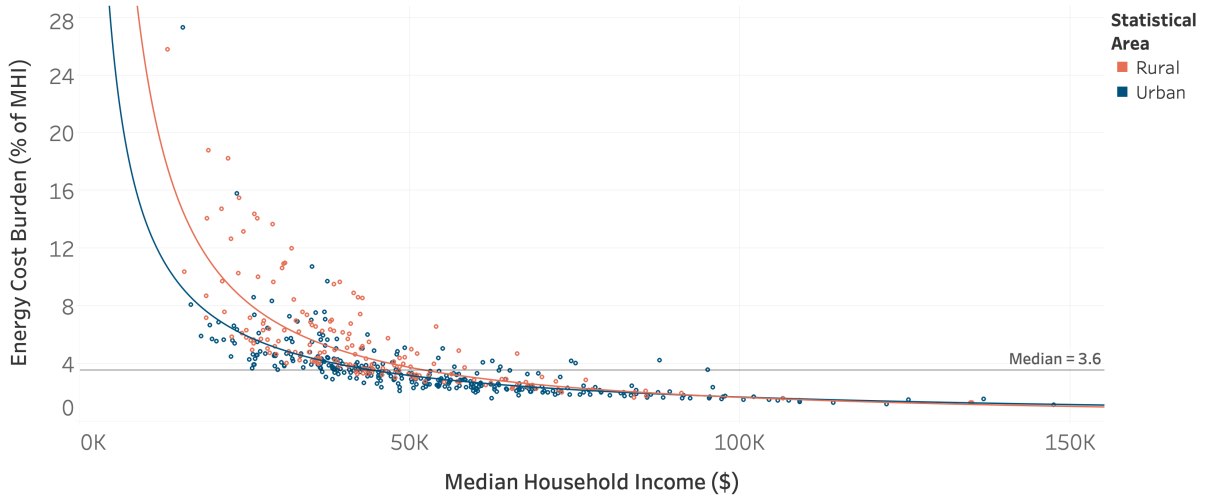
Residential Energy Cost Burdens

Across New Mexico, low-income households and communities of color struggle to pay for their home energy bills, and often lack access to the resources to save energy and adopt clean energy resources. Efforts to adopt clean energy resources, such as rooftop, microgrid, and community solar as well as home energy efficiency measures, can help alleviate these energy cost burdens—but low-income households and other underserved populations are unlikely to see these benefits without targeted programs.



Census tract average energy cost burdens (% of median household income spent on home energy bills).

- Average households in the **lowest-income** census tracts (bottom 10 percent) pay 8.7 percent of their income towards residential energy bills–and some pay much more. Households in the highest earning areas spend an average of 1.8 percent.
- **Rural households and Native American communities** also pay disproportionately high energy cost burdens, averaging 6.5 and 10.7 percent of household spending, respectively.
- Many households across New Mexico **do not have electricity access,** particularly tribal areas, including the Navajo Nation.
- Low-income households, communities of color, renters, and other underserved populations often face **barriers to adopting energy efficiency, electrification, and distributed solar,** which would save energy and reduce bill burdens. For example, low-income households have adopted solar at one-eighth the rate of the wealthiest households.

Some of the following measures may help lower these barriers to clean energy access:

- **Community engagement, outreach, and education** to identify and design programs to overcome barriers to access;
- **Up-front financing** for clean energy measures (e.g. solar, efficiency) targeted at low-income households, communities of color, those without reliable access to electricity, and other underserved groups;
- Measures to incentivize landlords to **upgrade renter properties** while protecting tenants against displacement;
- Expansion of **targeted programs to install solar+storage at households without electricity access:** an estimated 2.5 percent of the rooftop solar the state is projected to need to meet climate goals by 2030 could provide electricity to those households without current access.

For more information, visit:
www.psehealthyenergy.org/our-work/western-states-deep-decarbonization/