



National
Consumer Law
Center
*Fighting Together
for Economic Justice*

WHAT STATES CAN DO TO HELP CONSUMERS

Energy Insecurity

Over a quarter of U.S. households face challenges in paying energy bills or keeping their homes heated or cooled, including 50% of households with less than \$20,000 in annual income. Extreme weather worsens this affordability crisis for struggling families, with the frequency, duration and intensity of extreme heat waves increasing over the past several decades.

State and Regulatory Reforms

Millions of low-income consumers and communities of color experience energy insecurity and disproportionate exposure to environmental hazards related to energy production. Additionally, gas and electricity prices are rising with no end in sight, placing greater pressure on cash-strapped families. Action is essential to ensure that low-income customers can afford their bills and stay connected to vital energy service.

This can be accomplished through a mix of safeguards for low income and other vulnerable populations, including discounted rates, arrearage management protections, protection against disconnection for vulnerable customers, and whole home weatherization.



20% of households reported forgoing basic necessities to pay energy bills in at least some months.



52% of Black or African American households reported experiencing household energy insecurity, as did 47% of Hispanic/Latino households.

Ensuring Affordability & Efficiency for Low-Income Consumers

CONSUMER PROBLEMS

Low-income consumers usually have high household energy burdens, which means they pay a far higher percentage of their income for energy than more affluent consumers.

Low-income consumers and renters often lack access to subsidized energy efficiency and electrification services.

Consumers who cannot afford their monthly utility bills often accumulate expensive late fees, and utilities frequently require disconnected customers to pay unaffordable deposits to reestablish credit service, increasing their debt.

STATE SOLUTIONS

Enact affordability programs such as Percentage of Income Payment Plans or tiered discount utility rates for consumers at or below 80% of area median income or 300% of the Federal Poverty Level.

Increase funding for energy efficiency programs serving low-income tenants and homeowners, especially whole-building weatherization for affordable multifamily housing.

Eliminate deposits and late fees for all residential customers, absent evidence of tampering.

CONSUMER PROBLEMS

STATE SOLUTIONS

Consumers with past-due utility bills are required to pay their current bill and past-due amounts within a few months, making their payments unaffordable.

Create Arrearage Management Programs that reduce past-due amounts with every on-time monthly payment; require deferred payment programs to consider ability to pay and need to renegotiate, with minimum terms based on state credit and collection rules.

Minimizing Shut-offs and Tracking Energy Insecurity

CONSUMER PROBLEMS

STATE SOLUTIONS

Consumers with health conditions who rely on essential utility service but who struggle to pay utility bills face the threat of disconnection, putting their health and safety at risk.

Require all utilities to implement medical certification policies or disconnection protections that protect all chronically ill or disabled customers from termination of utility service.

Consumers unable to afford their utility bills in periods of extreme cold or heat face life-threatening disconnections of utility service.

Prohibit disconnections of essential utility service during the winter months and periods of extreme heat.

Vulnerable consumers are harmed or die because the loss of utility service results in dangerous living conditions.

Prohibit, year-round, all disconnections of low-income households with infants or vulnerable elderly or disabled residents.

Families struggle to pay energy bills and are facing disconnection, but little public data exists about accounts in arrears and disconnections of utility service.

Require utilities to track—and make publicly available—critical data points concerning utility debt, uncollectible accounts, payment arrangements, and disconnections by household income.

Learn more on how to improve energy security: National Consumer Law Center's [Energy and Utilities webpage](#).

To start a conversation on energy insecurity, contact: Jen Bosco (jbosco@nclc.org), John Howat (jhowat@nclc.org), Karen Lusson (klusson@nclc.org), Olivia Wein (owein@nclc.org), or Berneta Haynes (bhaynes@nclc.org).

JUNE 2025

The nonprofit National Consumer Law Center® (NCLC®) works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.

NCLC.ORG © 2025 National Consumer Law Center