Addressing High Energy Burdens in Urban and Rural Communities

Federal Programs for Energy and Housing: A Lifeline for America’s Low-income Families

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The American Council for an Energy-Efficient Economy is a nonprofit 501(c)(3) founded in 1980. We act as a catalyst to advance energy efficiency policies, programs, technologies, investments, & behaviors.

Our research explores economic impacts, financing options, behavior changes, program design, and utility planning, as well as US national, state, & local policy. Our work is made possible by foundation funding, contracts, government grants, and conference revenue.
What is an energy burden?

Energy burden % = 
Annual energy costs/Annual household income

E.g. ($200/month) x 12 months/$60,000 = 4%

• Median energy burdens: Rural burden: 4.4%
  Metropolitan burden: 3.1%
  National burden: 3.3%

• **Drivers**: physical, economic, policy, behavioral

• **Impacts**: health, economic, social
Urban Analysis, 2016: aceee.org/research-report/u1602
Rural Analysis, 2018: aceee.org/research-report/u1806
Energy burden in largest metro areas

Metro energy burden by demographic*

- Low-income (80% AMI): 7.2%
- African American: 5.4%
- Low-income multifamily: 5.0%
- Latino: 4.1%
- Renters: 4.0%
- Total metro: 3.5%

Energy burden: percent of income spent on energy bills

*Based on median across selected cities.
Rural energy burdens

By region:

- Low-income: 9.0%
- Manufactured housing: 5.8%
- Elderly: 5.6%
- Renters: 5.3%
- Nonwhite: 5.1%
- Multifamily (2-4 units): 4.9%
- Total rural: 4.4%
- Total US: 3.3%
- Total metropolitan: 3.1%

*Based on national figures.

Energy burden: percent of income spent on energy bills

Rural energy burdens
How does energy efficiency fit in?

- Long-term solution to high burdens
- Provide bill savings for households
  - Can lower burdens by 25% and save households up to $400/year
- Additional benefits such as health and job creation

Low energy prices do not equate to affordable bills!
Policy recommendations

1. Expand federal weatherization assistance
2. States set low-income spending/savings targets for energy efficiency programs
3. States expand energy efficiency programs for low-income households
4. Support financing options for multifamily building owners and rural households
5. Collect and track demographic data on program participation
Thank you!

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