

STATE OF MAINE OFFICE OF THE GOVERNOR 1 STATE HOUSE STATION AUGUSTA, MAINE 04333-0001

July 29, 2022

Secretary Xavier Becerra U.S. Department of Health & Human Services 200 Independence Ave, SW Washington, DC 20201

Secretary Jennifer Granholm U.S. Department of Energy 1000 Independence Ave, SW Washington, DC 20585

Dear Secretary Becerra and Secretary Granholm:

I am writing to share with you my serious concern over the significant costs that Maine people will face to heat their homes this winter and to ask for your support in providing additional financial assistance to Maine households enrolled in Maine's Low Income Home Energy Assistance Program (LIHEAP).

As you know, as a result of the Russian invasion of Ukraine, global energy markets have pushed the price of home heating fuels to historic highs in recent months. According to surveys conducted by my energy office, the average price of home heating oil in Maine remains approximately \$5 per gallon, and that is after having reached a record price of more than \$6 per gallon earlier this year¹. These are the highest recorded prices in Maine since our surveys began more than 15 years ago, and recent analysis by the Energy Information Agency indicates these high prices may continue².

Maine is the most heating oil dependent state in the country, with more than 60 percent of our homes using oil to produce heat. The national average is 4 percent. As a large, rural state with an aging housing stock, we are also dependent on fuels imported from out-of-state, delivered by truck, and stored in tanks at homes and businesses. These conditions make Maine distinctly vulnerable to the increased prices and volatility the global fossil fuel market is experiencing.

Over the past three years, my Administration has prioritized efforts to reduce our reliance on fossil fuels, including heating oil, by transitioning to renewable energy and by incentivizing the installation of more than 60,000 high efficiency heat pumps in homes, businesses, and public buildings around the state. Further, my Maine Jobs & Recovery Plan, which utilizes funding through the American Rescue Plan, makes significant investments to weatherize homes, to expand our clean energy and energy efficiency workforce, and to increase



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¹ https://www.maine.gov/energy/heating-fuel-prices

² htt<u>p</u>s://www.eia.gov/outlooks/ste<u>o/</u>

efficient, affordable housing options for Maine people. Even with this progress, we must take action to help Maine people with the record energy prices they will confront this coming winter.

In recent years, Maine has received approximately \$40 million for LIHEAP, which serves 35,000-40,000 households in Maine. The program is administered by the Maine State Housing Authority (Maine Housing) in coordination with local Community Action Agencies around the state. Maine's allocation of \$38.7 million for LIHEAP in 2022 is aligned with previous allotments for LIHEAP.

However, the American Rescue Plan delivered an additional \$55 million for LIHEAP last year. These funds not only enhanced heating security for Maine households, but allowed Maine Housing to design and deliver an innovative up-front heating assistance credit before the heating season. Maine Housing also continues to streamline the process by which LIHEAP funds are distributed to reduce barriers and serve people better.

With this added support, the program's benefit last winter equaled on average one-and-onehalf tanks of heating fuel. If heating fuel prices and market volatility continue as expected, Maine Housing now estimates that Maine's current LIHEAP benefit this winter will equal just on average one-half tank. For vulnerable Maine households, this is the difference between having heating security during our coldest months for perhaps only days or weeks, instead of months.

To keep Maine people warm this winter and unprecedented heating fuel prices, I urge you to seek all avenues to provide additional LIHEAP funding for Maine, including working closely with Congress. In addition, because more Maine households will struggle to heat their homes this winter, I request you consider expanding eligibility for LIHEAP to serve people who may not have been eligible for the program in the past but will need the support now.

Thank you for your consideration and please know you that you have a committed partner in my Administration to do everything possible to reduce negative impacts caused by the current energy prices and to take steps to make our state and country more energy independent.

Sincerely,

and a second

Janet T. Mills Governor of Maine

CC: U.S. Senator Susan Collins

- U.S. Senator Angus King
- U.S. Representative Chellie Pingree
- U.S. Representative Jared Golden



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