

# NEADA

NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

December 4, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy:

Millions of families are falling behind on their electric and gas utility bills as a result of COVID-related unemployment. Many of these families are being protected by voluntary and mandatory utility shut-off moratoriums that have been effective in protecting them against the shut-off of vital electric and natural gas services. However, the moratoriums do not eliminate the bills – the amount they owe has continued to grow. We are already hearing reports of households with arrearages up to \$3,000 and expect the debt to only get worse as the pandemic drags on.

Funding for the Low Income Home Energy Assistance Program (LIHEAP) is sufficient to help only about one out of six eligible households and cannot be stretched to help the newly unemployed with their growing bills, without additional funding. The \$900 million in supplemental funds provided for LIHEAP by the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) are now fully obligated and have been able to reach only a fraction of those households that need support.

Utilities across the nation are reporting significant increases in the numbers of households falling behind on their utility bills. Electric and natural gas arrearages are expected to reach \$32 billion by the end of 2020, based on an analysis of utility arrearages by NEADA. Reflecting the rapidly changing conditions, we estimate that 15 to 20 percent of residential customers are at least 60 days behind on their electric and natural gas bills.

In response to these arrearages, the undersigned organizations are requesting an additional \$10 billion for LIHEAP to help up to seven million families pay off their growing utility debt through June 2021, when both weather and pandemic conditions are expected to improve. We support the \$4.5 billion proposed in the House's [Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act](#) as a first step towards addressing the crisis. The Senate agreed that LIHEAP is a priority by including funding in their Health, Economic Assistance, Liability Protections & Schools (HEALS) Act. Bicameral, bipartisan support is rare and demonstrates

significant faith in the ability of LIHEAP to meet the emerging energy assistance needs of Americans struggling during the pandemic.

However, we are confident that Congress providing the full \$10 billion for LIHEAP will be necessary before the pandemic is over. Consider the alternatives: Utilities could offer repayment plans, but many families would need years to repay. In the meantime, it would slow that family's ability to recover. Or, utilities could raise rates on all customers. Lastly, we must keep in mind that many smaller, less well-capitalized municipal and cooperative utilities could face serious economic shortfalls. Any of these alternatives – compared to adequately funding LIHEAP – would be a drag on the nation's economy and impede the recovery of both individual families and our country.

We also ask you to consider these important points:

- 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 26 million households were eligible for energy assistance. NEADA projects that an additional 5 million households will be eligible for energy assistance this year as a direct result of virus-related layoffs.
- The additional funding provided by the CARES Act will provide a substantial contribution towards addressing the need for energy assistance, due to the depth of the crisis, this funding will only cover a portion of what families will need to stay afloat. The Bureau of Labor Statistics reported on November 6 that there were 11.1 million unemployed workers in October. 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.

Given the urgency of these needs, it is imperative that Congress include LIHEAP in the current bipartisan funding bill for coronavirus relief and fund the program at \$10 billion to address the emergency heating and cooling needs of all eligible American families. Thank you for your attention to this important matter. Please contact Mark Wolfe (202-320-9046) at NEADA for additional information.

Signed on Behalf of the Following Organizations:

National Energy Assistance Directors Association  
National Association for State Community Service Programs  
National Association of State Energy Officials  
National Association of State Utility Consumer Advocates  
Community Action Partnership  
Maryland Energy Advocates  
National Consumer Law Center, on behalf of its low-income clients  
National Resources Defense Council  
Pennsylvania Utility Law Project, on behalf of its low-income clients  
Public Citizen