

Low Income Energy Assistance

Energy is a basic human need, and natural gas utilities are dedicated to helping all customers stay connected. To aid the more than 46 million Americans living in poverty, utilities form nationwide partnerships to advocate for resources to protect those in need of energy assistance, and spend more than \$3.7 billion on programs to aid low-income customers.

Keeping Customers Connected

Local natural gas utilities are dedicated to serving all customers and assisting those in need. In addition to advocating for federal funds, local natural gas utilities work directly to aid low-income customers. In 2012, natural gas and electric utilities provided nearly \$3 billion in rate assistance to low-income customers in the form of hardship funds, discounted rates and arrearage forgiveness. Utilities also spent nearly \$700 million on energy efficiency assistance for low-income customers that year, and helped utility employees, shareholders and the public raise \$20 million in additional energy assistance funds.

“Heat or Eat” – The Need Is Great

While utilities work hard to keep all customers connected, the need for additional energy assistance is great. According to the 2010 U.S. Census Bureau, 15.1 percent of the nation – over 46 million Americans – lives in poverty. The average low- and fixed-income family spends 13.5 percent of its annual household income on energy – almost twice the 7.2 percent spent by the average non-low income U.S. household – leaving less for other essential needs. According to a study by the National Energy Assistance Directors’ Association, nearly one third of LIHEAP-eligible households reported that they went without food, more than 40 percent sacrificed medical care, and one quarter had someone in the home become sick because the home was too cold. There is overwhelming evidence that home energy insecurity leads to diminished child health, home fires and deaths, choices of “heat or eat” and homelessness. Energy assistance is a preventive measure for these outcomes.

The Low Income Home Energy Assistance Program

Recognizing that Congress faces difficult fiscal choices, AGA continues to call for reasonable funding for the Low Income Home Energy Assistance Program (LIHEAP), a federally-funded program to help the most vulnerable utility customers pay their energy bills, enabling them to keep their homes warm, cook their food and access hot water.

LIHEAP is a block grant program under which the federal government gives states annual grants to operate home energy assistance programs for low-income households. Every year, Congress must appropriate funds for LIHEAP. The LIHEAP statute provides for two types of program funding: regular funds and emergency contingency funds. **Regular funds** are allotted to states according to a formula prescribed in the statute. **Contingency funds** are allotted and released by the president and secretary of Health and Human Services.

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LIHEAP Funding History

FY 2009 = \$5.1 billion
 FY 2010 = \$5.1 billion
 FY 2011 = \$4.71 billion
 FY 2012 = \$3.47 billion
 FY 2013 = \$3.3 billion
 FY 2014 = \$3.4 billion
 FY 2015 = \$3.4 billion
 FY 2016 = \$4.7 billion (proposed by advocates)

In 2010, the \$5.1 billion in LIHEAP funds helped **8.9 million households** - **approximately 23 million people** - heat and cool their homes.

Even with LIHEAP funding at the \$5.1 billion level, that amount was **only enough to assist 1 in 5 eligible Americans**.

2015



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