

BAD ENERGY POLICIES FREEZING OUT CONSUMERS AND THEIR WALLETS

Bad policy decisions have led to skyrocketing energy prices, forcing consumers to spend at least \$26.6 billion more on electricity and home heating costs this winter than a year ago

With rampant inflation affecting everything from the price of groceries to the cost of housing, Americans need to be ready to set aside even more money this winter as they face another burden: at least \$26.6 billion more in higher energy bills.

After a year where Americans suffered from the highest gasoline prices in seven years, oil surging past \$90 a barrel in response to overly burdensome regulations and compounded by global conflict and the whims of another OPEC+ production cut, this additional cost is just the latest economic jolt to families and seniors who are watching the country sink further into recession.

Federal and state agencies have warned that utility bills will increase significantly for homeowners and renters who rely on electricity, natural gas, propane, and heating oil for warmth during the winter months ahead. In September, Congress had already appropriated an additional [\\$1 billion](#) in emergency funding for the Low Income Home Energy Assistance Plan, prior to the Energy Information Administration's (EIA) Winter Fuels Outlook released Oct. 12.

The higher energy prices are due in large part to lack of supply caused by policy decisions that have discouraged investment in American energy development and increased the cost to produce and deliver the energy we all need. Now, American families and businesses once again are subject to the whims of foreign nations that do not require the same rigorous environmental standards we do.

By enacting a moratorium on oil and gas development on federal lands, cancelling future federal lease sales, blocking pipelines, and restricting energy infrastructure development, the strategic advantage the United States enjoyed after becoming the world's largest oil and natural gas producer two years ago is quickly fading – and we are seeing the impact on our wallets.

Our ability to boost domestic production greatly diminished the ability of OPEC+ nations to use energy as an economic weapon – as they have for four decades.

Those days are back again, thanks to bad policy decisions. OPEC+'s recent decision to slash oil production by two million barrels a day sent prices rising again toward \$100 a barrel. The decision came despite more than a year of pleading and last-minute backchannel diplomacy by the Biden Administration, demonstrating the national security, political and economic risk hurting domestic production created.

Instead of looking to the American oil and gas industry for new oil and gas supply, the Administration has chosen to:

- Drain the Strategic Petroleum Reserve – designed for emergencies – to its lowest level since 1984
- Strike a deal with the illegitimate government of Venezuela’s Maduro regime
- Ask Saudi Arabia for 200 million barrels more of oil to refill the Strategic Petroleum Reserve

The question is why are we asking OPEC+ for oil, for an emergency we created, especially when we have our own energy right here at home? Energy that can be developed cleanly while we continue our march toward net-zero emission goals.

Now, we enter a winter that the National Oceanic and Atmospheric Administration forecasts the U.S. will be slightly colder than last year because of more severe weather. The EIA in its base case estimates that energy prices will increase across the board:

ENERGY SOURCE	INCREASED COST ON AMERICAN FAMILIES (OCT. 2022 – MAR. 2023)
NATURAL GAS	\$13,912,464,944
ELECTRICITY	\$9,835,998,685
NO. 2 HEATING OIL	\$2,334,979,440
PROPANE	\$561,996,749
TOTAL	\$26,655,439,819

FOR HOME HEATING, ON AVERAGE, HOUSEHOLDS WILL SPEND:

- \$931 on natural gas, a 28% increase over 2021
- \$2,354 on heating oil, a 27% increase over 2021
- \$1,359 on electricity, a 10% increase over 2021
- \$1,668 on propane, a 5% increase over 2021

What does this mean for American energy consumers? In real dollar terms, it means families across the country will spend at least \$26.6 billion more on home energy costs in the next six months. Costs will vary widely by region, with some areas being harder-hit based on their geography and weather.

Seniors will be disproportionately burdened at a time when 1 million fell into poverty over the last year. The higher prices will come as Americans’ savings are dwindling – 56% of Americans in 2022 cannot cover a \$1,000 expense from their savings, versus 39% in 2021.

The bulk of these price increases have been driven by bad energy policies that hurt supply in the name of the environment. However, good policies can support the environment and ensure we have an adequate, reliable energy supply that keeps prices low enough so families can afford to live. Elected leaders should take a hard look at energy policies and support those that make reliability and affordability a reality.