ENERGY COST IMPACTS ON KENTUCKY FAMILIES

The report "Energy Cost Impacts on Kentucky Families"[1] provides information and data on energy expenditures by Kentucky families at different income levels. Energy expenditures include electricity, natural gas, other home heating fuels, and transportation. Key findings indicate that higher energy prices, such as those caused by EPA policies, will harm lower-income and middle-income families in the state.

- There are nearly 1 million lower-income and middle-income families in Kentucky. These families represent 56% of the state's households and take home, on average, $1,800 per month (about $22,000 per year) after taxes. These same families spend 18% of their family budgets on energy, a substantially larger percentage than higher income families.

- Real family incomes have declined since 2001. Declining family incomes magnify the effects of higher energy prices on lower-income and middle-income families.

- Energy costs are consuming the household incomes of Kentucky's lower-income and middle-income families at levels comparable to other necessities such as food, housing, and health care.

- EPA's Power Plan could increase electricity prices in Kentucky by an average of 20% per year, with peak year increases of as much as 28%.[2] Because lower-income and middle-income families spend a larger percentage of their incomes on energy, electricity price increases caused by EPA's Power Plan will fall disproportionately on lower-income and middle-income Kentucky families.

- Minorities and senior citizens are especially vulnerable to these electricity price increases due to their lower household incomes.

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[1] Eugene M. Trisko, *Energy Cost Impacts on Kentucky Families* (Jan. 2016).
[2] NERA Economic Consulting, *Energy and Consumer Impacts of EPA's Clean Power Plan* (Nov. 7, 2015).