

Heating and Cooling Relief Act of 2025

Section-by-Section

Senator Edward J. Markey (D-Mass.) and Rep. Yassamin Ansari (AZ-03)

Short Summary

Everyone should have access to life-saving heating and cooling for their homes. Yet across the country, people cannot afford their heating and cooling bills—especially as the climate crisis exacerbates weather extremes in summer and winter. Low-income households, Black, Latino, and Tribal households experience disproportionately high energy burdens, increased risk for respiratory diseases, increased stress and economic hardship, and housing instability.¹

The Low Income Home Energy Assistance Program (LIHEAP), initially authorized in 1982, provides essential energy assistance to low-income families in crisis. Unfortunately, despite being the largest energy assistance program in the United States, LIHEAP is severely underfunded. As a result, it has only been able to reach 16-20 percent of eligible households in recent years. Cooling assistance in particular remains underfunded, with only 7 percent of program funds allocated to cooling relief.²

Senator Markey and Congresswoman Ansari's *Heating and Cooling Relief Act of 2025* amends the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621) to significantly expand funding and eligibility to universalize LIHEAP and help end energy poverty for households across the country. It also increases consumer protections, strengthens data collection on energy burdens and disconnections, and supports a just transition away from fossil fuel consumption.

Sec. 1 Short Title

- Names the bill the "Heating and Cooling Relief Act".

Sec. 2 Findings

- In 2024, the U.S. saw its hottest year on record, and heat-related deaths have increased by over 16 percent annually since 2016.³

¹ Ashley Lawson, *Electric Utility Disconnections*, Congressional Research Service (Jan. 31, 2023), <https://crsreports.congress.gov/product/pdf/R/R47417>; Ariel Dreihobl, Lauren Ross, and Roxana Ayala, *How High Are Household Energy Burdens?* American Council for an Energy-Efficient Economy, (Sept. 10, 2020) <https://www.aceee.org/research-report/u2006>.

² LIHEAP Performance Management Dashboard, Department of Health and Human Services, https://liheappm.acf.hhs.gov/datawarehouse/custom_reports

³ Jeffrey T. Howard et al, *Trends of Heat-Related Deaths in the US, 1999-2023*, Journal of the American Medical Association, (Aug. 26, 2024), <https://jamanetwork.com/journals/jama/fullarticle/2822854>

- While the average energy burden for non-low-income households is approximately 3 percent, low-income households experience energy burdens 3 times higher, with 1 in 4 low-income households spending more than 15% of their income on energy bills.⁴
- Low-income households and Black, Latino, and Tribal American households have disproportionately high energy burdens, leading to concerning health and economic impacts on these households.
- Climate change is fueling an increased intensity of heat waves and winter storms, influencing the nature and magnitude of utility assistance needed.
- The Low Income Home Energy Assistance Program (LIHEAP) was initially authorized to reduce utility burdens for low-income households, yet in 2023, only 18 percent of eligible households received a LIHEAP subsidy.
- As part of a robust federal social safety net, the federal government should expand and update LIHEAP so that it can better protect households against unaffordable energy bills, adapt to rising temperatures, enhance outreach, and further weatherization efforts.

Sec 3. Funding

- Significantly expands funding for LIHEAP by authorizing necessary sums to ensure eligible households receive enough assistance so as to not pay more than 3% on their energy bills (see Sec. 6 for details).
- Authorizes at least \$2 billion for each fiscal year from 2026 onward in dedicated annual funding for emergency assistance in response to major disasters, including extreme heat and cold (see Sec. 5 for details).
- Authorizes at least \$1 billion in funding for the Just Transition Grant for each fiscal year from 2026 onward (see Sec. 11 for details).

Sec 4. Definitions

- Defines extreme heat and extreme cold as periods that increase risk of heat- or cold-related illness or cause heating and cooling failures.
- Defines a HEAP Coordinator as an employee who administers the program carried out in this legislation.
- Defines a Local Coordinating Agency as any organization that receives HEAP funds to help administer the program.

Sec 5. Assistance for Emergencies, Including Extreme Heat and Cold

- Expands emergency utility assistance for LIHEAP-eligible households by authorizing the Federal Emergency Management Agency (FEMA) and the Department of Health and

⁴ Kayleigh Rubin et al, *1 in 7 Families Live in Energy Poverty. States Can Ease That Burden*, Rocky Mountain Institute, (Dec. 18, 2023), <https://rmi.org/1-in-7-families-live-in-energy-poverty-states-can-ease-that-burden>; *Study: One in Four Low-Income Households Spend Over 15% of Income on Energy Bills*, American Council for an Energy-Efficient Economy, (Sept. 11, 2024), <https://www.aceee.org/press-release/2024/09/study-one-four-low-income-households-spend-over-15-income-energy-bills>

Human Services (HHS) to work together to provide heating and cooling support during major disasters or emergencies.

- Ensures that States can use emergency funds to purchase and distribute energy-efficient cooling equipment and other essential home energy needs.
- Prohibits restrictions that prevent households from receiving both heating and cooling assistance within the same year.
- Removes medical necessity requirements for households seeking heating and cooling assistance.
- Prohibits restrictions that prevent households from receiving both heating and cooling assistance within the same year.

Sec 6. Eligible Households

- Significantly expands LIHEAP eligibility to any household with an income below 250% of the federal poverty guideline or 80% of state median income. Current eligibility limits LIHEAP to any household with an income below 150% of the federal poverty guideline or 60% of the state median income.
- Establishes a goal of capping household energy burdens at 3% of income—matching the average burden for non-low-income households—while requiring states to prioritize assistance for households with the highest energy burdens and lowest incomes.
- Simplifies enrollment and verification by:
 - Encouraging states to use data-sharing agreements with federal and state assistance programs (e.g., SNAP, Medicaid) to verify eligibility.
 - Eliminating proof of citizenship requirement for applicants.
 - Ensuring that households unable to verify eligibility through existing programs can self-attest to their eligibility to reduce administrative burden and expand access.

Sec 7. Conditions for Funding

- States that in exchange for receiving LIHEAP funding, home energy suppliers:
 - Cannot charge late fees for LIHEAP recipient households.
 - Cannot shut off utilities for LIHEAP customers within a 2-year period.
 - Will share data on households that have not paid their energy bills, to aid coordinated LIHEAP outreach efforts.
 - Must include information about LIHEAP assistance in all late payment notices sent to customers.
 - Shall offer a low-income energy affordability payment program for utility customers within 2 years of receiving funds under this program.
- Increases the administrative funding cap from 10% to 15% to increase funds for outreach and administration of this program.

- States that in administering this program, States shall:
 - To the greatest extent possible, employ residential weatherization strategies that reduce dependence on fossil fuel energy sources and repairs that use toxics-free materials.
 - Address structural and health hazards and ensure electrical and wiring upgrades are completed to support energy-efficient heating and cooling.
 - Make technological upgrades to allow for online application submissions and explore opportunities for auto-enrollment practices.
 - Conduct robust outreach activities to increase enrollment.
 - Conduct training for HEAP coordinators, State agency staff, and community partners on best practices for administering the program.
 - Ensure all HEAP coordinators receive a living wage.
 - As needed, conduct outreach to support utility cooperatives, Public Power Authorities, and other public and non-profit utility providers.
 - Expand the state LIHEAP program to operate on a year-round basis.
- States that HHS shall:
 - Study home energy shutoff rates and late fee rates among eligible households relative to non-eligible households.
 - Work with the Secretary of the Department of Education to partner with schools and Local Education Agencies to increase family enrollment in LIHEAP.
 - Issue guidance to states on outreach to high-risk individuals who benefit from the use of medical equipment that requires electricity.
 - Provide technical assistance to support partnerships described in this subsection and issue guidance to help states connect households to benefits from the Inflation Reduction Act.
 - Review existing state energy shutoff policies and assess their impact on energy affordability and grid reliability.
 - Identify safe residential temperature standards for federally assisted housing in consultation with the Department of Housing and Urban Development (HUD) and propose strategies to ensure compliance, including permitting covered utility allowances to be used for energy assistance where feasible.

Sec. 8 Weatherization

- Increases the share of LIHEAP funding that can be used for weatherization to 25% without a waiver and 35% with a waiver.
- Encourages states to use these weatherization and home repair funds to reduce dependence on fossil fuel energy sources and promote access to and ownership of distributed renewable energy infrastructure among eligible households.

Sec 9. Home Energy Payment Arrears Data Collection

- Directs HHS, in partnership with the Department of Energy (DOE), to develop a standardized data tracking template for states and utility providers to report arrears, disconnections, late fees, and reconnections for LIHEAP-eligible households.
- Allows LIHEAP administrators to use program funds to clear utility arrears for eligible households and prohibits cost recovery mechanisms that disproportionately affect low-income households.
- Requires HHS and DOE to issue guidance on best practices for states to pay arrearages efficiently and integrate utility assistance with program administration.
- Tasks HHS and DOE with implementing a data tracking system to monitor energy burdens and develop recommendations for reducing arrears among LIHEAP-eligible households.
- Authorizes grants to states to support data tracking and reporting efforts.

Sec 10. Program Name Change

- Changes name of Low Income Housing Energy Assistance Program (LIHEAP) to Home Energy Assistance Program (HEAP) to more accurately reflect eligibility and reduce any barriers of seeking support related to stigmatization.

Sec 11. HEAP Just Transition Grants

- Establishes the new Just Transition Grant Program, in which HHS and DOE jointly develop and operate 3-year awards to states and local governments to help households reduce energy burdens by partnering with entities carrying out workforce development initiatives, unions, or minority or women-owned business enterprises.

Sec 12. Conforming Amendments

- Updates statutory references in the Low-Income Home Energy Assistance Act of 1981 to align with changes made in this bill.