

KEEPING COLORADANS WARM

CEAF'S REPORT ON THE STATUS OF COLORADO'S LOW-INCOME ENERGY CONSUMERS FEBRUARY 2003

EXECUTIVE SUMMARY

Energy is a basic necessity of modern life. The heat and electricity we pump through our homes keep us safe, healthy and comfortable. Heat and electricity allow us to cook, bathe, learn, sleep and grow. Without them, we are unable to safely store food, wash our clothes, heat our homes and a dozen other essential daily tasks we take for granted. That is, *most* of us take them for granted.

This report, *Keeping Coloradans Warm – A Report on the Status of Colorado's Low-Income Energy Consumers*, outlines a disturbing problem facing our state, its increasing severity and the consequences of our inaction. More specifically, this report shows:

- Twenty-two percent – more than one-fifth – of Colorado households are low-income and at times unable to afford energy. This is an increase of 2.5 percent from the last Census.
- It would cost Colorado \$198 million to help all low-income Coloradans meet their home energy needs this year alone. That's an increase of \$40 million during the last 10 years.
- The programs intended to help Colorado's low-income afford home energy only have approximately \$33 million. That number is expected to shrink significantly in the immediate future.

The network in place to address the long-term and short-term energy needs of the state's low-income is helpful to thousands each year, but inadequate to reverse these trends and avoid the impending energy crisis.

- The state's LEAP program hopes to distribute as much as \$26 million in energy assistance this year, but its funding is uncertain. Additionally, the program is up for reauthorization. Its continued funding and existence are uncertain.
- The Colorado Energy Assistance Foundation plans to distribute at least \$4 million this year for energy assistance and weatherization. But a volatile economy and expiring settlement agreement will slash the program's budget in half in 2004.
- The Energy Saving Partners weatherization program improved the energy efficiency of nearly 4,000 homes last year, but the need for weatherization greatly exceeds the resources available. Waiting lists in different regions can range from six months to two years, and are unnecessarily costing low-income households thousands of dollars.

The typical Colorado household spends just 5 percent of its annual income on home energy. But a family of four living in poverty in Colorado – earning just \$17,000 each year – spends 16 percent or more of its annual income on heat and electricity. That leaves less than \$1,200 per month for housing, food, medication, transportation and other necessities. This report, in addition to defining this problem, also provides direction to finding solutions that will significantly improve the lives of these families and help them better meet their needs.