



NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

October 1, 2020

House Energy and Commerce Committee
Chairman Frank Pallone, Jr.
Ranking Member Greg Walden

Dear Chairman Pallone and Ranking Member Walden:

On behalf of the National Energy Assistance Directors Association (NEADA) representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP) we would like to thank you and the Subcommittee members for holding this important hearing: *Generating Equity: Improving Clean Energy Access and Affordability*.

The COVID-19 crisis continues to have an unprecedented effect on the American economy and the well-being of families. The updated version of the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act) in the U.S. House of Representatives would add \$4.5 billion in emergency funding for the Low Income Home Energy Assistance Program (LIHEAP). This funding would go a long way towards ensuring struggling families can keep their lights on and their heat running while they work and study from home this winter.

If Additional Federal Funding is Not Provided Electric and Natural Gas Arrearages Could Reach \$32 Billion by the End of the Year: Reflecting the rapidly changing conditions, we estimate between 15 to 20 percent of residential customers are at least 60 days behind on their electric and natural gas bills. As of July 31, 2020, the estimated resulting electric arrearages are between \$8.0 billion and \$9.9 billion and natural gas arrearages are between \$975 million and \$1.3 billion.

By the end of the year, we are estimating an additional \$11 billion to \$15.9 billion in electric arrearages and for natural gas, an additional \$3.5 billion to \$4.7 billion. That would bring the total in arrearages by the end of the year for electricity, between \$19 billion and \$25.8 billion, and for natural gas, between \$4.5 billion and \$6 billion.

The Senate and Trump Administration need to follow the lead in the House and support \$4.5 billion in supplemental funding for LIHEAP.

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), the first stimulus bill, provided an additional \$900 million for LIHEAP to help low-income households pay their utility bills during the crisis. States are using these funds now to help families sign-up for energy assistance as well as help address crisis needs. These funds are expected to run out by the end of October.

Use of Additional Funds: The state LIHEAP directors are estimating that the \$4.5 billion included in the House bill will allow states to help about 9 million households with current bill payment and outstanding arrearages. NEADA estimates about 50% of these households – 4.5 million – will be newly laid off workers with the 50% being current LIHEAP recipients.

Increase in Eligible Households as a Result of COVID-19 Layoffs: As a result of COVID-19, NEADA projects a significant increase in low income households eligible for energy assistance. Prior to the impact of the COVID-19 virus, approximately 33.8 million households were eligible for energy assistance, but in fiscal year 2020 only had enough funding to reach about one in six of these households. NEADA projects that an additional 5 million households will be eligible for energy assistance this year as a direct result of layoffs as a result of the virus.

While this funding will provide a substantial contribution towards addressing the need for energy assistance, due to the depth of the crisis, the \$4.5 billion will only cover a portion of what families will need to stay afloat. The Bureau of Labor Statistics reported on September 4 that there were 13.6 million unemployed workers in August. This is in addition to the millions of underemployed, disabled, and elderly Americans who were struggling to make ends meet before the crisis began. These families will rely on LIHEAP to help pay the bills until they get back on their feet.

Shut-off Moratoriums are Expiring: Utility shut-off moratoriums are beginning to expire. Currently only 21 states and DC have shut-off moratoriums in place and nine are expected to expire in October. Only 45.4 percent of the population of the United States is now covered by a moratorium and the percentage is expected to decline rapidly in the next month. If additional federal funds is not provided, millions of families could be at risk of shut-off of vital electric and natural gas services.

The following is a summary of the status of statewide moratoriums:

Statewide suspensions (21 states & D.C.):

- *State-ordered Suspensions of Gas, Electric, and Water (21 states & DC):* Alaska, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Indiana, Hawaii, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Mexico, New York, Pennsylvania, Vermont, Virginia, Washington, Wisconsin, Wyoming

States without suspensions/with voluntary suspensions (29 states):

- *Expired State-ordered Suspensions of Gas, Electric, and Water (14 states):* Illinois, Iowa, Kansas, Louisiana, Michigan, Mississippi, Montana, Nebraska, New Jersey, North Carolina, Rhode Island, South Carolina, Tennessee, Texas
- *States Without Mandatory Suspensions (15 states):* Alabama, Arizona, Florida, Georgia, Idaho, Minnesota, Missouri, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Utah, West Virginia

- Note: All 15 states with no mandatory shutoff moratorium have some form of voluntary moratoriums which varies depending on the state and the specific utility provider.

Thank you for the opportunity to submit this letter for the record.

Sincerely,

A handwritten signature in blue ink that reads "Mark Wolfe". The signature is written in a cursive style with a large, sweeping "M" and a long, trailing "W".

Mark Wolfe
Executive Director