

UPDATE – December 2008

Energy Affordability in Colorado



Energy Outreach Colorado

Helping all Coloradans afford home energy.

www.EnergyOutreach.org

Since this report was produced, there have been major economic changes in Colorado, the nation and the world. This has greatly affected prices and cost projections for energy, particularly oil and natural gas. Whereas we originally were expecting energy costs to increase by at least 10 percent this winter, Energy Outreach Colorado now projects that there will be around a 5 percent decrease.

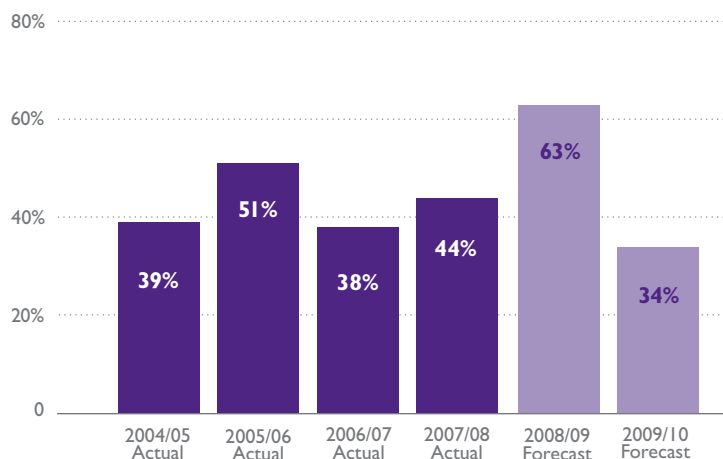
In general, energy costs are lower than previously projected due to the dropping price of oil. In addition, President Bush recently signed legislation providing \$5.1 billion for the national Low Income Home Energy Assistance Program (LIHEAP) for 2008-09. As a result, Colorado's Low-Income Energy Assistance Program (LEAP) will receive about twice as much as last year – \$4.1 million compared to \$2.4 million in 2007-08.

While this is certainly positive news, it is counter-balanced by skyrocketing rates in unemployment and other changing indicators that negatively affect our targeted lower-income population. And, since more than one in five Coloradans are considered low-income according to the 2000 U.S. Census, there are thousands of seniors, working families and people with special needs who depend on assistance to pay their energy bills.

In 2008-09, Energy Outreach Colorado plans to distribute more than \$9 million statewide through its energy assistance and energy efficiency programs to help Colorado households afford home energy. This includes:

- \$7.65 million to a statewide network of 100 assistance agencies and Colorado LEAP
- \$692,000 for increased energy efficiency and \$92,900 for solar photovoltaic systems for affordable housing organizations in the state to increase the energy efficiency of their homes
- \$450,000 to provide weatherization services to Colorado non-profit facilities such as shelters and residential treatment centers to lower their energy costs
- \$150,000 to fund education and outreach programs

Percent of Gas and Electric Bill Covered By LEAP



The above chart illustrates the variability in state and federal energy assistance funding available to help pay a portion of home energy costs for low-income Coloradans. The 2008/09 forecast has been updated to reflect additional funding and lower energy prices. Source: Energy Outreach Colorado. Information based on actual and projected November through April natural gas and electricity costs for Xcel Energy customers.



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Assistance Helps Struggling Veteran

After serving 10 years as a U.S. Army medic, Ann L. returned to civilian life with an injured back, emotional scars and the strength to continue forward, one step at a time. Divorced and with three children, she went to work managing a 400-unit apartment complex in Denver until her disabilities left her on permanent leave.

Now 55, she struggles to stretch her veteran's disability benefits to cover rent and other living expenses while helping care for her ill mother and help support her kids. Yet, she's proud to mention her older son's straight-A average in school, college scholarship, and plans to go into medicine.

Ann was severely tested last winter when she fell and shattered a heel, then contracted an aggressive staff infection while hospitalized. Four operations later, she spent five weeks at a Veterans Administration hospital and 10 more months at a rehabilitation center. During that time, she entrusted an accountant to pay her bills but her utility bill became delinquent and her service was shut off. The pipes in her townhouse froze and it flooded. Without mortgage insurance, she was forced to go into foreclosure.

Receiving that assistance was like a big weight being lifted off my shoulders

She managed to secure a place to rent, but couldn't get on a balanced billing plan to level out her utility payments until she took care of her past due bill. She turned to Adams County Housing Authority, which allocated Energy Outreach Colorado funds to pay off her delinquent account.

"I'm not going to do anything to jeopardize that payment – it comes automatically out of my checking account," she said. "Receiving that assistance was like a big weight being lifted off my shoulders."



Colorado Springs Great-Grandmother Gets Energy Make-Over



Patricia S. lost her partner and financial stability when her husband died a couple of years ago. As she was trying to cut back on expenses, the 71-year-old Colorado Springs retiree and volunteer contacted her local utility company to get advice on how to reduce her energy costs.

It was a Godsend and a blessing. I can't get over how wonderful and professional everyone has been.

"I had the thermostat down and was freezing to death most of the time during the winter, but I was still having trouble affording my energy bill on my fixed income," she said, noting that

her husband's military benefits were drastically reduced with his death. "And I knew that natural gas costs were going up."

Fortunately, Colorado Springs Utilities referred her to its Home Efficiency Assistance Program (HEAP), which Energy Outreach Colorado supports through energy efficiency grants. HEAP provides consumer education, home energy audits and weatherization services for limited income households.

Patricia's 1970s-era home was fitted with a new energy-efficient furnace and refrigerator, increased insulation and low-flow toilets. Since then, her energy usage has dropped significantly and her home is warmer in the winter and cooler in the summer – good news for her five children, 26 grandchildren and 28 great-grandchildren.

"I'm much less worried," she said. "It was a Godsend and a blessing. I can't get over how wonderful and professional everyone has been."



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