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AS EXTREME HEAT RISES, SUMMER COOLING COSTS PROJECTED TO INCREASE BY NEARLY 8%, TO AN AVERAGE \$719, HIGHEST IN A DECADE

Low-Income Families at Risk of Incurring Debt, Deadly Utility Shut-Offs, or Suffering Health Consequences of Extreme Heat

Heat Pump Programs Showcase Solutions to Rising Heat, Costs, and Provide Models for Scaled-Up Federal Solutions

The financial burden to families of keeping cool this summer will increase by 7.9% across the United States to an average of \$719 from June through September, up from \$661 during the same period last year, [according to projections](#) from the National Energy Assistance Directors Association (NEADA) and the Center for Energy Poverty, and Climate (CEPC).

The cost of home cooling has been rising steadily for the last 10 years, in part because families need to purchase more electricity to cool their homes as temperatures continue to rise. The increase in cooling costs will not be evenly distributed across the country, with the Mid-Atlantic, East South Central and Pacific EIA census regions seeing double-digit percent increases in their cooling costs since last year.

The dangers of extreme heat leave low-income families at heightened risk, due to the higher likelihood that these families [already live in heat islands](#), lack of access to affordable summer cooling, increasing electric costs, and funding cutbacks for the federal Low Income Home Energy Assistance Program (LIHEAP) from \$6.1 billion in Fiscal Year 2023 to \$4.1 billion for Fiscal Year 2024.

“We must treat access to cooling like we treat access to heating. We must develop programs that enable low-income families to stay safe and in their homes during extreme temperatures,” said **Mark Wolfe, report author and Executive Director of the National Energy Assistance Directors Association**. “Our current strategies, including access to cooling centers, may have been appropriate when they were designed in the 1970s when summer temperatures were lower and heat waves were sporadic. They are inadequate to provide relief from the record-breaking high temperatures and continuous heat waves that have become our new normal in the summer months.”

Residential Summer Cooling Bill Projections (June to September 2024)					
Region	New England	Mid Atlantic	East North Central	West North Central	South Atlantic
2024 Cooling Season	\$760	\$691	\$581	\$625	\$792
2023 Cooling Season	\$720	\$606	\$524	\$580	\$733
\$ Difference	\$40	\$84	\$57	\$44	\$58
%Difference	5.3%	12.2%	9.8%	7.1%	7.4%

Region	East South Central	West South Central	Mountain	Pacific	US Average
2024 Cooling Season	\$774	\$858	\$654	\$693	\$719
2023 Cooling Season	\$695	\$843	\$611	\$609	\$661
\$ Difference	\$78	\$15	\$42	\$84	\$57
% Difference	10.1%	1.8%	6.5%	12.2%	7.9%
<i>Note: These cost projections are based on historical temperature data, and therefore may understate the actual costs of home cooling this summer, if temperatures continue to increase.</i>					

NEADA and CEPC have the following policy recommendations:

Congress Must Restore Funding for LIHEAP to \$6.1 Billion for FY 2024. Congress reduced funding for LIHEAP by \$2 billion in FY 24, reducing the total appropriation to \$4.1 billion, forcing state LIHEAP officials to:

- Reduce crisis assistance to help families with any remaining winter heating bills or arrearages;
- Cut back on weatherization assistance, which leaves low-income households out of the energy transition and keeps them vulnerable to extreme temperatures; and
- Reduce cooling bill assistance programs.

If there is no vehicle to add funding for this fiscal year, then Congress should increase funding for FY 2025 to \$6.1 billion. In addition, NEADA has called for Congress to also add an additional \$1 billion in emergency assistance to allow the Administration to provide additional funds to states in the event of extreme temperatures, price spikes or other unexpected event.

States Should Establish Comprehensive Cooling Season Shut-Off Protections: Only 17 states and the District of Columbia provide some summer shut-off protections, low-income households in the other 33 states have no summer shut-off protections and could face dangerous health conditions caused by prolonged exposure to extreme heat.

Invest in energy efficiency for low-income housing: This can be done by increasing funding for low-income households to get proper weatherization, install heat pumps and rooftop solar, and take part in other high-efficiency efforts.

Congress has established two programs that can form the basis to retrofit the nation’s low-income housing stock:

- The long-standing Weatherization Assistance Program (WAP), provides basic retrofit assistance including installing insulation, repairing heating and cooling systems and installing hot water heaters. However, WAP does not have sufficient funding to replace cooling systems, let alone to cover the costs of properly weatherizing the housing stock and then installing high efficiency heat pumps.
- The more recent High Efficiency Electric Home Rebate Program (HEEHRA), which was part of the 2022 Inflation Reduction Act, significantly expands access to high-efficiency heating and cooling methods by providing funding for the installation of heat pumps. The HEEHRA program provides

grants of up to \$14,000 that can be used to install high-efficiency measures including heat pumps. Assuming that everyone takes advantage of the maximum grant, the IRA provides only enough funding to upgrade roughly 320,000 households. This is about 1% of the 34.2 million families eligible for energy assistance that will need help for retrofits.

By integrating the two programs, some families will for the first time have options for fully retrofitting their homes, increasing the health and safety and reducing their energy bills. Both programs need to be expanded significantly to ensure access for all families, and for maximum energy savings.

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The National Energy Assistance Directors Association (NEADA) represents the state directors of the Low Income Home Energy Assistance Program (LIHEAP) and serves as the program's representative to the Federal government as well as providing training and educational programs.

The Center on Energy Poverty and Climate (CEPC) is a state-based organization that develops research and policy recommendations to help low income families adapt to rising temperatures.