



# UNDERSTANDING SB 490: POTENTIAL IMPACTS ON LOUISIANA CONSUMERS

*New analysis finds SB 490 could increase electricity costs for Louisiana households by more than \$200 per year by shifting a greater share of grid costs onto residential and small business customers.*

## OVERVIEW

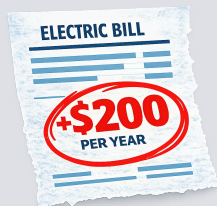
Louisiana's electricity system is built on shared costs across residential and industrial customers, helping keep power among the most affordable in the country.

SB 490 would change how certain large users participate in that system. While well-intentioned, the proposal could affect how costs are distributed among customers.

## POLICY FRAMEWORK

SB 490 would establish a framework allowing certain large customers to build and operate private-use electric networks, generating and distributing power across affiliated properties outside of the traditional utility structure.

At the same time, those users could remain connected to the grid for backup power during periods of high demand or outages.



**Under SB 490, LA Families Could See  
A \$16 MONTHLY INCREASE  
In Their Electricity Bills**

For Louisiana households, higher electricity bills mean less room in the monthly budget. Even small increases can force difficult tradeoffs. Whether it's cutting back on groceries, delaying home expenses, or stretching paychecks further each month.

When costs are shifted onto families, those increases show up directly on utility bills, without any added benefit in reliability or service. For many households, it's simply paying more for the same electricity they depend on every day.

## WHAT THIS MEANS FOR LOUISIANA HOUSEHOLDS



### Higher Electricity Bills

Analysis shows the average Louisiana household could see electricity bills **increase by more than \$16 per month, or over \$200 annually**. This reflects an estimated increase of roughly nine percent in residential rates.



### Cost Shifts to Households

If large users scale back their participation but continue to rely on the grid for backup power, fixed system costs are spread across fewer customers and small businesses, **increasing the share paid by households**.



### No Direct Benefit to Consumers and Small Businesses

The projected increase in costs is not driven by improvements to reliability or service. Instead, it reflects a shift in how grid costs are shared, with **residential customers and small businesses covering a larger portion as some large users reduce their participation**.



### A More Complex System

Allowing private-use networks alongside the existing grid could **make the system more complex - affecting grid reliability - with no clear cost savings for consumers**.

## CEA'S BOTTOM LINE

SB 490 would change how certain large users participate in that system. While well-intentioned, the proposal could affect how costs are distributed among customers.