

# Laying the Groundwork: Energy Affordability & Consumer Impacts in New England

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# Energy Affordability in the Headlines

**“In 2026 race for CT governor, electricity prices emerge as top issue.”**

CT Mirror | Feb. 2, 2026

**How energy affordability in Massachusetts reached crisis mode.**

CommonWealth Beacon Podcast | Mar. 9, 2026

**“Customers, don’t expect electric bill relief in 2026: ‘The cake is baked.’ Energy affordability has long been a problem for the poorest Americans, but now middle-income families are starting to feel the squeeze.”**

Utility Dive | Jan. 30, 2026

**“The real affordability crisis stems from government making everything cost more.”**

Bangor Daily News (Opinion) | Feb. 18, 2026

**“NH electricity bills up 11% despite Trump affordability promises.”**

Granite Post | Mar. 4, 2026

# What Customers Are Saying

- “I never thought I’d have to choose between paying the electric bill and buying groceries, but that’s where we are.”

CT Mirror | Feb. 2, 2026

- “Our bill went up again this winter. We’re cutting back everywhere else just to keep the lights on.”

CommonWealth Beacon Podcast | Mar. 9, 2026

- “Energy used to be something you didn’t think about. Now it’s one of our biggest monthly expenses.”

Utility Dive | Jan. 30, 2026

- “It feels like every time the bill comes, it’s another surprise we can’t afford.”

Bangor Daily News (Opinion) | Feb. 18, 2026

It's not just the  
price—it's the  
presentation

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**“Why are there 12 items when there should be two?”**

*Boston Globe | Dec. 6, 2025*

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**“Customers don’t see an energy bill anymore. They see a stack of public policy programs.”**

*Energy policy commentary in regulatory discussions*

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**“Utility bills have become increasingly complex, making it difficult for customers to understand what they are paying for.”**

— National Association of State Utility Consumer Advocates (NASUCA)

# A Sample Massachusetts Electric Bill

## DETAIL OF CURRENT CHARGES

### Delivery Services

| Service Period | No. of days | Current Reading | = | Total Usage |
|----------------|-------------|-----------------|---|-------------|
| Feb 4 - Mar 7  | 31          | 2482            |   | 699 kWh     |

METER NUMBER: [REDACTED] NEXT SCHEDULED READ DATE ON BOUT Apr 8

|                            |                                     |       |
|----------------------------|-------------------------------------|-------|
| ● Customer Charge          |                                     |       |
| ● Dist Chg                 | $0.0784196 \times 699 \text{ kWh}$  | 54.81 |
| ● Transition Charge        | $-0.0009970 \times 699 \text{ kWh}$ | -0.70 |
| ● Transmission Charge      | $0.03867936 \times 699 \text{ kWh}$ | 27.04 |
| ● Energy Efficiency Chg    | $0.01729 \times 699 \text{ kWh}$    | 12.09 |
| ● Renewable Energy Chg     | $0.0005 \times 699 \text{ kWh}$     | 0.35  |
| ● Distributed Solar Charge | $0.00399 \times 699 \text{ kWh}$    | 2.77  |
| ● Electric Vehicle Charge  | $0.00054 \times 699 \text{ kWh}$    | 0.38  |

**Total Delivery Services \$103.74**

## Supply Services

SUPPLIER National Grid

Basic Service Fixed  $0.14821 \times 699 \text{ kWh}$  

**Total Supply Services \$103.60**

## Other Charges/Adjustments

Paperless Billing Credit **-\$0.36**

**Total Other Charges/Adjustments -\$0.36**

Source: "Understanding Your Electric Bill," Mass.gov



Why are we talking about affordability now?

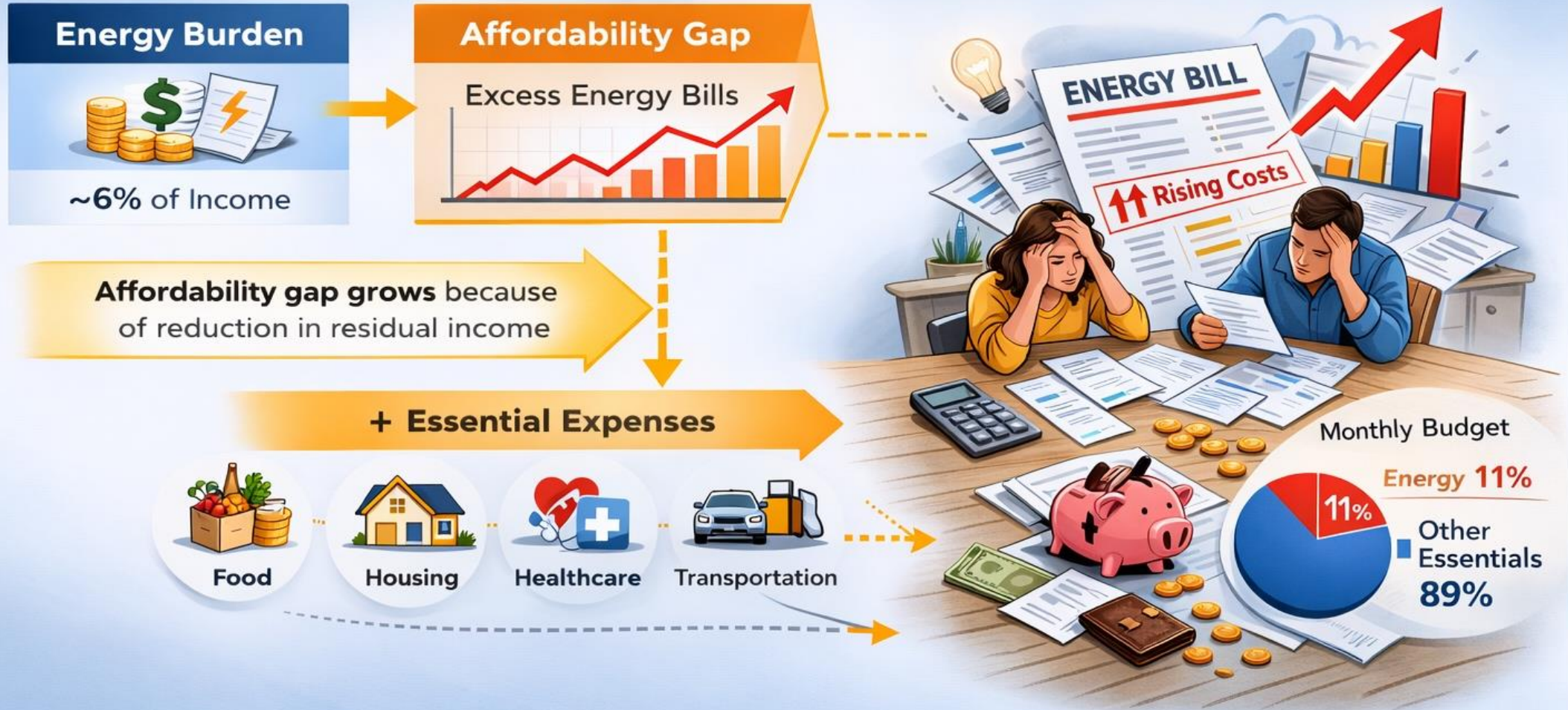
**The “Affordability Stew”**

- Not a new concept in this industry
- “Affordable” now hits across segments of customers
- Widely cited cost pressures include:
  - Housing costs
  - The cost of eggs, etc.
  - Education costs
  - Gas prices
  - Colder winters/hotter summers
  - Data center growth
  - Challenges to the younger generation

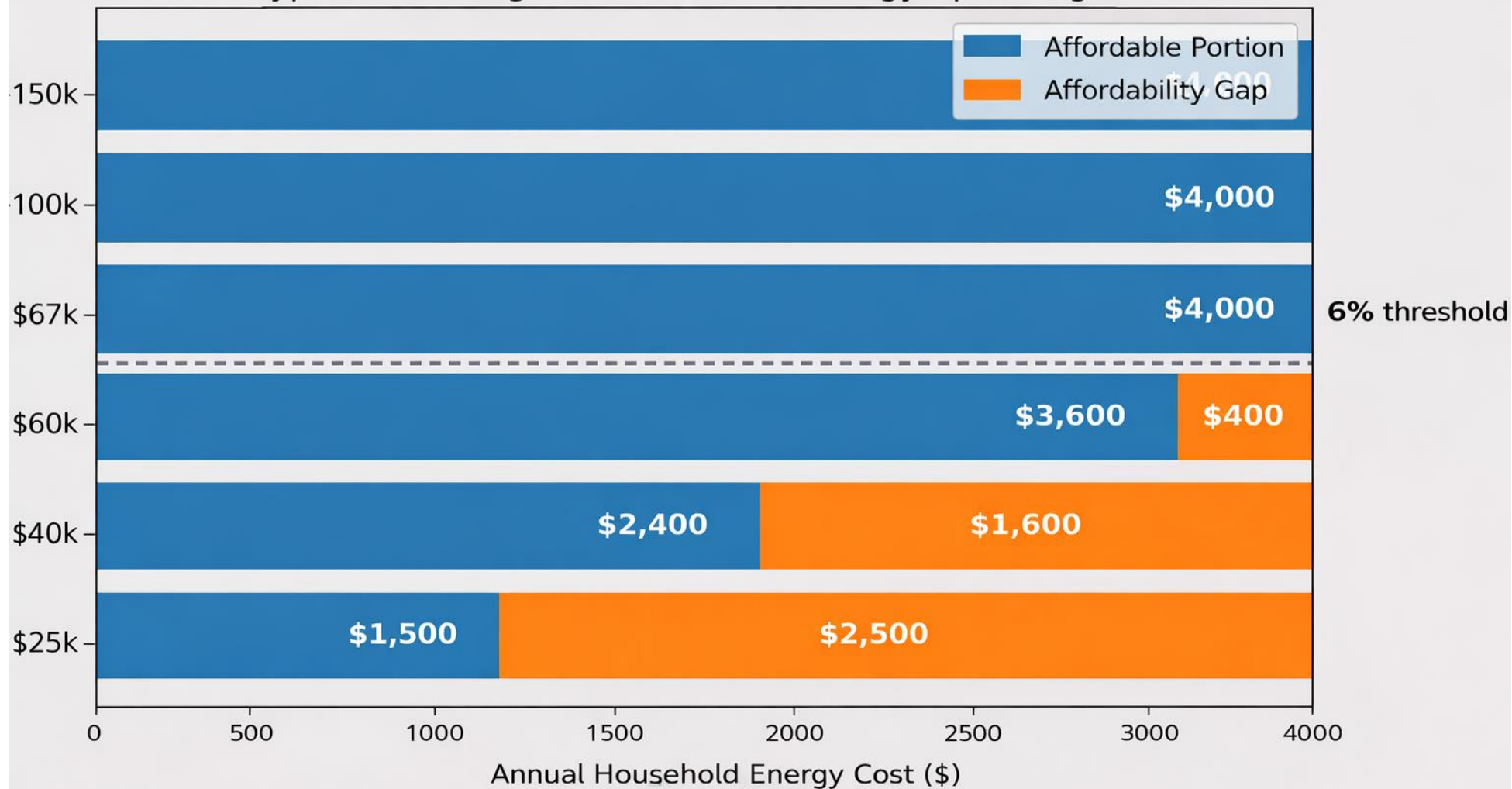
# Three Ways to Measure Energy Affordability

|                          | <b>Energy Burden</b><br>(Beecher, 2005)            | <b>Residual Income</b><br>(ACEEE)                                    | <b>Affordability Gap</b><br>(Fisher, Sheehan & Colton)         |
|--------------------------|----------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------|
| <b>What it measures</b>  | Share of income spent on energy<br>(Beecher, 2005) | Whether households can pay energy bills after basic needs<br>(ACEEE) | Difference between actual energy costs and an affordable level |
| <b>Concept</b>           | Energy burden = energy spending + income           | Income – essential expenses – energy costs                           | Actual energy cost – affordable bills                          |
| <b>Typical benchmark</b> | ~6% of income                                      | Utilities affordable after basic needs are met                       | Gap between current bills and affordable bills                 |
| <b>Strength</b>          | Simple and widely used                             | Reflects real household trade-offs                                   | Shows scale of the affordability problem                       |
| <b>Limitation</b>        | Ignores other household costs                      | Data-intensive to calculate                                          | Depends on definition of “affordable”                          |

# How Energy Costs Become Unaffordable



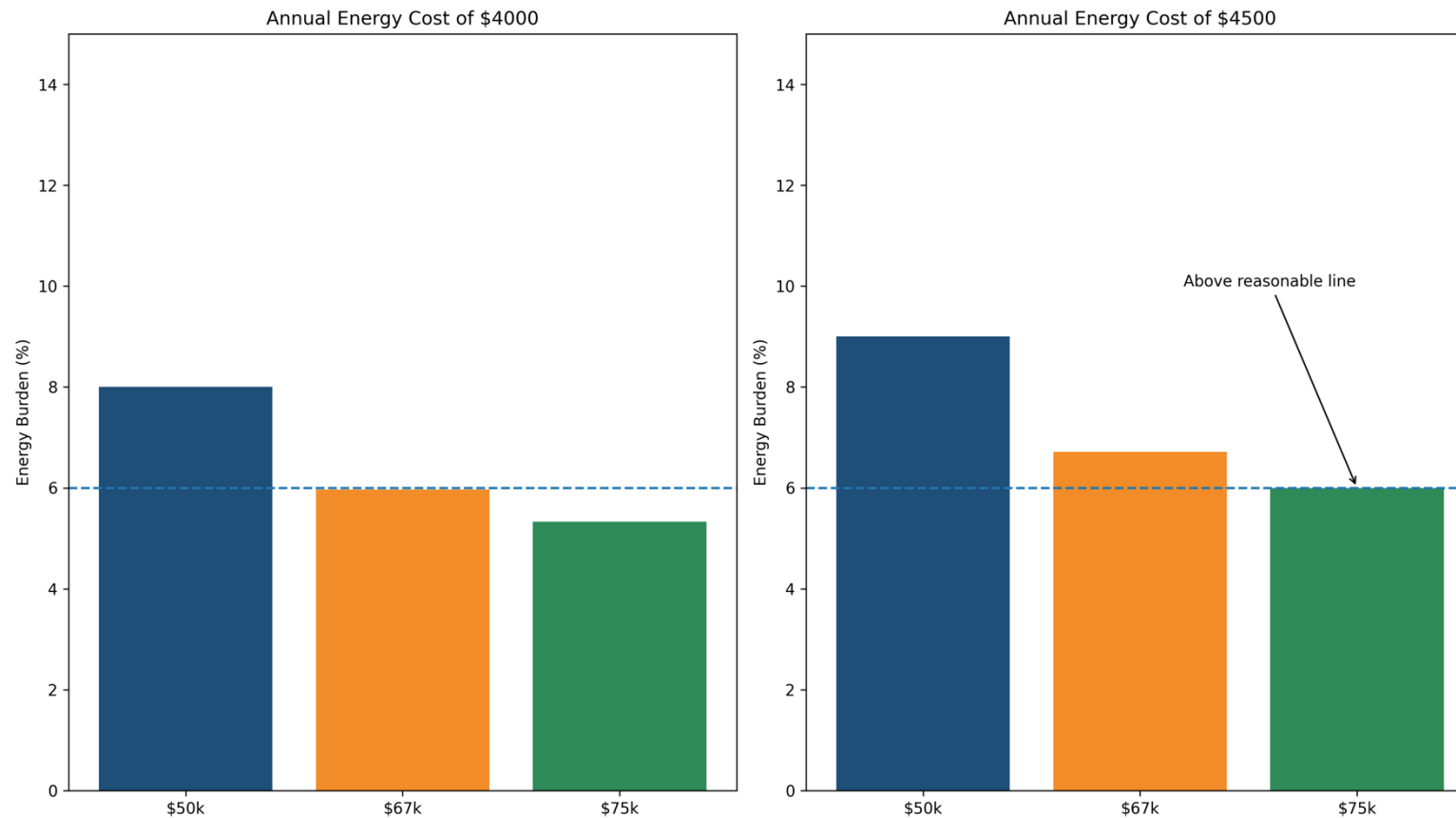
## How a \$4,000 Energy Expense Impacts Energy Burden Typical New England Household Energy Spending



**Source:** U.S. DOE LEAD Tool; EIA (average New England residential electricity ~\$2,000/year; total household energy costs ~ \$3,500–\$4,500)

## Rising Energy Costs are Pushing Energy Burden Further Into the Middle Class

- A \$500 increase in annual electric costs raises the income needed to stay under a 6% burden threshold by ~\$8,000.



# The Real-World Impact of Rising Energy Costs in New England

## Hardship and Disconnections

- ✓ **One in three** lower-income New England households report cutting back on essentials like food or medicine to pay energy bills  
(Source: RMI, DOE LEAD Tool)
- ✓ **13%** of New England households (roughly **1 in 8**) are behind on energy bills  
Source: NEADA
- ✓ **Utilities across** New England report shutoffs have increased in recent years due to rising energy costs  
Source: NCLC analysis of state data)

## Escalating Energy Costs & Burden

- ✓ **Lower-income households in** New England spend **3-4x** more of their income on energy vs. higher-income households  
(on average, ~7% vs. ~2%)  
Source: DOE LEAD Tool
- ✓ **1 in 4 low-income** households in New England spend **>12%** of income on energy  
Source: ACEEE
- ✓ **Energy burden** can exceed **15-30%** in parts of New England  
Source: ACEEE, DOE data

# Where New England Is Converging — And Where Work Remains

## Areas of Growing Consensus

- Energy affordability has emerged as a central policy issue across the region
- Customers experience affordability through the total bill — not individual rates
- The affordability challenge is expanding beyond low-income households

## Open Questions for the Region

- How should energy affordability be defined and incorporated into regulatory decisions?
- How should the costs of energy policies be allocated across customers?
- What is the right balance between state policies and regional solutions?

# Closing Thoughts from a Former Consumer Advocate

## The Problem Customers Experience

- ✓ Energy affordability is no longer a **niche issue** — it now affects **all segments of customers**
  - Energy bills have increasingly become **repositories for energy policy costs**
  - Customers experience bills as **confusing, opaque, and beyond their control**

## What Needs to Change

- ✓ Rethink what belongs on energy bills — **no third rails**
  - Programs funded through bills should undergo **thorough and repeated cost-effectiveness tests** and **measures to prevent fraud**
  - Priority should go to programs that **deliver broad benefits to customers**

## What Must Remain

- ✓ Protecting vulnerable households facing extreme energy burdens must remain the **top priority**