



DISPROPORTIONATE ENERGY BURDEN REPORT LOUISIANA

MASSIVE LNG EXPORT BUILDOUT RAISES ENERGY BILLS, HURTING LOW-INCOME AND BLACK LOUISIANANS



As Louisiana builds more LNG terminals to export U.S. gas overseas, domestic gas prices become more linked to the volatile global gas market, resulting in higher prices for U.S. consumers.



High gas and electricity bills leave low-income Louisianans with an unsustainable “energy burden” – the share of their income spent on energy.



Louisiana’s lowest-income households, making \$10,000 per year on average, spend \$1 in every \$5 on energy bills.



Households in the state’s majority Black neighborhoods face a higher energy burden than those in majority white neighborhoods.

MORE LNG EXPORTS MEAN HIGHER ENERGY BILLS FOR U.S. FAMILIES

Louisiana has the most LNG export projects of any state in the country. Gas companies hope to quadruple the state’s export capacity with 16 proposed expansions or new projects.¹ LNG is liquefied methane gas – often referred to by the industry as “natural” gas – extracted by fracking. Exporting U.S. gas means we are competing with the global market for our own supply, resulting in higher prices domestically.² Since 2016 – the year that the U.S. first started exporting LNG – Louisiana households saw a 44 percent increase in the price of gas used for home heating and cooling,³ with the price reaching an all-time high

in 2023.⁴ Entergy Louisiana, the largest electric utility in the state, even warned its customers that higher gas prices would mean higher electricity bills.⁵ Entergy LA generates over half its power from gas,⁶ and when it buys gas to burn at power plants, those high fuel costs are passed on to customers in the form of higher bills for the electricity used to power lights, air conditioning, and more.

LOUISIANA’S LOWEST INCOME HOUSEHOLDS SUFFER THE HIGHEST ENERGY BURDEN

Oil and gas companies are rushing to build new LNG export terminals to line their executives’

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pockets, promising economic development for local communities. In reality, the resulting increase in gas prices harms residents struggling to pay their bills, especially those suffering from high energy burden. Energy burden is the percentage of household income that goes toward energy bills, and six percent is considered the threshold for high energy burden.⁷ In Louisiana, nearly 23,400 households are in neighborhoods (census tracts) with an average energy burden above that threshold.⁸ All but one of these neighborhoods are federally designated as “disadvantaged communities,” meaning they are generally “marginalized, underserved, and overburdened by pollution.”⁹

The lowest income households in Louisiana, defined as households making 30 percent or less of the state’s median income,¹⁰ put a staggering 17 percent of their income on average toward energy bills. That means Louisiana’s poorest households, with an average annual income of

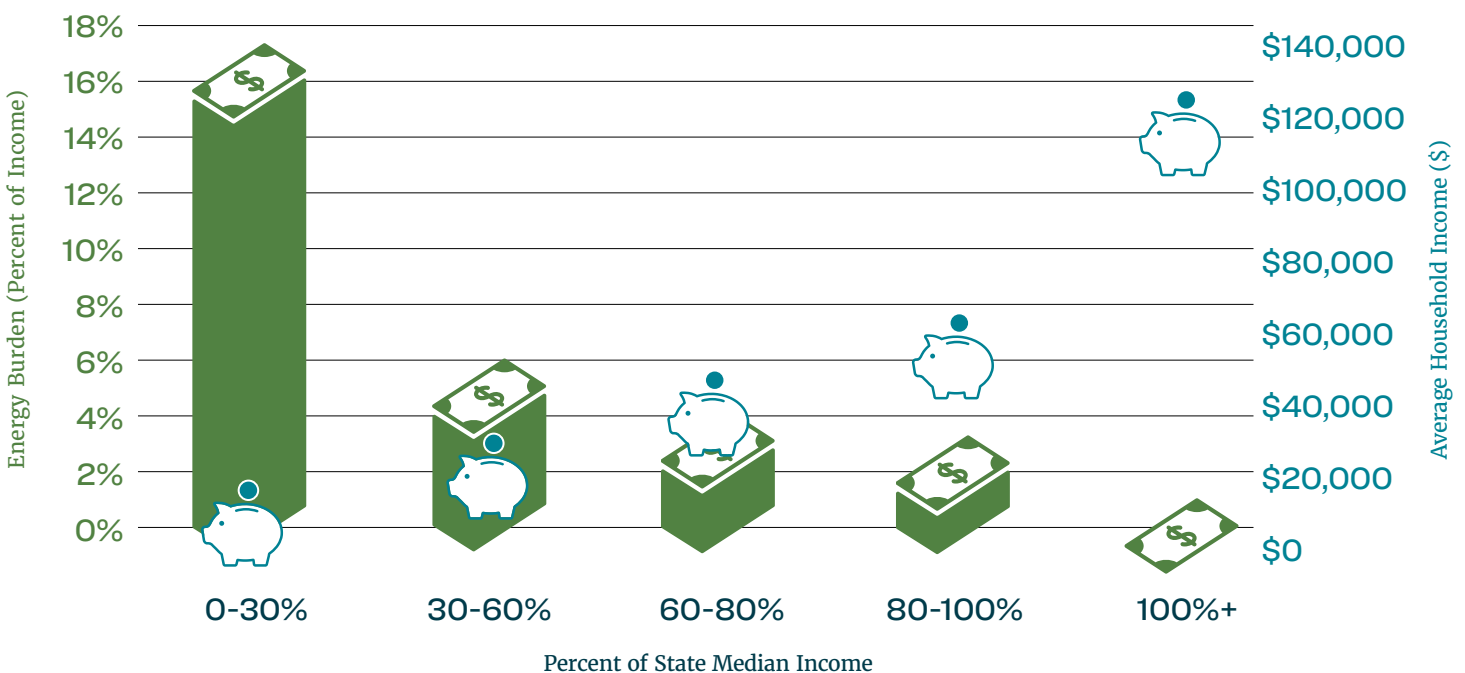
less than \$10,000, spend nearly \$1 in every \$5 of their paychecks just on energy.¹¹ In comparison, those making the state median income or greater (\$124,000 on average) only need to use one in every hundred dollars on energy. High energy burden can force low-income households to forgo saving for the future, or to make choices about which bills to pay, as families face many financial pressures. For instance, Louisiana has the highest credit card debt burden in the nation¹² – indicating that families’ incomes don’t meet their needs – and ranks as the 10th most expensive state for healthcare.¹³

In the neighborhoods burdened with operating and under construction LNG export terminals, the poorest households face a severe energy burden of 19 percent on average.¹⁴ These Louisianans face compounding harm from LNG. They have the polluting facilities in their backyards, threatening their air, water, and livelihoods. They are also highly vulnerable to increases in energy costs as

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Louisiana’s Lowest Income Residents Suffer Severe Energy Burden

Households making \$10,000 on average spend \$1 in every \$5 on energy



Data from Dept. of Energy’s Low-income Energy Affordability Data Tool as of June 2024

growing LNG exports result in higher gas prices around the country. And, as LNG exports fuel the climate crisis, these coastal communities face increasingly frequent and strong storms and heatwaves, placing additional pressure on energy bills and home maintenance expenses.

ENERGY BURDEN IS FELT UNEQUALLY ACROSS RACIAL GROUPS

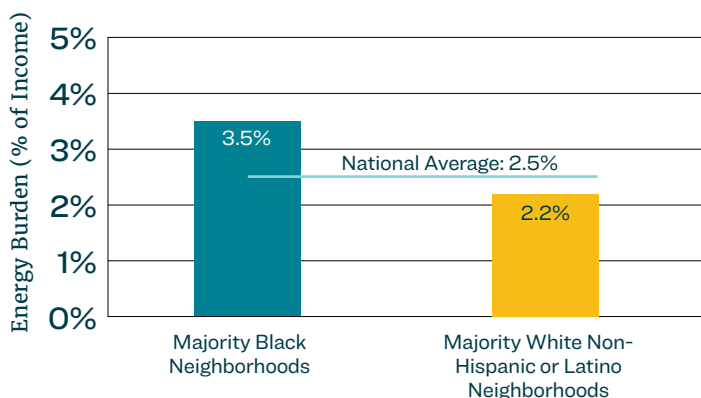
The impact of high energy costs is felt disproportionately in majority Black neighborhoods, with 86 percent of the Louisiana households that suffer high energy burden located in these areas. A history of redlining, housing segregation, and historic disinvestment has meant that majority Black neighborhoods have higher rates of older, inefficient, and rental housing, which costs more to heat and cool.¹⁵ Majority Black neighborhoods in Louisiana also have an average income that is 37 percent lower than that of majority white neighborhoods.¹⁶ As a result, on average Black neighborhoods in Louisiana spend 3.5 percent of their income on energy costs, while majority white neighborhoods spend 2.2 percent on average.

It is critical to do what we can to keep energy costs low so that low-income and Black households in Louisiana don't face increasingly high energy burdens. Louisianans deserve to benefit from the energy transition, rather than being burdened with LNG infrastructure and gas price volatility. LNG exports' upward pressure on domestic gas prices works against efforts toward affordability and racial equity in Louisiana.

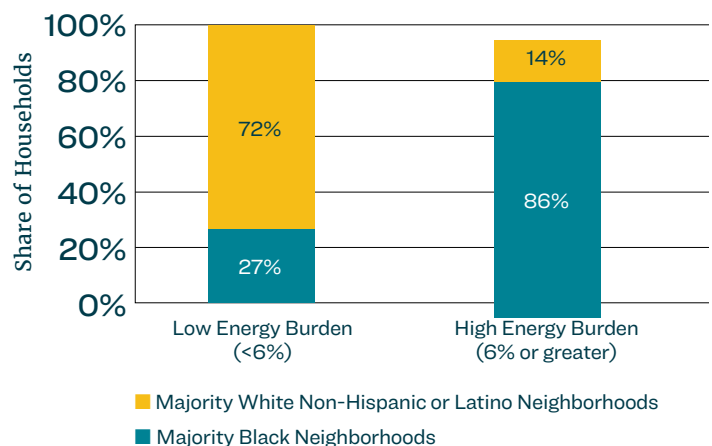
METHODOLOGY

Data on energy burden, income, and demographics at the census tract level were downloaded from the U.S. Department of Energy's [Low-income Energy Affordability Data Tool](#) in June 2024. Each tract (neighborhood) was assigned a racial group based on the racial group that makes up the majority of that tract's population. In all cases, the racial group with the highest share of the population represented a majority of the population (50 percent or greater). The charts comparing energy burden by racial group exclude racial groups that made up the majority of one or no census tracts. All averages were weighted by the number of households.

Louisiana's Black Neighborhoods Face Higher Energy Burden



86% of Louisiana's High Energy Burden Households are in Black Neighborhoods



Data from Dept. of Energy's Low-income Energy Affordability Data Tool as of June 2024

Notes

¹[US LNG Export Tracker](#), Sierra Club, as of June 2024.

²See for instance: Clark Williams-Derry, [LNG exports have raised natural gas prices for U.S. households](#), Institute for Energy Economics and Financial Analysis, November 2023.

³[The Impact of LNG Exports on U.S. Energy Bills and Inflation](#), Public Citizen and Symons Public Affairs, May 2024.

⁴[Louisiana Price of Natural Gas Delivered to Residential Consumers](#), U.S. Energy Information Administration, May 2024.

⁵New Orleans Editorial Team, [The higher cost of natural gas and its impact on your utility bill](#), Entergy Louisiana, August 2022.

⁶[2023 Integrated Resource Plan](#), Entergy Louisiana, May 2023, page 26.

⁷Ariel Dreihobl, Lauren Ross, and Roxana Ayala, [How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States](#), American Council for an Energy-Efficient Economy, September 2020, page ii.

⁸This and all following energy burden data are sourced from: [Low-income Energy Affordability \(LEAD\) tool](#), U.S. Department of Energy's Office of State and Community Energy Programs, downloaded 11 June 2024.

⁹[Climate and Economic Justice Screening Tool: Frequently Asked Questions](#), Executive Office of the President of the United States, February 2022.

¹⁰The state median income is the income level where half the state makes less than that amount and half makes more.

¹¹DOE's [LEAD Tool](#) finds that households making 0–30 percent of Louisiana's median income have an average annual household income of \$9,157. These 270,000 households account for 15% of the state's total households.

¹²[Louisiana Has Highest Credit Card Debt Burden](#), Bankrate, March 2024.

¹³Cassidy Horton and Kelly Anne Smith, [The Most \(And Least\) Expensive States For Healthcare 2024](#), Forbes, March 2024.

¹⁴Energy burden over 10 percent is generally considered severe. Ariel Dreihobl, Lauren Ross, and Roxana Ayala, [How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States](#), American Council for an Energy-Efficient Economy, September 2020, page ii.

¹⁵Assessed using [2022 American Community Survey](#) data, 5-year averages.

¹⁶[Low-income Energy Affordability \(LEAD\) tool](#), U.S. Department of Energy's Office of State and Community Energy Programs, downloaded 11 June 2024.