



NATIONAL ENERGY ASSISTANCE DIRECTORS ASSOCIATION

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Families to Spend More for Summer Cooling
Cooling Bills Estimated to Increase by 11.7%
Federal Funding for LIHEAP Inadequate to Help Families Stay Safe this Summer:

Contact: Mark Wolfe: mwolfe@neada.org

The cost of home energy continues to put families at financial risk as summer temperatures reach record levels, increasing the cost of cooling. This could not come at a worse time since many state Low Income Home Energy Assistance Programs (LIHEAP) programs are running out funds after helping families pay the high cost of home heating this year.

As shown in the following table, NEADA estimates that the cost of home energy this summer will increase by 11.7% this summer to an average of \$578, up from \$517 last summer. These estimates could in fact understate the final costs of home cooling this summer if temperatures continue to stay at record levels. Federal funding for LIHEAP is only adequate to help about one out of six eligible households and about 80 percent of program funds are used for heating, leaving only 20 percent available for home cooling.

Table with 3 columns: Region, EIA Expenditures 2022, NEADA Forecast 2023. Rows include New England, Mid Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain, Pacific, and National Totals.

Sources: NEADA analysis based on data from the US EIA and NOAA Climate Prediction Center.

To address the summer cooling crises, NEADA calling for the following actions:

- Utilities should voluntarily suspend shutoffs this summer for families behind on their bills. Fourteen people have already died due to the extreme heat across the south...
Congress should provide an additional \$3 billion for cooling assistance this summer, which would help to provide supplemental LIHEAP assistance for about six million families.

- **Congress should pass legislation that would develop a long-term plan to increase access to affordable and energy efficient cooling.** According to Mark Wolfe, Executive Director of NEADA and Co-Director of CEPC, this is the third straight year of extreme weather conditions in the US. We should treat access to cooling just like we treat access to heating in the winter – we should expect it and develop programs that help low-income families stay safe and in their homes. Current strategies including access to cooling centers were appropriate when summer temperatures were lower and heat waves were sporadic rather than continuous.

The [Inflation Reduction Act \(IRA\)](#) provided \$4.5 billion to help low and moderate income families electrify their homes providing funding to pay for new heat pumps, water heaters, appliances and weatherization measures with a maximum grant of \$14,000 per family. The IRA provides only enough funding to upgrade about 320,000 households or about one percent of 34.2 million families eligible for energy assistance that will need help, assuming that families receive the maximum grant of \$14,000.

With limited federal and state funding for cooling assistance, options are severely limited for families in affected areas. Right now, states only have sufficient funds to help with heating costs with approximately 80 percent of LIHEAP benefit funds being used to address winter energy needs. LIHEAP needs double the resources to provide summer assistance to families without cutting winter benefits.

It is the least we can do. Families should not have to suffer or move to cooling centers to prevent heat- and air quality-related illness this summer.

### **Background**

Home energy is becoming increasingly unaffordable for low-income families. Higher summer cooling costs are coming right on top of this winter's higher heating season costs. The level of utility consumer debt – the amount consumers owe their utilities – has increased from \$17.5 billion at the end of January 2023 to \$19.5 billion by the end of March 2023 reflecting the high cost of home heating.

The rapid increase in the cost of basic goods – food, shelter, and energy – have placed millions of low-income families in a precarious position of having to choose between paying their home energy bill, food, rent, or medicine. While the overall rate of inflation is finally starting to come down, the impact of rapidly rising prices in the last year have taken their toll on many of the nation's poorest families.

Whether you live in the Northeast or Midwest where Canadian wildfires are causing record-breaking air quality issues, or in the South where a heat wave has wrought scorching temperatures for three weeks straight, it is a bad time to be outside for many Americans. But for the estimated one million households who will be shut off from electricity this summer because they cannot afford their bills, even being inside their homes is dangerous. In less extreme situations, a family can ride out a hot day by opening their windows, taking a cool shower, and hoping it cools down at night. But when the heat persists for weeks, or the outside air is dangerous, opening a window will only make things worse.

The current weather and air quality emergencies are putting millions of Americans at risk of heat-related and respiratory illnesses as well as unaffordable home energy bills. Many low-income families will not be able to afford these bills and will face the shut-off of vital energy services. In addition, according to a recent study, utility heat-related shut-off rules provide limited coverage and twenty states have no summer shut-off protections in place.

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