Resolution of NARUC to Support the Adequate Funding of the Low Income Energy Assistance Program (LIHEAP)

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) recognizes adequate utility service to be a vital key to the health and safety of American households; and

WHEREAS, The severe constraints on State budgets and the increased strain on the nation's support system provided by nonprofit, faith-based, and other community organizations, have limited the resources available for energy assistance; and

WHEREAS, The number of households receiving LIHEAP increased by about 376,000 between 2002 and 2003 and is projected to increase by an additional 286,000 in FY 2004; and

WHEREAS, In 2003, States were able to assist only about 15% of the 30 million households eligible for assistance, and with rising costs of natural gas that number is certain to increase; and

WHEREAS, LIHEAP would need to be funded at over $3 billion simply to equal the purchasing power it had in 1982; and

WHEREAS, LIHEAP provides vital heating and cooling assistance to low-income families, including working poor households, senior citizens, and persons with disabilities; and

WHEREAS, LIHEAP is a targeted block grant program which provides built-in flexibility in Federal-State partnerships and is the foundation for many programs authorized by State public utility commissions to assist low-income customers to meet their bill payment obligations through direct assistance, arrearage forgiveness, and reduction of bills to more affordable levels, to prevent service terminations in winter as well as during heat emergencies, to make the transition from public assistance to economic self-reliance, to help working poor households remain economically self-sufficient, and to weatherize their homes, repair defective heating equipment, and reduce energy; usage; and

WHEREAS, The US Department of Energy’s Energy Information Administration has stated that “[r]esidential space-heating expenditures are projected to increase for all fuel types this winter compared to year ago levels.” (EIA Winter Fuels Outlook: 2004-2005); and

WHEREAS, The Senate Appropriations Committee has approved $1.9 billion for the regular LIHEAP program and $100 million for emergency funding and the House of Representatives has approved $1.911 billion for the regular LIHEAP program and $100 million for emergency funding; and

WHEREAS, Congress is scheduled to pass an omnibus spending package when it returns to session during the week on November 15, which package would include LIHEAP funding for this winter; and
WHEREAS, The National Fuel Funds Network and other groups supporting increased LIHEAP funding have asked that the emergency LIHEAP funding be increased to $900 million for this fiscal year and also that $3.4 billion be included in the fiscal year 2006 LIHEAP budget; and

WHEREAS, Insufficient funding for LIHEAP will undermine and threaten the continuation of a number of State initiatives that have relied on the LIHEAP program to be the foundation for providing a modest amount of energy security for low-income Americans; now therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC) convened in its November 2004 Annual Convention in Nashville, Tennessee, urges the Congress to appropriate base LIHEAP funding of at least $1.911 billion and emergency LIHEAP funding of at least $900 million for this winter (fiscal year 2005) and that $3.4 billion be included in the fiscal year 2006 LIHEAP budget; and be it further

RESOLVED, That NARUC also urges the Congress to appropriate such funding prior to the commencement of the winter heating season.

Sponsored by the Consumer Affairs Committee and Gas Committee
Adopted by NARUC November 17, 2004