HOUSE REPUBLICAN CONFERENCE
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DEBORAH PRYCE, CHAIRMAN

Providing Relief for Low Income Americans This Winter

Courtesy: House Committee on Energy and Commerce

As the winter months approach, no one should be forced to choose between heating their home and feeding their family. Hurricanes Katrina and Rita have wreaked havoc on the gulf coast and have also dramatically increased energy prices across the nation. The conference report on the Deficit Reduction act provides an additional $1 billion ($250 million pursuant to formula; $750 million allotment to emergency fund) in LIHEAP funding to ensure that low-income Americans enrolled in the program have at least the same level of purchasing power as last year.

What is LIHEAP?

- The Low-Income Home Energy Assistance Program (LIHEAP) is a federally-funded program that helps low-income households with their home energy bills.
- LIHEAP can help people stay warm in the winter and cool in the summer. By doing so, they can reduce the risk of health and safety problems (such as illness, fire, or eviction).
- The LIHEAP program can offer low income Americans one or more of the following types of assistance:
  - Bill payment assistance;
  - Energy crisis assistance; and,
  - Weatherization and energy-related home repairs.

Home Heating Aid

- LIHEAP will receive $1 billion in FY07, assisting Americans affected by disruptions in the energy supply that are expected to continue for the foreseeable future caused by the recent hurricanes.
- LIHEAP's allocation formula takes many things into consideration, including the number of heating and cooling degree days (days when households are most likely to use heating/cooling energy) each state experienced in the past year, and those forecast for the following year.
  - A heating degree day measures the extent to which a day's average temperature falls below 65°F and a cooling degree day measures the extent to which a day's average temperature rises above 65°F.
- A state's heating and cooling degree data are weighted by population in the state.
- Averages over 30 years also are measured and are taken into account by the formula.
- Residential sector energy price projections are also factored in.
  - These projected prices for fuels include fuel oil, natural gas, electricity, kerosene and liquefied petroleum gas.
- Regional variation of energy prices can be significant and the formula takes expected expenditure differences into account.
  - There is substantial variation by state and region on the distribution of types of energy used for home consumption.