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Home Energy Costs Remain Unaffordable For Over 320,000 Connecticut Households

Hartford, Conn., December 13, 2017 -- Home energy costs continue to present an overwhelming burden for more than 320,000 low- and moderate-income households. There is now a \$450 million home energy affordability gap for Connecticut households with incomes at or below 200 percent of the Federal Poverty Level, according to the **Home Energy Affordability Gap: Connecticut (2017) report**, which Operation Fuel released today during a news conference at the state capitol.

The affordability gap is the portion of their energy bills that more than 320,000 Connecticut households can't afford to pay, not the entire amount that they owe. On average each household, with incomes at or below 200 percent of the Federal Poverty Level, owes \$1,404 more than they can afford to pay in annual energy bills. While the home energy affordability gap has been going up and down over the past few years, the number of households affected has remained consistent at over 300,000.

The current energy affordability gap is an increase of nearly \$51 million, from \$399 million the previous year. The **Home Energy Affordability Gap: Connecticut (2017) report** attributes the increase to rising home heating prices in Connecticut. The report states that according to the Connecticut Department of Energy and Environmental Protection (DEEP), March 2017 natural gas heating prices for residential customers had increased 12 percent over March 2016 while fuel oil prices had increased nearly 15 percent from \$2.121 per gallon for the 2015-2016 heating season to \$2.436 per gallon for the 2016-2017 heating season.

“For the past several years, the energy affordability gap has significantly exceeded the resources that are available for energy assistance for Connecticut households. Because of the high cost of energy in Connecticut, we expect the energy affordability gap will continue to be hundreds of millions of dollars for at least the foreseeable future,” explained Brenda Watson, Operation Fuel’s Acting Director.

Connecticut's home energy affordability gap now exceeds the funds available for energy assistance by more than \$370 million. The Federal Low-Income Home Energy Assistance Program (LIHEAP), which is the state's primary source of energy assistance, provided \$78.7 million in energy assistance last winter. This covered only 17.5 percent of the home energy affordability gap.

This past fiscal year, Operation Fuel provided more than \$3.3 million in energy assistance to nearly 7,900 households. Almost half of the people helped were either elderly or children under the age of 18. Operation Fuel is Connecticut's only year-round, statewide nonprofit emergency energy assistance organization.

Watson said the majority of Operation Fuel's applicants have reported being late on rent or mortgage payments so that they could pay energy bills and that many households keep their homes at unsafe temperatures to keep costs down. Struggling to pay energy bills has also had a significant impact on their ability to afford other basic necessities.

Operation Fuel continues to work with its community partners to find viable solutions to making energy bills more affordable. In particular, the nonprofit energy assistance organization is advocating for a comprehensive strategy to help lower energy bills. This includes getting households to participate in energy efficiency programs and using renewable energy options such as community solar projects.

Watson said Operation Fuel is also assessing the effectiveness of existing low-income energy assistance programs, to consider whether there are options and alternatives that could enhance the effectiveness of those programs.

Now in its 40th year, Operation Fuel is a statewide nonprofit organization that provides emergency energy assistance year-round to lower-income working families and individuals, the elderly, and disabled individuals who are in financial crisis.

For more information and to see the **Home Energy Affordability Gap** report, go to <http://www.operationfuel.org/our-publications/>

Key findings of the 2017 report include:

- The state's annual home energy affordability gap is now \$450 million for households with incomes at or below 200 percent of the Federal Poverty Level.
- There are more than 320,000 Connecticut households that can't afford their energy bills. On average, each household owes about \$1,404 more in annual energy bills than they can afford to pay.
- Home energy bills that exceed 6 percent of a household's annual income are considered to be unaffordable.
- For Connecticut households in deep poverty, high home energy costs threaten not only their ability to keep their energy services but also their ability to pay for food, medical care, housing, and other basic necessities.
- When low-income households do pay their bills in full and on time, it is often at the expense of other basic necessities.
- Connecticut's available resources are extremely insufficient for addressing the energy affordability crisis. The Federal Low-Income Home Energy Assistance Program (LIHEAP) is the state's primary source of energy assistance.
- Connecticut's LIHEAP allocation covered only **17.5 percent** of the state's total energy affordability gap during the most recent heating season.
- In Connecticut, approximately 31 percent of homeowners and 44 percent of tenants heat with natural gas; and about 52 percent of homeowners and 21 percent of tenants heat with fuel oil.