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Governor Jindal Announces that U.S. Department of Energy Has Given 'OK' to State Plan to Help Residents Pay High Utility Bills

BATON ROUGE - The U.S. Department of Energy has given its approval on a plan announced in late August by Governor Bobby Jindal, Public Service Commissioner Foster Campbell and state Natural Resources Secretary Scott Angelle to re-direct \$10 million to help some of Louisiana's most vulnerable citizens deal with the high cost of utility bills.

The money will be transferred from the Department of Natural Resources (DNR), which has been the agency handling the funds now identified for the plan, to the Louisiana Housing Finance Agency (LHFA) to be directed to a pair of programs administered through the Louisiana Association of Community Action Partnerships.

The U.S. Department of Energy gave approval on Sept. 3 to the plan to split \$10 million originating from the Petroleum Violation Escrow between two existing federally funded programs – the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program (WAP) – with \$5 million going to each to broaden the reach of households that can be reached.

The LIHEAP initiative primarily provides assistance to low-income households by temporarily assisting in paying energy bills. The WAP initiative helps fund weatherizing of homes and other energy conservation and efficiency improvements to offer long-lasting energy savings.

The \$10 million comes from the Petroleum Violation Escrow, a source of funds that originated from old court settlements paid by oil companies to the federal government for violations of pricing regulations.

The settlement money was first paid to bulk users of fuel from companies involved in the suits, with the money left over split between the states to be used in helping citizens with energy conservation and other initiatives.

Louisiana's share has been used over the years to help fund conservation efforts by citizens, but Governor Jindal and Secretary Angelle saw a need and an opportunity to put the money to work quickly to boost the missions of LIHEAP and WAP, after talking to Commissioner Campbell about the needs of many Louisiana families struggling to pay high utility bills.

The approval for the federal component of the plan became official as the state was still working to recover from Hurricane Gustav's landfall on Sept. 1 and preparing for the potential impact of Hurricane Ike, which made landfall on Sept. 13.

Though every state agency was involved in hurricane preparation and recovery, the Department of Natural Resources and Louisiana Housing Finance Agency moved swiftly to get the process going while upholding their end of storm preparedness and recovery duties, approving the required agreement to transfer the funding within a few days of Hurricane Ike's passage.

Governor Jindal said, "This \$10 million in assistance for those Louisiana families who need help paying high utility bills has come at a time when it is perhaps needed more than ever before. This assistance, along with our ongoing recovery efforts across the state, will help get our Louisiana families back on their feet more quickly. Together, we will make it through these storms and we will recover stronger than ever before, because that is the spirit of our people and our state."

"Almost every person in the state felt the impact of the weather emergencies of the past few weeks, and the state has responded," Angelle said. "Many of the most vulnerable citizens of our state were already dealing with a financial emergency long before the storm winds began to blow and will still need help with utility costs well after the debris is cleared and power lines are repaired."

The agreement from the U.S. Energy Department clears the way for the LHFA to accept the funding and plan for getting it out to people who need it.

For the current fiscal year, the federal government initially authorized \$18.45 million for use through Louisiana LIHEAP, later raising that by \$6.6 million in emergency funding to about \$25 million. LHFA figures show that about 45,000 homes are receiving benefits this funding year based on that money.

The new money would push the total available for the year to more than \$30 million through LIHEAP. At an estimated average payment of \$426 per household for LIHEAP, based on recent LHFA figures, the additional \$5 million could mean help for about 11,000 additional homes.

The WAP initiative, previously funded at about \$1.7 million, is set to help about 644 homes this year. At an estimated average payment of about \$2,959 on the home, \$5 million in new money for the weatherization program could mean help for nearly 1,700 additional homes. That amounts to \$2,626 spent on each home, with a energy cost reduction of 34 cents per year per dollar spent on the home, and a savings of about \$892 per home each year.

Both programs have the same income requirements for eligibility at 60 percent or less of state median income for families of similar size. Priority is given to families with children five years old and younger, disabled family members and elderly family members.

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