

**Governor Rendell Announces Up To \$30 Million
to Help Pay Winter Heating Bills Under
Statewide Stay Warm PA Initiative**

10/21/2005: HARRISBURG — Governor Edward G. Rendell today announced a comprehensive Stay Warm PA program to make sure Pennsylvania's most vulnerable citizens are warm and protected as cold weather approaches and homeowner energy bills are expected to jump as much as 48 percent.

The Governor said with increased state funding and increased support from energy companies and utilities, an additional \$30 million will be available this winter for low-income energy assistance.

"Pennsylvanians are going to face increased prices to heat their homes in coming months, and we're taking action now to make sure our neediest citizens can meet their winter heating bills this year," Governor Rendell said. "We're committed to protecting our most vulnerable and providing the help they need."

The Governor said recent natural disasters in the Gulf struck damaging blows to the nation's energy production and distribution that seriously aggravated what was already expected to be an expensive heating season. At the same time, the federal government is looking to keep the assistance provided to low-income families and individuals at the same level it was in 1982, he added.

On Sept. 28, Governor Rendell joined governors from 28 other states to ask Congress to increase federal funding for the Low Income Home Energy Assistance Program. LIHEAP funding would have increased by \$3.4 billion to \$5.1 billion under the federal Energy Policy Act of 2005 that Congress adopted the previous month. However, President Bush only asked for a total appropriation of \$1.8 billion.

"In addition to seeking more federal funds to make sure our poor families and our seniors are protected this winter, I am asking the legislature to authorize up to \$18 million in state funds – \$15 million for LIHEAP and \$3 million for HEMAP – to support our efforts and to make sure those who need our help receive it because we cannot rely on the federal government to meet the needs of Pennsylvanians," Governor Rendell said.

"I believe it is urgent and wise for the president to increase funding for LIHEAP," Governor Rendell said. "There is more that federal funding can do, and there is more that companies profiting from energy supply shortages can do by taking some of their profits and helping poor families stay warm this winter."

As part of his package, the Governor will ask for up to \$15 million in state money – a first for the commonwealth – to supplement federal funds that may be insufficient to maintain the Low Income Home Energy Assistance Program (LIHEAP), which served 350,000 Pennsylvania households last year, nearly one-third of whom were seniors. He also is asking the legislature to provide \$3 million to boost the state's Homeowner Emergency Mortgage Assistance Program (HEMAP).

Additionally, Governor Rendell said he will meet with CEOs of the state's major utilities in the next two weeks and will challenge them to meet their required participation rates under the Consumer Assistance Program (CAP) by doubling their enrollment. The Governor added that utilities are required to provide assistance to help low-income consumers, and he will seek PUC action against any firms that fail to improve their participation.

Large energy companies need to voluntarily share some of their profits to help needy citizens cover their heating expenses, the Governor said. He lauded several utility and energy companies

that have responded to his request by creating and funding assistance programs and pledging increased help this winter.

The Governor announced that Equitable Energy Corp. has pledged up to \$9 million toward low-income energy assistance for customers in its service market. Exelon/PECO has pledged to increase its assistance by \$5.9 million this year. Additionally, Sunoco is filling up fuel tanks for a limited number of families who qualify for LIHEAP. Governor Rendell called on other companies to join in providing such assistance and support.

The Governor also has called a statewide Stay Warm PA summit on Nov. 1, to bring together the leadership of the United Way, Red Cross, Salvation Army, AFL-CIO, the Pennsylvania Council of Churches as well as Jewish and Muslim organizations to mobilize an army of volunteers to weatherize homes, assist the frail and elderly, establish warm rooms in homes and community centers and collectively address the winter heating crisis.

"It is heartening that respected statewide organizations have jumped at the chance to help us all be good neighbors," Governor Rendell said. "Many warm hearts will help to provide warm homes this winter."

Governor Rendell made the announcement of his Stay Warm PA initiatives in Pittsburgh, Harrisburg and Philadelphia. The announcement in Harrisburg was broadcast simultaneously to audiences in Erie, Johnston and Scranton.

Civic Partnerships

At Governor Rendell's request, Lowe's, one of the world's largest home improvement retailers with some 60 stores across Pennsylvania, has agreed to hold weatherization workshops at least on a weekly basis at senior centers and other locations. The Fortune 50 company also is providing plastic sheeting, caulking, door guards and other weatherization materials at no cost to volunteer groups helping to winterize homes of seniors and needy families.

"I urge every family in Pennsylvania to make an extra effort this winter to help weatherize the home or apartment of older members of your family or those who may be sick or frail in your community," the Governor said. "Working together every family can help to make a difference."

State Response

"Government also must do its part to address this winter's energy crisis," the Governor added. "That's why I'm asking the legislature to give us the flexibility to spend up to \$15 million to support the federal LIHEAP program. This will be even more critical if the federal government doesn't provide sufficient resources."

Pennsylvania currently ranks second in the nation in the help it provides to help low-income families pay utility bills. The state, which does not currently match federal LIHEAP money, requires utility companies to pay \$212 million toward these costs. The Governor called on the utility companies to double their CAP enrollment this year.

The additional \$3 million for HEMAP will make sure the state will be able to handle fund applications after Dec. 15. "We need to make sure that hard working homeowners don't have to make a choice between paying their monthly mortgage and keeping the heat on," Governor Rendell said.

"In putting together this plan, I have directed all the appropriate agencies of state government to come together to marshal our resources to not only address the needs of Pennsylvanians, but also to make sure we are doing everything possible to conserve energy from the capitol to every state office building across the commonwealth," Governor Rendell said.

State Conservation

“Conservation is the best long-term strategy for our nation and every family in keeping energy costs down,” the Governor continued. “It makes sense in an energy shortage to offer incentives to families to purchase energy efficient appliances that will help them lower their costs.”

The Governor called on the legislature to enable the Energy Star Sales Tax Holiday Program and to expand it to include insulation and other weatherization materials. The federal government will permit these types of tax credits in January 2006 and Pennsylvania should consider similar action, he said.

Governor Rendell has directed that thermostats in state buildings be turned down to 68 degrees, additional hybrid vehicles be purchased and that energy savings programs be aggressively enforced. Cabinet secretaries also have been charged with creating energy savings plans that go beyond what already is in place. He also ordered the secretaries of Administration and General Services to aggressively manage the state's purchase of energy and noted that a RFP is being issued today for a smart energy-purchasing model.

“Pennsylvania must become a leader in energy conservation,” Governor Rendell said. “State agencies already have submitted plans, and I'm pleased with some of the innovative, creative and practical approaches being taken. As a significant consumer, we need to use our purchasing power more strategically and effectively.

“We are launching our new StayWarmPA website this week, which will give Pennsylvanians easy access to information to help them bring down their utility bills along with conservation tips, links to apply for bill paying assistance and directions on weatherization,” the Governor added. State agencies also will work with external partners to make sure homeowners have tips and other information they need to keep their energy bills as low as possible. The effort will include specific information on the use of kerosene heaters relied on by some families to heat their homes.

PUC Action

The Governor also asked the Public Utility Commission to set up regulatory actions, where possible, to improve the efficiency of the state's utilities and their fairness and reasonableness in terminating consumers and in reconnecting service.

“Specifically, I have asked the PUC to make sure everyone who is facing termination of utility service for failing to pay their bill, be given a second chance to take part in a payment plan designed by the commission,” Governor Rendell said.

“We need to set reasonable standards for customers who are terminated. I will ask the utilities to agree not to charge more than \$50 up front for a reconnect fee and no more than \$100 for a deposit for those being reconnected, for any family under 250 percent of the federal poverty level. If utilities don't agree to voluntarily establish such reasonable levels for this winter, I will look to the PUC to use its powers to make this happen.”

The Governor's plan includes:

- Seeking additional federal LIHEAP money.
- Authorizing up to \$18 million in state resources, including \$15 million for LIHEAP and \$3 million for HEMAP.
- Asking energy companies to help low-income consumers meet their winter bills.
- Creating a partnership with home supply retailers to help seniors and others winterize.

- Marshaling families and friends to help take care of their homes to help lower winter heating bills.
- Convening a statewide Stay Warm PA summit with volunteers and religious organizations to protect the neediest citizens.
- Enabling the Energy Star sales tax holiday.
- Reducing the commonwealth's energy use.
- Ensuring that poor families have a second chance to make energy payments before utilities are turned off.
- Removing hurdles for poor families seeking to reconnect fuel service.