For Immediate Release
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Escalating Need for Energy Assistance in the Time of COVID-19

The National Energy and Utility Affordability Coalition (NEUAC) released new data today from outside studies on the need for energy assistance as the pandemic continues, utility disconnection moratoria are ending, and temperatures begin to drop.

In the United States, nearly 40 million households every year report being unable to meet basic household energy needs. This “energy insecurity” can mean reducing or foregoing food or medicine to pay utility bills, leaving homes at unhealthy temperatures, or facing disconnection or delivery stop notices.

At any time, this experience is fraught with worry. But during the current pandemic, this struggle also risks children's access to remote education and parents' ability to work from home.

“Our members who deliver the Low Income Home Energy Assistance Program (LIHEAP) and fuel funds to customers in communities and tribes across the country are widely reporting increases in applications for energy assistance,” said NEUAC Executive Director Katrina Metzler. “In the majority of cases, it is $500-$1,000 that could make the difference between keeping utilities on and disconnection. LIHEAP could make a huge difference for those families,” Metzler said.
LIHEAP is a federal block grant that helps protect families through initiatives that reduce energy costs, including bill assistance. Congress has proposed an increase of $4.5 billion for LIHEAP for COVID-19 relief, but negotiations have stalled, leaving millions of newly eligible households in limbo as winter temperatures arrive in most parts of the country.

According to the National Association of Regulatory Utility Commissioners (NARUC), moratoria on utility disconnections ordered at the beginning of the COVID-19 pandemic have expired in 17 states as of October 6. Another eight states' orders will expire before November 1. These moratoria have prevented disconnections, but also allowed arrearages to accumulate to unmanageable amounts for many LIHEAP-eligible, vulnerable populations.

Some utilities have voluntarily extended a disconnection moratorium or offered flexible payment options in response to the economic downturn in the communities they serve. While these steps alleviate the fear of an immediate shutoff, they do not eliminate the need to pay growing arrearages.

Additionally, customers with accounts designated “medically necessary” often accumulate debt in the thousands of dollars when utilities cannot or opt not to disconnect service because of a medical condition that requires access to utilities, like respirator use. COVID-19 economic conditions and the moratoria have exacerbated conditions for some of those households, with energy burdens reported of 25 percent or more.

“How would any of us react to a bill that represents up to a quarter of our annual salary?” Metzler said. “It creates a desperate situation for households with a member who is already medically fragile.”

Brenda Watson, Executive Director of nonprofit fuel fund Operation Fuel in Connecticut, explained: “The problem of energy affordability has existed for many years – but COVID-19 has shone a harsh spotlight on what’s now painfully clear: too many residents can’t afford to pay for their electric, water, gas, or deliverable
fuel oil bills. People who have never needed our assistance before are reaching out in record numbers. It’s a national crisis, and we need immediate and proactive action on the part of utility companies, government agencies and officials, and legislators to ease this unbearable burden on consumers.”

Connecticut has the fourth highest residential electricity rates in the country. These customers are feeling the strain.

Kelly, a client of Operation Fuel in Connecticut, which provides emergency bill assistance to those in need, says: “I was furloughed and then subsequently laid off from work due to COVID-19. These are very bleak times and it is very hard to pay all of the household bills while collecting unemployment. I am a single mother and a widow, so I am the sole provider, and things have been quite difficult to manage. Operation Fuel came to my rescue and helped me pay off over half of my back due electric bill,” Kelly said.

The following data reflect the seriousness of access to energy and the growing inability of Americans to heat and cool their homes or access power and fuel for education, work, refrigeration, medical equipment, hot water and other necessities:

- Nationally, 34.5 million households lost shutoff protections by October 1, 2020, leaving 9.5 million unemployed at risk of losing utility service.
- 42% of the U.S. labor force is now working from home fulltime, with many others suffering job loss or reduction of hours. Access to power is critical to maintaining work for the remaining household member(s).
- More than 60% of U.S. K-12 schools reopened virtually for the 2020-2021 school year, meaning millions of children may be left without access to education if their power is disconnected.
- In some states, 1 in 3 households is behind on utility bills.
- 22% of utility customers reported that they had reduced or put off expenses for basic needs like medicine and food to pay their utility bills.
- Arrearages are piling up during the crisis. A surge in unemployment, combined with the effects of suspending disconnections, is expected to
increase balances of unpaid bills to $2.6 billion through 2022 at co-op utilities vii

Additional data reported by other entities and gathered by NEUAC is available in the full document, which is available on the COVID-19 Resource Page on the NEUAC website, titled "LIHEAP Talking Points: Escalating Need for Energy Assistance in the Time of COVID-19."

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About NEUAC

The National Energy and Utility Affordability Coalition (NEUAC) is a leader in the fields of public policy, advocacy, energy and poverty issues. Members of the organization include utilities, non-profit organizations, energy assistance programs, trade associations and tribal organizations.
NEUAC currently serves more than 200 member organizations that span the nation. NEUAC provides its members with the tools to advocate for LIHEAP and other funding to support low-income families, as well as knowledge of government policies and initiatives and other resources to solve low income issues. The organization bridges the gap between states, social service organizations and government to empower them to work together and learn from each other in times of energy and poverty crisis.

Since its founding in 2014 following the merger of the National Fuel Funds Network (NFFN) and National Low Income Energy Consortium (NLIEC), NEUAC also has committed itself to its advocacy and education initiatives by expanding the depth and breadth of LIHEAP Advocacy Day and the NEUAC Annual National Conference, which are the highest attended and most respected events in our field, serving as many as 700 people.