



House Bill 08-1387

Low-Income Energy Assistance Funding

Representatives Buescher, Gallegos, McFadyen and Pommer

HB 1387 generates funding for low-income energy assistance through the surplus in the operating account of the severance tax trust fund. The assistance supports both **short-term cash assistance programs and long-term energy efficiency programs**. The bill provides \$7.5 million in cash assistance and \$7.5 million in long-term energy efficiency per year to low-income Colorado households.

There is a **strong nexus** between funding low-income energy assistance programs in Colorado out of surplus funds from the operating account severance tax trust fund. As the commodity cost of natural gas increases, the operating account of the severance tax trust fund increases. As natural gas prices increase, the heating bills and electricity costs of consumers increase and the need for energy assistance for low-income Colorado families increases. Colorado has funded energy assistance from severance tax funds with bipartisan support in **seven of the past nine years**.

- **Inability to pay for home energy is the 2nd leading cause of homelessness** in Colorado for families with children. (University of Colorado Health Science Center)
- For low-income households, **as home energy expenditures increase 20%, food expenditures decrease 10%**. (U.S. Department of Labor – Bureau of Labor Statistics)
- In order to pay for home energy, **35% of assistance recipients went without medical or dental care, or failed to fill a medical prescription or took less than the full dose of prescribed medicine**. (National Energy Assistance Directors' Association)
- “The reality is that America’s low-income families must struggle constantly to protect their children from multiple threats to their health and growth, of which **energy insecurity may be the most immediately life-threatening**”. (Children’s Sentinel Nutrition Assessment Program)
- Because of significant export of natural gas from the Rocky Mountain region, **natural gas costs will rise in Colorado at a much faster rate than the rest of the nation, up to 20% next winter**.
- Low-income households pay on average 15% - 20% of their very limited income on home energy...some over 50%. The average Colorado household pays about 6% of their income on home energy.
- For over 350,000 Colorado households, home energy costs are unaffordable...vulnerable families simply cannot cover the costs of utilities and buy food, medicine and medical care.
- The need is growing. Energy Outreach Colorado has distributed benefits to nearly 200% more clients and the average benefit per household has increased over 100% since 2003. In total, the organization has distributed nearly 500% more funds this winter compared to the winter of 2003.

The solution is two-fold. Provide cash assistance to vulnerable households and take steps to make homes more energy efficient and safe. Colorado needs a **long-term, permanent funding solution** so that all of our citizens can afford the basic necessities of warmth and light without having to sacrifice medical care, food or home safety.

In support of HB-1387 are **AARP, Energy Outreach Colorado, Colorado Environmental Coalition, Governor’s Energy Office, Xcel Energy, Alliance for Sustainable Colorado, Colorado Rural Electric Association, Environment Colorado, Atmos Energy, Denver Women’s Commission, Colorado Center on Law and Policy, Colorado Association of Municipal Utilities, Catholic Conference, Colorado Social Legislation Committee, Housing Colorado, Metro CareRing, Lutheran Advocacy Ministry, Capital Hill United Ministries**

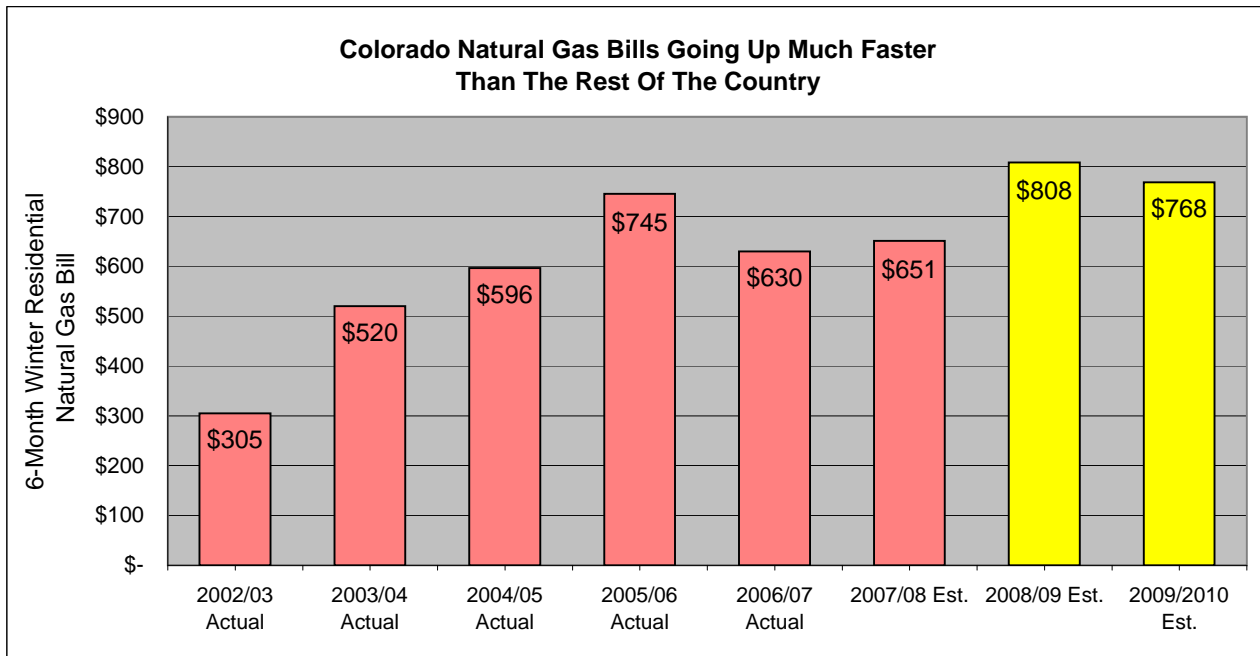
Support HB 1387

For more information, please contact Energy Outreach Colorado:

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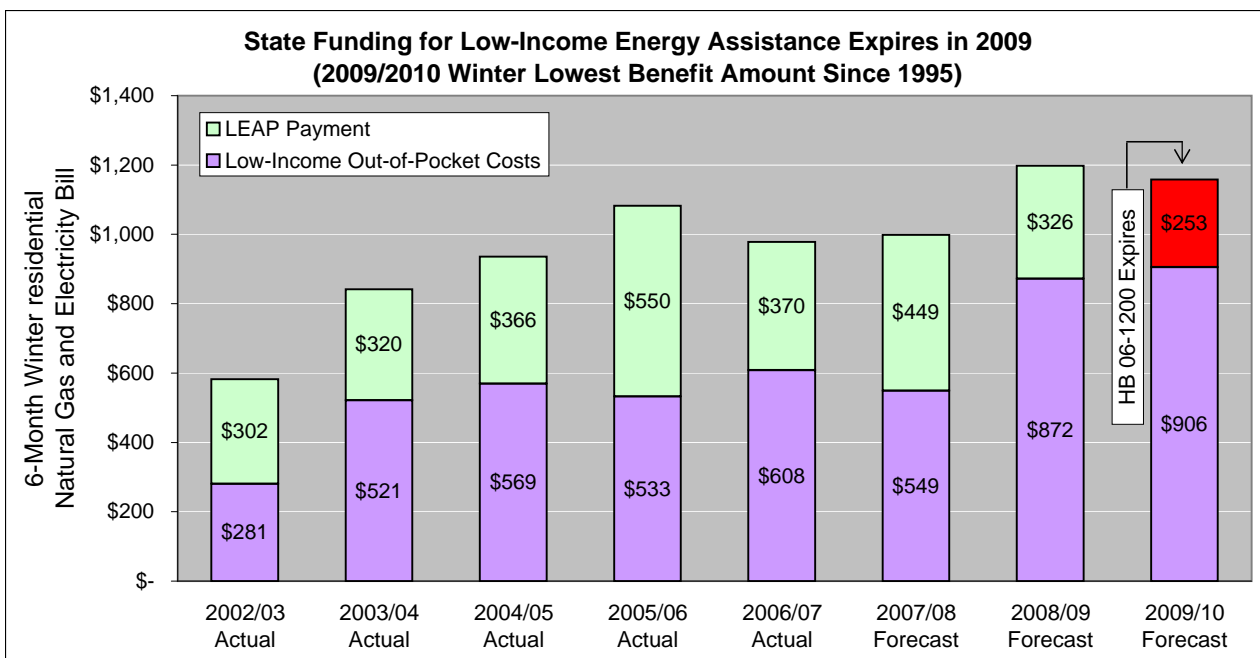
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Assumptions:

- 2002 thru April 2008 based on actual utility rates
- 2008/2009 - 2009/2010 based on NYMEX natural gas futures
- Colorado NYMEX differential = \$1.00 in 2008/2009 and \$.60 in 2009/2010
- 2002 thru March 2008 based on actual weather
- April 2008 and into the future based on normal weather



Assumptions:

- Colorado does not fund low-income energy assistance in 2009/2010
- Electricity rates for 2008/2009 - 2009/2010 based on 3/08 Xcel ECA filing
- Same natural gas assumptions as information above