

TESTIMONY OF DEVAL L. PATRICK
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BEFORE THE SELECT COMMITTEE ON ENERGY
INDEPENDENCE AND GLOBAL WARMING
“The Future of LIHEAP Funding: Will Families Get the Cold
Shoulder This Winter?”
Thursday, September 25, 2008

Good afternoon Chairman Markey and members of the Committee. Thank you for the opportunity to testify before you today.

I know that the crisis in our financial markets is dominating the news and the attention of federal officials here in Washington, as well it should; it is certainly on my mind, and the minds of every governor across the land. But I congratulate you, and I thank you, for turning your attention today to another crisis in the making, one that has the potential to become a public health threat in Massachusetts and many parts of the country. And the time to act is now.

I am talking about the crisis in home heating that states like Massachusetts are expecting this winter, as many of our most vulnerable citizens find themselves facing heating bills that are out of their reach. In my state, I have heard it called a “slow motion Katrina.” If that turns out to be the case, the only good thing we can say about it is that we have at least some time to prepare.

But with night-time temperatures already dropping into to 40s and 30s this week in New England, time is growing short. That is why this hearing, and the LIHEAP fuel assistance funding now pending in Congress are so vitally important.

Our Department of Energy Resources conducts a regular statewide survey of prices for home heating oil, which is used by nearly 40 percent or about 963,000, Massachusetts households. In the survey posted on July 8, the average

price of home heating oil in Massachusetts hit a record high of \$4.71 a gallon, after steadily rising, week by week, for over a year. Fortunately, prices of heating fuels have moderated somewhat since, seeming to settle in at roughly \$4 a gallon – but still 50% higher than last year, when the average price was \$2.70.

Should the price remain at \$4 a gallon as we go into the heating season, it will take more than \$3,200 to heat an average Massachusetts household with oil this winter, up from \$1,800 just two winters ago. And many consider that average fuel usage to be conservative – if a family uses 1,100 gallons next winter, which is not unusual, it will cost them over \$4,000 to heat their home.

The Massachusetts LIHEAP program is expected to serve almost 144,000 households this winter. With rising energy costs and level formula funding, our benefits would barely

cover half the roughly \$1,130 it costs to fill a tank of heating oil. At this rate, the benefit would run out by year end.

That prospect was sufficiently alarming to me, and to my colleagues in the Massachusetts Legislature, to form a Winter Energy Costs Task Force. In five public hearings across the state, the Task Force heard compelling testimony about the impact high heating costs would have on our most vulnerable citizens, including low-income families with children, people with disabilities, and senior citizens.

Here are a couple of stories that came out of those hearings:

- A senior citizen from Gloucester who is living on \$790 per month to pay for his housing and medical expenses cannot afford the oil needed to heat his home. If Congress does not increase funding for fuel assistance, he will only get enough assistance to buy 2/3 of a tank,

which might not even get him to January. He is considering a reverse mortgage in order to get by this winter.

- The director of a community action program in Lynn told the story of a woman with three school age kids who just lost her job. Collecting just \$157 per week in unemployment, she doesn't even have enough to cover her rent of \$800 a month. Without additional funding, fuel assistance won't be enough to fill her oil tank even once. This CAP director can remember the 1980s, when fuel assistance benefits would buy almost four tanks of oil – enough to get through the whole winter. Still, he says in 29 years of service, he's never seen so many folks asking for fuel assistance help for the first time.

I want you to know that Massachusetts is doing everything it can to avoid disaster this winter. Our Department of Public Utilities has recently ordered an increase in the discount given to low-income customers on their electric and natural gas bills, which will save them \$75 to \$300 over the coming winter, and expanded programs to help low-income customers pay past due bills.

The state is also working to expand energy efficiency services provided by the utilities this fall, in time to help their customers tighten and insulate their homes, as well as upgrade their heating systems, with the help of rebates and low-interest loans. This is all consistent with the energy efficiency requirements of the Green Communities Act, the comprehensive energy reform legislation I signed into law earlier this year, but accelerated in implementation to help Massachusetts families use less high-cost fuel to heat their homes this coming winter.

Proceeds of the first auction of greenhouse gas emissions allowances under the Regional Greenhouse Gas Initiative, which took place this morning, will also be available to support energy efficiency efforts – an important new resource to help families and communities cope with the energy challenge, and it could not come at a better time. I also eagerly await the recommendations of the Winter Energy Costs Task Force, which will report shortly on further measures we can take as a state, and as a community, to help our fellow citizens stay warm, and safe, this winter.

Finally, the state has appropriated its own funds – \$10 million this year – to supplement federal fuel assistance funding this winter, for the second year in a row.

As a fellow elected official, I very much respect and understand the competing demands for resources that are

fighting for your attention. But what is at stake is the real possibility that that many citizens across the northern part of this country will be at risk of freezing to death without federal leadership.

In the near term, I urgently ask the Congress to help states avert a public health crisis by fully funding the Low Income Home Energy Assistance Program at the \$5.1 billion level now under consideration as part of the Continuing Resolution. This funding would almost double this winter's expected LIHEAP benefit in Massachusetts, providing enormous relief to families across the Commonwealth.

Yet while this funding is absolutely crucial for families this winter, this is really just a stopgap measure. High energy costs in the northeast are an unfortunate and continuing reality. A dedicated federal funding commitment would provide much needed certainty to state LIHEAP programs,

allowing us to manage limited resources and provide the best assistance to the most families.