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US consumer spending on energy plummets in 2016

Fifth Sustainable Energy in America Factbook Provides Insights Into Key U.S. Energy Trends Contributing to American Competitiveness

WASHINGTON, D.C. – American consumers spent less than 4% of their total annual household spending on energy in 2016, the smallest share ever recorded by the U.S. government, a new study finds. Falling costs for electricity, gasoline and natural gas along with energy efficiency measures have contributed to a dramatic drop in consumer spending on energy. This finding, from the [2017 Sustainable Energy in America Factbook](#), is supported by U.S. energy statistics highlighting improvements in energy efficiency, natural gas production and use and renewable energy deployment.

The 2017 Factbook, compiled by research firm Bloomberg New Energy Finance (BNEF) for the Business Council for Sustainable Energy (BCSE), is the fifth edition of this annual resource. The Factbook outlines key trends influencing America's investment and economics, energy supply and energy demand. This year's edition demonstrates that growth and development of key energy industries continues to contribute to positive energy and economic trends benefitting the US.

According to BNEF, "Two thousand sixteen marked yet another monumental year in the energy sector, as the transformation in how the US produces and consumes energy continued to play out. The rapid pace of renewable energy deployment accelerated, consumption and export of domestic natural gas hit record levels, and the economy grew more energy efficient than ever. In the face of all this change, Americans are enjoying lower energy bills, directing less of their household income to energy spending than at any other time on record."

"The contributions of sustainable energy to the country's economic competitiveness are direct, dramatic and dynamic," Lisa Jacobson, President of the Business Council for Sustainable Energy said in highlighting the value of the Factbook. "The trend lines in the 2017 Factbook are clear: energy efficiency, natural gas and renewable energy are benefitting American consumers, American businesses and American manufacturers. And that adds up to one conclusion: clean energy wins for America."

The key cost savings, economic development and manufacturing statistics quantified by the 2017 Factbook include:

- **Retail electric prices across the country fell 2.2%** in 2016 in real terms from 2015 levels. On average, consumers now pay 3.9% less per kilowatt-hour for electricity than in 2007.
- **Natural gas prices across the spectrum set or approached record lows in 2016.** Retail natural gas prices continued to tumble, as prices for commercial consumers plunged to their lowest levels since 1977, in real terms.
- **Renewable deployment hit record levels in 2016**, and wind and solar costs continued to fall, making renewables the cheapest source of energy in some states.
- **The US economy is continuing to grow, without expanding its use of energy.** Since 2007, the nation's GDP has grown by 12% while energy consumption has fallen by nearly 4%.
- **The U.S. remains one of the most competitive places in the world for energy-intensive industries and manufacturing** due to low power and natural gas prices —beating out other large countries such as China, India, Mexico and Japan.

“The U.S. continues to use energy more efficiently and with lower CO2 emissions, while at the same time cutting consumer spending,” said Colleen Regan, Head of Environmental Markets and Cross-sector Research at BNEF. “2016 offered further proof that we can decarbonize and grow our economy, all without raising customer bills.”

The key trends influencing finance and investment, production and consumption are highlighted in the 2017 Factbook and include the following:

Investment and economics

- Investment in zero-carbon technologies totaled \$59bn in 2016, after a record \$63bn in 2015.
- Utilities invested \$21.5bn in electric transmission and another \$21.1bn into natural gas infrastructure, which are critical to sustained long-term growth for sustainable energy.
- American consumers are devoting less of household spending to energy than at any other time in the past 60 years, and the US remains one of the most competitive places for energy-intensive industries worldwide.

Energy supply

- The US continues to extract near-record amounts of domestic natural gas, while productivity improves.
- Renewable energy and natural gas now provide 50% of US power, up from only 30% ten years ago.
- Economy-wide greenhouse gas emissions plummeted to the lowest levels in 25 years.

Energy demand

- Corporates upped pledges to reduce energy consumption and to source 100% of their electricity from renewables.
- Greater energy efficiency efforts have coincided with a lower cost, more sustainable energy economy.
- The country's first liquefied natural gas export terminal promises to bring new sources of demand, alongside growing exports to Mexico.
- Low-priced oil continues to jeopardize recent gains in fuel economy, but sales of electric vehicles, while still small, jumped 38% from 2015 levels.
- Key federal policies supportive of sustainable energy hit stumbling blocks in 2016, while state-level actions on energy and climate will create more demand for sustainable energy.

The 2017 Factbook is provided in a PowerPoint format (totaling 164 slides) and is intended to serve as a reference guide of energy statistics throughout the year. It can be downloaded from the BCSE website: <http://www.bcse.org/sustainableenergyfactbook/>.

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About the Factbook Partners

[Bloomberg New Energy Finance \(BNEF\)](#) is an industry research firm focused on helping energy professionals generate opportunities. With a team of 200 experts spread across six continents, BNEF provides independent analysis and insight, enabling decision-makers to navigate change in an evolving energy economy. Leveraging the most sophisticated new energy data sets in the world, BNEF synthesizes proprietary data into astute narratives that frame the financial, economic and policy implications of emerging energy technologies. BNEF is powered by Bloomberg's global network of 19,000 employees in 192 locations, reporting 5,000 news stories a day.

[Business Council for Sustainable Energy \(BCSE\)](#) is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors. The Council membership also includes independent electric power producers, investor-owned utilities, public power, commercial end-users and project developers and service providers for energy and environmental markets. Since 1992, the Council has been a leading industry voice advocating for policies at the state, national and international levels that increase the use of commercially-available clean energy technologies, products and services.

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