Center for Energy Poverty and Climate

Crisis in Energy Affordability
Summer Shutoff Protections and Bill Support Fail to Adapt to a Warming World
June 2023

Background: Low income families struggle to pay their home energy bills. The rapid increase in the cost of basic goods – food, shelter and energy – have placed millions of low income families in the precarious position of having to choose between paying their home energy bill and food, rent and medicine. While the overall rate of inflation is finally starting to come down, the impact of rapidly rising prices in the last year have taken their toll. The Federal Reserve's survey 2022 Household Economics and Decision Making recently *found that self-reported financial well-being fell sharply and was among the lowest observed since 2016.*

State shut-off rules to help families stay connected to cooling during periods of extreme temperatures have not kept pace with the realties of climate change. Many were written decades ago when in many parts of the country dangerous temperatures were limited to short-term heat waves and the need for electricity to run cooling systems was much lower because fewer families had access to central air-conditioning. This issue brief provides background on why energy is becoming less affordable to low income families, and the limitations of current federal funding programs and state shut-off rules to protect families during periods of high summer temperatures.

Rising temperatures are putting millions of low income families at risk of losing access to home energy during the summer months as they struggle to pay higher summer cooling costs. The average family will spend about $560 this summer up from $517 last summer. Higher summer cooling costs are coming right on top of this winter's higher heating season costs which increased from by 9.7 percent from to $1,131 from $1,031 the year before.

Survey Data: The Census Bureau's Household Pulse Survey reported that lower income families are struggling to pay their home energy bills:

- 36.1% of low income families were unable to pay their home energy bill at least one month in the past year.
- 50.8% of low income families scaled back on basic necessities to pay their home energy bill including medicine and food at least one month in the past year.
- 34.6% reported keeping their house at an unsafe temperature at least one month in the past year.

Percent of Households Foregoing Basic Necessities to Pay Energy Bills

Time Period	National Average	Low- and Moderate-Income (<$50k)	Households with Children
Mar 30 - Apr 11 2022	23.9%	47.5%	27.4%
Mar 29 - Apr 10 2023	26.8%	50.8%	29.0%

Percent of Households Unable to Pay Energy Bills

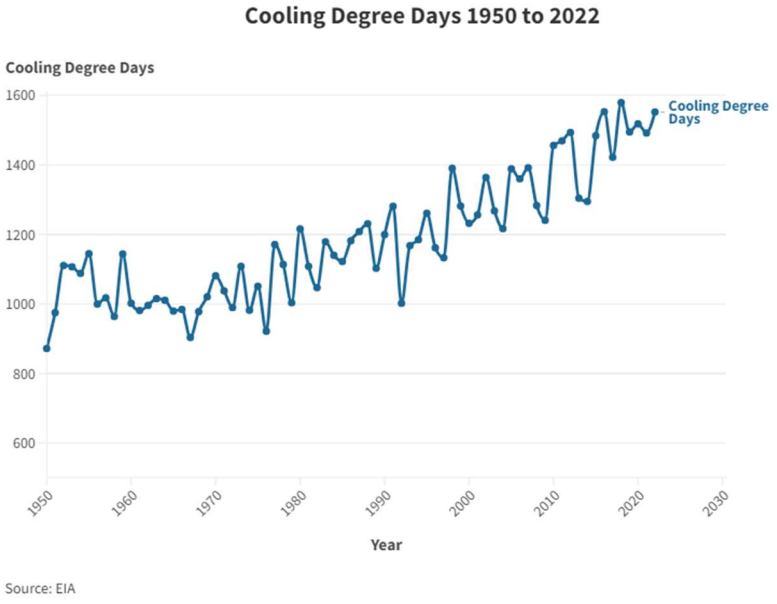
Time Period	National Average	Low- and Moderate-Income (<$50k)	Households with Children
Mar 30 - Apr 11 2022	16.4%	35.8%	21.3%
Mar 29 - Apr 10 2023	17.0%	36.1%	21.9%

Percent of Households Keeping Their Homes at an Unsafe Temperature to Save Money on Energy Bills

Time Period	National Average	Low- and Moderate-Income (<$50k)	Households with Children
Mar 30 - Apr 11 2022	15.2%	29.1%	14.8%
Mar 29 - Apr 10 2023	18.0%	34.6%	16.1%

Increased Need for Cooling

The fact that temperatures are rising due to climate change is not news. The Energy Information Administration, which has been tracking a metric for calculating the number of days in a year that require cooling since 1950, has found a steady increase in cooling degree days over time. Families that may have not had cooling, or only needed to turn on their air conditioners during brief heat waves in prior decades are now using cooling more frequently, for longer periods of time, and are paying the additional cost.

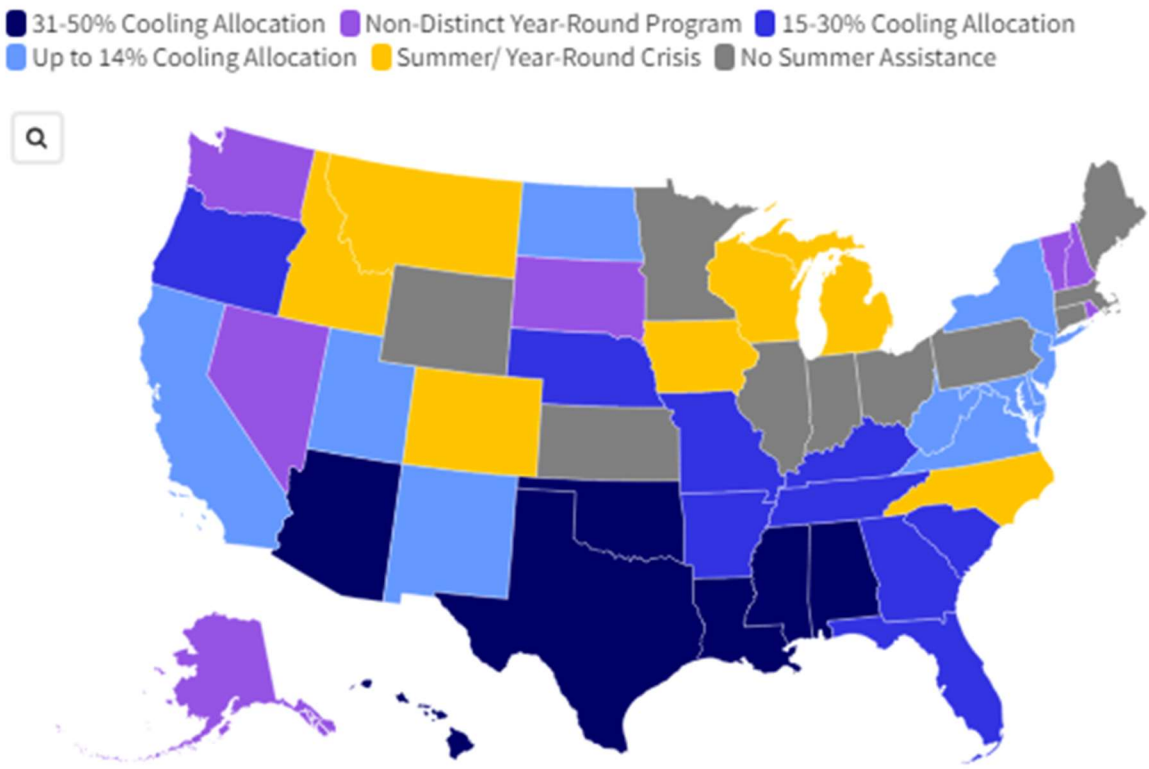


Furthermore, the United States is woefully unprepared for the health and financial impacts of a hotter world. Rising temperatures are not just uncomfortable, they are also a major cause of heat stroke and death. An average of 700 people die every year in the U.S. from heat-related illnesses, an estimate that likely understates the true extent of heat-related deaths because often the official cause of death does not account for underlying triggers such as unsafe temperatures inside the home.

A recent study in the Journal of the American Medical Association looked at the relationship between adult death rates and extreme heat events in the U.S. The study reported that from 2008 through 2017, each additional extreme heat day per month was linked to 0.07 additional deaths per 100,000 adults — or 7 deaths per 10 million adults. The study also found that while extreme heat contributed to increased death rates across the U.S. in general, they pinpointed even greater increases among older adults, men, and non-Hispanic Black persons.

LIHEAP: Federal funding for the Low Income Home Energy Assistance Program (LIHEAP), the primary federal program designed to help families pay their home heating and cooling bills, has not kept up with the increased need for summer cooling. In fiscal year 2023, federal grant funding was be split about 80 percent for heating programs and 20 percent for cooling programs.

In practice, as shown in Table 1, Chart 1, sixteen states set aside at least 15% of their regular program funds for cooling, seven states offer summer assistance in crisis situations, seven states run year-round programs that do not distinguish between heating and cooling, and ten provide no funds for the summer months. LIHEAP was originally designed to address heating needs, but in recent years more states are developing year-round programs recognizing that the winter heating and summer cooling seasons can overlap and that families are struggling to pay their bill in boht summer and winter.



Source: LIHEAP Clearinghouse

Offering a year round program comes at a cost. Federal funding is not sufficient to help all eligible families, so adding summer assistance takes funds away from the winter program. Last year for example, federal funding was only sufficient to help about six million households or one out of six eligible families.

Utility Debt: As a result of rising home energy bills and insufficient federal funding for LIHEAP, the amount of funds owed by families to their utilities has increased from $17.5 billion at the end of January 2023 to $19.5 billion by the end of March 2023. About 19.6 million households (approximately one out of six nationwide) were behind on their electric bills at the end of March 2023. Families owed an average of $653 on their electric bills up from $530 as of 12/31/21 and $453 on their on their natural gas bills up from $313 as of 12/31/21. When families cannot pay their energy bill even after receiving LIHEAP assistance, they can be subject to the loss of power. Upwards of 3.5 million families are shut-off from power every year.

Summer Cooling/Bill Payment/Shut-Off Protections: Shut-off protections are put in place by the state governing body that oversees regulated utilities to protect families from losing access to heating or cooling during extreme temperatures. When shutoff protections are not in place, utilities generally follow a structured process when a family falls behind on the bill. This includes issuing late fees, a disconnections notices and then issue a disconnect order. State Public Utility Commissions do not have jurisdiction over cooperative or municipal utilities, or delivered fuel providers, so they are not subject to shutoff protection requirements.

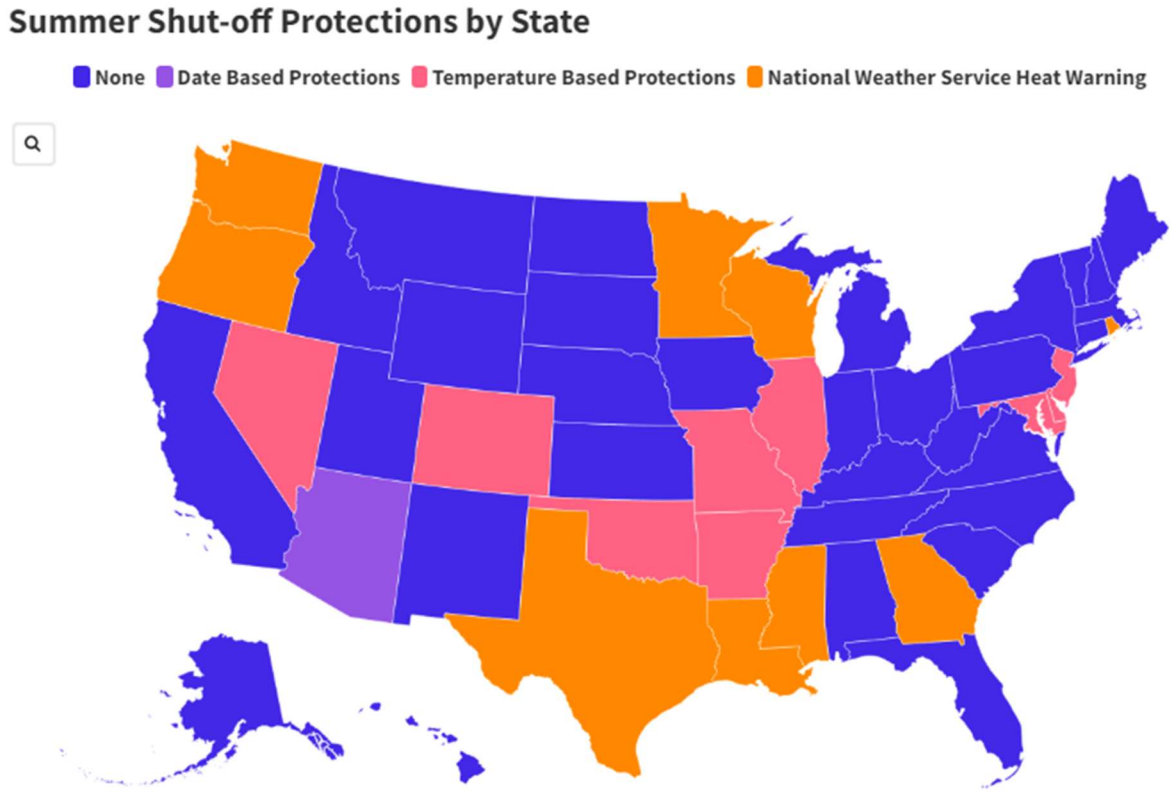
In general, winter shutoff protections are more robust than in the summer. The best winter protections provide blanket shut-off protections for low income families for the months of December to March. The argument being that winter temperatures are unpredictable and families need to be protected against shut-offs even in periods of warmer temperatures during the winter months. Other states use temperature-based rules that only protect families during periods of very low temperatures.

On the other hand, summer shut-off protections have changed little since they were first established in the early 1970s. At that time, summer heat waves were limited in scope and air conditioning was needed was needed in only part of the summer cooling season. Of the states that have summer protections they are primarily temperature-based – they only go into effect if the outside temperature reaches a certain level – do not take humidity into consideration and only apply during the core summer months, usually May to August.

The following provides a summary of state-by-state summer protections. A detailed table follows at the end of this paper. Three types protections are offered by 19 states and DC:

1. Temperature-based shutoff protection. The temperature that triggers this protection varies widely between states from 90 degrees to 105 degrees.
2. Temperature and date based. Similar to temperature-based, except protection from shutoff is only available during a specific time period.
3. National Weather Service warning. Shutoff protections go into effect when the National Weather Service issues a heat advisory for that area.
4. Date based, where the state offers blanket shut-off protections during certain months.

The remaining 31 states offer no protection from shutoff during the summer.



Next Steps: The data presented in this memorandum demonstrate that the current system to protect low income families from high summer cooling bills and the threat of disconnection if they cannot pay those bills needs to be updated to reflect longer summer cooling periods. The data presented in this report will be used to develop model summer cooling protections that reflect the longer waves and the risk that they place on low income families, especially those with vulnerable health conditions.

Protections Listed by State			
Summer Protections	**No Summer Protections**	**Winter Protections**	**No Winter Protections**
Arizona	Alabama	Alabama	Alaska
Arkansas	Alaska	Arizona	California
Colorado	California	Arkansas	Colorado
Delaware	Connecticut	Connecticut	Florida
District of Columbia	Florida	Delaware	Hawaii
Georgia	Hawaii	District of Columbia	Kentucky
Illinois	Idaho	Georgia	North Dakota
Louisiana	Indiana	Idaho	Virginia
Maryland	Iowa	Illinois	
Minnesota	Kansas	Indiana	
Mississippi	Kentucky	Iowa	
Missouri	Maine	Kansas	
Nevada	Massachusetts	Louisiana	
New Jersey	Michigan	Maine	
Oklahoma	Montana	Maryland	
Oregon	Nebraska	Massachusetts	
Rhode Island	New Hampshire	Michigan	
Texas	New Mexico	Minnesota	
Washington	New York	Mississippi	
Wisconsin	North Carolina	Missouri	
	North Dakota	Montana	
	Ohio	Nebraska	
	Pennsylvania	Nevada	
	South Carolina	New Hampshire	
	South Dakota	New Jersey	
	Tennessee	New Mexico	
	Utah	New York	
	Vermont	North Carolina	
	Virginia	Ohio	
	West Virginia	Oklahoma	
	Wyoming	Oregon	
		Pennsylvania	
		Rhode Island	
		South Carolina	
		South Dakota	
		Tennessee	
		Texas	
		Utah	
		Vermont	
		Washington	
		West Virginia	
		Wisconsin	
		Wyoming	

Source: Center for Energy Policy and Climate

State Utility Shutoff Moratorium Overview			
State	**Protection Dates**	**Temperature**	**Seasonal Policy**
Alabama		<32° F	
Alaska			No disconnect for seriously ill, disabled.
Arizona	6/1 - 10/15	32° F and below or 95° F and above	Utilities advised not to terminate residential service when the customer has an inability to pay and where weather will be especially dangerous to health (usually 32° F or below for winter and above 95° F for summer) as determined by the Commission.
Arkansas	11/1 - 3/31	<32° F or >95° F (elderly and disabled)	No disconnect for elderly or disabled or medical emergency.
California			
Colorado		>95° F	
Connecticut	11/1 - 5/1		No disconnect for hardship customers.
Delaware	11/15 - 4/15	20° F or below, 105° F or above	
District of Columbia		<32° F or 95° F and above	
Florida			
Georgia	11/15 - 3/15	<32° F or National Weather Service Heat Advisory or Excessive Heat Warning in effect	No disconnect if illness would be aggravated.
Hawaii	None	None	
Idaho	12/1 - 3/1		Disconnect ban for households with children under 18, elderly age 62 or older, or infirm.
Illinois	12/1 - 3/31 and summer months	<32° F; >=95° F	
Indiana	12/1 - 3/15		Prohibits disconnect if customer qualifies for public assistance.
Iowa	11/1 - 4/1	<20° F	
Kansas	11/1 - 3/31	<35° F	
Kentucky			
Louisiana		Winter termination procedures: The previous day's highest temperature did not exceed 32° F, and the temperature is predicted to remain at or below that level for the next 24 hours. Summer termination procedures: When NWS issues a heat warning for any parish in the utility's service territory, or when such a warning has been issued on any one of the preceding two calendar days.	
Maine	11/15 - 4/15		Must agree to special payment arrangement

State Utility Shutoff Moratorium Overview			
State	**Protection Dates**	**Temperature**	**Seasonal Policy**
Maryland	11/1 - 3/31	During the next 72 hours, if 32° F or below during winter dates or if temperature exceeds 95° F at any time of year	
Massachusetts	11/15 - 3/15		Disconnect not permitted if household includes child <12 months, seriously ill member or all residents are 65 or older.
Michigan	11/1 - 3/31		Winter Protection Plan for elderly 65 years or older, recipients of Medicaid, Food Stamps or state emergency relief, full- time active military personnel or persons needing critical care or having a certified medical emergency. Households with income less than 150% of federal poverty guidelines must be enrolled in a payment plan.
Minnesota	10/1 - 4/30	Disconnect ban for residential electricity service when an excessive heat watch, heat advisory, or excessive heat warning has been issued by the National Weather Service	
Mississippi	12/1 - 3/31	Summer Rule: Residential customers shall have the right to avoid discontinuation of electric service for nonpayment of pills if, as of 8:00 am on the scheduled disconnection day, and Excessive Heat Warning has been issued by the National Weather Service for the county of the scheduled disconnection.	
Missouri	11/1-3/31, 6/1-9/30	<32° F and 95° or above	
Montana	11/1 - 4/1	No disconnect when the temperature at 8 a.m. is below 32° F or if freezing temperatures are forecast for the next 24 hours for customers receiving public assistance or if household member is age 62 or older or disabled.	
Nebraska			No disconnect for low-income natural gas customers with proof of eligibility for energy assistance.
Nevada		15° F or below and 105° F or above	
New Hampshire	11/15 - 3/31		
New Jersey	11/15 - 3/15	95° or above	Disconnect ban for customers receiving Lifeline, LIHEAP, TANF, SSI, PAAD or GA or households unable to pay overdue amounts due to unemployment, medical expenses, or recent death of spouse. If eligible for Winter Termination Program, can't disconnect if 90° F + for following 48 hours.
New Mexico	11/15 - 3/15		Must be current with payments or have entered into a payment agreement and are current with that agreement by Nov. 15

State Utility Shutoff Moratorium Overview			
State	**Protection Dates**	**Temperature**	**Seasonal Policy**
New York	2-week period encompassing Christmas and New Years		
North Carolina	11/1 - 3/31		No disconnect for elderly, disabled, and customers who are eligible for the Energy Crisis Assistance Program.
North Dakota			
Ohio	10/20 - 4/15		Medical certification program.
Oklahoma		32° F or below (daytime), 20° F or below (night), or heat index 101° F or higher	
Oregon		Any day a forecasted high temperature of 32° F or below or on any day a local Heat Advisory is issued by the applicable weather reporting service.	
Pennsylvania	12/1 - 3/31		
Rhode Island	11/1 - 4/30	No termination if National Weather Service issues a heat advisory or excessive heat warning.	Disconnect ban for elderly, disabled, seriously ill, households with child under 2 years old, or recipients of unemployment compensation, federal heating assistance or have income 75% or less of state median income.
South Carolina		Disconnection is suspended when the average forecasted temperature is 32°F or below for a 45-hour period.	
South Dakota	11/1 - 3/31		
Tennessee		<32° F	
Texas		<32° F or during heat advisory	No disconnect for elderly 65 years + and critical care customers until Oct. 1
Utah	11/15 - 3/15		
Vermont	11/1 - 3/31	<10° F or <32° F for households with elderly age 62 or older.	
Virginia			Disconnect delay for persons with a 'Serious Medical Condition Certification Form.' This is a year-round policy.
Washington	11/1 - 3/31	NWS heat advisory	
West Virginia	11/1 - 3/31	Service may not be disconnected on a day the National Weather Service predicts temperature to be 32 degrees Fahrenheit or colder near the customer's home.	Disconnection may be delayed when termination of service would be especially dangerous to the health or safety of a member of the customer's household.
Wisconsin	11/1 - 4/15	Prohibited when heat advisory from the National Weather Service is in effect.	Prohibited when heat advisory from the National Weather Service is in effect.
Wyoming	11/1 - 4/30	Disconnection only if above 32° F	