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Home Energy Affordability Gap Hits \$784 Million, Affecting 305,000 Connecticut Households

Hartford, Conn., December 10, 2014 – The annual home energy affordability gap has grown to \$784 million and more than 305,000 lower-income Connecticut households are unable to afford their energy bills, according to the Home Energy Affordability Gap: Connecticut (2014) report, which Operation Fuel released today during a news conference at the state capitol.

The home energy affordability gap has more than tripled since 2006, when the gap was \$255 million. As in past years, the report stated that the available resources that are needed to address the problem still are drastically insufficient. The report discusses the escalating energy affordability crisis facing Connecticut's low and moderate-income families and senior citizens.

"Energy prices have placed a substantial burden on the public and private energy assistance agencies in Connecticut. Current home heating, cooling and electric bills in Connecticut have driven the average per-household home energy affordability gap for households living with incomes at or below 200 percent of the Federal Poverty Level to crushing levels," states the report, which was prepared for Operation Fuel by regional economist Roger D. Colton, a partner with Fisher, Sheehan & Colton Public Finance and General Economics, of Belmont, Mass.

Connecticut households with incomes at or below 200 percent of the Federal Poverty Level, on average owe about \$2,560 more in annual energy bills than they can afford to pay. Often households that are struggling with energy expenses also are finding it difficult to afford adequate housing, food, medical care and other necessities of life.

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Operation Fuel, Connecticut's only statewide non-profit energy assistance program, gave out a little more than \$3 million to nearly 7,000 households this past fiscal

year. The non-profit's maximum energy grant is \$500 per household over a 12-month period.

"Operation Fuel tries to help as many households as possible but our resources are limited. We depend on grants and corporate and individual donations to fund our program," explained Executive Director Patricia Wrice. She added, "It's heartbreaking when we have to turn away people because of a lack of funds. It means a family or individual must go without electricity or heat; a child can't do their homework or an elderly person has to live in a cold house."

Operation Fuel essentially is for households that are in financial crisis and not eligible for energy assistance from government funded programs. The primary source of energy assistance for Connecticut's lower-income households is the federal Low-Income Home Energy Assistance Program (LIHEAP), which the report found to be insufficient. Connecticut's LIHEAP allocation for this winter is expected to be about \$5.5 million less than last year.

"LIHEAP covers only a fraction of the Home Energy Affordability Gap for a fraction of income-eligible households," said Colton adding that although Connecticut's home energy affordability gap is \$784 million, the state's LIHEAP allocation only covered about 9 percent of the state's home energy affordability gap, which is the unaffordable portion of low-income home energy bills.

"Unfortunately, Operation Fuel only can help a small percent of Connecticut households that desperately need energy assistance. Many of the people we see have fallen through the cracks and aren't eligible for LIHEAP. Sometimes it's because they are slightly over income or they are experiencing a temporary crisis. Operation Fuel is often the last resort for many vulnerable families and individuals," said Wrice.