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Summer Cooling Costs Surge as Energy Affordability Crisis Deepens

Washington, D.C. April 27, 2026 U.S. households are expected to face another summer of rising cooling costs, as higher electricity prices and hotter temperatures push bills to some of the highest levels in years. The average cost of electricity for home cooling is projected to reach \$778 this summer, an 8.5 percent increase from last year and nearly 37 percent higher than in 2020.

“Families are squeezed from both directions,” said Mark Wolfe, Executive Director of NEADA “They are paying more for electricity, and they need more of it to stay safe during increasingly hot summers.”

The increase is driven by two trends. First, electricity prices continue to rise faster than inflation, reflecting higher fuel costs, grid investments, and utility rate increases. Second, temperatures are increasing, leading to higher cooling demand as air conditioners run longer and more frequently. Together, these forces are driving sustained increases in household energy bills.

The impact is especially severe in Southern regions, where high temperatures and widespread air conditioning use result in the largest increases. In the South Atlantic, cooling costs are projected to rise by more than \$100, or 13.5 percent, while the West South Central and East South Central regions are expected to see increases of 11.5 percent and 8.5 percent, respectively. In contrast, Midwestern households are projected to see smaller increases of about 4.7 percent, with the Northeast experiencing moderate increases of roughly 6 to 8 percent.

At the same time, one in six U.S. households is behind on its energy bills, with total utility debt reaching approximately \$25 billion. Low-income households are disproportionately affected, spending a larger share of their income on energy and facing difficult tradeoffs between paying utility bills and covering basic needs such as food, rent, and medicine.

The report also highlights the growing risks associated with extreme heat. Nearly 20 percent of very low-income households lack air conditioning, leaving them especially vulnerable during prolonged heat waves, which are becoming more frequent and intense.

In response, the report calls on Congress to increase funding for the Low Income Home Energy Assistance Program (LIHEAP) to \$7 billion in FY2027, up from the current \$4.1 billion, to help households manage rising energy costs.

“Without additional support, millions of families will struggle to stay cool and safe,” said Mark Wolfe. “Addressing the affordability crisis requires immediate action to ensure that vulnerable households are not left behind.”

The analysis is based on trends in EIA electricity price data and NOAA temperature forecasts, which together indicate continued upward pressure on summer cooling costs nationwide.