

Summary: Opportunities for Addressing Low Income Energy Issues

- Energy Rates Working Group of the Hawaii Energy Policy Forum

The Energy Rates Working Group (ERWG) is comprised of federal, state, and community agencies serving low and moderate income residents. Focus was on the concerns of low and moderate income households in meeting their energy needs today and in the future.

The ERWG found that energy rates in Hawaii are considerably higher than the national average. Energy cost is a heavy burden for low-income households and especially so for welfare recipients. Many are sacrificing other necessities in order to pay energy bills so that any increase in energy costs would be intolerable. Therefore, even though it would lower their energy bill in the long run, they are generally not in a position to invest in energy-saving devices. Particularly hard-hit are the Neighbor Islands, where both poverty rates and energy rates are higher than on O'ahu.

There are a number of government and utility programs to address low-income energy issues. The State of Hawai'i, along with most states, employs two approaches to help low-income families with their energy needs: (1) weatherization, focusing on improving buildings, and (2) bill payment assistance, which provides direct payments for utility bills. Most of the financial resources come from the federal government. The utilities also have programs, such as low-interest loans and rebates for solar water heaters, which can benefit lower-income households.

The ERWG found that the above programs are useful, but the demand for assistance far surpasses the funds available. Research revealed a large number of other government and utility programs being implemented elsewhere. Therefore the ERWG recommends that, apart from increasing existing programs, these other possibilities should be considered for assisting low-income energy consumers.