

NEADA PRESS RELEASE

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HEATING OIL COSTS EXPECTED TO JUMP 50% THIS WINTER AS GLOBAL DIESEL PRICES SURGE

Low-income families in the Northeast expected to spend an additional almost \$1.1 billion on heating this winter; all families in the region could pay about \$3.8 billion more.

WASHINGTON: Families that heat their homes with oil are facing a much more expensive winter. NEADA now estimates that heating oil costs will be about 50 percent higher than last winter. Just a few weeks ago, we were projecting a [31.3 percent](#) increase. We have raised that estimate to 50 percent as the wars in Iran and Ukraine have disrupted petroleum markets and pushed heating oil prices sharply higher.

The impact will be concentrated in the Northeast, where about [82 percent](#) of the nation's heating oil is used. NEADA estimates that low-income families in the region will spend about an additional \$1.1 billion on heating oil this winter. Across all households in the Northeast, the additional cost could reach about \$3.8 billion (see attached tables 1 and 2).

The average cost of heating a home with oil is expected to now increase by about \$878 from about \$1,749 last winter to about \$2,627 this winter. And it could go higher if fuel prices continue to rise. The increase will vary across the region: families in the Mid-Atlantic should prepare to spend about \$779 more than last year, while families in New England could spend about \$1,000 more than last winter.

For example, the price of a gallon of home heating oil in [Massachusetts](#) reached \$6.15 this week up 74.7% from \$3.52 a year ago this time. [New York State](#) is reporting similar numbers at \$6.27 per gallon, up from \$3.69 last year. A standard residential fuel oil tank holds 275 gallons. In other words, a tank of heating oil in New York will increase from \$880 to \$1,568, well out of reach for many families.

Heating oil is a product very similar to diesel gasoline. Both are distillate fuels made from the same part of the refining process, so when the price of diesel goes up, the price of heating oil generally follows. The disruptions in the Middle East have hit diesel and other distillate fuels like heating oil especially hard. Supplies were already tight, and refinery disruptions have put even more pressure on prices. For example, since the end of August, the retail price of heating oil in New York has increased from \$5.47 a gallon to \$6.27, up 14.7%.

EIA says most U.S. imports of distillate fuel oil come from [Canada](#), with most entering through the East Coast, where heating-oil use is concentrated. In 2024, Canada supplied about 95% of all U.S. distillate imports. New England heating oil is connected to the international diesel market

in two ways: heating oil and diesel are closely related distillate products, and New England depends partly on imported distillate to supplement domestic supplies. So, a disruption in the global diesel/distillate market can reach New England heating-oil consumers relatively quickly.

The National Oceanic and Atmospheric Administration (NOAA) expects a warmer winter in the U.S. to El Nino, which will reduce demand for home heating. However, despite that lower demand, we expect prices to remain high due to global supply shortages.

“Winter is just around the bend, and we are very concerned about what this means for low-income families that use heating oil,” said Mark Wolfe, Executive Director of NEADA. “A 50 percent increase in heating costs is simply too much for a family living paycheck to paycheck to absorb. Families are already paying more for electricity, food and rent. Now they are looking at another big increase just to keep their homes warm. These numbers are alarming!”

Families living on Social Security or other fixed income will be hit especially hard. An increase of roughly [3.6](#) percent in Social Security benefits in January would not come close to covering an increase of this size in heating oil costs. You can see the impact when a family fills its tank.

“We are going into winter with heating oil prices already moving sharply higher,” Wolfe said. “If diesel prices stay at these levels, families that heat with oil are going to face bills that are far higher than they expected just a few weeks ago. For low-income families, an additional \$779 in the Mid-Atlantic states to about \$1,000 in the New England states for heating costs is not a small increase. It can mean falling behind on another bill, cutting back on food or medicine, or turning the thermostat down to unsafe levels.”

“Winter is almost here, and families have very little time to prepare,” Wolfe said. “We are looking at a 50 percent increase in heating costs for families that depend on heating oil while electric bills are rising rapidly across the country. That is why we have asked Congress for [\\$3 billion](#) in supplemental emergency LIHEAP funding. Families need help now, before the bills start arriving.”

End

The National Energy Assistance Directors Association (NEADA) represents the state directors of the Low Income Home Energy Assistance Program (LIHEAP). For further information about NEADA see www.neada.org.

All Households Using Heating Oil in the Northeast States

State	Households Using Heating Oil	Average Expenditures		Total Expenditures	
		Winter 2025 - 26	Winter 2026 - 27	Winter 2025 - 26	Winter 2026 - 27
Connecticut	569,400	\$1,901	\$2,798	\$1,082,308,515	\$1,593,273,566
Maine	298,900	\$1,664	\$2,939	\$497,329,593	\$878,546,644
Massachusetts	679,200	\$1,950	\$2,870	\$1,324,117,952	\$1,949,242,849
New Hampshire	228,000	\$1,936	\$2,850	\$441,405,143	\$649,795,448
Rhode Island	139,500	\$1,734	\$2,808	\$241,930,065	\$391,761,544
Vermont	133,400	\$1,588	\$2,805	\$211,846,038	\$374,231,955
New England Subtotal	2,048,400	\$1,855	\$2,849	\$3,798,937,306	\$5,836,852,007
Delaware	247,800	\$1,347	\$1,983	\$44,183,837	\$65,043,321
New Jersey	1,329,400	\$1,480	\$2,178	\$366,680,630	\$539,792,995
New York	696,800	\$1,802	\$2,653	\$2,395,522,390	\$3,526,464,451
Pennsylvania	32,800	\$1,435	\$2,113	\$999,955,128	\$1,472,040,597
Mid-Atlantic Subtotal	2,306,800	\$1,650	\$2,429	\$3,806,341,984	\$5,603,341,364
Total	4,355,200	\$1,746	\$2,627	\$7,605,279,290	\$11,440,193,370

LIHEAP Eligible Households Using Heating Oil in the Northeast States

State	Low Income Households Using Heating Oil	Average Expenditures		Total Expenditures	
		Winter 2025 - 26	Winter 2026 - 27	Winter 2025 - 26	Winter 2026 - 27
Connecticut	160,129	\$1,901	\$2,798	\$304,370,359	\$448,065,630
Maine	77,405	\$1,664	\$2,939	\$128,792,059	\$227,514,776
Massachusetts	195,526	\$1,950	\$2,870	\$381,182,210	\$561,140,868
New Hampshire	54,368	\$1,936	\$2,850	\$105,254,992	\$154,946,575
Rhode Island	35,379	\$1,734	\$2,808	\$61,356,153	\$99,355,081
Vermont	32,594	\$1,588	\$2,805	\$51,761,292	\$91,437,771
New England Subtotal	555,400	\$1,859	\$2,849	\$1,032,717,065	\$1,582,460,701
Delaware	7,463	\$1,347	\$1,983	\$10,053,224	\$14,799,418
New Jersey	70,270	\$1,480	\$2,178	\$103,982,236	\$153,072,942
New York	378,653	\$1,802	\$2,653	\$682,317,378	\$1,004,443,952
Pennsylvania	187,887	\$1,435	\$2,113	\$269,630,624	\$396,925,036
Mid-Atlantic Subtotal	644,274	\$1,655	\$2,436	\$1,065,983,462	\$1,569,241,348

Source: National Energy Assistance Directors Association, based on data from EIA, Census and global market prices. Contact: Mark Wolfe, mwolfe@neada.org