

M e m o r a n d u m

Date: April 3, 2007

To: The Commission
(Meeting of April 12, 2007)

From: Delaney Hunter, Director
Office of Governmental Affairs (OGA) — Sacramento

Subject: **SR 3 (Kehoe) – Low-income home energy assistance**
As Introduced: December 4, 2006

LEGISLATIVE SUBCOMMITTEE RECOMMENDATION: SUPPORT

SUMMARY OF BILL: SR 3 would memorialize the President and the Congress to increase the federal budget authorization for the federal Low Income Home Energy Assistance Program (LIHEAP) to \$7,000,000,000 for the 2007–08 fiscal year, and appropriate that entire amount for distribution to the states.

SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION:

Increasing funding for LIHEAP – especially in Western states – helps further Commission policies to ensure that low income electric and natural gas ratepayers are protected. Also, the weatherization activities funded through LIHEAP work in tandem with the Commission’s successful low income energy efficiency (LIEE) program.

SUMMARY OF SUGGESTED AMENDMENTS (if any):

None

DIVISION ANALYSIS (OGA):

- This resolution requests increased funding for LIHEAP – especially in Western states like California and the desert southwest.

- Eastern regions have historically fared better in the allotment of LIHEAP funds due to cold weather needs for heating. However, the cooling needs of hotter regions like California and the southwest are increasing and western states have made a push for the last several years to increase LIHEAP funding overall and to increase the block grant amounts sent to western states.

PROGRAM BACKGROUND:

- The Low Income Home Energy Assistance Program (LIHEAP) is federally funded through the US Department of Health and Human Services and helps low income electric and natural gas ratepayers. In California the program is run by the Department of Community Services and Development (CSD). LIHEAP has three programs that offer assistance:
 - The Home Energy Assistance Program (HEAP) provides direct payments to cover an eligible low income ratepayer's utility bill.
 - The Energy Crisis Intervention Program (ECIP) provides assistance to low-income ratepayers that are in a crisis situation; such as those having received a 24- or 48-hour disconnect notice, or service termination by their utility company, or an energy-related crisis or life-threatening emergency exists within the applicant's household.
 - Weatherization Services provide weather-stripping, insulation, caulking, water heater blankets, refrigerator replacement, heating/cooling system repairs, and compact fluorescent lamps to make dwellings more energy efficient, thereby reducing energy usage/costs, while safeguarding the health and safety of the household.

LEGISLATIVE HISTORY:

Unknown

FISCAL IMPACT:

None

STATUS:

SR 3 has been assigned to the Senate Energy, Utilities and Communications Committee.

SUPPORT/OPPOSITION:

None on file

STAFF CONTACTS:

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Date: April 3, 2007

BILL LANGUAGE:

BILL NUMBER: SR 3 INTRODUCED
 BILL TEXT

INTRODUCED BY Senators Kehoe and Florez

DECEMBER 4, 2006

Relative to low-income home energy assistance.

LEGISLATIVE COUNSEL'S DIGEST
HOUSE OR SENATE RESOLUTIONS DO NOT CONTAIN A DIGEST

WHEREAS, The cost of energy for residential use has been increasing dramatically in the United States and in California; and

WHEREAS, Low-income customers are particularly vulnerable to increases in their energy bills for electricity, natural gas, and propane, to both heat and cool their homes during extreme weather conditions; and

WHEREAS, The primary federal program assisting low-income families with their energy costs is the Low Income Home Energy Assistance Program (LIHEAP), which provides support both for family utility bill payments and for increased energy efficiency through home weatherization programs; and

WHEREAS, Expenditure for LIHEAP is authorized in the amount of \$5.1 billion in the federal budget, of which only \$2.2 billion has been appropriated by the Congress for the 2007-08 fiscal year, which is not adequate to support the winter heating needs of low-income families for this coming winter of 2006-07; and

WHEREAS, The federally appropriated amount is not sufficient to begin to meet the urgent public health needs in warm-weather states such as California and Arizona, which have experienced lethal periods of extreme heat that have killed hundreds of vulnerable members of our populations in the past year; and

WHEREAS, There exists an extensive network of existing LIHEAP providers who are public and nonprofit agencies in the United States, including California, that could efficiently disburse the increased funds that would result from an increased appropriation under LIHEAP for the public welfare; now, therefore, be it

Resolved by the Senate of the State of California, That California calls on the President and the Congress to increase the federal budget authorization for the federal Low Income Home Energy Assistance Program to \$7 billion dollars (\$7,000,000,000) for the 2007-08 fiscal year, and appropriate that entire amount for distribution to the states; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.