

## **FOR IMMEDIATE RELEASE**

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### **STATE ENERGY OFFICIALS CALL FOR IMMEDIATE FEDERAL SUPPORT TO ADDRESS ENERGY CRISES**

State energy officials today called on the Congress to significantly strengthen the Administration's supplemental spending request by providing an additional \$3 billion in funding for the Low Income Home Energy Assistance Program (LIHEAP) and \$600 million for state conservation programs (see below list). These additional funds were authorized in the recently passed Energy Policy Act. They are urgently needed to address a potential near-term crisis caused by rapidly rising energy prices and supply shortfalls.

States have already taken actions to help all families and businesses meet their energy needs, but the devastation caused by the two recent hurricanes requires more support than is currently available. Energy prices were rising before the storms but are now forecast to climb much higher. This winter, heating oil costs for the average family are projected to rise 32% from last seasons prices; natural gas prices are expected to rise even higher – 50% over the comparable period.

For low income families, states are taking additional actions to protect them this winter against rising energy prices, including: providing supplemental support in Connecticut, Iowa, Montana, New Mexico, Massachusetts, Ohio and Pennsylvania and implementing consumer protection rules to allow residential users additional time to pay their utility bills.

Other state actions include:

- community workshops for homeowners to demonstrate low-cost energy improvement projects;
- media campaigns to prepare the public for higher energy bills;
- accelerated demand management programs for electricity consumption;
- volunteer weatherization assistance programs for the low income and elderly;
- websites to centralize all energy assistance information;
- promotion of weatherization and conservation;
- monitoring of home heating oil and gas prices and gouging.

The press statement has been prepared by the four organization representing state energy officials in charge of delivering and regulating energy services to the public: National Association of State Energy Officials (NASEO), National Energy Assistance Directors

Association (NEADA), National Association for State and Community Service Programs (NASCSPP) and National Association of Regulatory Utility Commissioners (NARUC).

## **Background**

The funding requests for the proposals recommended today involve activities on several fronts.

If the State Energy Program was funded at the authorized level of \$100 million, the states could implement a dramatically expanded program to reduce energy consumption for residential consumers, schools, hospitals, businesses and the agricultural sector. For every federal dollar invested in the program, over \$7 is saved in direct energy costs.

If the Weatherization Assistance Program was funded at the authorized level of \$500 million, approximately 230,000 homes could be weatherized in the coming year. Every home that is weatherized reduces its energy usage by approximately 25%.

Additional emergency LIHEAP funds of approximately \$3.1 billion would bring funding for FY'06 to the authorized level of \$5.1 billion. The additional funding would allow the states to increase benefits to address rising energy prices as well as provide services to the expected 20% increase in recipients this year (taking the total from about 5 million to 6 million).

Congress should also accelerate the relevant tax credits contained in the Energy Policy Act of 2005 to October 1, 2005, from the present date of January 1, 2006. The credits would apply to energy efficient improvements to existing and new homes, such as insulation, windows and HVAC equipment, and for energy efficient commercial buildings.

Separate letters have been sent by a variety of groups to the Administration and congressional leaders encouraging acceleration of the tax credits (Sections 1332 and 1333), full funding of the public information initiative and support for the State Energy Program, the Weatherization Assistance Program, the state energy efficiency pilot program (Section 140 of the Energy Policy Act) and the Appliance Rebate Program (Section 124 of the Energy Policy Act).

Funding of Section 9006 of the 2002 Farm Bill, is the only short-term measure that could be implemented which is not included in the Energy Policy Act of 2005. FY'05 funding was \$23 million. If funding could be dramatically expanded it could help reduce costs for farmers and rural small businesses immediately.

In summary form, the proposed federal emergency funding request for FY'06 is as follows:

- 1) LIHEAP - \$5.1 billion (\$3.1 billion in emergency funds above FY'05 funding levels);
- 2) State Energy Program - \$100 million (\$56 million above FY'05 funding levels);
- 3) Weatherization - \$500 million (\$273 million above FY'05 funding levels);
- 4) Energy Efficient Appliance Rebate Program - \$50 million (new program);

- 5) Energy Star Program - \$105 million (\$95 million for EPA, which is \$45 million over FY'06 appropriated funding and \$10 million for DOE, which is \$5.5 million over FY'05 funding levels);
- 6) Energy Efficient Public Information Initiative - \$90 million (new program);
- 7) State Building Energy Efficiency Codes - \$34 million (\$29.5 million above FY'05 funding levels);
- 8) Heating, Ventilation and Air Conditioning maintenance program - \$5 million (new program);
- 9) Energy Efficiency Pilot Program for the Gulf Coast states - \$5 million (new program – targeted to Alabama, Louisiana, Mississippi and Texas);
- 10) Low-Income Community Energy Efficiency Pilot Program for the Gulf Coast states - \$20 million (new program – targeted to New Orleans, Gulfport, Biloxi, Mobile, Port Arthur and Beaumont);
- 11) Energy Efficient Public Buildings Program - \$30 million (new program);
- 12) State Technologies Advancement Collaborative - \$20 million (\$13.5 million above FY'05 funding level); and
- 13) Section 9006 of the 2002 Farm Bill - \$46 million (\$23 million above FY'05 funding levels).