

ON THE BRINK: 2005

THE HOME ENERGY AFFORDABILITY GAP APRIL 2006

Finding #1

	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$18,193,257,723	\$1,669,935,373	Existing sources of energy assistance do not adequately address the energy affordability gap in the Total US. Actual low-income energy bills exceeded affordable energy bills in the Total US by \$23,192 million at 2004/2005 winter heating fuel prices. In contrast, the Total US received a gross allotment of federal energy assistance funds of \$1,854.7 million for Fiscal Year 2005.
2005 (current year)	\$23,192,404,589	\$1,854,707,201	
Change	\$4,999,146,866	\$184,771,828	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$18,193,257,723	The Home Energy Affordability Gap Index in the Total US was 127.5 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 27.5% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$23,192,404,589	
Home Energy Affordability Gap Index (2002 = 100)	127.5	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Total US division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

Definitions and Explanations

Each state (along with the District of Columbia) has a Home Energy Affordability Gap calculated on a county-by-county basis. Once total energy bills are estimated for each county, each county bill is weighted by the percentage of persons below 185% of the Federal Poverty Level in each county to the total statewide population below 185% of the Federal Poverty Level to derive a statewide result. State data are then aggregated into Census Division totals as follows:

East North Central	Illinois, Indiana, Michigan, Ohio, Wisconsin
East South Central	Alabama, Kentucky, Mississippi, Tennessee
Mid-Atlantic	New Jersey, New York, Pennsylvania
Mountain	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Pacific	Alaska, California, Hawaii, Oregon, Washington
South Atlantic	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
West North Central	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
West South Central	Arkansas, Louisiana, Oklahoma, Texas

Energy bills are a function of the following primary factors:

- Tenure of household (owner/renter)
- Housing unit size (by tenure)
- HDDs and CDDs (by county)
- Household size (by tenure)
- Heating fuel mix (by tenure)
- Energy use intensities (by fuel and end use)

Bills are estimated using the U.S. Department of Energy's "energy intensities" published in the most recent DOE Residential Energy Consumption Survey (RECS). The energy intensities used for each state are those published for the Census Division in which the state is located. State-specific demographic data is obtained from the most recent Decennial Census of the U.S. Census Bureau. Heating Degree-Days (HDDs) and Cooling Degree-Days (CDDs) are obtained from the National Weather Service's Climate Prediction Center on a county-by-county basis for the entire country. State price data for each end-use is obtained from the Energy Information Administration's (EIA) fuel-specific price reports (e.g., Natural Gas Monthly, Electric Power Monthly).

The Home Energy Affordability Gap is a function of many variables. Increases in income, for example, result in decreases in the Gap while increases in energy prices result in an increase in the Gap. The Home Energy Affordability Gap Index allows the reader to determine the cumulative impact of these variables. Since the Gap is calculated assuming normal Heating Degree Days (HDDs) and Cooling Degree Days (CDDs), temperatures do not have an impact on the Gap or the Home Energy Affordability Gap Index.

Price data for the various fuels underlying the calculation of the 2005 Home Energy Affordability Gap was used from the following time periods:

<i>Heating prices</i>	
Natural gas	February 2005
Fuel oil	February 2005
Liquefied petroleum gas (LPG)	February 2005
Electricity	February 2005
Cooling prices	
August 2005	
<i>Non-heating prices</i>	
Natural gas	May 2005
Fuel oil	May 2005
Liquefied petroleum gas (LPG)	May 2005
Electricity	May 2005

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$875,313,956	\$190,103,906	Existing sources of energy assistance do not adequately address the energy affordability gap in the West North Central census division. Actual low-income energy bills exceeded affordable energy bills in the West North Central division by \$1,290 million at 2004/2005 winter heating fuel prices. In contrast, the West North Central division received a gross allotment of federal energy assistance funds of \$211.1 million for Fiscal Year 2005.
2005 (current year)	\$1,289,504,238	\$211,138,162	The West North Central division's LIHEAP allocation has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2005, the total Home Energy Affordability Gap increased by \$414.2 million. In comparison, the federal LIHEAP allocation to the West North Central division increased \$21.0 million.
Change	\$414,190,282	\$21,034,256	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$875,313,956	The Home Energy Affordability Gap Index in the West North Central census division was 147.3 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 47.3% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$1,289,504,238	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the West North Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	147.3	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,104,790,609	\$378,548,214	Existing sources of energy assistance do not adequately address the energy affordability gap in the East North Central census division. Actual low-income energy bills exceeded affordable energy bills in the East North Central division by \$3,017 million at 2004/2005 winter heating fuel prices. In contrast, the East North Central division received a gross allotment of federal energy assistance funds of \$420.4 million for Fiscal Year 2005.
2005 (current year)	\$3,017,393,093	\$420,433,095	The East North Central division's LIHEAP allocation has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2005, the total Home Energy Affordability Gap increased by \$912.6 million. In comparison, the federal LIHEAP allocation to the East North Central division increased \$41.9 million.
Change	\$912,602,484	\$41,884,881	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,104,790,609	The Home Energy Affordability Gap Index in the East North Central census division was 143.4 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 43.4% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$3,017,393,093	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the East North Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	143.4	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$1,008,687,819	\$162,607,251	Existing sources of energy assistance do not adequately address the energy affordability gap in the New England census division. Actual low-income energy bills exceeded affordable energy bills in the New England division by \$1,496 million at 2004/2005 winter heating fuel prices. In contrast, the New England division received a gross allotment of federal energy assistance funds of \$180.6 million for Fiscal Year 2005.
2005 (current year)	\$1,496,403,799	\$180,599,110	
Change	\$487,715,980	\$17,991,859	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$1,008,687,819	The Home Energy Affordability Gap Index in the New England census division was 148.4 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 48.4% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$1,496,403,799	
Home Energy Affordability Gap Index (2002 = 100)	148.4	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the New England division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,402,712,484	\$143,095,341	Existing sources of energy assistance do not adequately address the energy affordability gap in the Pacific census division. Actual low-income energy bills exceeded affordable energy bills in the Pacific division by \$2,133 million at 2004/2005 winter heating fuel prices. In contrast, the Pacific division received a gross allotment of federal energy assistance funds of \$158.9 million for Fiscal Year 2005.
2005 (current year)	\$2,133,205,610	\$158,928,284	
Change	(\$269,506,874)	\$15,832,943	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,402,712,484	The Home Energy Affordability Gap Index in the Pacific census division was 88.8 for 2005. This Index indicates that the Home Energy Affordability Gap has decreased 11.2% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$2,133,205,610	
Home Energy Affordability Gap Index (2002 = 100)	88.8	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Pacific division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$3,388,498,837	\$391,717,292	Existing sources of energy assistance do not adequately address the energy affordability gap in the Mid-Atlantic census division. Actual low-income energy bills exceeded affordable energy bills in the Mid-Atlantic division by \$4,076 million at 2004/2005 winter heating fuel prices. In contrast, the Mid-Atlantic division received a gross allotment of federal energy assistance funds of \$435.1 million for Fiscal Year 2005.
2005 (current year)	\$4,075,813,209	\$435,059,278	
Change	\$687,314,372	\$43,341,986	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$3,388,498,837	The Home Energy Affordability Gap Index in the Mid-Atlantic census division was 120.3 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 20.3% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$4,075,813,209	
Home Energy Affordability Gap Index (2002 = 100)	120.3	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$926,284,598	\$86,020,612	Existing sources of energy assistance do not adequately address the energy affordability gap in the Mountain census division. Actual low-income energy bills exceeded affordable energy bills in the Mountain division by \$1,115 million at 2004/2005 winter heating fuel prices. In contrast, the Mountain division received a gross allotment of federal energy assistance funds of \$95.5 million for Fiscal Year 2005.
2005 (current year)	\$1,114,548,943	\$95,538,455	
Change	\$188,264,345	\$9,517,843	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$926,284,598	The Home Energy Affordability Gap Index in the Mountain census division was 120.3 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 20.3% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$1,114,548,943	
Home Energy Affordability Gap Index (2002 = 100)	120.3	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Mountain division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$1,341,042,818	\$72,682,985	Existing sources of energy assistance do not adequately address the energy affordability gap in the East South Central census division. Actual low-income energy bills exceeded affordable energy bills in the East South Central division by \$1,665 million at 2004/2005 winter heating fuel prices. In contrast, the East South Central division received a gross allotment of federal energy assistance funds of \$80.7 million for Fiscal Year 2005.
2005 (current year)	\$1,665,382,210	\$80,725,074	
Change	\$324,339,392	\$8,042,089	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$1,341,042,818	The Home Energy Affordability Gap Index in the East South Central census division was 124.2 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 24.2% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$1,665,382,210	
Home Energy Affordability Gap Index (2002 = 100)	124.2	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$3,240,292,399	\$168,508,502	Existing sources of energy assistance do not adequately address the energy affordability gap in the South Atlantic census division. Actual low-income energy bills exceeded affordable energy bills in the South Atlantic division by \$4,178 million at 2004/2005 winter heating fuel prices. In contrast, the South Atlantic division received a gross allotment of federal energy assistance funds of \$187.2 million for Fiscal Year 2005.
2005 (current year)	\$4,177,926,707	\$187,153,310	
Change	\$937,634,308	\$18,644,808	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$3,240,292,399	The Home Energy Affordability Gap Index in the South Atlantic census division was 128.9 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 28.9% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$4,177,926,707	
Home Energy Affordability Gap Index (2002 = 100)	128.9	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the South Atlantic division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,905,634,202	\$76,651,270	Existing sources of energy assistance do not adequately address the energy affordability gap in the West South Central census division. Actual low-income energy bills exceeded affordable energy bills in the West South Central division by \$4,222 million at 2004/2005 winter heating fuel prices. In contrast, the West South Central division received a gross allotment of federal energy assistance funds of \$85.1 million for Fiscal Year 2005.
2005 (current year)	\$4,222,226,780	\$85,132,433	The West South Central division's LIHEAP allocation has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2005, the total Home Energy Affordability Gap increased by \$1,316.6 million. In comparison, the federal LIHEAP allocation to the West South Central division increased \$8.5 million.
Change	\$1,316,592,578	\$8,481,163	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,905,634,202	The Home Energy Affordability Gap Index in the West South Central census division was 145.3 for 2005. This Index indicates that the Home Energy Affordability Gap has increased 45.3% between 2002 and the current year.
Home Energy Affordability Gap: 2005 (current year)	\$4,222,226,780	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the West South Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	145.3	