

**National Association of State Energy Officials
National Energy Assistance Directors' Association
National Association for State Community Services Programs**

December 8, 2008

Dear President-Elect Obama:

On behalf of the state energy programs, we are writing to urge your support for increasing the FY 2009 appropriation level for the Low Income Home Energy Assistance Program (LIHEAP) from \$5.1 billion to \$7.6 billion, Weatherization Assistance Program (WAP) from \$477 to \$977 million and the State Energy Program (SEP) from \$50 million to \$125 million.

You have made clear that energy is a critical, top-tier issue for your Administration, both in the context of stimulating the economy and by bringing the nation forward. There is an existing deployment network that can be used immediately to help your Administration succeed. That network is based on three major state-delivered programs-- the Low-Income Home Energy Assistance Program, the Weatherization Assistance Program and the State Energy Program. In order to move quickly to help people and help the economy, the only way that implementation can occur right away is to expand these networks. They have built their reputations on success at the state and community levels and are regarded as exemplary federally supported programs with excellent leveraging capabilities. They are already successful and you can use that to your advantage.

As state officials, we recognize the fiscal challenges that your Administration will be facing after you take office in January. Energy prices have continued to remain high and unaffordable for many Americans. According to data provided by the federal Energy Information Administration, home energy prices have increased by almost 50 percent in the past five years – from \$681 during the winter of 2002-03 to \$990 last year. We expect that costs will be at the same or higher levels this coming winter.

Low-Income Home Energy Assistance Program (LIHEAP)

Last year's high energy prices have resulted in extremely high rates of shut-offs by utilities across the nation as families struggle to pay these bills. Rising unemployment is likely to make this situation even worse this coming winter. The additional funding provided by the FY 2009 Continuing Resolution (CR) for LIHEAP will help to address this situation, but many states are concerned that it will not be enough to meet the need for additional assistance.

Preliminary reports are alarming. For example, Massachusetts reported that new applications for assistance are up by 55 percent from last year. The State of Wisconsin, has reported that they are receiving calls from their local agencies that fuel oil and propane vendors will not deliver without arrears being paid in full even though the customer is receiving an energy assistance benefit. Florida has reported major layoffs in industries supporting high percentages of low income workers - agriculture, building, and tourism – and that the agencies serving these families are being overwhelmed with record numbers of requests for assistance and also a record number of applicants with shut-off notices and arrearages. Local LIHEAP providers are describing the need for additional assistance as "staggering," and "desperate."

Weatherization Assistance Program

Nearly every dollar provided to the Weatherization Assistance Program results in local investments through “green collar” jobs, materials, equipment purchases, and the installation of energy efficiency measures in low-income homes in the communities. Weatherization’s outcomes include both the energy savings for families in desperate need of relief from high-energy burdens and much needed economic stimulus. For example, the increase of \$250 million provided by the 2009 Continuing Resolution will result in nearly \$40 million being spent in communities to purchase equipment and vehicles; \$70 million will be spent to purchase materials from local or regional vendors; and \$110 million will be spent on personnel and private contractors who deliver the services – all remaining in the local economies where the work is done.

An additional \$500 million through the Economic Stimulus package will double these efforts and provide for thousands of new jobs and hundreds of thousands of homes being weatherized. More people working; more energy being saved; and more affordable housing for hundreds of thousands of families in need – a winning combination for America.

State Energy Program

The critical energy efficiency deployment program for all sectors of the economy is the State Energy Program. A study by Oak Ridge National Laboratory showed that for every federal dollar invested, over \$7 was saved in energy costs and almost \$11 was leveraged for energy efficiency projects. This program has a goal of at least 25 percent improvement in the efficiency of use of energy by 2012 compared to 1990 baseline yet is woefully under-funded. It should be increased in FY 2009 from the \$50 million provided by the Continuing Resolution to the authorized level of \$125 million.

The state energy network will be crucial to the ambitious goals set by the new Administration for energy efficiency and renewable energy. This funding allows states to improve the energy efficiency of homes, schools, hospitals, small businesses, local government buildings, farms, and industry. States utilize these funds to match state efforts promoting investment in energy efficiency and renewable energy technologies producing high-paying “Green Jobs” and reducing energy costs for all types of public and private facilities, promoting ENERGY STAR, and promoting hybrid and alternative-fueled vehicles for the benefit of all sectors of the economy.

Conclusion

The Obama Administration has an historic opportunity to address the energy needs of our nation and move to a new energy future. The critical basis for that progress will be increased funding for the Low Income Home Energy Assistance Program, the Weatherization Assistance Program and the State Energy Program.

Sincerely,



William (Dub) Taylor, Chair
National Association of
State Energy Officials



Jo-Ann Choate, Chair
National Energy Assistance
Directors’ Association



Vaughn Clark, Chair
National Association for State
Community Services Programs

cc: John Podesta