



N A R U C  
National Association of Regulatory Utility Commissioners

December 9, 2020

The Honorable Mitch McConnell  
Senate Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Senate Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

**RE: Low Income Home Energy Assistance Program (LIHEAP)**

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy:

Millions of families are falling behind on their electric and gas utility bills as a result of COVID-related unemployment. Many of these families are being protected by voluntary and mandatory utility shut-off moratoriums that have been effective in protecting them against the shut-off of vital electric and natural gas services. However, the moratoriums do not eliminate the bills – the amount they owe has continued to grow. We are already hearing reports of households with arrearages up to \$3,000 and expect the debt to only get worse as the pandemic drags on.

Funding for the Low Income Home Energy Assistance Program (LIHEAP) is sufficient to help only about one out of six eligible households and cannot be stretched to help the newly unemployed with their growing bills, without additional funding. The \$900 million in supplemental funds provided for LIHEAP by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are now fully obligated and have been able to reach only a fraction of those households that need support.

Utilities across the nation are reporting significant increases in the numbers of households falling behind on their utility bills. Electric and natural gas arrearages are expected to reach \$32 billion by the end of 2020, based on an analysis of utility arrearages by National Energy Assistance Directors' Association (NEADA). Reflecting the rapidly changing conditions, NEADA estimates that 15 to 20 percent of residential customers are at least 60 days behind on their electric and natural gas bills.

In response to these arrearages, the National Association of Regulatory Utility Commissioners (NARUC) is joining a number of organizations in requesting an additional \$10

billion for LIHEAP to help up to seven million families pay off their growing utility debt through June 2021, when both weather and pandemic conditions are expected to improve. Consider the alternatives to providing this funding to LIHEAP: Utilities could offer repayment plans, but many families would need years to repay, if they can repay at all. In the meantime, this debt would slow that family's ability to economically recover. Or, utilities could raise rates on all customers. Lastly, we must keep in mind that many smaller, less well-capitalized municipal and cooperative utilities could face serious economic shortfalls. Any of these alternatives – compared to adequately funding LIHEAP – would be a drag on the nation's economy and impede the recovery of both individual families and our country.

Given the urgency of these needs, it is imperative that Congress include LIHEAP in the current bipartisan funding bill for coronavirus relief and fund the program at \$10 billion to address the emergency heating and cooling needs of all eligible American families. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg White". The signature is fluid and cursive, with a prominent initial "G" and a long, sweeping underline.

Greg White  
NARUC Executive Director