



## *National Fuel Funds Network*

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### **Energy Safety Net Bulletin #79**

#### **Member Letter**

Dear NFFN Member: The reality that this heating season will be one of the most costly in history has spurred a rash of activity as the public and private sectors seek ways to lessen the impact of astronomical home energy prices.

From the White House to the Congress to state houses across the country, public officials are employing a variety of strategies to ease the burden on consumers. In addition, utilities and the low-income assistance community are working to make the public aware of available assistance programs and increase contributions to charitably funded assistance programs.

In Washington, President Bush has said he will tap the Strategic Petroleum Reserve to make up for some of the oil production lost due to the damage caused by Hurricanes Katrina and Rita. The president has not announced when the reserve crude oil would be released or how much would be made available.

On Capital Hill, members of the House of Representatives and the Senate have signed letters to Congressional appropriators urging that \$1.276 billion in LIHEAP funds be included in any forthcoming hurricane relief package. Several governors have also written to their Congressional delegations supporting the request for \$1.2 billion in additional LIHEAP funding (see below).

In Philadelphia, PIRG Fuel Buyers joined Mayor John F. Street, Philadelphia Gas Works and other allies in urging Pennsylvania Senators Arlen Specter and Rick Santorum to support additional funding for LIHEAP.

A letter, initiated by the American Gas Association, was sent to Interior Secretary Gale Norton asking the Secretary to implement a provision of the recently enacted National Energy Policy Act that authorizes providing royalty natural gas to low-income consumers at a reduced price. The letter was signed by the NFFN, NEADA, and the Campaign for Home Energy Assistance among others.

Meanwhile, Congress has yet to complete passage of legislation funding LIHEAP for the next fiscal year, which begins at the end of October. Our sources on Capital Hill have

indicated that Congress will pass a continuing resolution to fund LIHEAP and other government programs until the appropriations bills can be enacted. No details were immediately available on what formula would be used to make the LIHEAP funds available.

**Please let us know what is going on in your area. Call, write, email or fax us with any information you have on how your program and your state are dealing with the coming heating season and rising home energy costs.**

### **State Government Actions**

- Illinois Governor Rod R. Blagojevich has named Ed Hurley, the outgoing chairman of the Illinois Commerce Commission, to the newly created position of Special Director of Emergency Energy Assistance. Mr. Hurley will be responsible for marshalling resources from the public and private sectors and to coordinate assistance to vulnerable populations impacted by record-high heating costs.

As Special Director, Mr. Hurley will coordinate with state agencies to launch an awareness campaign to inform the public about how to stay warm and healthy during the coldest months and steps they can take to make their homes energy efficient and reduce heating costs. Mr. Hurley will also work with local governments and organizations to identify the most vulnerable residents, register those who qualify for heating assistance and establish monitoring systems to check on people's safety during the winter.

Gov. Blagojevich also appointed Marty Cohen, executive director of the Citizens Utility Board, to replace Mr. Hurley as chairman of the ICC. Mr. Cohen is the first consumer advocate to chair the ICC, which is responsible for regulating utilities within the state.

- Legislation designed to provide Massachusetts residents with some relief from expected high home energy bills this winter has been introduced in the state legislature. The bill would give a tax deduction of up to \$800 for home heating oil and natural gas expenses for individuals with incomes up to \$50,000 and joint-filers with incomes up to \$75,000.

Tax credits of up to \$600 would be provided for homeowners who purchase energy-efficient items and businesses, which install solar water heating systems, would be eligible for a tax credit of up to 15 percent or \$300.

The bill also calls for adding \$20 million in state funds to the Low Income Home Energy Assistance Program to supplement the federal energy assistance program. The additional funds for LIHEAP as well as the tax credits and deductions would be one-time actions.

- Cleveland Mayor Jane Campbell called on the Ohio governor and the state legislature to consider using some of the nearly \$600 million in unused, unobligated state TANF funds for energy assistance this winter.

The mayor argued that energy assistance fell within the state's guidelines for TANF's Prevention, Retention and Contingency Program. Mayor Campbell also asked that the state direct the windfall in excise and sales tax revenues generated by the increasing gas prices toward programs that help low-income families.

- On September 28, twenty-eight governors wrote Senate and House appropriations leaders asking for \$1.276 billion in LIHEAP emergency funds to be added to the third hurricane relief bill, due for consideration in late October. The governors also asked that the appropriators include a significant increase in regular funding in the FY 2006 appropriation, not yet approved. The governors point out that the \$5.1 billion authorized for LIHEAP in the recent Energy Policy Act "provides adequate room for a substantial increase."

For a copy of the governors' letter, contact [coling@nationalfuelfunds.org](mailto:coling@nationalfuelfunds.org).

### **Fuel Fund Activities**

- The Keep Wisconsin Warm Fund is expected to realize more than \$300,000 from two fundraising events staged this summer. Gina Wilson of the KWWF said the organization's first Southeastern Wisconsin Golf Classic, held at the Bristlecone Pines Golf Club in Hartland July 18<sup>th</sup>, and the 4<sup>th</sup> annual Charity Golf Classic, held at the House of the Rock Resort in Spring Green on August 9<sup>th</sup>, generated more than \$300,000 including matching funds.

### **Utility Actions**

- TXU Energy announced that it would donate \$850,000 to assist its customers across the state who have been impacted by Hurricanes Katrina and Rita. Last week, TXU Energy gave \$150,000 to the Dallas Mayor's Hurricane Relief Fund to provide housing support and utility assistance to the victims of Hurricane Katrina.

### **Fire Prevention Week**

- October 9<sup>th</sup> through the 15 is Fire Prevention Week, sponsored by the National Fire Protection Association. This year the theme is "Use Candles with Care." During 2002, an estimated 18,000 home fires started by candles were reported to public fire departments. These fires resulted in an estimated 130 civilian deaths, 1,350 civilian injuries and an estimated direct property loss of \$333 million.

The National Fire Protection Association reports that rising home energy costs may result in an increased number of residential fires. In a statement on the NFPA's website the NFPA warned consumers to use caution when using supplemental heating sources like fireplaces and space heaters.

More information about the safe use of supplemental heating sources and statistics on home heating fires is available at [www.nfpa.org](http://www.nfpa.org).

The National Fuel Funds Network is NFPA's partner in preventing Fire Prevention Week.

### **Surveys and Studies**

- A survey of LIHEAP recipients, conducted by the National Energy Assistance Directors Association (NEADA) found that 32 percent of the families surveyed went without medical care, 24 percent failed to make a rent or mortgage payment, and 20 percent went without food for at least one day. In addition, 44 percent of families reported they skipped paying or paid less than their total home energy bill in the past year.

A copy of the report abstract, the executive summary and the complete can be downloaded from the NEADA website – [www.neada.org](http://www.neada.org).

- A new study conducted by the American Gas Association (AGA) concludes that the need for energy assistance far exceeds what is currently available. The AGA study, showed that “low income households use considerably less energy per household today than in 1981—however the energy they use is higher priced and there are far more households with incomes near the poverty level than in 1981, when the federal Low Income Home Energy Assistance Program (LIHEAP) was created.

AGA President and CEO David N. Parker said “The help that is available to needy families to keep their homes warm and their lights on has fallen far behind the need for assistance...it's imperative that LIHEAP funding be increased far beyond the current \$2 billion. The report said “if LIHEAP were funded at the full \$5.1 billion level authorized by Congress, LIHEAP could assist more than two and a half times the number of currently-aided households.”

Entitled “The Growing Need to Help Low Income Energy Consumers: Government, Charitable and Utility Programs” is available at the AGA website- [www.aga.org](http://www.aga.org).