



National Fuel Funds Network

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Member Letter

Dear NFFN Member: There is one more week before Congress returns to Washington and hopefully completes work on legislation funding the Low Income Home Energy Assistance Program.

Currently, the program is operating at last year's funding level under the terms of a continuing resolution. The appropriations bill that would fund the program has been stalled, and although \$1 billion in additional funding for LIHEAP was included in the House version of the budget reconciliation bill, the Senate version of the measure contains no funding for the program.

During these last few days, before the members of Congress return to Washington, we ask that you contact your Representatives and Senators district offices and let them know how important it is that LIHEAP be funded at a level above the amount for the last fiscal year.

We must make our voices heard so that our representatives understand just how important this program is to the millions of Americans who are wrestling with enormous increases in their home energy costs.

State and Local Government Actions

- Massachusetts Governor Mitt Romney has signed into law legislation that allows low and middle income families to take a personal income tax deduction of up to \$800 for their winter home heating costs and a one-time tax credit for the purchase of energy efficient products.

The legislation also adds \$20 million to augment funding for the federal Low Income Home Energy Assistance Program and broadens eligibility levels for discounted rates on electricity and natural gas.

Single taxpayers, who earn less than \$50,000 will qualify for a tax deduction of up to \$800 for heating costs incurred between Nov.1 and March 31, while

taxpayers filing jointly, with incomes up to \$75,000, will be eligible for the deduction.

The tax credit will be available to homeowners of any income level who purchase new windows, programmable thermostats, insulation, weather stripping and efficient furnaces and boilers. The state will offer a credit on 30 percent of the purchase price, up to \$600.

- In Oregon Governor Ted Kulongoski and Attorney General Hardy Myers announced nearly \$12 million in grants for home weatherization and bill paying assistance for low income Oregonians, and launched a new website to help Oregonians access information about energy assistance programs as well as energy saving, and cost-saving strategies.

The grants, secured by the Attorney General through utility settlements, are expected to assist about 15,000 Oregon households with bill payments and weatherize the homes of more than 1,000 families. The grants are the result of settlements with El Paso Corp. and Duke Energy following investigations into allegations of price manipulation and antitrust violations in the Western power market initiated in January 2001 by the attorneys general of Oregon, California and Washington.

The grants provide \$5.5 million to help pay the energy bills of low-income households through Oregon HEAT and Oregon Housing and Community Services (OHCS). Another \$4.5 million was allocated to weatherize low-income dwelling units, including existing housing and new, energy-efficient housing yet to be built through programs conducted by OHCS.

Another grant will fund research to show the cost-effectiveness of low-income energy assistance. Sponsored by Oregon HEAT, the research will be conducted by Quantec, Inc., a Portland-based organization specializing in environmental research. Oregon HEAT already received a grant of \$250,000 from the Meyer's Memorial Trust, and state government's grant of \$350,000 brings the total to \$600,000. Results of the research will be used to demonstrate the effectiveness of providing assistance to ratepayers rather than relying on termination and collection activities that may force those unable to pay their bills to abandon their dwellings.

The new website, www.warmoregon.org, is a product of the Oregon Department of Energy and is designed to provide Oregonians with an array of resources to help contain energy costs both at home and at work. The site includes information on weatherization, bill paying, energy use reduction, and offers many other energy-related tips.

Other grants will support a statewide case management system through OHCS; the installation of solar hot water heaters in 75 low-income homes; a program

that integrates services including energy education, efficient appliances, and some bill payments for low-income households, including extremely low-income, elderly and disabled Oregonians; and a program, which makes extensive use of volunteers to provide workshops, training and in-home weatherization kits for extremely low-income Oregonians.

- The Wyoming Community Development Agency will begin a \$5 million program to make low- or no-interest loans available for homeowners' weatherization projects on Dec.1. Called the Wyoming Energy Savers program will allow homeowners, depending on their incomes, to qualify for second mortgages, for example, to pay for home improvements that would increase the energy efficiency of their homes.

Gov. Dave Freudenthal announced his support for a one-year utility sales tax holiday. Estimates place the cost of the tax holiday at approximately \$36 million when applied to both residential and business consumers. The governor is awaiting the work of the legislative Task Force on Utility and Tax relief before taking formal action.

In addition, the governor included nearly \$20 million in his 2007-08 budget recommendations to help consumers both pay their bills and weatherize their homes. The recommendations include \$18 million - of which \$5.5 million would be effective immediately - for the Low Income Energy Assistance Program, administered through the Wyoming Department of Family Services and funded by a combination of state and federal resources. Projections have DFS serving about 14,000 households through the heating season - an increase of about 4,500 over last year.

The governor also recommended almost \$1.5 million to help with weatherization needs for renters and mobile home residents, who might not qualify for other programs requiring home ownership.

- Massachusetts Rep. William Delahunt has brokered a deal with the government of Venezuela and its U.S. subsidiary the Citco Petroleum Corp. to provide 12 million gallons of discounted heating oil to 40,000 residents of Massachusetts. The deal will allow income-eligible residents and hundreds of institutions serving the poor to purchase up to 200 gallons of oil at a 40 percent discount. Citizens Energy Corporation and the Massachusetts Energy Consumer Alliance will administer the program.
- North Carolina Gov. Mike Easley unveiled a plan to provide nearly \$10 million in public and private funds to help low-income North Carolinians with their home heating costs. The Governor said the state would make available \$3.4 million in crisis intervention funds from the state Contingency & Emergency Fund. Those

funds would be matched by contributions from Progress Energy, Duke Energy, Piedmont Natural Gas, PSNC, North Carolina Power and the electric utilities.

The state will also redirect \$4.1 million in existing funds to weatherization programs

- Lawmakers in Nassau County, NY have added \$250,000 to the \$2.1 million in federal funds the county receives for energy assistance. Peter Clement, acting commissioner of Nassau's Department of Social Services said the additional funding will allow Nassau to help another 100 people.
- In Virginia, Gov. Mark Warner announced that the state would use \$17.9 million from the general fund to help low income residents pay their winter heating bills. The governor said \$13.6 million would be used to augment regular LIHEAP assistance grants, \$1.3 million would be used to supplement crisis assistance grants and \$2.1 million would be added to the weatherization program.

In addition, the governor said several of the utilities in the state were increasing their contributions to energy assistance programs. Dominion Resources has committed \$1 million to supplement its customer contributions to its Energy Share program. The state's electric cooperatives doubled their contribution to low income heating assistance from \$600,000 to \$1.2 million.

Virginia Natural Gas increased its annual contribution from \$70,000 to \$300,000. Columbia Gas of Virginia committed \$100,000 over four years to the state's weatherization program and \$70,000 to low-income assistance. Roanoke Gas doubled its contribution to low-income assistance to \$20,000.

Appalachian Power will double its contributions to matching customer donations to energy assistance from \$37,500 to \$75,000 and Allegheny Power will more than double its energy assistance contributions from \$15,000 to \$32,000.

Fuel Fund Actions

- Operation Fuel Executive Director Pat Wrice said on-line payment options may be reducing contributions to the fuel fund. In a recent story in the Waterbury Connecticut Republican American, Wrice said ever since people began paying utility bills online, however, the contributions have dipped,

The Add-a-Dollar program, run by Operation Fuel of Bloomfield, allows customers to add a dollar to monthly bills to help the needy. Utility companies such as Northeast Utilities and United Illuminating Co. then match 50 cents to each dollar contributed. Operation Fuel has raised more than \$11 million through the program since it was launched in 1983.

The technology has not kept up and it is not as easy to add a dollar when you pay online," Wrice said. "With a check payment, people just checked off a box and added a dollar to their bill. With online payments, it is not as easy as a click. The system has to be changed, and while the utility companies are working on it, it is a change that has not happened yet and will not help us this winter."

In the fiscal year that ended June 2002, Operation Fuel received \$422,000 through the program. The following fiscal year, ended June 2003, that amount fell to \$402,000. For the fiscal year ended June 2004, it was down to \$387,000. In the 2005 fiscal year, though, the program received \$407,000 because of a huge advertising push by the utilities, Wrice said.