

SENATE BILL REPORT

SB 6285

As of January 12, 2006

Title: An act relating to low-income home energy assistance.

Brief Description: Funding low-income home energy assistance.

Sponsors: Senators Eide, Poulsen, Morton, Rockefeller, Pridemore, Rasmussen, Brown, Haugen, Berkey, Keiser, Prentice, Fairley, Kastama, Fraser, Kohl-Welles, McAuliffe, Thibaudeau, Spanel, Franklin, Kline, Mulliken, Oke, Regala, Roach, and Sheldon; by request of Governor Gregoire.

Brief History:

Committee Activity: Water, Energy & Environment: 1/11/06.

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Staff: William Bridges (786-7424)

Background: Increased Residential Heating Costs. During the winter of 2005-06, the Department of Community, Trade and Economic Development (CTED) estimates residential natural gas prices will increase 20 percent and residential heating oil 35 percent.

Low Income Home Energy Assistance Program. LIHEAP is a federally funded block grant program that is administered by CTED. The program pays for the home heating costs and weatherization services of eligible low income households. Funds are distributed through a service network of 27 state contractors, consisting of 24 nonprofit organizations and three local governments.

Eligibility for the program is generally restricted to household incomes at or below 125 percent of poverty, and is based on annual heating costs, family size, and income. Approximately 72,000 households, or 24 percent of the eligible population, received benefits during the 2005 program year. The benefit amounts ranged from \$25 to \$750, which covered 50 to 90 percent of actual heating costs. The average statewide assistance in the 2005 program year was \$350 per household.

Public Service Revolving Fund. In February 2005, Qwest Communications agreed to pay \$7.8 million to the Washington Utilities and Transportation Commission (WUTC) to settle allegations about its practices. The settlement, as with all regulatory fees and penalties paid to the WUTC, was deposited in the Public Service Revolving Fund.

Summary of Bill: \$7.6 million of the Public Service Revolving Fund is provided for home heating and weatherization services for low income families through the LIHEAP program.

Appropriation: \$7.6 million is appropriated from the Public Service Revolving Fund to the WUTC.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: There are 800,000 LIHEAP eligible households in the state. The average annual income for a household receiving LIHEAP assistance is \$10,061. This appropriation is an important adjunct to existing programs for low-income households. This appropriation can also be used for energy efficiency measures in eligible households.

Testimony Against: None.

Who Testified: PRO: Chuck Eberdt, The Energy Project.