Congress of the United States Washington, DC 20515

December 20, 2021

The Honorable Xavier Becerra Secretary U.S. Department of Health and Human Services 330 C Street SW Washington, DC 20416

Dear Secretary Becerra:

We thank the Department of Health and Human Services for its recent release of the Low Income Home Energy Assistance Program's (LIHEAP) annual allocation that will augment relief funding provided by the American Rescue Plan. However, we remain concerned that the ongoing global energy crisis will adversely impact families who will rely on LIHEAP to stay warm this winter.

As the world economy recovers from the pandemic, global energy markets are struggling to keep up with a surge in demand and prolonged supply shortages. Natural gas prices across Europe have increased sixfold compared to this time last year, while coal and natural gas deficits have plunged China into a power crisis that has forced Chinese factories and businesses to rely on diesel-fueled generators just to maintain operations.^{1,2} To meet global demand, U.S. liquefied natural gas exports continue to grow faster than domestic natural gas production, depleting our natural gas inventories and raising prices on American families in the process.³ While we applaud President Biden's focus on addressing high fuel costs, we are concerned that the ongoing volatility in global prices for fossil fuels like natural gas could exacerbate the anticipated spike in home heating costs as this energy crisis impacts the United States.⁴

The U.S. Energy Information Administration (EIA) projects that the cost of home heating for households will increase by 30 percent this winter, which is a level that has not been seen since

¹ Lauren Chadwick, euronews., "Europe's energy crisis: Five charts to explain why your bills might go up this winter" (October 2021) <u>https://www.euronews.com/2021/10/25/europe-s-energy-crisis-five-charts-to-explain-why-your-bills-might-go-up-this-winter</u>

² Ariel Cohen, Forbes, "China's Energy Crisis Deepens With Potentially Fatal Consequences" (October 2021) <u>https://www.forbes.com/sites/arielcohen/2021/10/19/chinas-energy-crisis-deepens-with-potentially-fatal-consequences/?sh=52faa0121163</u>

³ U.S. Energy Information Administration, "U.S. natural gas prices likely to remain elevated through the winter" (October 2021) <u>https://www.eia.gov/todayinenergy/detail.php?id=49956</u>

⁴ The White House, "President Biden Announces Release from the Strategic Petroleum Reserve As Part of Ongoing Efforts to Lower Prices and Address Lack of Supply Around the World" (November 2021) https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/23/president-biden-announces-release-

from-the-strategic-petroleum-reserve-as-part-of-ongoing-efforts-to-lower-prices-and-address-lack-of-supply-aroundthe-world/

2014, and would impact 61 million households that use natural gas for heating.⁵ The EIA expects even larger surges in home heating costs this winter for the 10 percent of American households relying on deliverable fuels like propane and heating oil.⁶ According to the National Energy Assistance Directors Association, the average residential natural gas bill will increase from \$572 to \$746 and heating oil bills per household will rise from \$1,272 to \$1,734.⁷ As a consequence, the purchasing power of appropriated LIHEAP funding would drop by as much as 30 percent. That means that the program's value in available funding would decrease by \$1.14 billion from \$3.8 billion for regular appropriations and by \$1.35 billion from \$4.5 billion for stimulus funds.⁸ For low-income families, these price increases are unsustainable and will force them to choose between heating their homes and other essentials like rent, food, or medicine.

As state agencies and grantees prepare their winter programs, it is crucial that they have strong support from your department to assist low-income households. In consideration of these concerns, we respectfully request that you provide answers to the following questions:

- 1. On November 18, 2021, the Biden administration unveiled recommendations on how American Rescue Plan funds should be used to protect households from rising home heating costs.⁹ Can you provide us with an update on your agency's efforts to meet these recommendations and share your timeline for expediting assistance?
- 2. Last year, LIHEAP funding reached about 16 percent of the eligible population. This winter season, what percentage of the eligible population does your Department expect to serve with the additional \$4.5 billion for LIHEAP and emergency rental assistance from the American Rescue Plan?
- 3. How has your Department made it easier for households to apply for LIHEAP assistance during this pandemic and ongoing energy crisis?
- 4. What steps has the Department taken to increase outreach to non-traditional households, especially those who have recently become unemployed and/or do not know that they qualify for LIHEAP?
- 5. Does the Department anticipate that current funding is sufficient to meet expected increases in energy prices or will additional resources be necessary?

Thank you for your consideration and for your work for vulnerable families.

⁵ U.S. Energy Information Administration, "Winter Fuels Outlook" (October 2021) https://www.eia.gov/outlooks/steo/special/winter/2021_Winter_Fuels.pdf

⁶ U.S. Energy Information Administration, "Winter Fuels Outlook" (October 2021) <u>https://www.eia.gov/outlooks/steo/report/WinterFuels.php</u>

⁷ National Energy Assistance Directors' Association, "Build Back Better Leadership Letter" (October 2021) <u>https://neada.org/wp-content/uploads/2021/10/BBBLeadershipLetter.pdf</u>

⁸ Kim Riley, Daily Energy Insider, "National Energy Assistance Directors' Association calls for \$5B extra to ramp up LIHEAP" (October 2021) <u>https://dailyenergyinsider.com/featured/32384-national-energy-assistance-directors-association-calls-for-5b-extra-to-ramp-up-liheap/</u>

⁹ The White House, "FACT SHEET: Biden Administration Deploys American Rescue Plan Funds to Protect Americans from Rising Home Heating Costs; Calls on Utility Companies to Prevent Shut Offs This Winter" (November 2021) <u>https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/18/fact-sheet-biden-administration-deploys-american-rescue-plan-funds-to-protect-americans-from-rising-home-heating-costs-calls-on-utility-companies-to-prevent-shut-offs-this-winter/</u>

Sincerely,

Katheine M. Clark

Katherine Clark Member of Congress



Member of Congress

Sylvia R. Garcia Member of Congress

United States Senator

Also signed by:

Eleanor Holmes Norton Member of Congress

Nanette Diaz Barragán Member of Congress

Madeleine Dean Member of Congress

Nikema Williams Member of Congress

Bobby L. Rush Member of Congress

Lori Trahan Member of Congress

Susan Wild Member of Congress

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> David N. Cicilline Member of Congress

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> Jerry McNerney Member of Congress

> Ilhan Omar Member of Congress

> John Yarmuth Member of Congress

> Peter Welch Member of Congress

Lisa Blunt Rochester Member of Congress

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