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Midwinter Energy Update:
Highest Annual Increase in Applications for Energy Assistance since 2009,
Rate of Home Energy Price Increases Begin to Come Down,
Utility Arrearages Remain High

The National Energy Assistance Directors' Association (NEADA) today released its midwinter energy update. The energy update indicates the highest increase in applications for the Low Income Home Energy Assistance Program (LIHEAP) since 2009 and the highest total rate of applications since 2011, as families struggle with paying some of their biggest home energy bills in more than a decade.

The number of households receiving energy assistance during the current winter season is up by an estimated 1.3 million, from 4.9 million to 6.2 million, the largest one-year increase since 2009. And these numbers don't even account for possible increases in applications this summer to help families pay for air-conditioning as they deal with rising temperatures due to climate change.

Adequacy of Funds to Meet the Need: States currently have sufficient funds to help families pay their winter energy bills. However, states could run out of funding if the rate of new applications continues to increase. States are also concerned that they will not have sufficient remaining funds to help families pay for cooling assistance this summer as the need for this assistance increases with rising summer temperatures.

The reason for the increase in the number of applications is not surprising. Families are struggling to pay high energy bills along with other rising costs for essential goods that are increasing at a faster rate than the overall rate of inflation.

National Energy Assistance Day on Tuesday, February 1, 2023: This report is being released as part of National Energy Assistance Day to help inform eligible and needy families about LIHEAP and about how to apply for energy assistance, and to highlight the importance of the program.

Utility Arrearages: The national rate of utility arrearages (i.e. an amount of money families are behind on their electric and gas bills) has stayed stubbornly high at about $16.6 billion since the end of the last winter heating season. About 20.8 million households (16.5 percent, or one out of six U.S. households) owed an average of $791, up slightly from June 2022 when the total arrearage balance stood at about $16.3 billion, and the average amount owed was about $783.

Est. National Residential Utility Arrearages (6/22 – 11/22)

Month	National Arrearage Balance (Billions)	Households in Arrears (Millions)	Average Household Arrearage Balance
Jun, 2022	$16.3	20.8	$783
Jul, 2022	$16.4	21.2	$774
Aug, 2022	$16.3	20.9	$778
Sep, 2022	$16.6	20.7	$802
Oct, 2022	$16.8	21.2	$792
Nov, 2022	$16.6	21.0	$791

Source: Utility arrearage data come from various state- and utility-level sources. • Created with Datawrapper

Home Heating Prices Remain at Highest Level in 10 Years: Based on NEADA's analysis of home energy prices, households will face significant increases in home heating expenditures this winter compared to last year. On average, households will pay 12.7 percent more for home heating this winter. Heating oil expenditures are projected to have the largest increase relative to the other fuels, with a 25.9 percent increase, which is nearly $500 more than the 2021-22 winter heating season. Natural gas expenditures may also see a significant jump of 14.5 percent more than last year, more than an additional $100.

At the same time, there are some glimmers of hope this winter that prices have finally peaked and are starting to come down from NEADA's October 2022 estimates. While projected heating expenditures for this winter remain at their highest levels in more than 10 years, we are seeing some price decreases in home heating fuels. The U.S. Consumer Price Index year-over-year energy index, for example, increased 7.3 percent in December, coming down from 13.1 percent in November.

At the beginning of the winter, the number of heating degree days (days that require heating) was expected to increase by 6.3 percent over the previous winter, while the current projection estimates an increase of 4.1 percent.

As a result, families will need less energy than initially projected to heat their homes, reducing the average cost of home heating for this winter to $1,162, down from $1,208. These averages are based on NEADA's analysis of data from the U.S. Energy Information Administration and the National Oceanic and Atmospheric Administration.

Heating Expenditure Projections for Winter 2022-23, October vs. January

Month	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
Oct '22	$931	$1,359	$2,354	$1,668	$1,208
Jan '23	$828	$1,360	$2,342	$1,727	$1,162

Source: Average Consumer Prices and Expenditures for Heating Fuels During the Winter, U.S. Energy Information Administration Short-Term Energy Outlook • Created with Datawrapper

Estimated Winter Heating Costs, 2020-21 to 2022-23

All Fuels is a weighted average of all home heating sources, using the number of households by energy type.

Winter Heating Season	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
2020-21	$572	$1,180	$1,212	$1,162	$885
2021-22	$723	$1,231	$1,860	$1,587	$1,031
2022-23	$828	$1,360	$2,342	$1,727	$1,162
% Difference, 22-23 vs. 21-22	14.5%	10.5%	25.9%	8.8%	12.7%
% Difference, 22-23 vs. 20-21	44.8%	15.3%	93.2%	48.7%	31.2%

Source: Average Consumer Prices and Expenditures for Heating Fuels During the Winter, U.S. Energy Information Administration Short-Term Energy Outlook • Created with Datawrapper

The following table shows historical winter heating expenditures by fuel source, adjusted for inflation in terms of current dollars. Even when adjusted for inflation, natural gas expenditures are the highest they have been in 10 years. Heating oil expenditures and the average expenditures of all four energy sources highlighted – natural gas, electricity, heating oil, and propane – are the highest they have been since the early part of the 2010s.

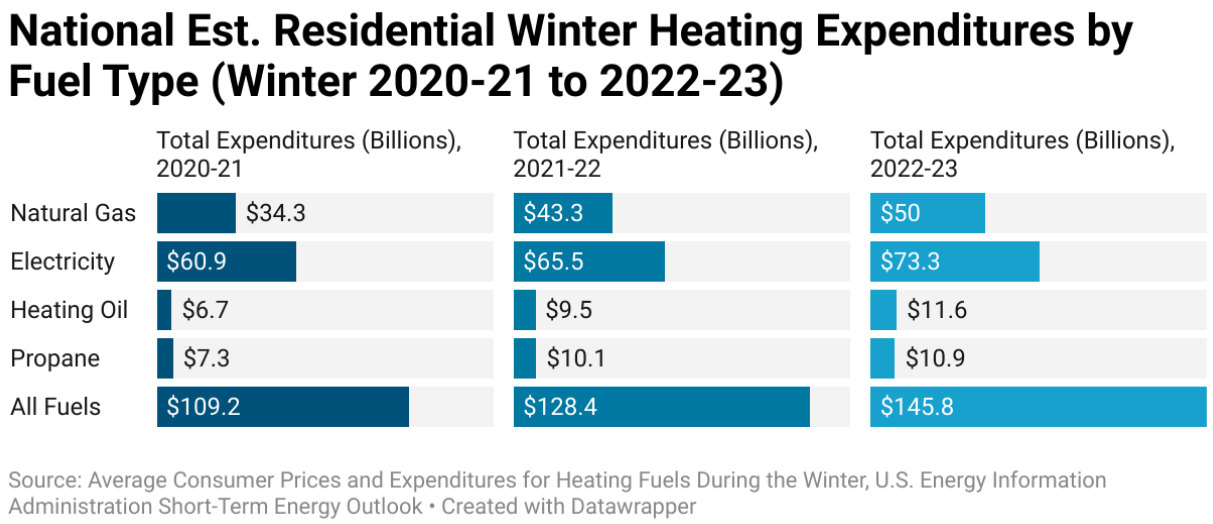
Inflation-Adjusted Historical Winter Heating Expenditures

Winter Heating Season	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
2012-13	$729	$1,377	$2,718	$1,759	$1,150
2013-14	$807	$1,476	$2,692	$2,720	$1,270
2014-15	$759	$1,464	$2,106	$2,036	$1,172
2015-16	$603	$1,309	$1,130	$1,300	$948
2016-17	$654	$1,295	$1,385	$1,398	$986
2017-18	$679	$1,372	$1,654	$1,695	$1,058
2018-19	$691	$1,384	$1,852	$1,890	$1,077
2019-20	$622	$1,297	$1,561	$1,282	$978
2020-21	$650	$1,342	$1,378	$1,321	$1,006
2021-22	$766	$1,304	$1,970	$1,681	$1,092
2022-23	$828	$1,360	$2,342	$1,727	$1,162

Expenditures are adjusted for inflation by multiplying the original value by the ratio of the current CPI and the CPI for that winter heating season. The CPI data come from the all items in U.S. city average, all urban consumers index and are seasonally adjusted. The CPI for past winter heating seasons is an average of the monthly CPI data for that season, October – March. The current 2022-23 CPI is an average of the monthly CPI for October – December 2022, the latest data available for this winter.

Source: U.S. Energy Information Administration, U.S. Bureau of Labor Statistics • Created with Datawrapper

The increase in the cost of home heating is also a key driver in continued high inflation rates. As shown in the following chart, the total increase for home heating fuels increased from $109.2 billion during the winter heating season of 2020-21 to $145.8 billion during the current winter heating season.



Winter Utility Disconnection Protections: Many states have date-based and temperature-based disconnection moratoriums to protect households from cold temperatures if they are behind on their utility bills.

- 32 states have date-based disconnection moratoriums during the winter months.
- 20 states and the District of Columbia have temperature-based disconnection moratoriums for cold temperatures.
- 11 states have both date-based and temperature-based moratoriums.
- 42 states have at least one of the two disconnection policies in place.

NEADA is the primary educational and policy organization for state directors of the Low Income Home Energy Assistance Program and the Low Income Household Water Assistance Program, which are federal programs that help low-income families pay their heating and cooling bills, and water and wastewater bills, respectively. For more information about NEADA and National Energy Assistance Day, visit www.neada.org