**Q&A for Internal Use**

Question:

The energy burden metric does not use disposable income in assessing burden. This is problematic in two ways. First, households that have heavy outflows owing to necessary expenses and have the ‘highest need’ for assistance would be missed out here. Second, basing burden on income instead of disposable income undermines the actual need for assistance and could lead to the state getting larger funding cuts in the future.

Answer:

The costs associated with estimating and verifying disposable incomes across income group would increase the administration cost of the program significantly. We have been able to keep the administration cost of this program under 10%. Considering funding cuts, the primary objective is to utilize funds to meet the needs and minimize any wastage. The *Crisis Assistance* program can be used by the households for whom the revised *Heating Assistance* is insufficient.

Question:

High burden households are identified using average heating bills of same size and fuel type households. Poorer households can be expected to have much higher energy bills owing to poor insulation or older inefficient heating systems. The revised benefit level reduces the benefit level significantly and would possibly leave the poorest households at high risk of battling the cold without assistance.

Answer:

2024 heating bill estimates show that the heating cost is on average similar across income groups. The program meets over 50% of the heating cost for the poorest households. The *Crisis Assistance* program can be used by the households for whom the revised *Heating Assistance* is insufficient.

Question:

The benefit amount given to fuel oil and other non-electric/natural gas users are significantly higher. Don’t you think that it reduces the scope of the program to benefit electric/natural gas users who are much higher in number and need higher assistance amounts.

Answer:

We didn’t want the program to discriminate users basis their fuel choice which is probably not in their control. Using these costly fuels is an issue that is in focus even outside of LIHEAP and we have been working with suppliers and distributing companies to identify pathways to lower the cost.

Question:

The program uses average heating costs to identify burdened groups and to determine benefit levels. This could incentivize suppliers to increase energy costs to their benefit. What will you do to regulate the gaming tendencies amongst suppliers?

Answers:

We will be closely monitoring the suppliers and any price changes to prevent any misuse of the program on part of the suppliers.

Question:

Considering the expected funding cut, what measures are you taking to reduce overall heating cost. Assuming that there could be more such cuts in the future and a subsidy like this is not efficient and sustainable in the long run unless the issue is fixed at the source.

Answer:

The program has dedicated 0.5% of the funds to increase program participation. This includes encouraging households to make use of the *Weatherization* funds which have long term positive spillover effects both for the household and the state by reducing energy wastage and lowering energy demand, and hence energy costs.

*Reference*

1. *ChatGPT used to explore critiques of metric*