

Retail Electricity Prices Rose in 2022

Rate increases have been relatively moderate over the last decade. In 2022, however, co-op retail rates jumped 8.4% to 11.6 cents per kWh¹, an historic high. This reflected market changes that led to higher demand and higher prices for natural gas and electricity.² Power Costs are a distribution co-op's single largest expense; one over which they have little control.

Despite higher nominal price increases, co-op monthly Residential Bills increased only 2% on an inflation-adjusted basis. **This continues to make electricity an extremely good value for co-op members.**

The following section contains charts illustrating co-op rate information. In this series of charts and graphs, "Rates" refer to "Average Revenue per kWh" sold.

To help co-ops with rate issues, NRECA and CFC created a Retail Rate Guide. Volume I and II remain available for download at:

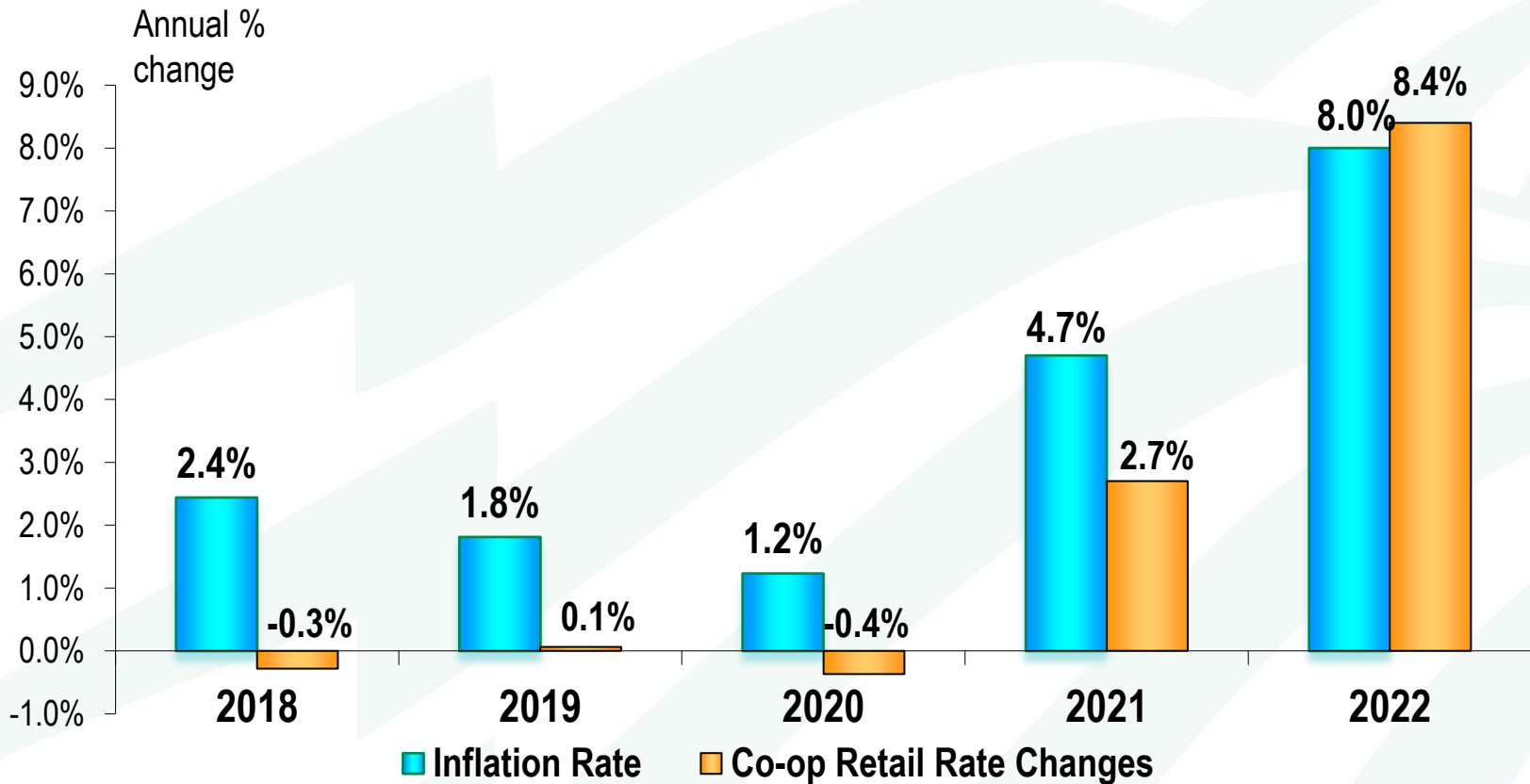
<https://www.cooperative.com/programs-services/bts/transmission-distribution/Pages/Secure/NRECA-CFC-Rate-Guide.aspx>

¹weighted average EIA Form 861 data

²FERC State of the Markets 2022

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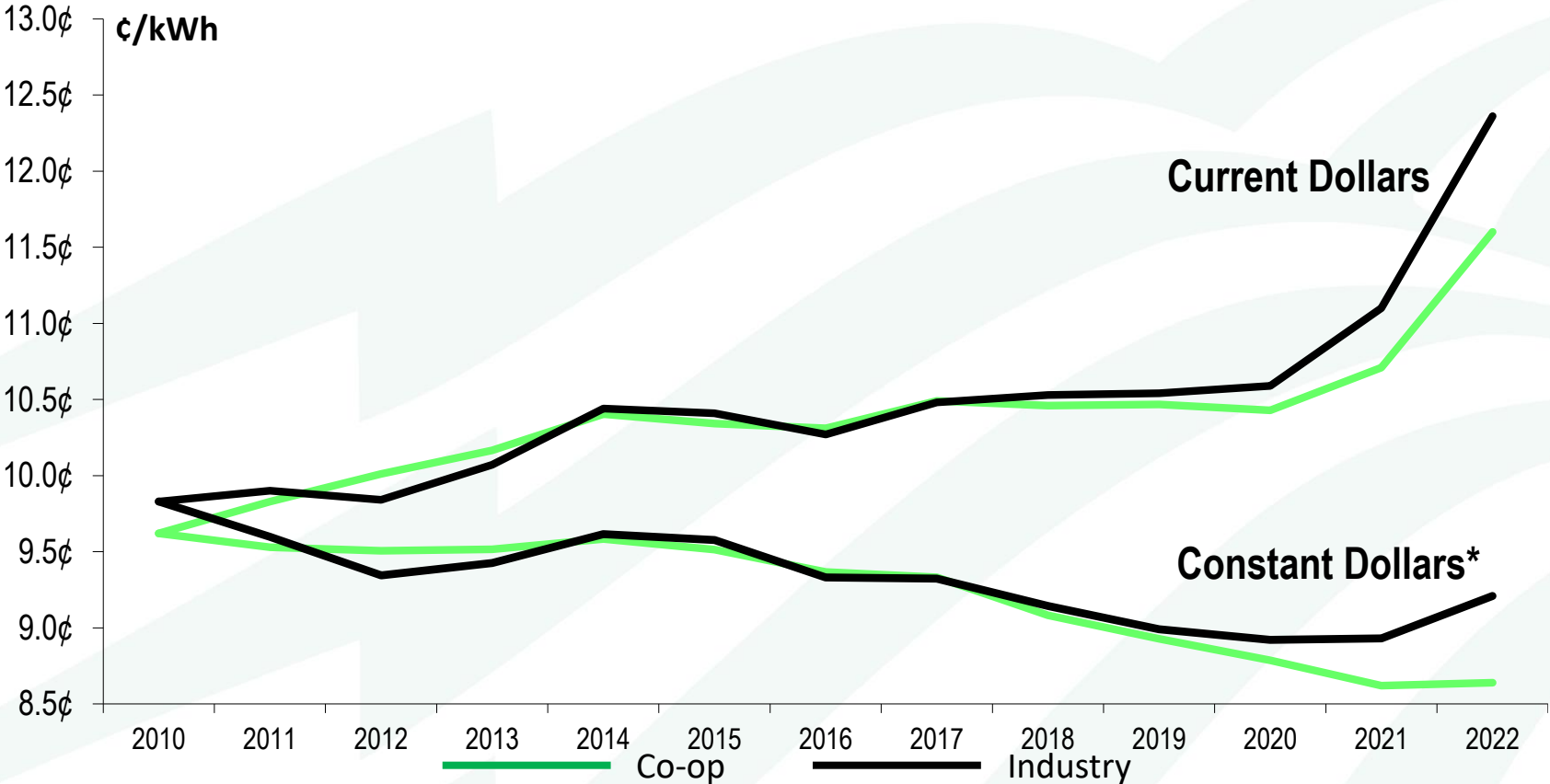
Retail Rate Changes Compared to Inflation



This is the first time in many years that co-op retail rate increases exceeded inflation.

Sources: CPI-U, All items, Bureau of Labor Statistics (annual average) and EIA retail rates data for co-ops

Retail Rates in Current & Constant (inflation-adjusted) Dollars



Rates have been stable over the last decade. In many years, inflation-adjusted rates actually fell (the lower 2 lines “Constant Dollars”). Since 2021, rates have been rising, although moderately when adjusted for the high inflation rates of 2021-2022.

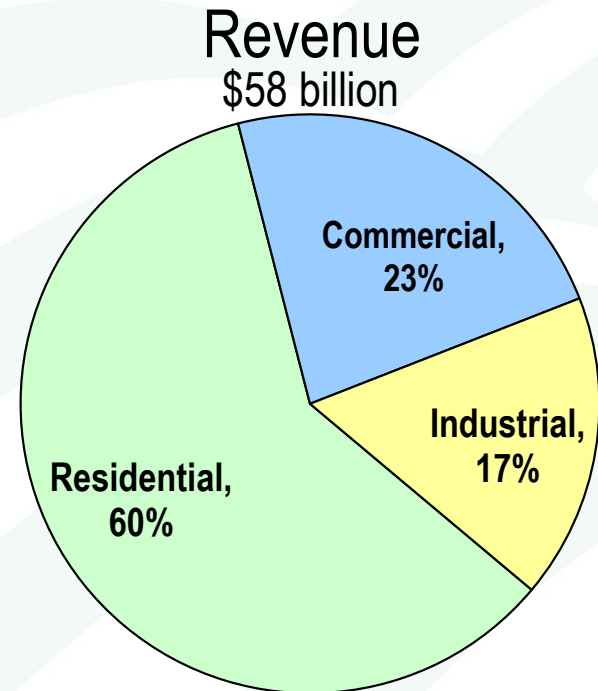
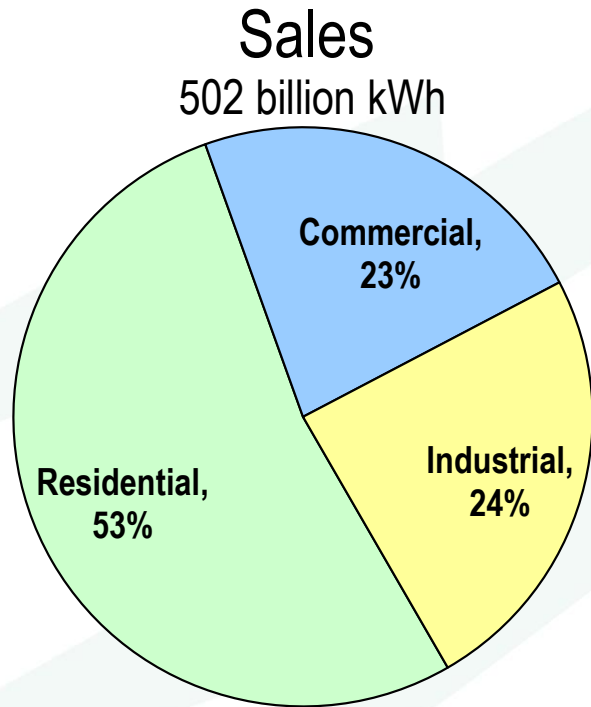


*Constant Dollars are adjusted for inflation (expressed in 2010 dollars)

Source: EIA Form 861 data

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Retail Sales and Revenue, by Customer Class

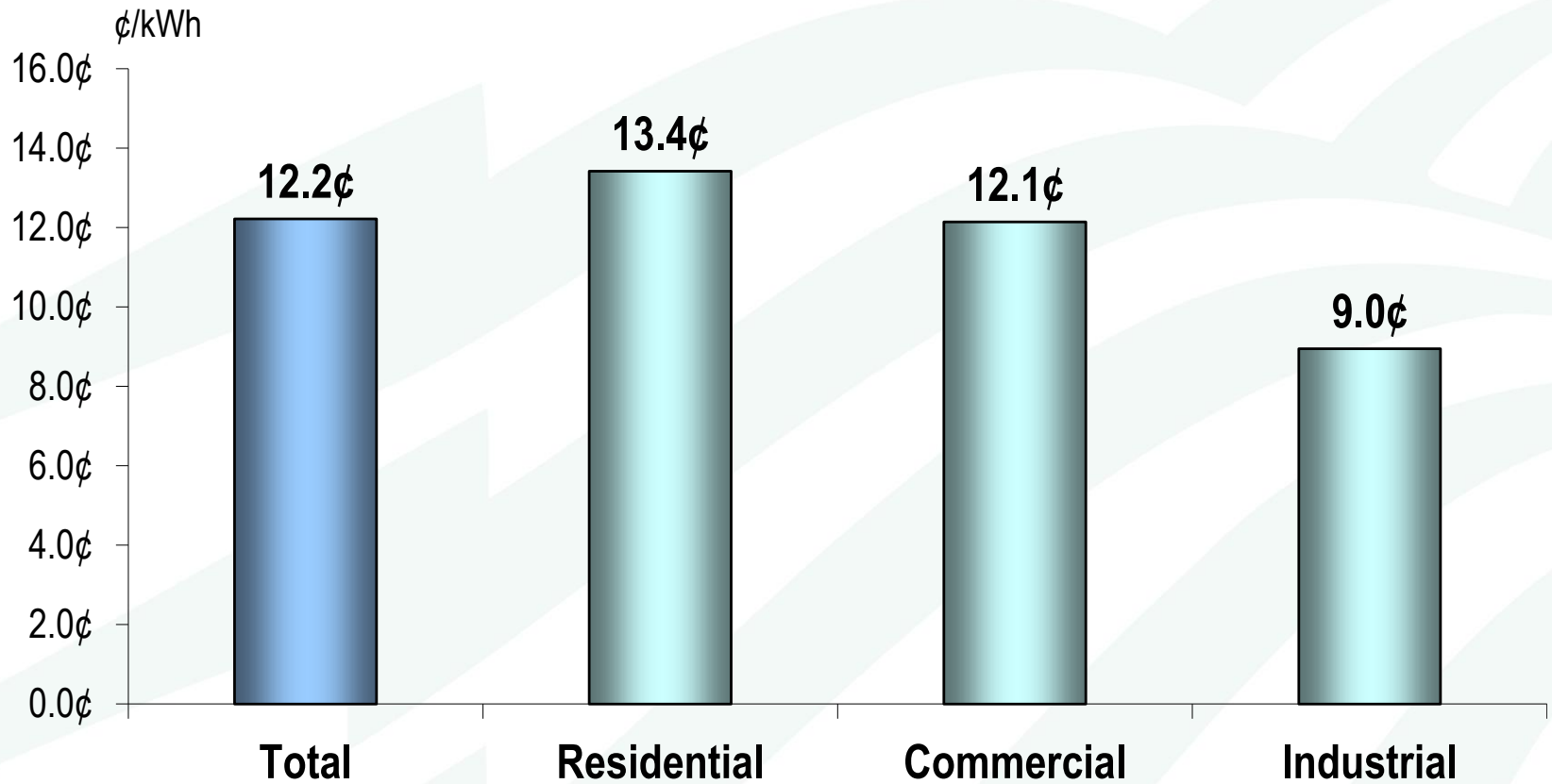


The majority of co-op sales and revenue comes from residential consumers. Commercial and Industrial (C&I) consumers contribute to 47% of co-op sales and 40% of co-op revenue.

Source: 2022 EIA data (excludes sales for resale)

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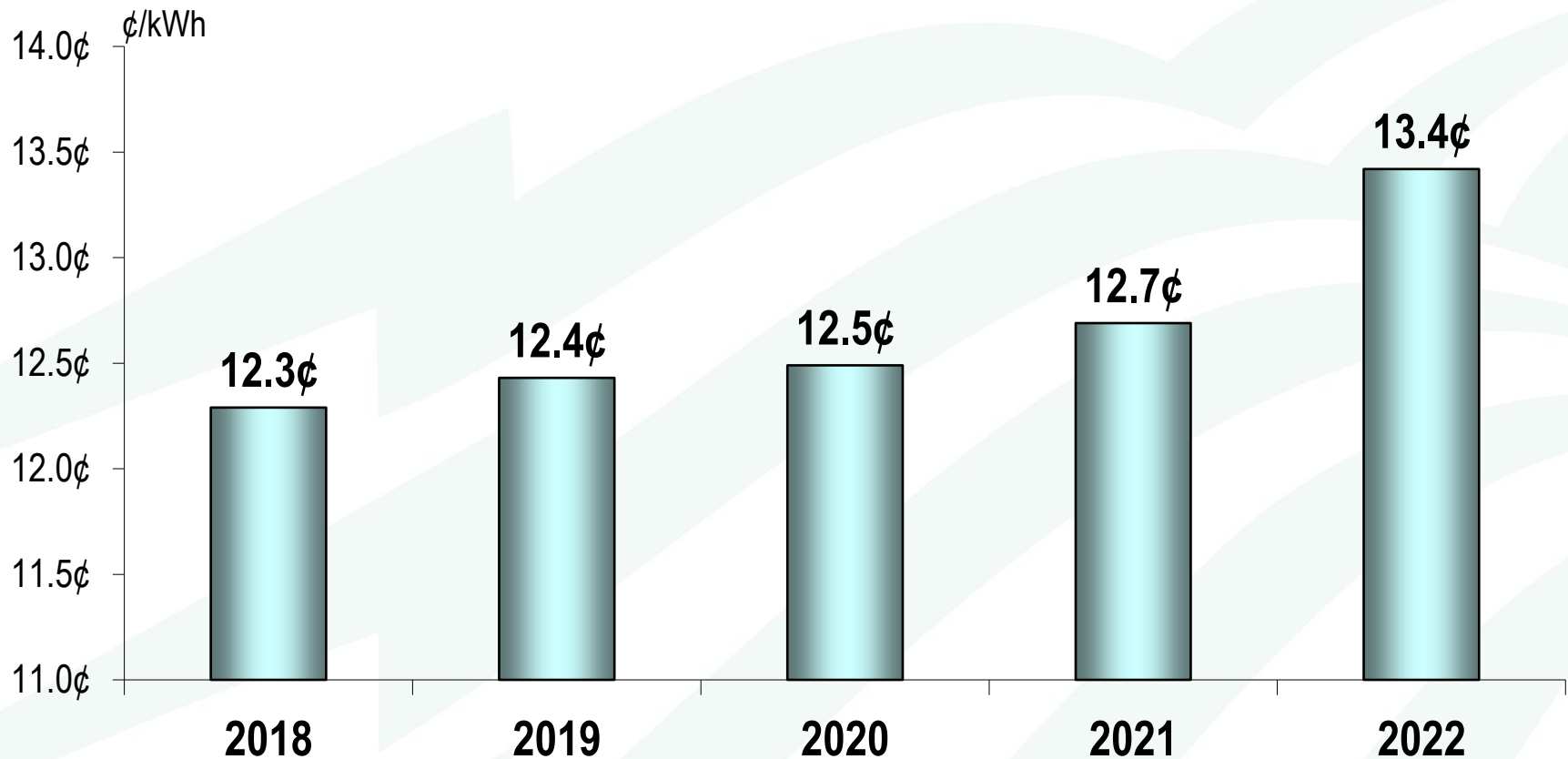
Co-op Median Rates, by Customer Class



2022 median co-op rates (revenue per kWh in cents) are shown for each class of service.

Source: EIA data medians for distribution co-ops
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Residential Rates Rose in 2022

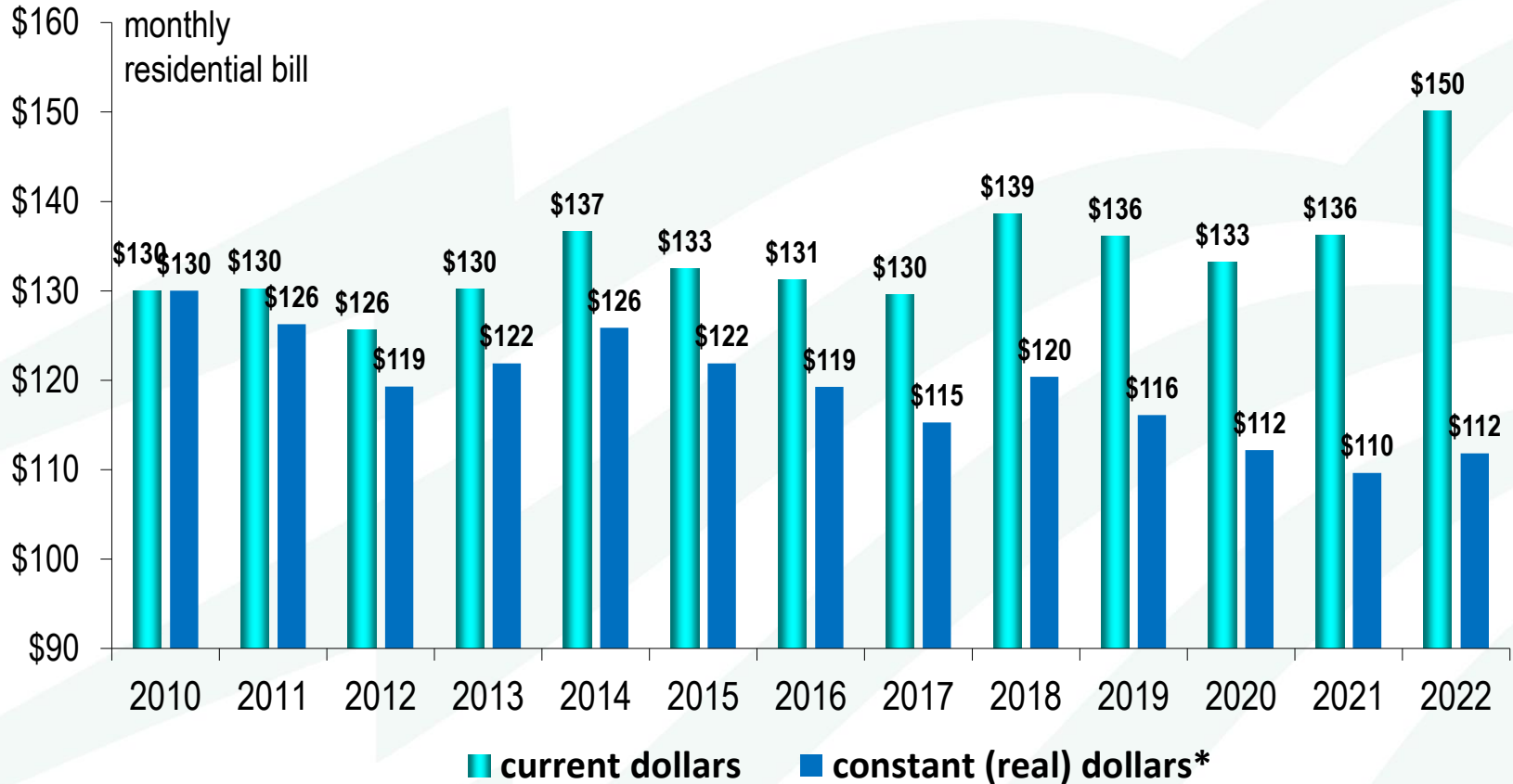


The majority of a co-op's sales are residential (60% for the typical co-op). The above chart represents the median revenue per kWh charged by rural electric co-ops to their *residential* consumers. Residential revenue per kWh has increased at an average annual rate of 2.2 percent over the 5-year period shown.

Source: EIA data medians for distribution co-ops

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Electricity Remains a Great Value



Monthly residential electric bills for co-op consumers are up only \$20 since 2010 (light blue bars). Adjusted for inflation, bills have actually fallen in many years (dark blue bars). For a service few could live without, electricity remains a good value.

Source: EIA Form 861 data and BLS consumer price index



*Constant Dollars are adjusted for inflation (expressed in 2010 dollars)

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