

### Why We Conducted This Review

This report provides information on Louisiana's generation and consumption of electricity (electric profile), Louisiana Public Service Commission's (LPSC or Commission) role in regulating Louisiana's electric utilities, and the challenges facing Louisiana's electric grid and LPSC. We compiled this report because electricity is an essential part of modern life and the economy, and the regulation of companies that provide this service is important. In addition, the electricity sector is experiencing complex transformations and challenges, such as aging infrastructure; a changing mix of power generation; increasing use of variable energy sources such as wind and solar; and increased physical and cybersecurity risks.

*In 2023, Louisiana ranked first for residential sector electricity consumption per capita and third for total electricity consumption per capita.*

Source: <https://data.census.gov/table/ACSDT1Y2023.B25040?q=B25040:%20House%20Heating%20Fuel&g=010XX00US&y=2023>

### What We Found

#### Objective 1: To provide an overview of Louisiana's electric profile.

- Louisiana has one of the highest per capita electricity consumption rates in the nation. Natural gas is the primary fuel used to generate electricity in Louisiana, and the industrial sector is the largest consumer of electricity in the state. While the retail price of electricity (in ¢/kWh) in Louisiana was below the average rate nationally, it has recently increased due to extreme weather events and increases in the price of natural gas.

Electric Customers, Sales and Electric Utility Revenues by Sector 2023					
Sector	Customers		Electricity Sales		Revenues From Retail Sales
	Number of Customers	Percent of Total	Sales in Megawatthours	Percent of Total	
Residential	2,137,199	87.0%	31,746,570	33.3%	\$3,666,444,000
Commercial	300,640	12.2%	23,743,181	24.9%	2,481,404,000
Industrial	18,790	0.8%	39,874,251	41.8%	2,344,558,000
Transportation	1	0.0%	10,455	0.0%	1,151,000
Total	2,456,630	100.0%	95,374,457	100.0%	\$8,493,557,000

**Note:** Includes data for all electric utilities, including those not under LPSC's jurisdiction.  
**Source:** Prepared by legislative auditor's staff using information from EIA.

- Grid reliability in Louisiana fell short of the national average and worsened between 2013 and 2023. For example, in 2023, Louisiana had one of the highest numbers and durations of outages in the southern region, even when excluding outages due to major events, such as hurricanes or tornadoes.

## What We Found (Cont.)

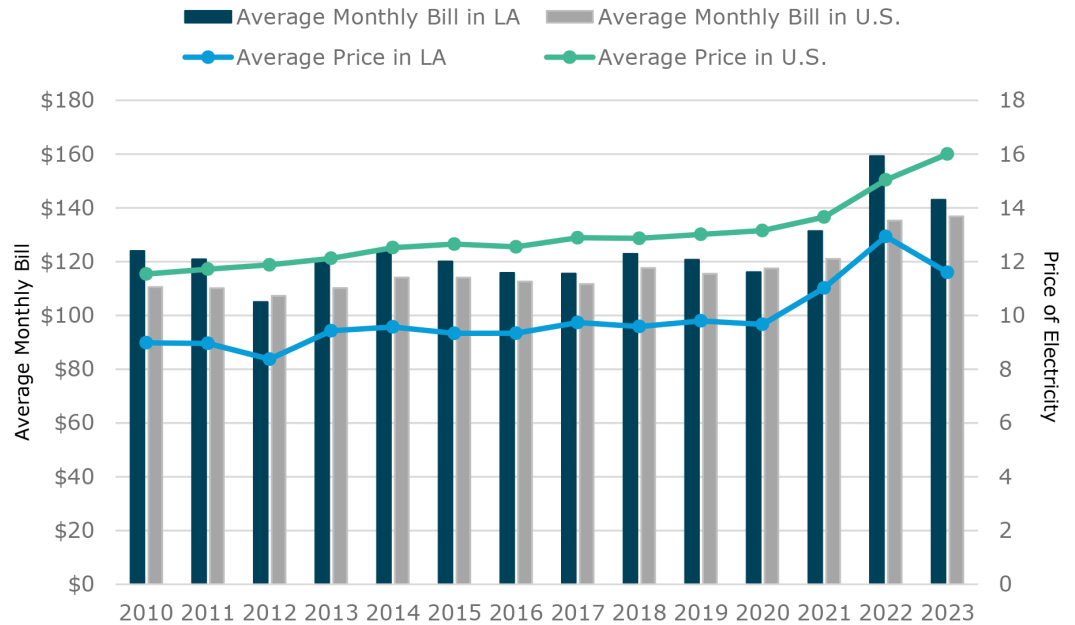
### Objective 2: To provide information on challenges facing Louisiana's electric grid and LPSC.

- Louisiana has high electricity consumption, which results in high electric bills. As a result, residential electric bills may not be affordable, especially for low-income households. LPSC has taken actions to help Louisiana consumers reduce electricity consumption and decrease their utility bills.

#### Average Residential Monthly Bill (\$) and Price of Electricity (¢/kWh) • 2010-2023

**Note:** Includes data for all electric utilities, including those not under LPSC's jurisdiction.

**Source:** Prepared by legislative auditor's staff using data from the EIA.

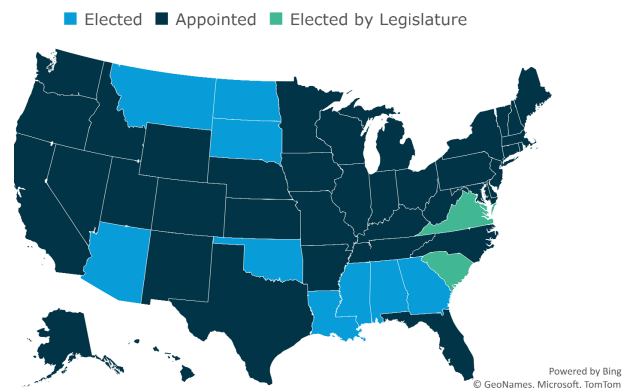


- Diversifying the energy sources used for electricity generation is a priority for LPSC, as it believes it will benefit the state. In addition, LPSC has open dockets to evaluate the state's electric infrastructure.
- The U.S. Department of Energy identified the Delta Region, which includes Louisiana, as an area that would benefit from transmission expansion to increase grid resilience and reliability, alleviate congestion, and meet future energy needs.

- Louisiana is one of nine states that elects Public Service Commissioners who are not required to have relevant education or work experience. In addition, Louisiana's commissioners work part-time, as their salaries are among the lowest in the nation. These characteristics pose challenges for Louisiana commissioners responsible for regulating essential utility services.

- According to best practices, state public service/utility commissions must overcome organizational challenges to keep up with the decarbonization and decentralization of the U.S. energy system and ensure affordable, reliable, and clean energy for consumers. However, LPSC faces budget and staffing challenges that may hinder its ability to balance its traditional role with growing demands.

#### State Commissioner Selection Methods



**Source:** Prepared by legislative auditor's staff using information from state legislature and state commission websites and WestLaw.