Summer Residential Cooling Outlook: Residential Electric Utility Expenditures Projected to Reach Record Levels, Highest Level in at Least 12 years

This summer, consumers will be hit with yet another year of record high prices for home cooling as the average cost of electricity is projected to reach $784, up 6.2 percent from $737 last year (see Table 1) and the highest cost of electricity in at least 12 years (see Figure 2). Adjusted for inflation, the increase will be about 4.3 percent over last year's prices.

We predict that prices will be this high for two reasons: first, the cost of electricity is rising faster than average rate of inflation, and second, temperatures are continuing to increase, reflecting the continuing impact of climate change and requiring additional energy to cool indoor spaces.

Figure 1: Average Cost of Residential Electricity June to September 2025

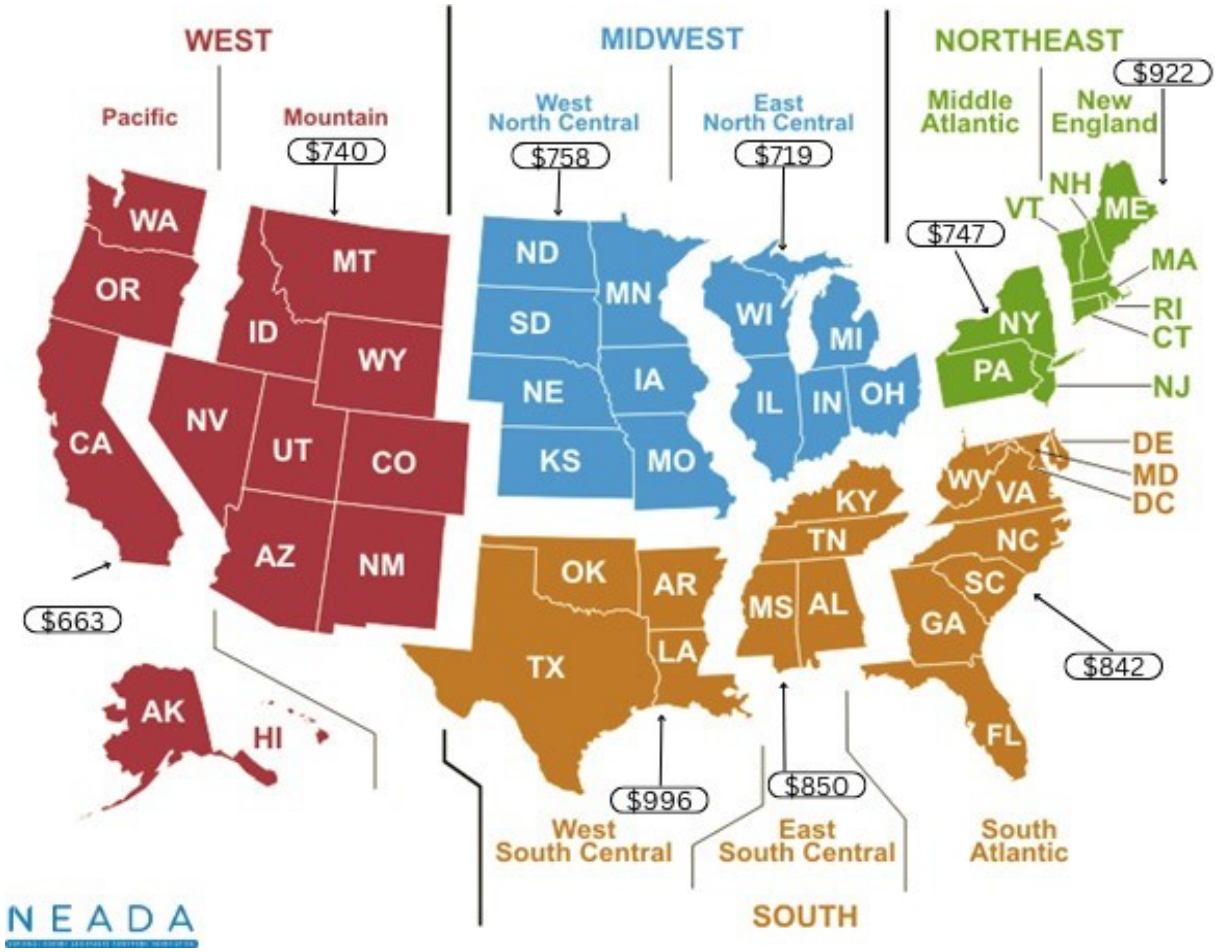


Table 1: Summer Electric Bill Price Differentials: 2024 vs 2025

Summer Electric Bill / Cooling Season (June – September)					
Region	**New England**	**Mid Atlantic**	**EN Central**	**WN Central**	**S Atlantic**
2025 Cooling Season	$922	$747	$719	$758	$842
2024 Cooling Season	$767	$686	$618	$659	$784
Difference	$155	$61	$101	$99	$58
% Difference	20.3%	8.9%	16.3%	15.1%	7.4%
Region	**ES Central**	**WS Central**	**Mountain**	**Pacific**	**US Average**
2025 Cooling Season	$850	$996	$740	$663	$784
2024 Cooling Season	$785	$895	$699	$696	$737
Difference	$65	$101	$41	-$33	$47
% Difference	8.3%	11.3%	5.9%	-4.76%	6.3%

Source: Price estimates were calculated by NEADA, based on NOAA temperature data and EIA electric usage and price data. Regions demonstrated in Figure 1.

Figure 2A: Average Electric Bill from June to September in the United States

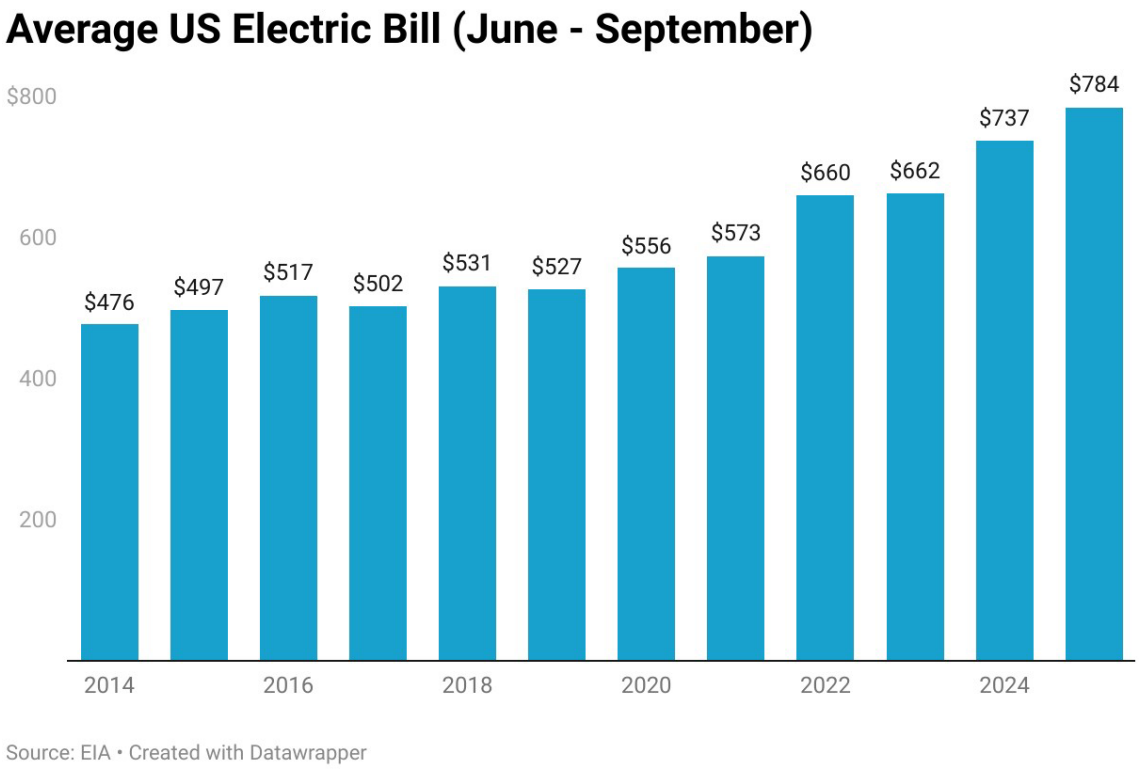
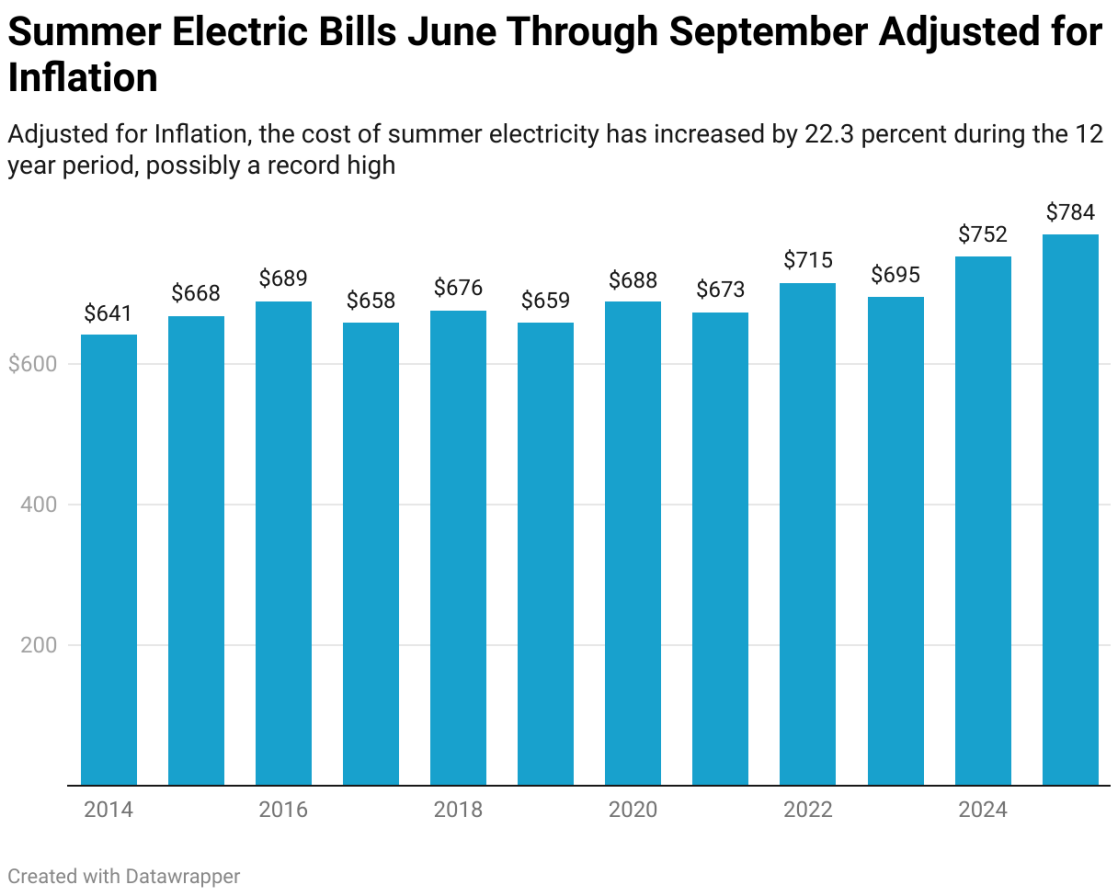
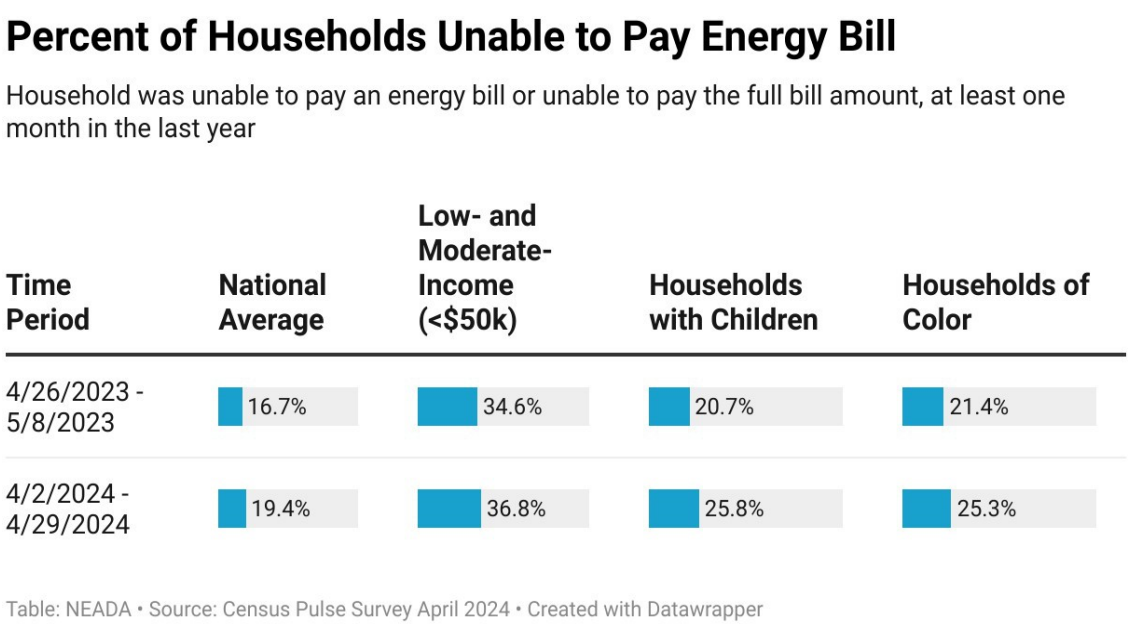


Figure 2B: Average Inflation Adjusted Electric Bill from June to September in the United States



Energy price increases fall hardest on low-income households. The average energy burden for low-income households is about 8.6 percent of income, almost three times the rate for nonlow- income households (3.0 percent). Of even more concern are findings from the most recent Census Household Pulse Survey (4/18/24), designed to estimate the economic impact of the pandemic on families, which found the percentage of low- and moderate-income households that could not pay their energy bill for at least one month between April 2023 and April 2024 increased from 34.6 percent to 36.8 percent (see Figure 3).

Figure 3: Households Unable to Pay Energy Bill in 2023 and 2024



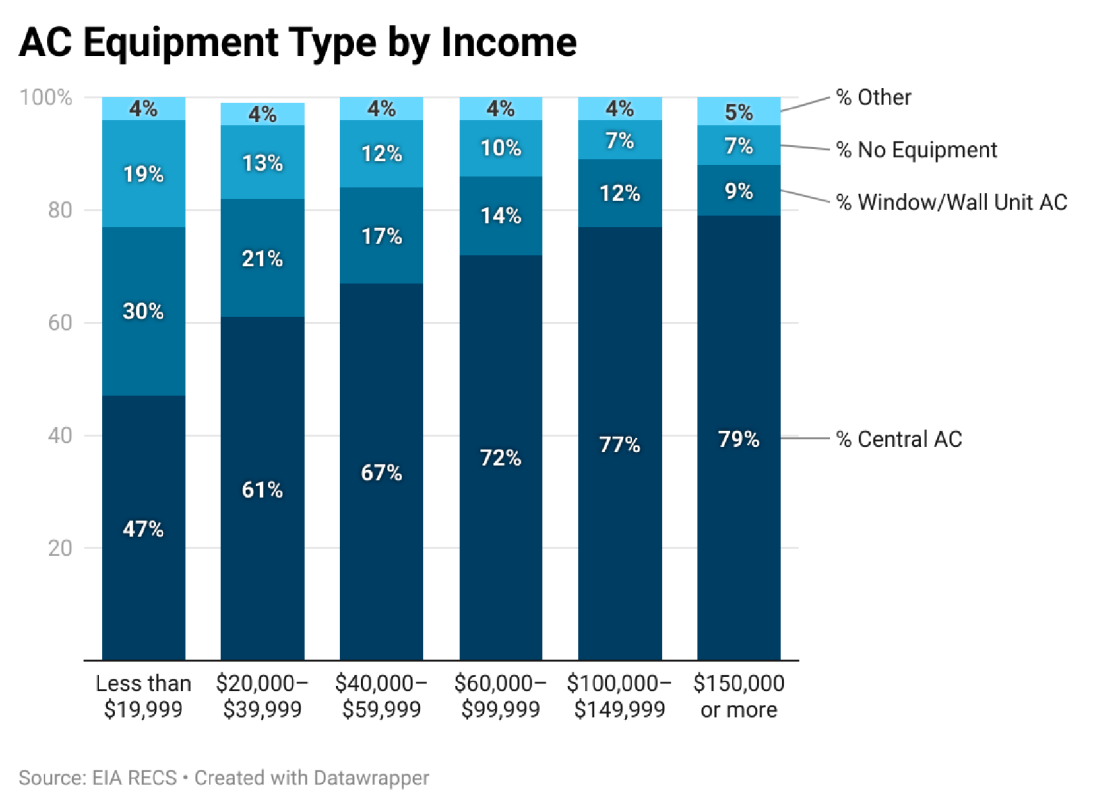
Federal Support to Help Low Income Families is not Adequate to Cover Cooling Needs. The dangers of extreme heat leave low-income families at heightened risk during warm summer months, when heat waves and prolonged periods of extreme heat are more common. Lowincome families are particularly vulnerable to the dangers of extreme heat due to lack of access to affordable summer cooling, increasing electric costs, and cutbacks in funding for the federal Low Income Home Energy Assistance Program (LIHEAP), from $6.1 billion in FY 23 to $4.1 billion for FY 25. During summer 2025, only 26 states plus the District of Columbia will offer cooling assistance (see Appendix 1).

Despite the funding cuts to LIHEAP, there is an increased need in summer months to help families avoid the effects of extreme heat as temperatures continue to rise and extreme heat events become more prevalent. The only way for LIHEAP to provide year-round assistance without cutting critical support for families in the winter is with additional funding. In order to keep up with rising energy costs and temperatures, and the increase in extreme weather events, the states have asked Congress to increase funding for LIHEAP to $6 billion in FY26 plus $1 billion for the program's contingency fund, for a total of $7 billion. (Contingency funding will

allow the Administration to provide additional targeted resources for LIHEAP if Canadian tariffs impact prices in regions that rely on fuel oil for home heating.)

Almost 20% of Very Low-Income Families have no Air Conditioning. For households who do not have access to cooling, even being inside their homes can be dangerous during periods of extreme heat. In less extreme situations, a family can ride out a hot day by opening their windows, taking a cool shower, and hoping it cools down at night. But when the heat persists for weeks, or the outside air is dangerous, opening a window will only make things worse. As seen in Figure 4 below, nearly 20 percent of very low-income families have no cooling equipment in their homes. Lack of access to cooling during periods of extreme heat can be deadly, as prolonged exposure to high temperatures can cause heart attacks and respiratory failure (see "Dangerous Health Effects of Extreme Heat" section).

Figure 4: Type of AC Equipment Households Have, Sorted by Income



States are Moving to Increase Summer Shut-Off Protections. 19 states and the District of Columbia now provide some protections against utilities shutting off electricity for customers who are behind on utility payments, and those states are moving to strengthen their protections as temperatures continue to increase each summer. For example, Arizona has recently imposed a blanket summer protection rule to protect low-income families. Despite some progress, 31 states have no summer shut-off protections at all (see Appendix 2), leaving low-income families vulnerable to the dangerous health conditions caused by prolonged exposure to extreme heat.

Utility Debt Remains High. NEADA's projected record-high summer cooling costs are coming right on top of this winter's heating season costs, which were also higher than average. The level of utility consumer debt – the amount consumers owe their utilities – has increased from $17.5 billion in January 2023 to $24 billion in March 2025, and NEADA estimates that one out of six (21.2 million) of all U.S. households are behind on their energy bills. That number will only continue to rise as customers struggle with the dual burden of expensive heating and cooling seasons.

Extreme Summer Temperatures are Higher and More Widespread. Data from NASA shows that 2024 was the hottest summer on record. NOAA's summer forecast map shows that hotterthan-average temperatures are expected across much of the nation in 2025, suggesting that this summer could also be record breaking. Heat waves are not just a localized problem, either. The EPA studied 49 cities across the country and found a wide geographical distribution of cities that saw a dramatic increase in extreme heat events. Cities such as Seattle, Milwaukee, Salt Lake City, and Albany saw increases in the length of heat wave seasons similar to increases seen in cities such as Phoenix, Tucson, San Antonio, and Baton Rouge.

Dangerous Health Effects of Extreme Heat.: Extreme heat causes more deaths each year than any other weather event, including floods, hurricanes, and tornadoes, according to the National Weather Service. An extreme example of the impact of summer heat waves can be seen in data from Maricopa County, Arizona – for the summer of 2023, Maricopa County reported 469 heatrelated deaths, up from 372 in 2022. Extreme heat is the leading weather-related killer in the United States, and experts believe that extreme heat-related deaths are under-counted because the symptoms of extreme heat exposure can take many forms including respiratory disease, cardiovascular disease, exacerbations of extant chronic conditions, and stroke.

Conclusion. Taking all of these findings into account, it is clear that low-income households that are already struggling to pay their bills will find it even harder to keep cool this summer. Between rising prices, lower access to air conditioning, and inadequate state and federal programs to pay bills and prevent shutoffs, millions of low-income families will be at risk for illness or death this summer caused by extreme heat.

Appendix 1: States Offering Summer Cooling Assistance (2025)

States with Summer Cooling Assistance	States Without Summer Cooling Assistance
Alabama	Alaska
Arizona	Colorado
Arkansas	Connecticut
California	Idaho
Delaware	Illinois
District of Columbia	Indiana
Florida	Kansas
Georgia	Maine
Hawaii	Maryland
Iowa	Massachusetts
Kentucky	Michigan
Louisiana	Minnesota
Mississippi	Missouri
Nebraska	Montana
New Jersey	Nevada
New Mexico	New Hampshire
New York	North Carolina
North Dakota	Ohio
Oklahoma	Pennsylvania
Oregon	Rhode Island
Tennessee	South Carolina
Texas	South Dakota
Utah	Vermont
Virginia	Washington
Wisconsin	West Virginia
Wyoming	
Total - 26	**Total – 25**

Appendix 2: Summer and Winter Shutoff Protections by State (2025)

Protections Listed by State			
Summer Protections	**No Summer Protections**	**Winter Protections**	**No Winter Protections**
Arizona	Alabama	Alabama	Alaska
Arkansas	Alaska	Arizona	California
California	Connecticut	Arkansas	Colorado
Colorado	Florida	Connecticut	Florida
Delaware	Hawaii	Delaware	Hawaii
District of Columbia	Idaho	District of Columbia	Kentucky
Georgia	Indiana	Georgia	North Dakota
Illinois	Iowa	Idaho	Virginia
Louisiana	Kansas	Illinois	
Maryland	Kentucky	Indiana	
Minnesota	Maine	Iowa	
Mississippi	Massachusetts	Kansas	
Missouri	Michigan	Louisiana	
Nevada	Montana	Maine	
Oklahoma	Nebraska	Maryland	
Oregon	New Hampshire	Massachusetts	
Texas	New Jersey	Michigan	
Virginia	New Mexico	Minnesota	
Washington	New York	Mississippi	
Wisconsin	North Carolina	Missouri	
	North Dakota	Montana	
	Ohio	Nebraska	
	Pennsylvania	Nevada	
	Rhode Island	New Hampshire	
	South Carolina	New Jersey	
	South Dakota	New Mexico	
	Tennessee	New York	
	Utah	North Carolina	
	Vermont	Ohio	
	West Virginia	Oklahoma	
	Wyoming	Oregon	
		Pennsylvania	
		Rhode Island	
		South Carolina	
		South Dakota	
		Tennessee	
		Texas	
		Utah	
		Vermont	
		Washington	
		West Virginia	
		Wisconsin	
		Wyoming	