

CAPITOL FACTS & FIGURES

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Energy Affordability

The average price of electricity in the U.S. rose from 6.74 cents per kilowatt hour in 1998 to 9.74 cents per kilowatt hour in 2008, an increase of nearly 45 percent over 10 years.¹

- The majority of electricity sold in the U.S. is for residential use and those rates are typically the highest of all end-use sectors.²
- Hawaii has the highest average electricity rate at 29.20 cents per kilowatt hour.
- West Virginia has the lowest average electricity rate at 5.59 cents per kilowatt hour.
- The cost of electricity comes primarily from generation (68 percent) followed by distribution (24 percent) and then transmission (7 percent).

The federally funded Weatherization Assistance Program and the Low-Income Heating Energy Assistance Program, often referred to as LIHEAP, play a key role in reducing energy expenditures for low-income families.

- Weatherization funds state programs that make low-income family homes more energy efficient, thereby lowering utility bills. The program also provides jobs.
- LIHEAP provides money directly, through states, to low-income families to cover heating and energy costs.
- Together, these programs can provide both short- and long-term solutions to rising energy costs for low-income families. But more steps will need to be taken.

For individuals and families at the bottom of the income bracket (those families making between \$10,000 and \$30,000 a year), energy expenditures can make up to 20 percent of their total take-home pay.³ Policymakers can alleviate the stress on their constituents by enacting policies that:

- Support efficient appliances and provide rebates for energy efficient appliances since the majority of electricity in homes is used for appliances and lighting.
- Promote renewable energy. The American Council for an Energy-Efficient Economy found by expanding renewable energy generation, states can moderate natural gas usage and save customers billions of dollars.⁴



REFERENCES

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³Hall, Jeff, Responding to the Growing Needs of Low-Income and At-Risk Customers: Developing Programs for Low and Moderate Income Customers, National Energy and Utility Affordability Conference, June 16, 2009. Accessed from:

http://www.energyandutilityconference.org/Assets/2009%20Conference/2009%20Presentations/2009_5G_Hall.pdf on April 5, 2010.

⁴ACEEE, Impacts of Energy Efficiency and Renewable Energy on Natural Gas Markets, January 21, 2005. Accessed from: <http://www.aceee.org/energy/impactng.pdf> on April 5, 2010.

⁵EIA, State Electricity Profiles: 2008 Edition. March 2010. Accessed from: http://www.eia.doe.gov/cneaf/electricity/st_profiles/e_profiles_sum.html on April 5, 2010.

Average Retail Rate of Electricity⁵

(cents/kWh)

