



From the perspective of the National Energy & Utility Affordability Coalition (NEUAC), there is no single factor driving higher utility and gasoline costs for American households. Prices are influenced by a combination of global energy markets, domestic supply and demand, aging infrastructure, inflation, and the significant investments needed to modernize the nation's energy systems. In many parts of the country, households also are experiencing higher demand due to extreme weather and increased reliance on electric technologies.

For income-constrained households, even modest increases in energy costs can create significant financial hardship because energy is an unavoidable expense. Families must continue to heat and cool their homes and power essential household appliances regardless of price fluctuations. As a result, rising energy costs disproportionately affect households with the fewest financial resources.

NEUAC's diverse membership – including nonprofits, utilities, state and local fuel fund administrators, and industry partners – recognizes that addressing energy affordability requires a comprehensive approach that prioritizes the following:

- Increasing funding for the Low Income Home Energy Assistance Program (LIHEAP), the federal government's cornerstone energy affordability program;
- Investing in energy efficiency and weatherization;
- Expanding utility-side assistance and flexible payment options; and
- Fostering public-private partnerships to help households manage both their immediate energy needs and their long-term energy burden.

The best way to fund the immediate needs for consumers is to prioritize and strengthen LIHEAP funding. This strategy should be the cornerstone of any broader legislative agenda to improve affordability. For more than four decades, LIHEAP has been a proven, effective investment in helping income-eligible households afford essential home energy services; ensuring that families, older adults, individuals with disabilities, and other vulnerable Americans can maintain safe indoor air temperatures. Annually, approximately 6 million households benefit from LIHEAP's energy affordability funding.

NEUAC believes one of the most significant challenges facing disadvantaged households is that energy is a non-discretionary – and often unpredictable – expense. Unlike many other household costs, energy cannot simply be deferred or reduced without jeopardizing health and safety. Regardless of the cause of rising prices, families and individuals, particularly

those living on fixed incomes or with medical vulnerabilities, must continue to pay their utility bills in full and on time to remain safe in their homes.

Importantly, the most significant barrier to affordability is that existing programs have not kept pace with household need. The overall purchasing power of LIHEAP has declined over time, making it increasingly difficult to serve the same number of households with similar levels of assistance necessary to meet their energy needs.

With sufficient resources, LIHEAP could be expanded into a year-round program for all states, tribes, and territories that more comprehensively addresses the heating and cooling needs of vulnerable households while providing greater support for households struggling with energy arrearages. A strengthened LIHEAP would help prevent disconnections of life-critical energy services, ensuring that families can maintain access to safe, reliable fuel and electricity during extreme weather events and periods of financial hardship.

Ultimately, NEUAC supports policies that promote reliable, resilient, and affordable energy while protecting vulnerable households from bearing a disproportionate share of rising energy costs.

LIHEAP has lost roughly one-third of its purchasing power since the program began (Source: LIHEAP appropriations adjusted using Consumer Price Index by APPRISE).

- In the early 1980s, LIHEAP funding hovered around \$1.8 billion (1981 dollars).
- By 2026, the program is just over \$1.1 billion (1981 dollars).
- That's a decline of roughly 35–40% in real value, meaning today's base appropriation buys significantly less assistance than it did when Congress created the program.