Background

- National and state-level studies conducted for American Coalition for Clean Coal Electricity since 2000 (available at www.americaspower.org).
- Studies measure percent of after tax-income spent for household utilities and gasoline.
- Current national study provides estimates for 2016.
- Principal data sources are Bureau of Census, CBO (tax rates), DOE/EIA, and DOT/NHTS.
Highlights

• 48% of American households have pre-tax incomes <$50K, average take-home income of less than $1,900/mo.

• These households will spend an average of 17% of their after-tax income for residential and transportation energy in 2016.

• The 29% of households with gross pre-tax incomes <$30K will spend an average of 23% of their after-tax income on energy.
Estimated U.S. household energy costs as percentage of after-tax income

- <$30K: 23%
- $30K-$50K: 14%
- $50K+: 7%
- Total: 9%
Electricity

- Electricity represents 69% of average household utility bills.
- Electricity prices have increased by 32% on average since 2005, in current prices.
- Additional price increases are in store due to compliance with EPA MATS (2015+) and Clean Power Plan (2020+) rules.
U.S. average residential electric prices, 2005-2016
(Cents per kWh)

Source: U.S. DOE/EIA.
Real incomes have declined across all five income quintiles since 2001

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>5Q</th>
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<tbody>
<tr>
<td>2001</td>
<td>$13,336</td>
<td>$33,510</td>
<td>$56,090</td>
<td>$87,944</td>
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<td>2013</td>
<td>$11,651</td>
<td>$30,509</td>
<td>$52,322</td>
<td>$83,519</td>
<td>$185,206</td>
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<tr>
<td>Pct Chg</td>
<td>-13%</td>
<td>-9%</td>
<td>-7%</td>
<td>-5%</td>
<td>-4%</td>
</tr>
<tr>
<td>$ Chg</td>
<td>($1,685)</td>
<td>($3,001)</td>
<td>($3,768)</td>
<td>($4,425)</td>
<td>($6,857)</td>
</tr>
</tbody>
</table>
Seniors and minorities are most vulnerable to energy price increases due to low incomes

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$51,939</td>
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<td>100%</td>
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<tr>
<td>Black</td>
<td>$34,598</td>
<td>-33%</td>
<td>13%</td>
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<tr>
<td>Hispanic</td>
<td>$40,963</td>
<td>-21%</td>
<td>13%</td>
</tr>
<tr>
<td>Age 65+</td>
<td>$35,611</td>
<td>-31%</td>
<td>23%</td>
</tr>
</tbody>
</table>

2011 NEADA Survey Findings

- Low income households experience adverse health and welfare impacts due to high energy bills:
  - 24% went without food for at least one day.
  - 37% went without medical or dental care.
  - 34% did not fill a prescription or took less than the full dose.
  - 19% had someone become sick because their home was too cold.
Inadequate federal support for low-income customers

• Congress cut LIHEAP funding to $3 Billion in FY 2015.

• LIHEAP benefits concentrated in winter home heating, esp. in Northeast.

• Total residential electric and other fuels are estimated to cost $62 Billion in 2016 for the 36 million households with pre-tax incomes less than $30K/year.
Policy indications

• Need for government policies that encourage stable and affordable energy prices.
• Increased public and private sector assistance for low-income families.
Acknowledgments

• Thanks to NEUAC for the invitation today.
• Thanks to ACCCE for supporting this presentation.