

New York's Household Energy Burden Imperative: Challenges and Solutions

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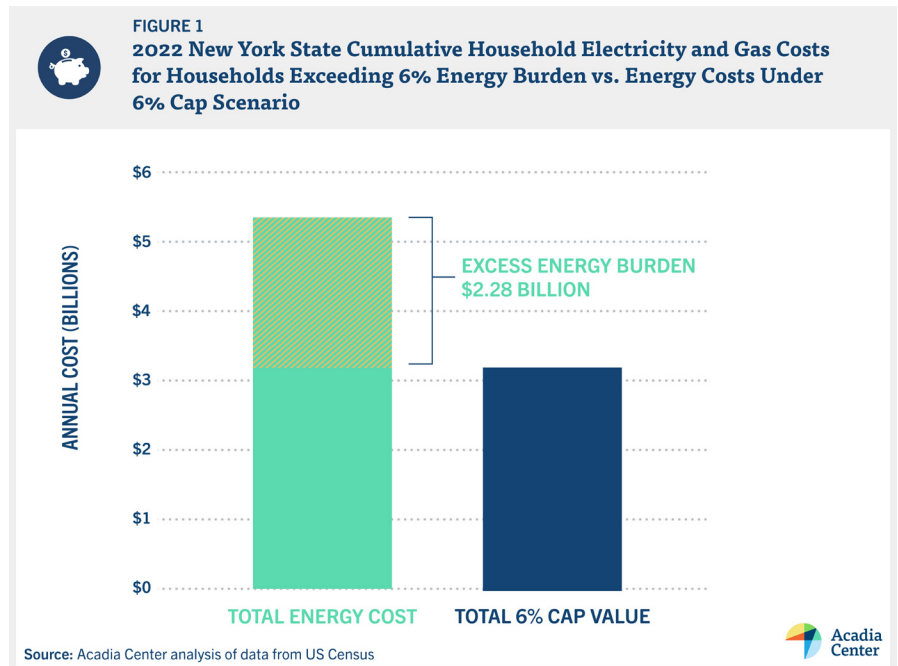
More than 2 million New York households face energy burdens—the percentage of gross household income spent on home energy costs—above 6% of household income. Experts agree that household energy burden above 6% is excessive. This report estimates that the annual cost of excess household energy burdens in New York above 6% of household income in 2022 for electric and gas utility costs totals \$2.28 billion. Excess energy burden costs in New York are borne almost entirely by low-income households, defined as households with annual incomes lower than \$45,000.

Since 2016, New York has embraced a policy goal of limiting energy burdens to 6%. Despite some strides made to attain this goal, significant work remains to be done to reduce excessive energy burdens in the State. In light of these challenges, the NY HEAT Act (under consideration by the Legislature) would seek to codify a 6% energy burden cap in statute.

Despite the cost of excess energy burdens in New York, addressing excess energy burden needs in the state is achievable. Policymakers and regulators have many program and policy solutions at their disposal to help meet a 6% energy burden cap, including:

- Solar for All Community Solar
- Energy Affordability Program (EAP) and Arrears Management Plans
- NYPA REACH Credits
- EmPower+ Electrification Retrofits
- Weatherization Assistance Program (WAP)
- State and Utility Low and Moderate-Income Energy Efficiency Programs
- RGGI Program Funding
- Federal Funding Through the IRA and IIJA
- Advanced Rate Design Reforms
- Cap-and-Invest Rebates and Decarbonization Investments
- Disbursements from the General Fund

The report finds that, taken together, these solutions provide a plausible pathway for New York to direct roughly \$2.45 billion per year toward energy burden relief, compared to the \$2.28 billion in total estimated existing energy burdens. The report concludes that codifying New York's existing 6% energy burden policy goal into law is achievable with modest modifications to existing policies and programs.



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