the end of June 2024.

Electric prices are increasing due to a) continued high cost of maintaining and upgrading the grid and b) colder weather leading to increased consumption. In fact, electricity is the second fastest growing index in the September 2024 [Consumer Price Index](#). The cost of heating with natural gas is also projected to increase from \$601 last winter to \$644 this winter.

Energy prices fall hardest on lower-income households. The average energy burden for low-income households is about [8.6% of income](#), almost three times the rate for non-low-income households (3.0%). Of even more concern, the most recent [Census Household Pulse Survey](#), designed to estimate the economic impact of the pandemic on families, found that:

- The percentage of households that could not pay their energy bill for at least one month in the last year increased from 21.3% to 23.5%. The largest increase was in households with children, which increased from 28.4% to 33.1%.
- The percentage of households reporting that they kept their home at unsafe temperatures also increased during the 12-month period, from 22.3% to 22.9%. The largest increase with this metric was in low-income households, from 31.7% to 34.0%.
- More than one out of three households (34%) reduced or forewent basic household expenses at least once during the previous 12 months to pay their home energy bills. The largest increase was in households with children, from 38.7% to 41.5%.

LIHEAP can be used to effectively to help families pay their heating bills this year as the cost of home heating increases due to higher wholesale fuel prices and cold weather if the program is funded adequately. Our current funding is not sufficient to fulfill that request. However, we believe that if we had access to sufficient resources, states could move quickly to help families with the fast-approaching colder and more expensive heating season.

In summary, to address the concerns raised in this letter, we are requesting \$1.6 billion for LIHEAP for FY 2025 to maintain program support for families receiving LIHEAP assistance.

Sincerely,



Thomas Hartnett-Russell  
Chair, NEADA