

It's been 3 years since *Energy Burden in Milwaukee* was released.

What has changed?

The short answer: Not much.

2021 report background

In April 2021, Sierra Club and several other organizations released [*Energy Burden in Milwaukee: Study Reveals Major Disparities & Links to Redlined Areas*](#). Energy burden is the percentage of household income that goes toward energy bills. 6% is considered a high energy burden rate.

The 2021 report identified that Black and Latinx neighborhoods in the Metro Milwaukee area experienced disproportionately high energy burden rates compared to majority white census tract neighborhoods. In the 2021 report, majority white neighborhoods had a median energy burden of 2.1% while majority Black neighborhoods and majority Hispanic and Latinx neighborhoods had more than double the median energy burden, at 5% and 5.3% respectively. At that time, households below 1.5 times the Federal Poverty Line spent as much as 15-20% of their income on energy bills.



This racial disparity in energy burden is one of the highest in the country. The study also found a correlation between energy burden and historically redlined areas, demonstrating that high energy burden rates resulted from a combination of factors on both the income and expense sides. Not only are Black and Latinx majority census tracts on average lower income than white majority census tracts, but energy bills also tend to be higher in those neighborhoods of color due to disproportionately high rates of older, inefficient, and/or rental housing.

2024 Report Summary

The following sections outline the findings of the 2024 report update. Findings include:

- Median energy burden for each racial demographic has slightly decreased.
- Racial disparities in energy burden in Milwaukee remain high.
- The lowest income households are experiencing a higher energy burden than in the 2021 report data.
- We Energies' increase in rates and new, costly fossil fuel infrastructure exacerbate both energy burden and public and environmental health in the region.
- Policies including low income programs, energy efficiency programs, clean energy expansion and more should be implemented to decrease energy burden.

“I remember a bad winter that extended into spring months when I was a kid. Something peculiar happened that year that had never happened to me before. My parents instructed myself and my younger brother and sister to go live with my older sister for a few months until the summertime. I remember trekking through icy cold, knee high snow in frigid temperatures, nose running, and feet shaking despite my being bundled. And I remembered the sense of hope and peace I was able to possess as I looked forward to returning to my sister’s house at the end of the school day and snuggling under cozy blankets in a heated space.

Summertime eventually came and my little brother and sister and I moved back in with my parents. I wasn’t able to fully grasp the blessing in this story until I became older and realized what had happened. The electric shut-off moratorium had passed and my parents made an executive decision to ensure my safety by putting me in an environment that was able to meet my basic survival needs even though they knew that theirs were not going to be met.

I empathize and began to only fathom what hardships, challenges, and difficulties they had to face during that extended winter as seniors living in unfit conditions due to years of raised bills and lack of adequate home energy efficiency improvements combined with unjust practices aimed at taking advantage of populations by entities like We Energies.

So I charge all of these entities adding to the energy burden, pollution, health crisis, and climate impact to completely eliminate their malpractices and transition to a clean economy with renewable energy. I challenge these We Energies and other utilities to stop disproportionately affecting and taking advantage of the same communities they are serving. ”

– **Cosmic Shaman, Milwaukee resident**

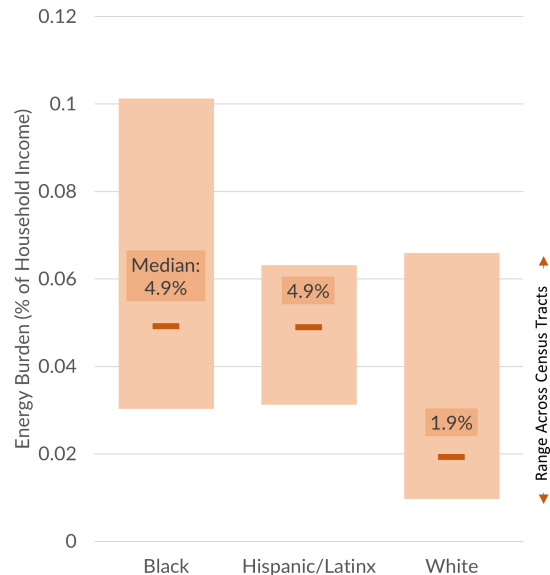
Median energy burden has decreased slightly.

In updated research, the racial disparity remains very similar today, with a median energy burden of 1.9% for majority white neighborhoods, compared to 4.9% for both majority Black neighborhoods and majority Hispanic/Latinx neighborhoods. Slight increases in median income have lowered median energy burdens.

White neighborhoods saw a larger decrease in burden than neighborhoods of color. Black neighborhoods in particular saw the smallest decrease in energy burden.

Energy burden estimates are based on five-year averages, so it takes time for the impact of rate hikes to be reflected in the data, even though these impacts are being felt today.

Figure 1: Energy Burden in Milwaukee metro region by race, 2024 Report

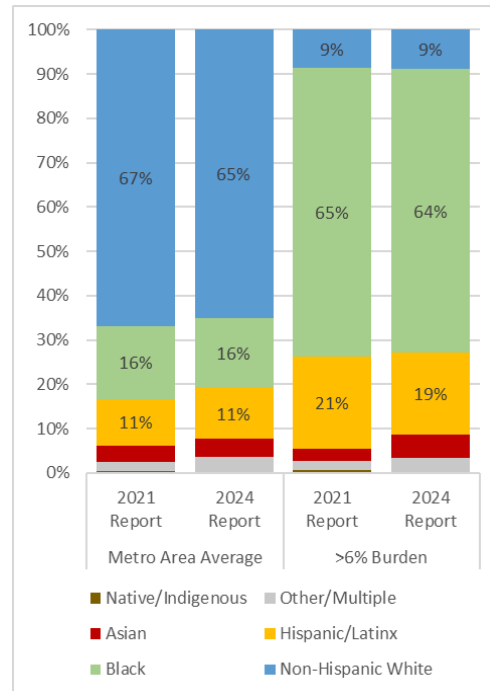


Racial disparities in energy burden remain among the highest in the nation.

Energy burden disparities in the Milwaukee metro region remain high. While 16% of Milwaukee’s metro population is Black, 65% of residents of high-burden neighborhoods are Black. 11% of the metro area population is Hispanic or Latinx, but 19% of the population in high-burden neighborhoods is Hispanic/Latinx. The Milwaukee metro area’s white population is about two thirds of the total population, but white residents only account for 9% of the population in high-burden neighborhoods.



Figure 2: Median energy burden compared to high energy burden by race



The lowest income customers are worse off.

While median energy burden is slightly lower than in the 2021 report, some of the lowest income customers in the region are experiencing significantly higher energy burden now. Low income households that fall below 1.5 times the federal poverty level spend as much as 20-26% of their income on energy bills, up from 15-20% in 2021.

“I was born and raised in Milwaukee, always on the Northside. I am a mother of 7 adult children and grandmother of 7 grandchildren, two of whom have special needs that I am the legal guardian for. I have worked since I was 11 years old. For the last 6 years or so I have been disabled and on a fixed income. My children and I are asthmatic and I sleep with a CPAP, so reliable and clean electricity is needed for our health.

Last time our power went out during a winter storm, our food spoiled, our pipes froze, and the sump pump failed. Our basement flooded. Now I not only have a ridiculous bill from We Energies, but I also have to find the money to replace our spoiled food and repair the damage in our home.

My income has not changed, so all of these rate increases have made this harder! I always have to decide who I should not pay in order to pay my utility bill.”

- Maria, Home owner of a 113 year old Duplex in Lindsay Heights Community for 30+ years

We Energies continues costly fossil fuel projects and high rate increases.

We Energies continues to contribute to the high energy burdened rates in the Milwaukee region. Over the past two years, We Energies has received more than a 13% rate increase and continues to propose costly fossil gas projects that will contribute to higher rates, resulting in stranded assets, and adding to air pollution in the region.

The latest reported figures show that 64% of We Energies' power in Wisconsin comes from dirty, harmful fossil fuels, with its largest plant, Oak Creek, burning 3 million tons of coal each year. The Oak Creek coal plant is just south of Milwaukee and contributes to high rates of pollution, increased asthma attacks and other adverse health conditions. We Energies received a D in [our latest analysis of their plans to transition to clean energy](#), and is only planning enough renewable energy to replace 8% of their coal and gas generation (as of July 2023).

Figure 3: Asthma rate by census tract

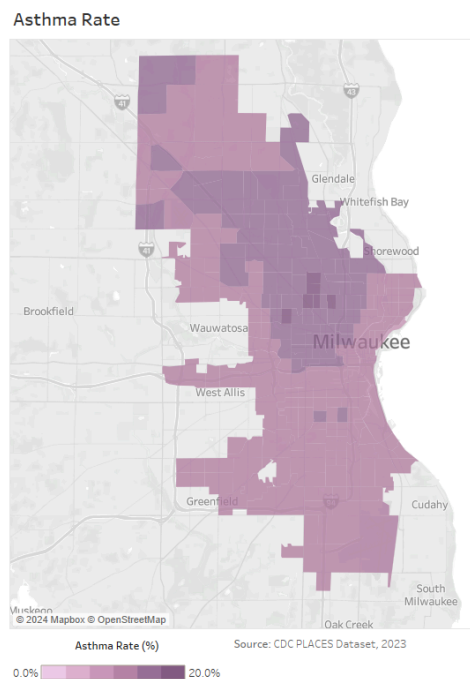
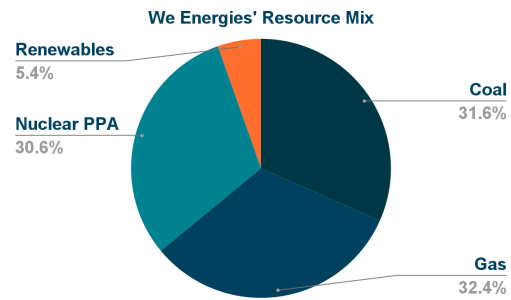


Figure 4: We Energies' 2023 resource mix, owned + power purchase agreements (PPA)



This year, We Energies will have another rate case through the Public Service Commission (PSC). In rate cases, utilities ask for approval of their expenditures and rate structures. Already, We Energies is proposing a massive 3000 megawatt expansion of fossil gas infrastructure. We Energies has asked the PSC for funding to begin work on this gas plant *prior* to it receiving the required PSC permits. If this request is approved by the PSC, it puts customers on the hook for a costly project, while cutting them out of the approval process. We Energies has not yet filed its 2024 rate case proposal, yet it seems likely that there will be another proposed rate increase in addition to this fossil gas infrastructure.

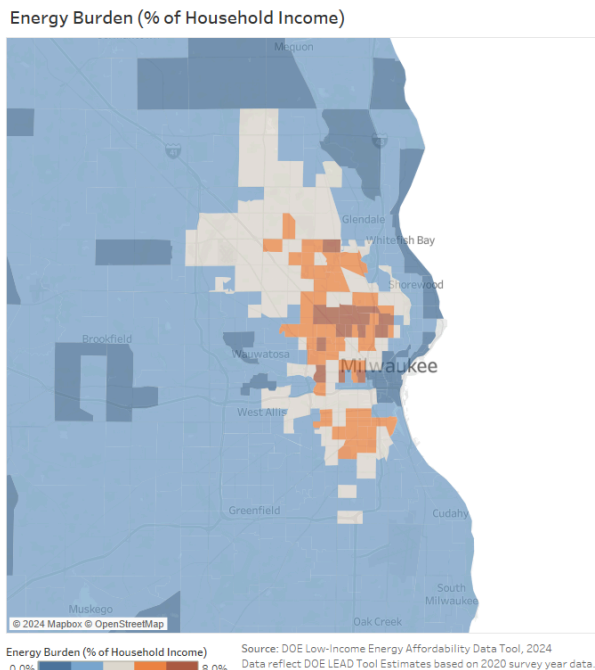
Some progress has been made, but not nearly enough.

Through focused advocacy from community organizations, awareness of energy burden has increased. Many high energy burdened residents have spoken up at hearings and rallies to express the harms they are encountering. Residents shouldn't have to choose between paying utility bills and rent, food or medicine. Having affordable access to lights and power should be a basic human right.

Beyond the heightened attention by the public and in the press, PSC commissioners have acknowledged the severity of the energy burden in Milwaukee and the high energy rates in Wisconsin. In 2022, the state’s Focus on Energy energy efficiency program announced that it would pursue an energy efficiency program that targets high energy burden neighborhoods. In the 2022 and 2023 rate cases, commissioners did not grant the full excessive rate increases proposed by utilities, citing affordability challenges by customers.

Additionally, the PSC required We Energies to explore a Percentage of Income Payment Program (PIPP) pilot and to review their current Low Income Forgiveness Tool (LIFT) to identify ways to support low income and high energy burden customers. The City of Milwaukee’s Climate and Equity plan also identifies addressing energy burden and expanding energy efficiency options as key pieces to addressing climate action and energy equity.

Figure 5: Energy burden by census tract



Recommendations

Despite the discussions and investigations on energy burden, few concrete actions have been taken by We Energies and the PSC to reduce energy burden – or the racial disparities in high energy burden rates. Residents and advocate organizations continue to push for concrete solutions to energy burden including:

- No additional rate increases by We Energies, especially related to new and costly fossil fuel infrastructure.
- Implementation of a PIPP and improvements to LIFT.
- Expanded energy efficiency opportunities (both via Focus on Energy and through the utility and local government) to decrease energy bills and make housing more safe, comfortable, livable and affordable.

“In 2019, I moved into my own place with my sibling and their partner. Affording housing and utilities was difficult, even between the three of us. Bill payment time was always very stressful for us and it would throw off my mood and focus each month.

Many landlords in Milwaukee do not accept energy assistance or discriminate against tenants who need it. Additionally, landlords do not update windows, doors, insulation, etc within their properties to reduce energy costs, resulting in tenants paying more for something that could have been prevented in the first place. Although the [utility] cannot shut off heating for residents during the winter months, it was a daily battle to be able to keep warm enough in my home while also being mindful of the amount of energy we used and how it would affect our final bill.

Nobody should have to choose between being comfortable and safe within their home in order to save some money.”

- Amaya, 24-year-old Native American/Latina woman who has lived in Milwaukee since 2016

Appendix

Figure 1: Energy Burden in Milwaukee metro region by race, 2021 report median (gray) and 2024 report median (red) compared

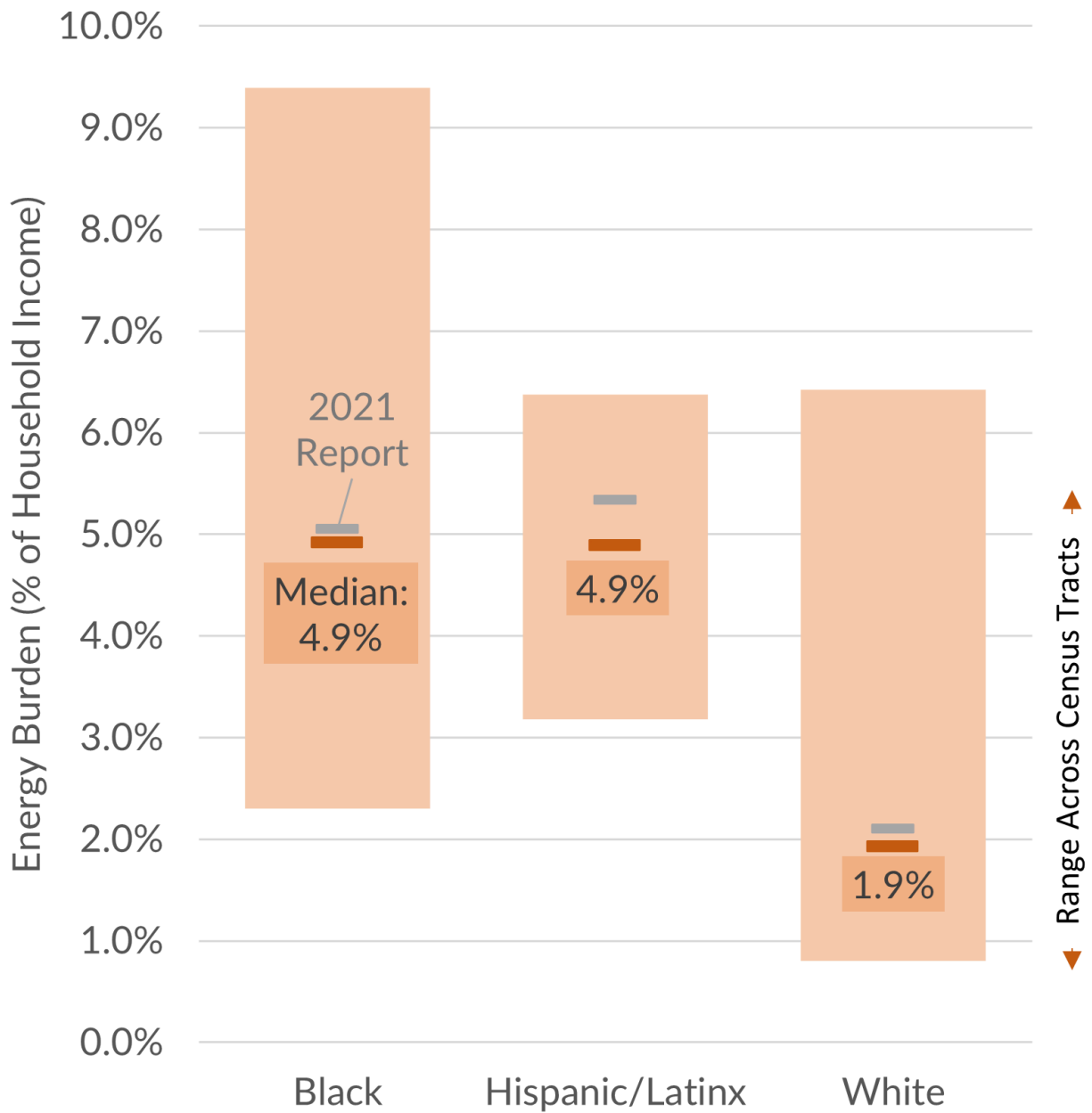


Figure 2: Median energy burden compared to high energy burden by race, 2021 report and 2024 report compared

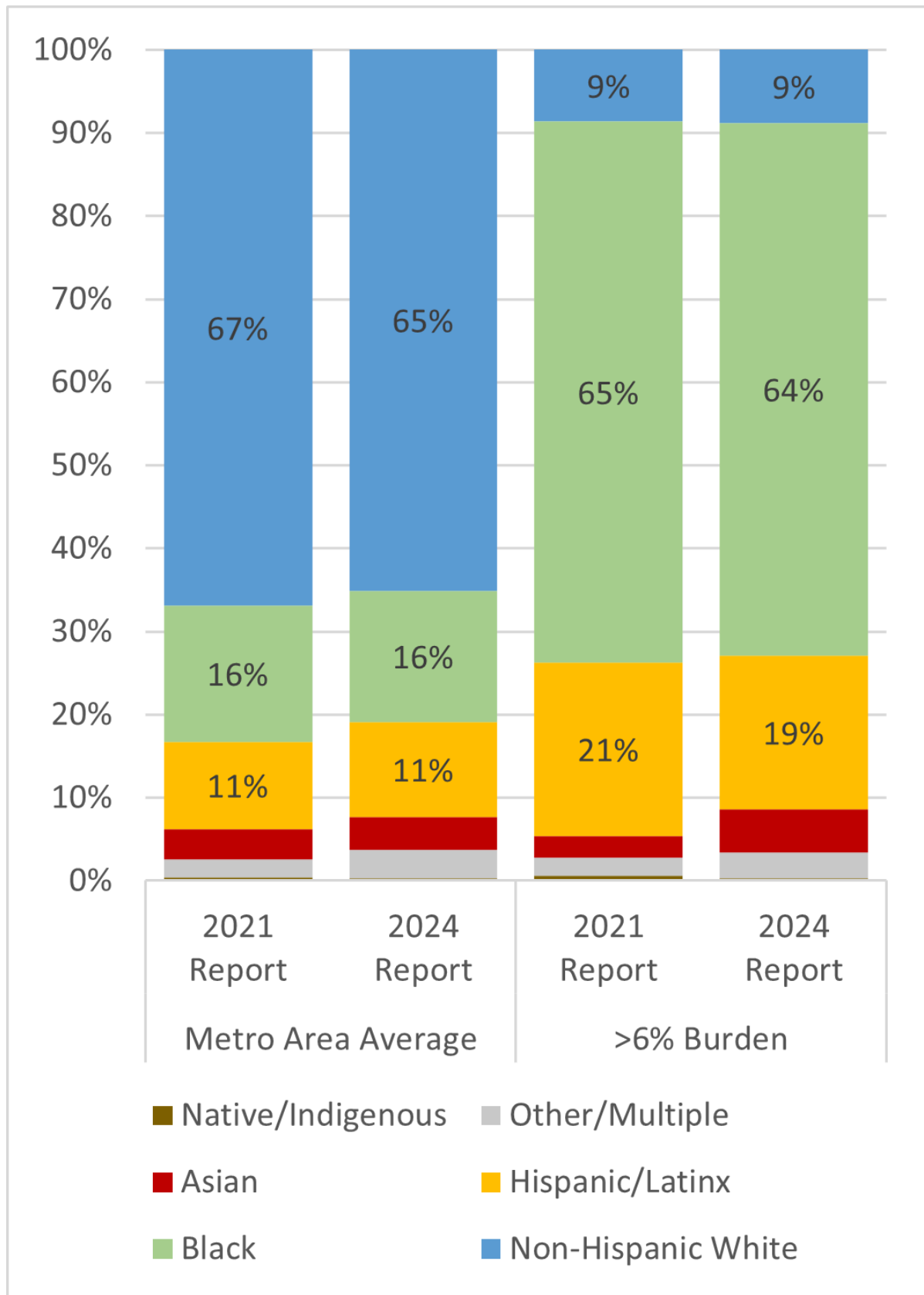
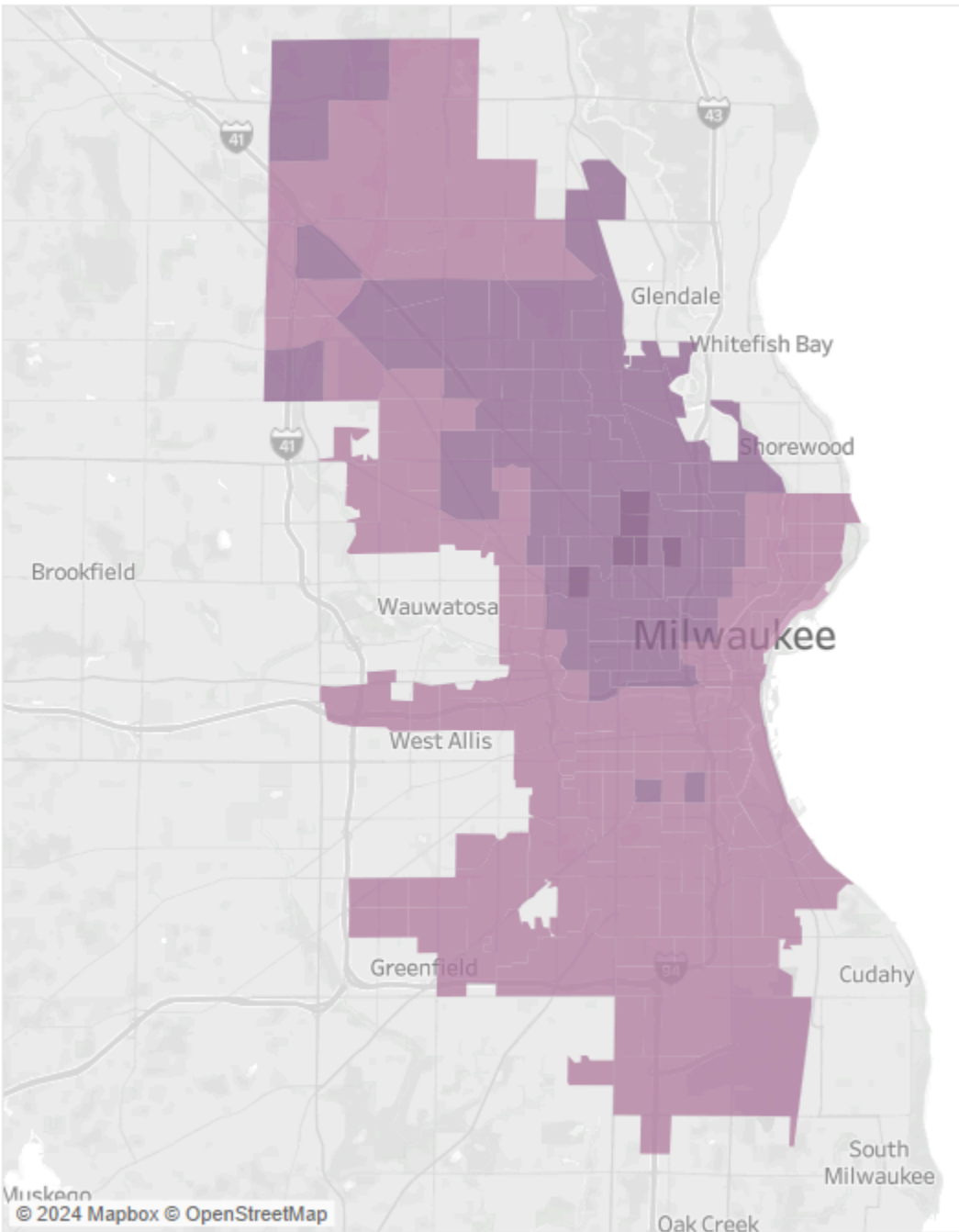


Figure 3: Asthma rate by census tract

Asthma Rate



Asthma Rate (%)

Source: CDC PLACES Dataset, 2023



Figure 4: We Energies' 2023 resource mix, owned + power purchase agreements (PPA)

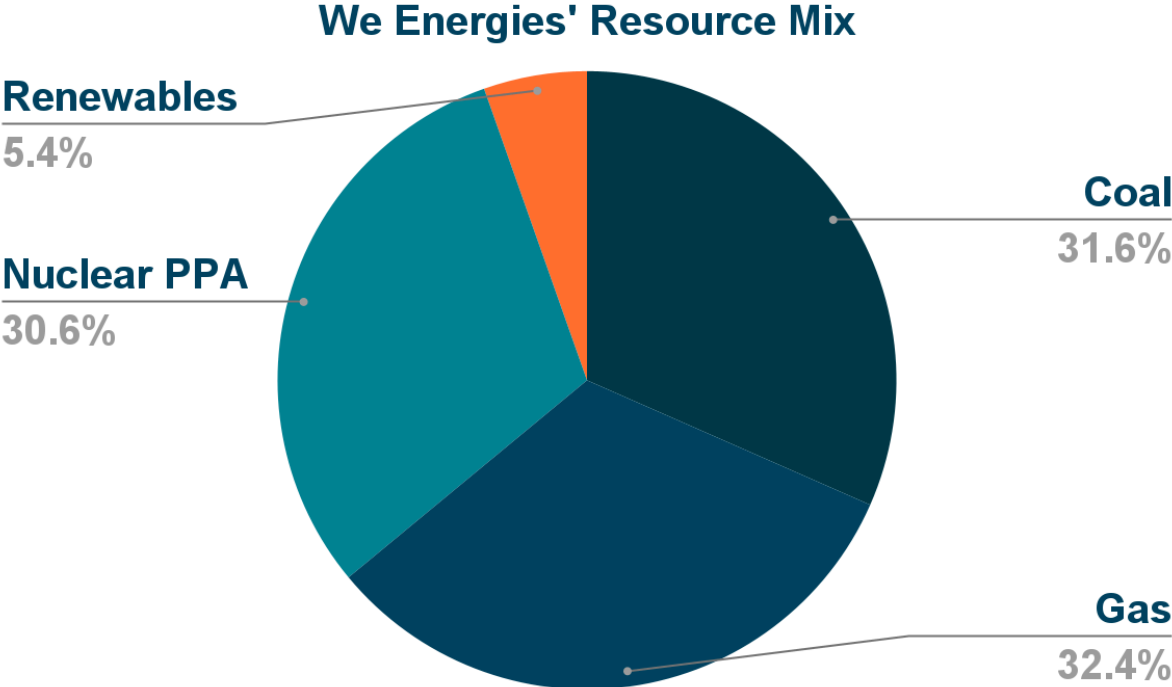
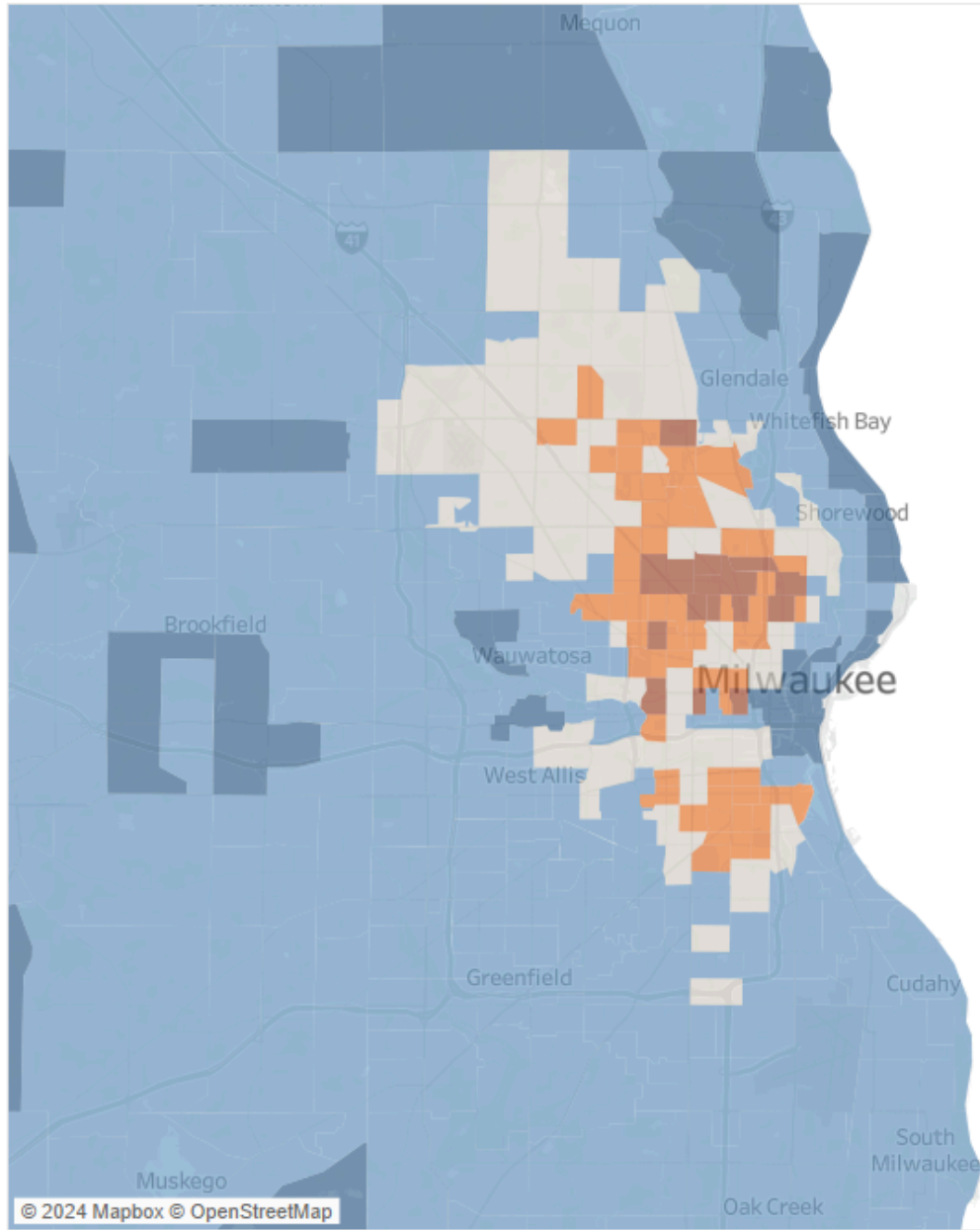


Figure 5: Energy burden by census tract
Energy Burden (% of Household Income)

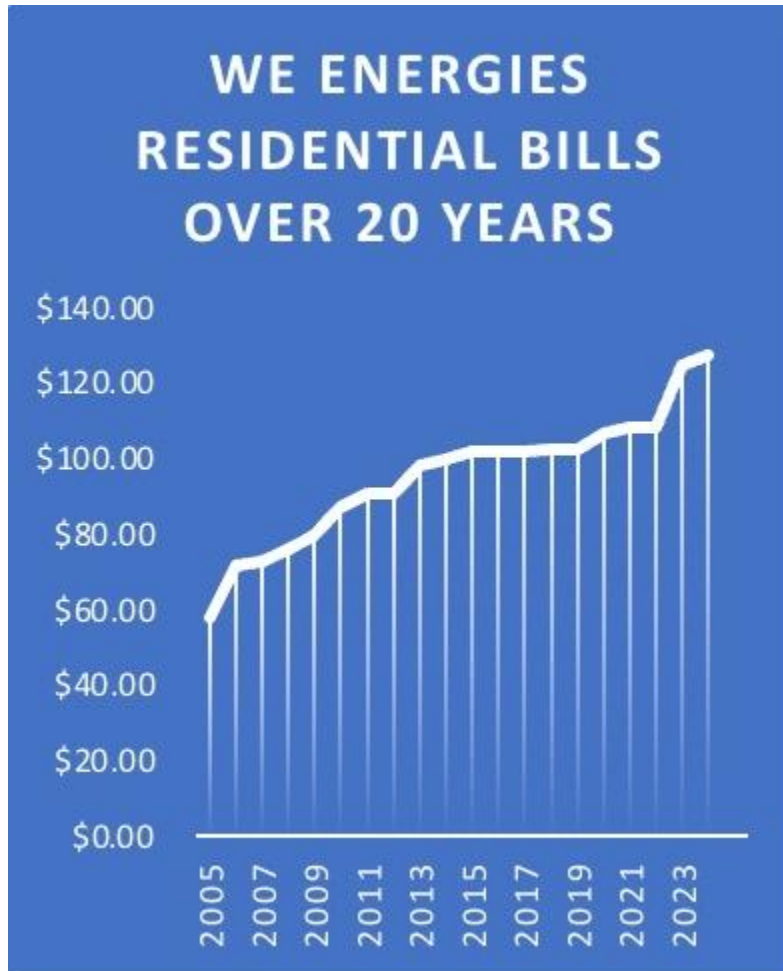


Energy Burden (% of Household Income)
0.0% 8.0%

Source: DOE Low-Income Energy Affordability Data Tool, 2024
Data reflect DOE LEAD Tool Estimates based on 2020 survey year data.

Additional Maps and Graphs

We Energies Residential Rate Averages Over Time

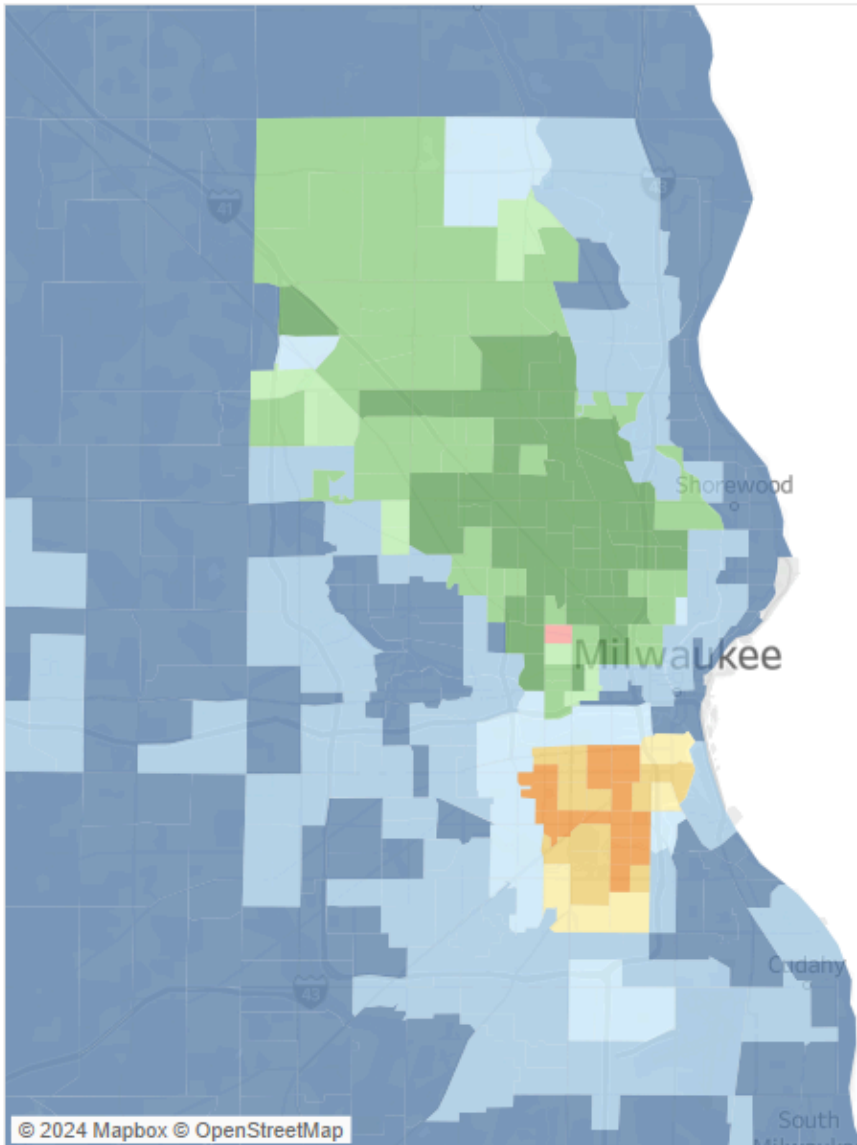


The current bill for a We Energies customer who uses 660 kWh per month is \$127.29 a month, up from \$57.59 in 2005. This is an increase of about \$69 a month or 120%. If bills had increased at the rate of inflation since 2005, they would be under \$95 per month.

Source: Citizens Utility Board, 2024

Map of racial demographics by census tract

Racial Demographics by Census Tract



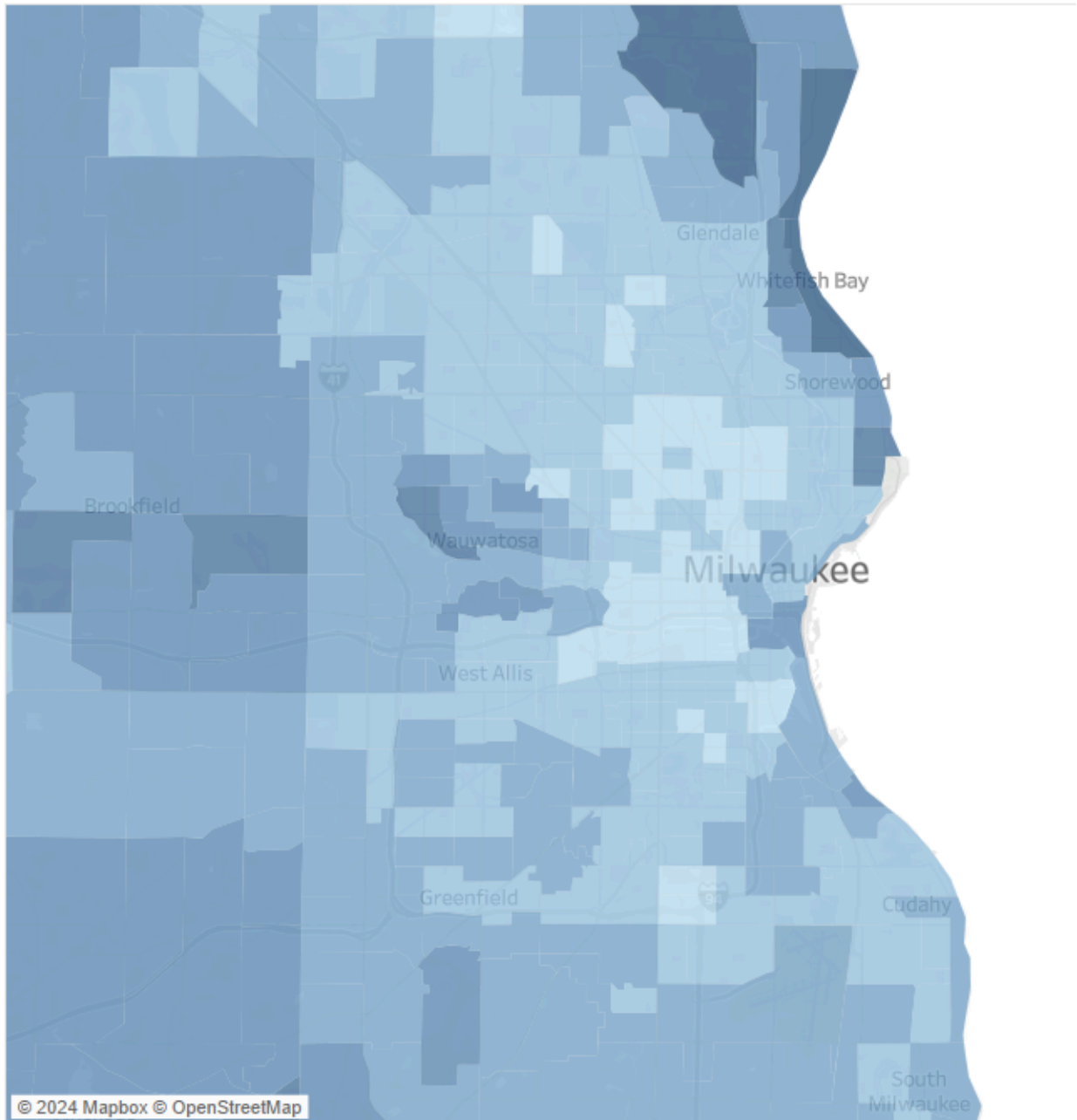
Predominant Racial Demographic

- | | |
|--|--|
| ■ Asian >50% | ■ Hispanic/Latinx >50% |
| ■ Black <50% | ■ Hispanic/Latinx >75% |
| ■ Black >50% | ■ White <50% |
| ■ Black >75% | ■ White >50% |
| ■ Hispanic/Latinx <50% | ■ White >75% |

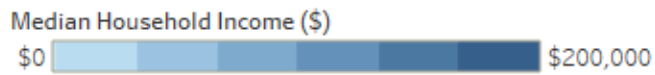
Source: Census American Community Survey (2022).

Map of income demographics by census tract

Median Household Income



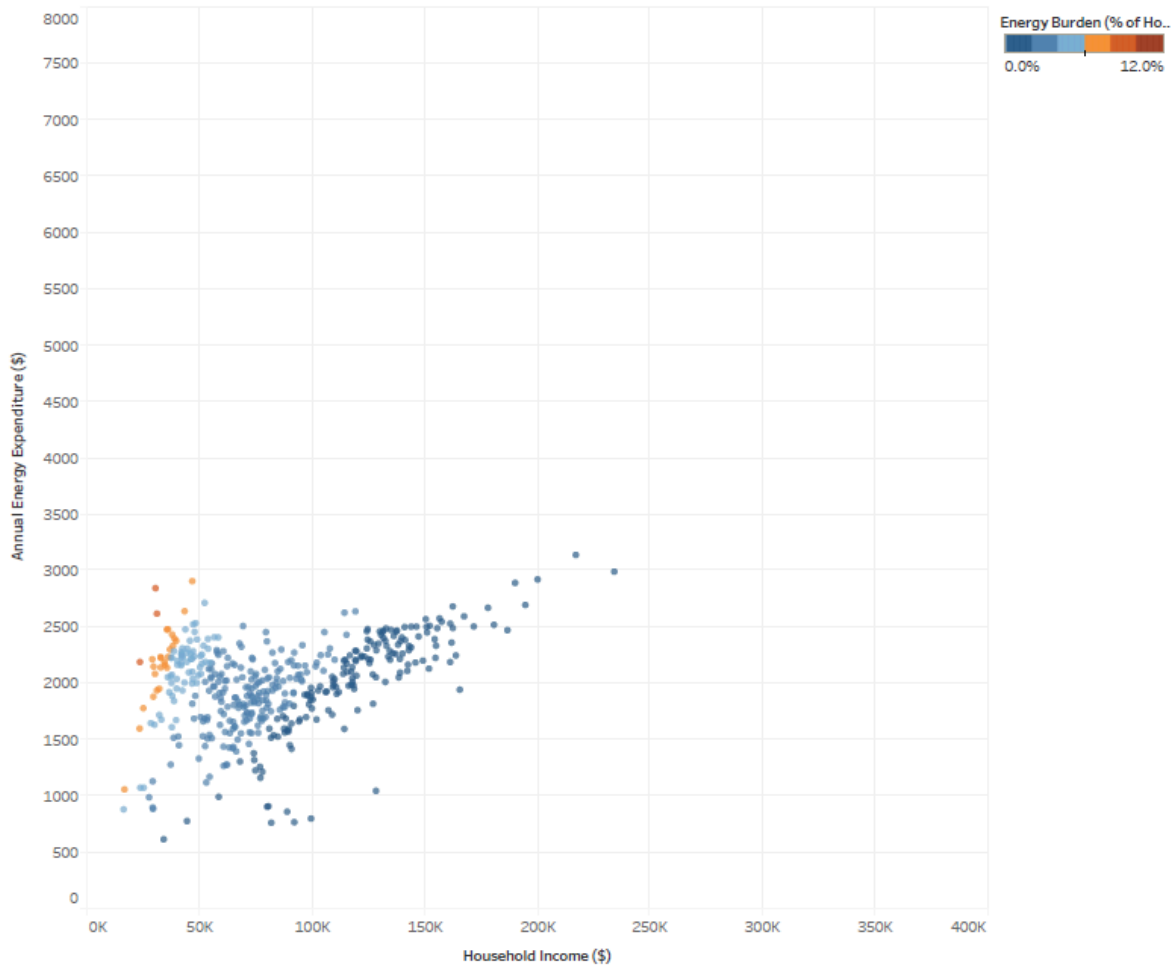
© 2024 Mapbox © OpenStreetMap



Source: Census American Community Survey 2022.

Energy expenditures compared to household income by census tract

Energy Expenditures vs. Household Income by Tract



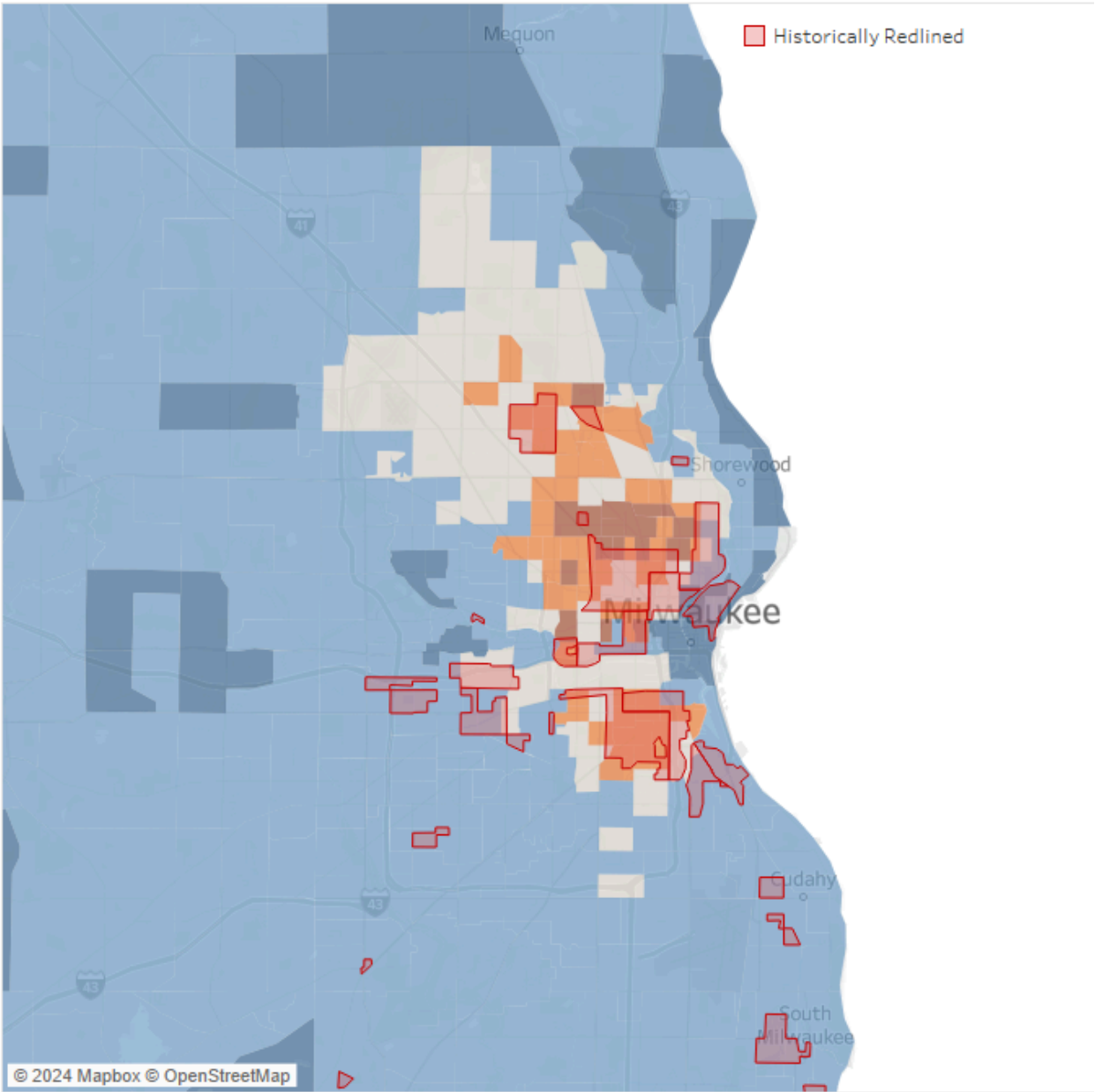
Sum of Household Income vs. sum of Expenditure Calc. Color shows median of Burden Calc. Details are shown for Long GEOID. The data is filtered on Stusps, MSA, Majority Demographic Bands, Above Burden Threshold, County Name1 and City. The Stusps filter keeps WI. The MSA filter keeps Milwaukee-Waukesha, WI. The Majority Demographic Bands filter keeps 21 of 21 members. The Above Burden Threshold filter keeps Above. The County Name1 filter keeps 1,871 of 1,871 members. The City filter keeps 435 of 435 members.

Average energy expenses vs. average household income, high energy burden vs. all other census tracts compared

	High Energy Burden Tracts (>6% Burden)	All Other Census Tracts (<6% Burden)
Average Energy Expense	\$2,210	\$1,170
Average Household Income	\$33,000	\$87,000

Energy burden by census tract and historically redlined neighborhoods

Energy Burden (% of Household Income)



Energy Burden (% of Household Income)
0.0% 8.0%

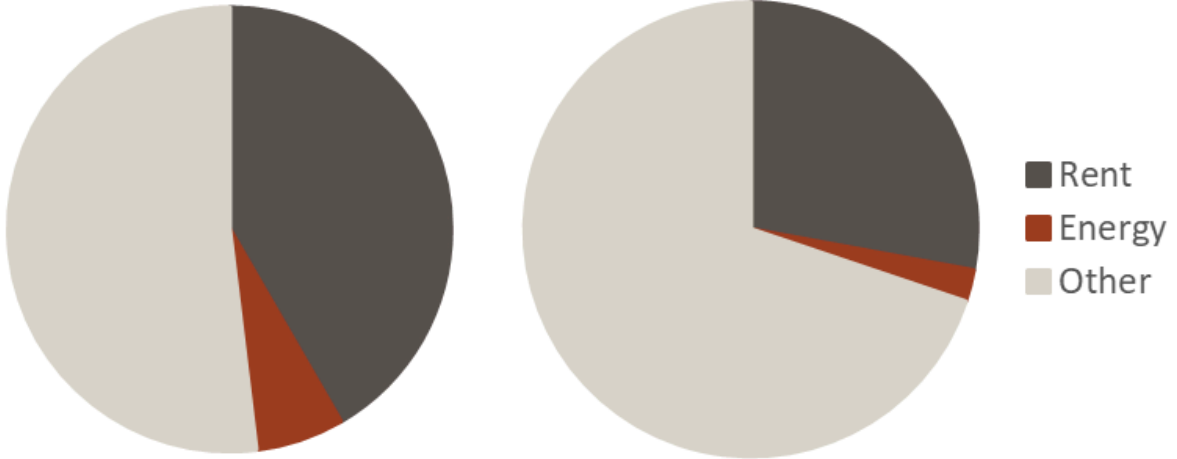
Source: DOE Low-Income Energy Affordability Data Tool, 2024
Data reflect DOE LEAD Tool Estimates based on 2020 survey year data.

Energy burden and rent share rates compared between high-energy burden and low-energy burden census tracts:

Median Rent and Energy burdens among census tracts with:

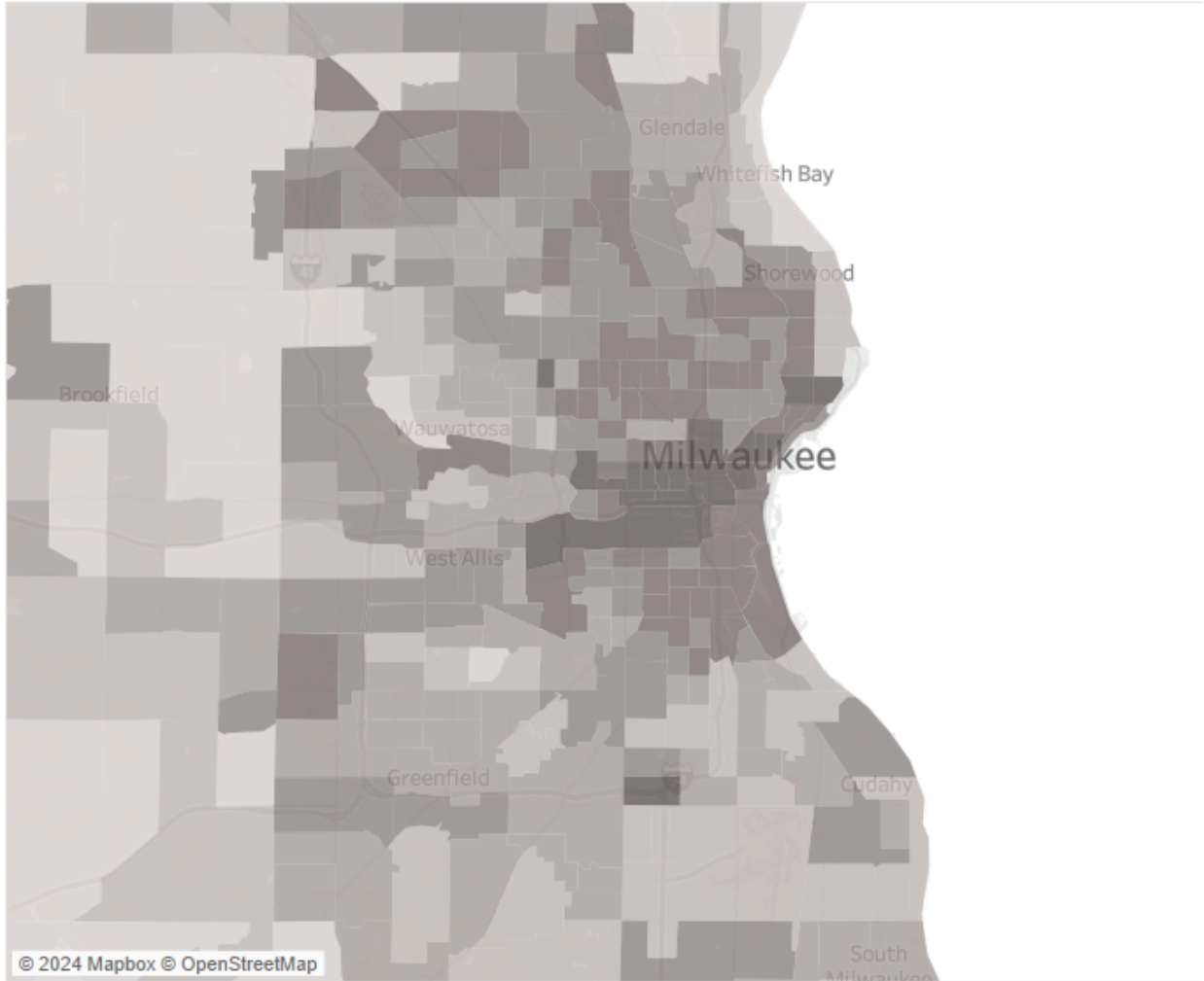
>6% Energy Burden

<6% Energy Burden



Average rental share (percent of income used for rent) by census tract

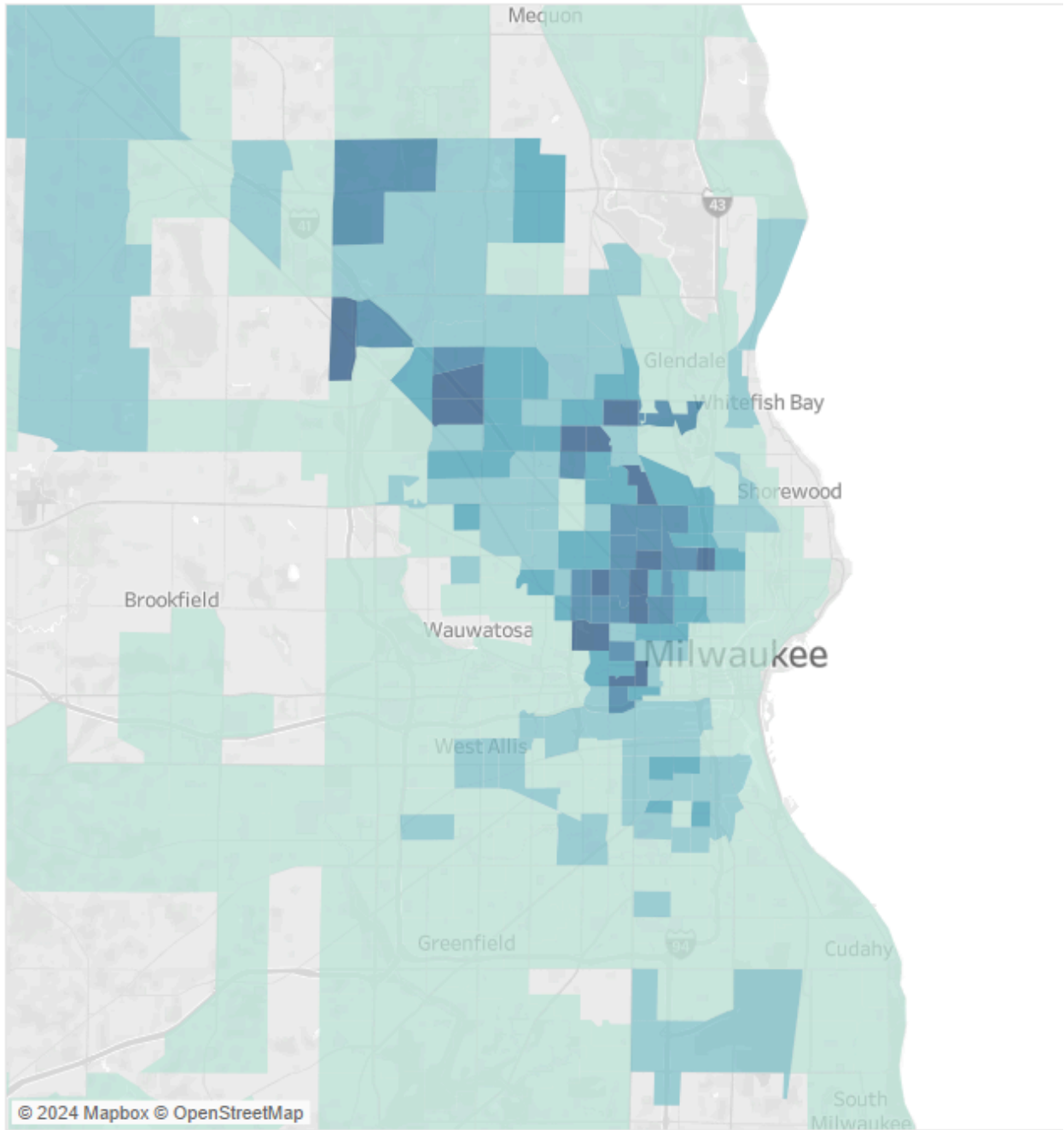
Rental Share (Percent of Households)



Source: Census American Community Survey 2022.

Eviction rate by census tract

Eviction Rate



Source: Princeton EvictionLab. Eviction rate data from 2018. Excludes census tracts with insufficient data.

Sources

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