



DATE: December 3, 2024

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) – Implementation of Regulatory Changes to Standard Utility Allowances (SUAs)

TO: SNAP State Agencies  
FNS Regional Offices

On November 18, 2024, the Food and Nutrition Service (FNS) published the final rule, [\*Supplemental Nutrition Assistance Program: Standardization of Heating and Cooling Standard Utility Allowances\*](#). The final rule incorporates provisions originally proposed in two proposed rules published [October 3, 2019](#), and [April 20, 2016](#). While originally proposed separately, FNS combined each rule into a single final rule.

The final rule amends SNAP regulations for calculating standard utility allowances (SUAs) and expands allowable shelter expenses to include basic internet costs. The rule also finalizes updates to the treatment of Low Income Home Energy Assistance Program (LIHEAP) payments, in accordance with amendments made to the Food and Nutrition Act of 2008 by the Agricultural Act of 2014.

The provisions of the rule are effective January 17, 2025. State agencies must implement the final rule provisions related to household eligibility to receive heating and cooling standard utility allowances (HCSUAs) by January 17, 2025. However, State agencies have until October 1, 2025, to ensure SUA values comply with the new methodology requirements.

Before the final rule, SNAP requirements did not provide criteria for setting SUA values. The final rule establishes requirements for State agencies to develop their SUAs, including requirements for how often State agencies update SUA methodologies, and including the underlying data and criteria for those methodologies. This ensures State agencies retain the flexibility to meet households' needs while aligning SUAs with data on low-income utility costs in a more consistent manner. Aligning SUAs with current household conditions ensures the excess shelter deduction, and, ultimately, the SNAP benefit level reflect household circumstances.

The enclosure provides a summary of the final rule's provisions. State agencies with questions should contact their respective [Regional Office representatives](#).

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Over the next few months, FNS will provide technical assistance including webinars for State agencies, additional guidance, including questions and answers, and tools such as a methodology submission template.

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Enclosure

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## **Supplemental Nutrition Assistance Program: Standardization of Heating and Cooling Standard Utility Allowances**

### **Implementation Timeline**

The provisions of the rule are effective January 17, 2025.

By January 17, 2025, State agencies must implement the provisions related to which households receive heating and cooling standard utility allowances (HCSUAs), including:

- Expanding HCSUA eligibility - 7 CFR 273.9(d)(6)(iii)(D)(1) and 7 CFR 273.9(d)(6)(iii)(G)(2)
- Updating HCSUA eligibility based on receipt of LIHEAP or other similar energy assistance programs - 7 CFR 273.9(d)(6)(iii)(D)(3) and 7 CFR 273.10(d)(6)

By October 1, 2025, State agencies must implement provisions related to SUA values, including:

- Updating SUA methodologies to align with the new requirements - 7 CFR 273.9(d)(6)(iii)(C)

FNS encourages State agencies to include basic internet costs with SUA values starting on October 1, 2025, to minimize disruption to SNAP households since State agencies typically make changes to SUAs and Cost of Living Adjustments at this time annually.

### **Section 1: Changes to SUA Methodology Requirements and Allowable Shelter Costs**

This section provides an overview of the final provisions initially proposed under the October 3, 2019, proposed rule, *Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances*.

#### **New Requirements for Updating State SUA Methodologies - 7 CFR 273.9(d)(6)(iii)(C)**

The final rule's requirements apply to all SUA methodologies, including heating and cooling standard utility allowances (HCSUAs), limited utility allowances (LUAs), and individual standards.

Starting in FY 2026, the final rule requires that State agencies submit updated SUA methodologies at least every five years for FNS approval. Revised methodologies must include an update to the underlying data and explain how the State agency derived SUAs from such data. This is in addition to the existing requirements that State agencies review SUAs annually and adjust SUAs to reflect changes in costs. State agencies must also continue to submit their methodologies for FNS approval if they develop or change their methodologies.

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State agencies' methodologies must:

- Reflect the entire State or geographic area that the SUA covers;
- Use data sourced from utility providers or a similarly reliable source;
- Reflect expenses incurred by low-income households;
- Reflect residential utility expenses; and
- Distinguish if the utility is for heating or cooling, if applicable (only for HCSUAs)

These criteria provide State agencies flexibility while ensuring SUAs accurately represent the utility costs of low-income households, including households with higher than average utility costs.

### **Include Basic Internet as an Allowable Shelter Cost - 7 CFR 273.9(d)(6)(ii)(C)**

The final rule expands allowable shelter costs to include basic internet service. State agencies may treat basic internet costs like any other allowable utility cost and develop a methodology to include such costs in the HCSUA, LUA, or as an individual standard. State agencies must submit such methodologies for FNS approval.

### **Expand HCSUA Eligibility - 7 CFR 273.9(d)(6)(iii)(D)(1) and 7 CFR 273.9(d)(6)(iii)(G)(2)**

The final rule requires State agencies to give the HCSUA to households that incur any heating and cooling expenses, even if those costs are minimal. Additionally, State agencies that mandate the use of SUAs must give the HCSUA to public housing residents that are charged for excess heating and cooling costs.

## **Section 2: Changes to HCSUA Eligibility Based on Receipt of LIHEAP or Other Similar Energy Assistance Programs**

This section provides an overview of the final provisions initially proposed under the April 20, 2016, proposed rule, *Supplemental Nutrition Assistance Program: Standard Utility Allowances Based on the Receipt of Energy Assistance Payments Under the Agricultural Act of 2014*.

The Agricultural Act of 2014 required State agencies to provide the HCSUA to households that received a payment (or households on behalf of which a payment was made), that was greater than \$20 annually, under the Low-Income Home Energy Assistance Act (LIHEAA), or other similar energy assistance program. To receive the HCSUA, the household must have received the payment in the current month or in the immediately preceding 12 months. These changes were effective as of March 10, 2014.<sup>1</sup>

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<sup>1</sup> [Supplemental Nutrition Assistance Program- Section 4006 Agricultural Act of 2014 - Implementing Memorandum](#)

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The final rule updates 7 CFR 273.9(d)(6)(iii)(C) to align SNAP regulations with this statutory requirement. The rule also finalizes related provisions, detailed below.

#### **Other Similar Energy Assistance Programs - 7 CFR 273.9(d)(6)(iii)(D)(3)(i)**

The final rule defines a “similar energy assistance program” as a program designed to provide heating or cooling assistance through a payment directly to or on behalf of low-income households. Other similar energy assistance programs may include (but are not limited to) certain State-only funded programs that assist households with heating or cooling expenses. This assistance should be separate from a household’s rent or mortgage, home energy bills, weatherization, or energy-related minor home repairs).

State agencies should evaluate a potentially eligible program on a case-by-case basis. To ensure consistency and fairness across the caseload, State agencies must establish clear and reasonable standards for evaluating whether a program constitutes a similar energy assistance program.

#### **Quantifiable - 7 CFR 273.9(d)(6)(iii)(D)(3)(ii)**

State agencies may consider in-kind assistance as a qualifying LIHEAP or other payment to confer the HCSUA. State agencies must be reasonably able to quantify that the assistance exceeds the \$20 threshold. State agencies must develop workable, reasonable procedures to determine how in-kind assistance would be quantified, including how to reasonably estimate the value of those goods, and must apply those procedures consistently and fairly across the caseload.

#### **Tracking and Documentation - 7 CFR 273.9(d)(6)(iii)(D)(3)(iii)**

State agencies must document the date the household receives the qualifying LIHEAP or other payment. State agencies must ensure the payment was received in the current month or the immediately preceding 12 months and exceeded \$20 annually. State agencies have flexibility to develop their own procedures for tracking and documenting this information.

#### **Current Month - 7 CFR 273.9(d)(6)(iii)(D)(3)(iv)**

State agencies cannot confer the HCSUA based on anticipated receipt of a qualifying LIHEAP or other payment, unless the household is scheduled to receive the payment in the current calendar month.

#### **Overissuance - 7 CFR 273.9(d)(6)(iii)(D)(3)(v)**

If the anticipated LIHEAP payment is not received within that month, benefits received by the household would be considered an overissuance and the State agency may be required to pursue a claim against the household.

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**Moving and Split Households - 7 CFR 273.9(d)(6)(iii)(D)(3)(vi)**

State agencies using HCSUAs must provide the standard to households who receive a qualifying LIHEAP or other payment, regardless of any change in the household's residence or address. Additionally, State agencies must grant the HCSUA to a household in which a member: (1) previously received a qualifying LIHEAP payment as part of a different household, or (2) was previously a member of a different household on behalf of which a LIHEAP payment was made. If at the time of certification, the State agency has an indication that a household received a qualifying LIHEAP or other payment in another State, the new State agency should pursue clarification. Procedures regarding acting on changes during the certification period are at 7 CFR 273.12.

**Weatherization - 7 CFR 273.9(d)(6)(iii)(D)(3)(vii)**

A household is eligible for the HCSUA if the household lives in a multi-unit dwelling or an individual unit and receives a qualifying weatherization program payment. State agencies have the flexibility to determine how to assess whether a weatherization payment was received by (or on behalf of) the household, in the current month or in the immediately preceding 12 months, and that the payment was greater than \$20 annually. State agencies must develop workable, reasonable procedures to determine how to quantify multi-unit dwelling weatherization payments and must apply those procedures consistently and fairly across the caseload.

**Proration - 7 CFR 273.10(d)(6)**

State agencies must prorate LIHEAP payments over the entire heating or cooling season the payment is intended to cover. Receiving a prorated qualifying LIHEAP payment may qualify an individual or household for the HCSUA in more than one heating or cooling season, so long as the payment was received within the last 12 months, or the proration period covered at least one month in the preceding 12 months.

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