



CONSUMER **ENERGY** ALLIANCE

HEAT OR EAT

*How Rising Electricity Prices Threaten
Affordable Winter Heating*



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THE HIGH COST OF STAYING WARM: HOW ENERGY PRICES SHAPE FAMILY BUDGETS THIS WINTER

Winter months bring loved ones together to share meals and celebrate the holidays. Grocery stores across the nation are busy now that the holiday season has kicked off with Thanksgiving, and Christmas is around the corner. There are iconic meal traditions surrounding the holidays that are anticipated with joy every year.

The holidays also bring colder months of the year, when some families have to choose between heating their home and sharing a meal. This winter, homes heated with natural gas or propane are projected to save \$2 billion, compared to homes heated by electricity – which will pay \$4 billion more this year.

Historically, families save money powering their houses with natural gas or propane, with the savings leaving extra money to be spent elsewhere during the holidays or kept for a rainy day. Since 2022, partly [due](#) to premature retirements of valuable baseload and dispatchable generation, electricity costs for consumers have increased [above](#) the rate of inflation, and are projected to continue at that rate through next year. The

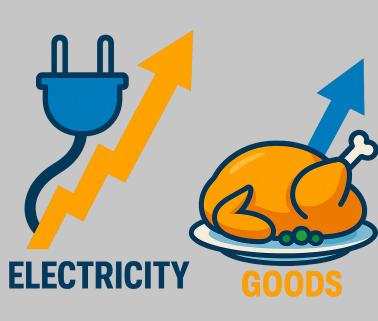
*If the U.S. were to completely abandon more affordable energy sources and transition to electric power, households would have been forced to spend nearly **\$160 billion more** on both electricity and home heating this winter compared to last year.*

Biden Administration published a [notice](#) in the fall of 2024 that showed **electricity costing more than three times as much as natural gas** for home heating.

Home heating costs drastically burden families who cannot afford basic needs. This is why access to all energy options that can provide affordable heating should be a priority for policymakers and regulators. Unfortunately, there are local, state, and national efforts to limit or ban access to fuel sources like natural gas and propane, which would force families and businesses to convert to electricity—regardless of whether it cost them more.

That's not something the nation can afford. In the U.S., **13% of households live below the Federal Poverty Level** and 29% earn above that but still **cannot afford basic needs**, which accounts for nearly half of the homes in the nation. Access to affordable heating during winter months is not a convenience for families, it is an essential need.

While families desire to make the holidays special for their loved ones, home heating costs can bring a burden that causes compromise. This year's annual Deloitte Holiday Retail Survey found that **over 75% of shoppers are expecting prices on holiday goods to be higher this year**. More than half of shoppers are anticipating the economy to weaken over the winter months, which was **the most negative economic outlook** since the survey began tracking sentiment in 1997. State and national efforts to limit consumers' ability to choose their home heating and fueling sources could significantly decrease households' ability to afford holiday traditions.



Released in November, The U.S. Energy Information Administration's (EIA) Winter Fuels Outlook [predicts](#) milder temperatures this winter, with natural gas prices expected to decline modestly from last year, with an average of \$642 per month, compared to electricity, which is projected to increase 4% with an average of \$1,133. Homes using natural gas continue to see reasonable energy costs, which allows families to spend money in other areas.

This should come as no surprise as the

ELECTRICITY PRICE SPIKES THREATEN FAMILY BUDGETS AND WINTER HEATING OPTIONS

FUEL SOURCE	COST	ELECTRIFY EVERYTHING COST	ADDITIONAL COST TO CONSUMERS
NATURAL GAS	\$53,071,087,271.40	\$190,501,655,171.04	\$137,430,567,899.64
HEATING OIL	\$7,895,407,584.78	\$15,846,101,364.22	\$7,950,693,779.45
PROPANE	\$9,640,216,406.24	\$18,450,745,902.10	\$8,810,529,495.86
TOTAL	\$70,606,711,262.42	\$224,798,502,437.36	\$154,191,791,174.95



\$160 BILLION MORE

This is what **families** nationwide **would have been forced to spend** on winter heat and electricity **under an all-electric system.**

Without access to affordable fuels, like natural gas, **households face higher** electricity **bills**, **fewer choices**, and **greater financial strain** during the coldest months.

During holiday months, consumers need energy policies that protect their wallets and well-being – the ability to choose affordable heat and electricity does just that. Nationally, the median household pays around 5.6% of their income to energy bills (both home and transportation energy), while low-income, Black, and Hispanic households have disproportionately higher burdens from energy costs:

- In 2022, **low-income households spent an average of 17.8% of their income** towards energy;
- **Black households spent around 10% more** than the national average on energy;
- And **Hispanic households spent around 42% more** than the national average

The choice between holiday meals and keeping a home warm can disproportionately affect these groups. Access to affordable home heating during these winter months, allows for these higher burdens to lessen.

Over half of the 50 states have passed legislation to protect local communities from energy and appliance bans. These efforts have been supported by residents, manufacturers, farmers, and restaurants, showing how many industries and people are affected by natural gas bans. A lawsuit from the California Restaurant Association overturned the first ever local gas ban in Berkeley, California.

While many states are taking steps to protect consumers from local bans, others are moving towards restrictions on fuels. Unfortunately, these misguided gas bans will continue to not only ignore the economic burden placed on families, but also the nation's positive environmental impacts from converting to cleaner-burning natural gas from other fuels.

During winter months, households should have access to reliable, affordable fuels. The U.S. and the individual 50 states can take steps to protect that with sensible energy policy. This especially affects low-income, and too-often families of color, who on average face higher energy burdens. **Keeping heating costs low will help families save money on energy bills and leave more to spend on holiday festivities and the memories those bring.**