

A Bill to Expand Energy Assistance

SF 486

The Energy Assistance program provides vital relief during the winter. The Low-Income Home Energy Assistance Program (LIHEAP or EAP) has helped Minnesota households for over 40 years. Income-qualified renters and homeowners can receive funding to help with heating bills and emergencies. The program helps about 130,000 Minnesota households each season and is a pipeline to the Weatherization Assistance Program, which permanently reduces energy costs. Families that contact service providers about Energy Assistance are also connected with other services, helping to stabilize the whole household.

Energy Assistance falls far short of the need.

There is not enough funding. Only about a quarter of eligible households receive assistance. Facing compounding pressures from inflation and the cost of housing, Minnesotans are more than \$100 million past-due to their utilities – and shutoffs for nonpayment have reached new highs. In 2024, more Minnesotans had their electricity and gas service disconnected than in any other entire year since at least to 2015. *(Figures include PUC-regulated utilities only.)*

Assistance is not available when it is most needed to prevent shutoffs. The majority of shutoffs occur between June and September – when Energy Assistance is not typically available to help.

Assistance is not available to help with cooling needs. As our summers become hotter and more unpredictable, the absence of cooling assistance leaves thousands of Minnesotans – elderly residents, young children, and those with pre-existing medical conditions – exposed to severe health risks.

Most states provide Energy Assistance in the summer months. 30 US states and territories provide LIHEAP assistance for cooling, including our Midwest neighbors in North Dakota and Nebraska. Policy guidance from the US Dept. of Health and Human Services suggests states extend Energy Assistance to cooling.

This bill seeks to help low-income households, who pay a high proportion of household income for home energy, in meeting their immediate home energy needs. It will:

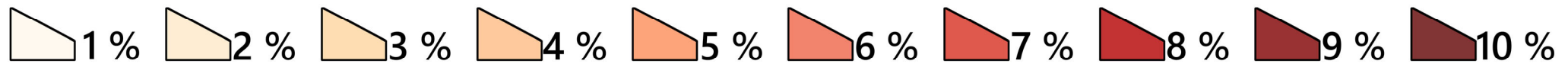
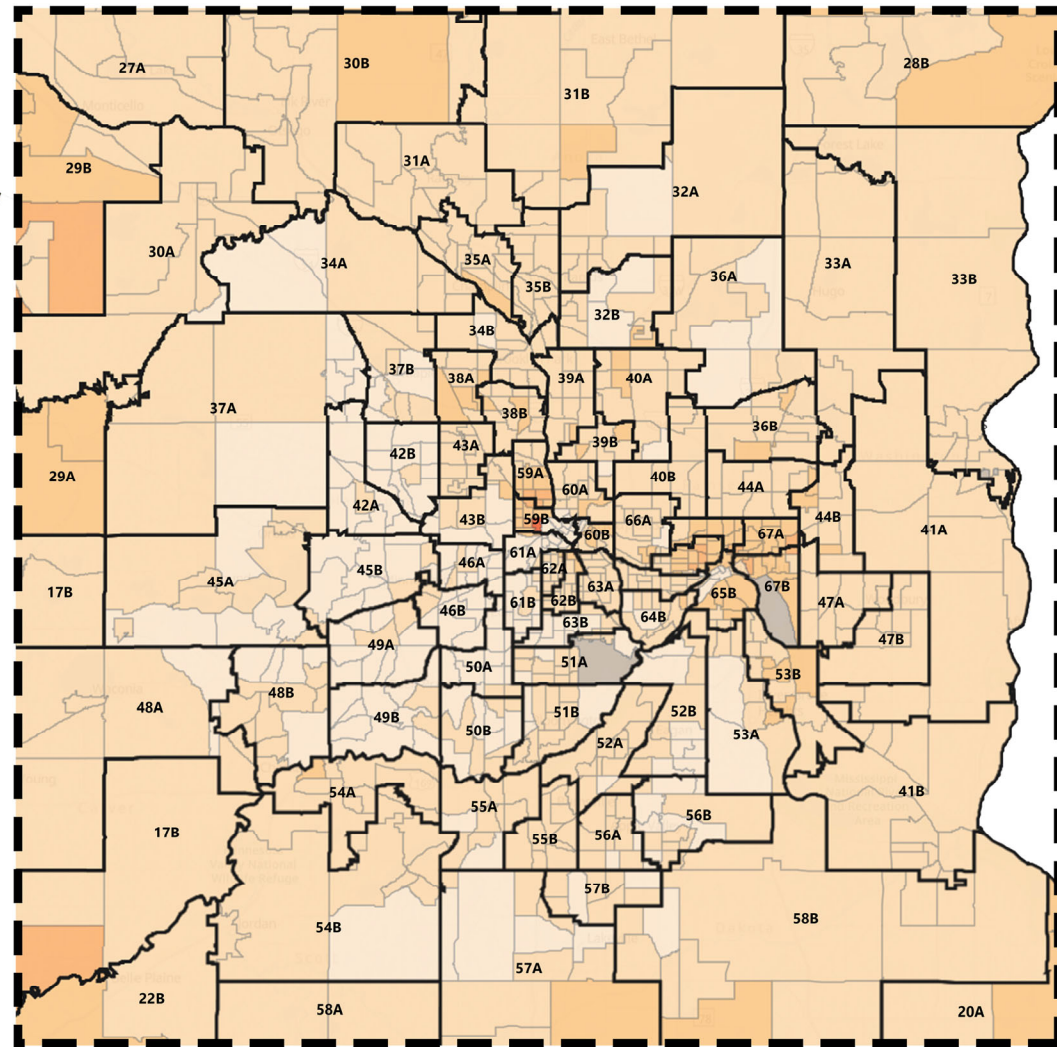
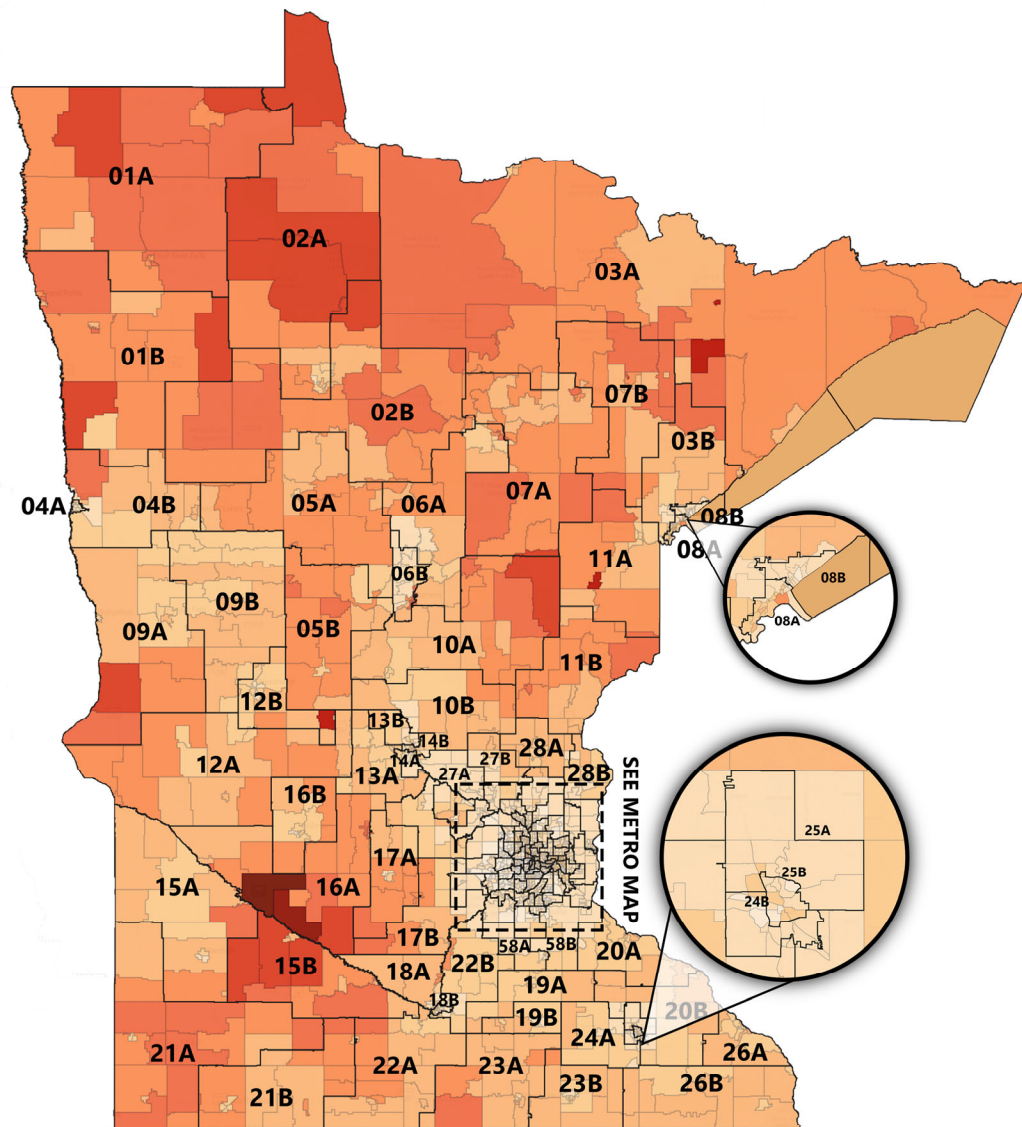
- Prevent shutoffs by keeping the Energy Assistance Program open through the summer.
- Allow a greater number of eligible Minnesota households to receive assistance.
- Provide state funding to existing infrastructure and service providers.



For more information, contact Megan Verdeja: megan@unitedstrategiesllc.com or 612-382-2292.

Energy Burden in Minnesota

Percentage of Income Spent on Energy by House District



Source: U.S. Dept. of Energy



Legal Services Advocacy Project

March 22, 2025

The Honorable Patty Acomb
Co-Chair, Energy Finance and Policy Comm.
Minnesota House of Representatives
5th Floor, Centennial Office Building
St. Paul, MN 55155

The Honorable Chris Swedzinski
Co-Chair, Energy Finance and Policy Comm.
Minnesota House of Representatives
2nd Floor, Centennial Office Building
St. Paul, MN 55155

Re: HF 771 - Supplemental Energy Assistance Funding

Dear Co-Chairs Acomb and Swedzinski and Members of the Committee:

The Legal Services Advocacy Project (LSAP) writes in support of HF 771, which would provide for year-round energy assistance funding and offer great benefits to Minnesota energy consumers who are energy-burdened. LSAP is a statewide division of Mid-Minnesota Legal Aid, providing policy, legislative, and administrative advocacy on behalf of Legal Aid statewide. Legal Aid's clients include Minnesotans who have low incomes, elderly Minnesotans and Minnesotans with disabilities

It is universally accepted that one of the most fundamental roles and purposes of government is to foster the health and wellbeing of our most vulnerable residents. HF 771 is the poster child to fulfill this purpose. A couple of facts for your consideration:

- One out of every two recipients of energy assistance has a disability or a person with a disability in the household;
- Four in ten recipients are senior citizens or have a senior citizen in the household;
- 16% of recipient households have a child under 6; and
- 20% of recipients are veterans.
- The need is even greater in rural Minnesota: the energy burden (that is the percentage of income paid towards energy costs) is 42% higher in rural areas than in urban areas.

HF 771 would help more of our vulnerable neighbors and especially our neighbors in rural Minnesota. One more statistic: According to the Greater Twin Cities United Way, 36% of Minnesotans struggle to meet basic needs, which include energy.

It has been unquestionably documented that Minnesotans who are in this predicament face energy insecurity, which in turn can lead to dire consequences, including the impossible situation of whether to pay for food or utilities (the so-called “heat or eat” syndrome). The health consequences of going without food are especially hard on children and seniors and can lead to serious health issues, which is not good for them, their families, or our state.

Or, financially struggling Minnesotans may have to decide whether to pay for rent or utilities. The choice to pay for utilities, especially in the depth of the cold winter or the height of a blistering summer can lead to eviction and homelessness – another terrible outcome for all concerned.

One particularly strong benefit of HF 771 is that it would enable energy assistance to be available year-round, which means help with cooling in the summer. There is a debate among experts as to whether more people die of the cold or the heat. Whatever the answer people die from both – and energy assistance saves lives.

Finally, energy assistance helps prevent utility shutoffs and reduces uncollectibles, which improves the financial health of the utility and reduces the impact on other ratepayers.

Thank you for the opportunity share our views on and support of HF 771. We urge its passage.

Sincerely,

A handwritten signature in cursive script that reads "Ron Elwood".

Ron Elwood
Supervising Attorney

March 21, 2025

Dear Chair Acomb and members of the House Energy Finance and Policy Committee:

The Minnesota Council on Latino Affairs (MCLA) is tasked to advise and inform on legislation and policy that pertains to Latino Minnesotans statewide and serve as a liaison between government and Latino communities.

I write in support of HF 771 (Rep. Kraft), the *Supplemental Energy Assistance* legislative proposal. This bill will provide support to help more residents with high energy burdens. During our most recent listening sessions and conversations with community members and families in Greater Minnesota, one of the most recurrent challenges we heard was the rising cost of living.

This proposal appropriates funding to supplement the existing Energy Assistance program, which provides grants to eligible income-qualified households to help with energy bills. Importantly, more families will be served through this proposal, particularly those from communities that are currently underserved and that only receive a fraction of this kind of assistance. For instance, this bill keeps the Energy Assistance program open during the summer, which will help households with air conditioning costs and will provide resources to qualifying families that face disconnection notices during the summer.

Energy Assistance is immediate funding to help pay the bills, but H.F. 771 will also support long-term affordability. The application for Energy Assistance and Weatherization are the same, so people applying for Supplemental Energy Assistance can also get support to insulate their homes and replace their furnace, among others. Receiving Energy Assistance also qualifies people for affordability programs offered by many utilities, which caps monthly bills at a percentage of household income and can forgive a portion of past-due amounts.

Thank you very much for your consideration and support of this bill.

Sincerely,



Rosa Tock, Executive Director