Summer Residential Cooling Outlook: Residential Electric Utility Expenditures Projected to Increase by 10.5% this Summer

Summary: Average summer residential electricity expenditures are projected to increase 10.5 percent in 2026, rising from $717 in 2025 to approximately $792. Since 2020, average summer cooling costs have increased by more than 39 percent. Even after adjusting for inflation, cooling costs remain substantially higher than in 2020.

Climate forecasters project above-average temperatures across much of the country this summer. If these forecasts prove accurate, 2026 could rank among the hottest summers on record. Higher temperatures increase cooling demand and place additional upward pressure on electricity bills. When temperatures break records, utility bills often do too.

The affordability challenge is growing. One in six American households is behind on its utility bills, utilities disconnected electric service approximately 13.5 million times in 2024, and nearly 40 percent of households earning less than $50,000 report difficulty paying energy bills.

Regional Outlook: Cooling costs are projected to increase in every region of the country, with the highest costs expected in the West South Central and South Atlantic regions.* Regional differences reflect climate, electricity prices, and baseline cooling demand.

Prices Increase Since 2020: Average summer electricity costs have increased sharply since 2020, driven by a combination of rising electricity prices and higher cooling demand associated with increasingly hot summers. Average summer cooling expenditures are projected to rise from approximately $570 in 2020 to $792 in 2026, an increase of nearly 40 percent.

Even after adjusting for inflation, cooling costs are projected to be about seven percent higher than in 2020, indicating that the increase cannot be explained by general price inflation alone. Instead, households are facing a real increase in the cost of staying cool, reflecting higher retail electricity prices, utility investments, fuel costs, and greater weather-driven demand as air conditioners run longer and more frequently during periods of extreme heat. Put simply, Americans are paying substantially more to cool their homes than they were just a few years ago.

* West South Central region includes the states of Oklahoma, Texas, Arkansas and Louisiana and the South Atlantic region includes the Florida, Georgia, North and South Carolina, Virginia, W. Virginia, Maryland, DC and Delaware.

The National Energy Assistance Directors Association (NEADA) is the primary educational and policy organization representing the state directors of the Low Income Home Energy Assistance Directors Association (LIHEAP). For questions about this report, contact Mark Wolfe, Executive Director of NEADA, mwolfe@neada.org.

Summer Shut-Off Protections:19 states and the District of Columbia provide some form of summer shut-off protection. Most protections are limited to extreme heat events and do not provide the same level of protection as winter moratoriums. Monthly disconnection data indicate that more than one million households continue to lose service during most summer months.

Policy Implications: Current energy assistance programs are not keeping pace with rising cooling costs and increasing heat exposure. Additional funding, stronger consumer protections, and expanded cooling assistance programs will be necessary to protect vulnerable households.

The combination of rising electricity prices, increasing cooling demand, hotter summers, and limited consumer protections is creating a growing energy affordability crisis for households.

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This summer, consumers are expected to face another year of elevated home cooling costs, with the average seasonal electricity expenditure projected to reach $792. This represents an increase of 10.5 percent from $717 last year and a 39.4 percent rise since 2020 (Table 1 and Figure 2A). Even after adjusting for inflation, cooling costs are projected to be approximately 8.6 percent higher than in 2020 (Figure 2B), indicating that the increase is not solely driven by general price levels but reflects underlying changes in both energy markets and demand.

Note: Appendix 1lists state-by-state numbers for change in electric prices by state.

These higher costs are driven by the interaction of two primary factors. First, retail electricity prices have continued to increase at a rate exceeding overall inflation, reflecting upward pressure from fuel costs, grid investments, data center demands and utility rate adjustments. Because air conditioning is one of the most electricity-intensive end uses in the residential sector, increases in per-kilowatt-hour prices translate directly into higher seasonal cooling expenditures.

Table 1: Summer Electric Bill Price Differentials: 2025 vs 2026

Summer Electric Bill / Cooling Season (June – September)					
Region	**New England**	**Mid Atlantic**	**EN Central**	**WN Central**	**S Atlantic**
2026 Cooling Season	$839	$799	$691	$691	$854
2025 Cooling Season	$758	$740	$641	$659	$757
Difference	$81	$59	$50	$32	$97
% Difference	10.6%	7.9%	7.8%	4.9%	12.8%
Region	**ES Central**	**WS Central**	**Mountain**	**Pacific**	**US Average**
2026 Cooling Season	$807	$890	$728	$744	$792
2025 Cooling Season	$760	$829	$640	$669	$717
Difference	$48	$61	$88	$75	$75
% Difference	6.3%	7.4%	13.8%	11.2%	10.5%

Second, rising temperatures are increasing the amount of electricity required to maintain comfortable and safe indoor conditions. Cooling demand is closely linked to cooling degree days, and recent trends point to sustained increases in summer heat exposure consistent with broader climate change patterns. As a result, households are not only paying more for each unit of electricity consumed, but are also consuming more electricity overall due to longer and more intense cooling periods.

Taken together, these dynamics rising real electricity prices and increasing weather-driven demand are producing a compounding effect on household energy bills, leading to persistently high and rising costs for summer cooling.

F**ederal Funding for LIHEAP Needs to be Increase to Cover Cooling Costs:** The current funding level for LIHEAP, $4.1 billion, is not enough. Families are facing mounting pressure from all sides. According to the Consumer Price Index, home energy costs are increasing at more than **three times** the rate of overall inflation. Because energy is a basic necessity, these increases function like a regressive tax, placing disproportionate pressure on low-income households that already devote a larger share of their income to energy expenses.

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 $7 billion for LIHEAP in FY2027. Providing $7 billion for LIHEAP would signal that the program is essential in keeping American families safe in their homes despite rising energy costs.

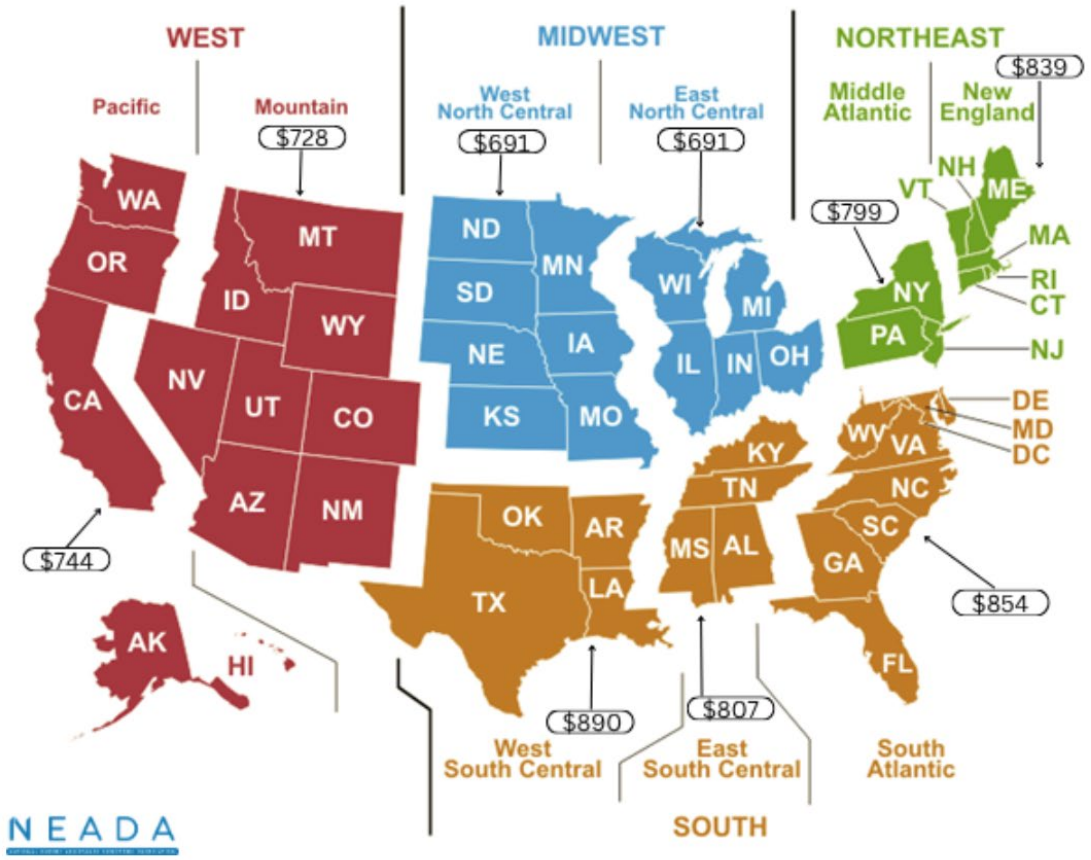
Climate forecasters are warning that summer 2026 could be among the hottest summers ever recorded in the United States. NOAA's seasonal outlook projects above-average temperatures across much of the country, increasing the likelihood of prolonged and intense heat waves during the peak cooling season. Higher temperatures have a direct impact on household electricity consumption because air conditioning systems must run longer and more frequently to maintain safe indoor temperatures. As a result, even modest increases in average temperatures can produce significant increases in residential electricity use.

If current forecasts prove accurate, millions of households could face some of the highest summer cooling costs on record as rising temperatures combine with higher electricity prices to drive utility bills higher. The combination of increased cooling demand and rising electricity rates is expected to increase average summer cooling costs by approximately 10.5 percent nationwide, with households in some regions facing increases of almost 14 percent.

For many low- and moderate-income families already struggling to pay utility bills, a record-hot summer could translate directly into record-high electricity costs. When temperatures break records, utility bills often do too. This summer, families may experience both.

Regional Variation in Summer Cooling Costs: As shown in Figure 1, while summer cooling costs are projected to increase nationwide, the magnitude of these increases varies significantly across regions, reflecting differences in climate, baseline electricity consumption, and regional power market conditions. The south is the highest cost region where high temperatures, widespread air conditioning use, and greater exposure to peak electricity demand combine to drive both higher consumption and higher marginal costs.

Figure 1: Average Cost of Residential Electricity June to September 2026



Regional Summer Estimates: NEADA's summer cooling estimates show a broad-based increase in household electricity expenditures during the June through September cooling season. The largest percentage increases are projected in the Mountain region, where average cooling-season electric bills are expected to rise by 13.8 percent, from $640 to $728, and in the South Atlantic region, where bills are projected to increase by 12.8 percent, from $757 to $854. The Pacific region is also expected to see a large increase of 11.2 percent, rising from $669 to $744, while New England is projected to increase by 10.6 percent, from $758 to $839.

The highest projected cooling-season bills are concentrated in regions with high baseline electricity use or elevated electricity prices. The West South Central region is projected to have the highest average summer electric bill at $890, followed by the South Atlantic at $854, New England at $839, and the East South Central region at $807. These regions illustrate how rising electricity prices and cooling demand can combine to produce substantial household costs, even when percentage increases vary.

The Midwest shows a mixed pattern. In the East North Central region, average summer cooling bills are projected to rise by 7.8 percent, from $641 to $691. In the West North Central region, bills are projected to increase by 4.9 percent, from $659 to $691, the smallest increase among the regions. These differences reflect variation in baseline cooling demand, electricity prices, and exposure to hotter summer conditions.

New England is projected to experience one of the larger percentage increases at 10.6 percent, while the Middle Atlantic region is projected to rise by 7.9 percent, from $740 to $799. In these regions, electricity prices play an important role in driving higher cooling costs, even where sustained summer heat exposure is generally less intense than in the South.

The regional pattern underscores the compounding effect of rising electricity prices and increasing heat exposure. Households are expected to consume more electricity to maintain safe and comfortable indoor temperatures while also paying more for each unit of electricity consumed. The result is a significant increase in total cooling-season expenditures, with the largest impacts concentrated in regions facing either high air-conditioning use, higher electricity prices, or both.

These estimates draw on observed trends in retail electricity prices from the U.S. Energy Information Administration and expected weather conditions based on NOAA cooling degree day projections. Together, these factors point to a broad-based increase in household electricity expenditures during the peak cooling season, with variation across regions driven by differences in climate, baseline consumption, and power market conditions.

Electricity prices have continued to trend upward in many parts of the country, contributing directly to higher cooling costs. Increases in fuel costs, particularly natural gas, which often sets the marginal price of electricity, have played a role, alongside rising transmission and distribution expenses and ongoing utility investments in grid reliability and capacity. These cost pressures are reflected in retail rates and are especially consequential during the summer months, when air conditioning drives a large share of residential electricity consumption.

Overall, the rise in summer cooling costs in 2026 reflects the interaction of higher electricity prices and increased weather-driven demand. The increase is national in scope, but it is not evenly distributed. Regional differences in climate, baseline electricity consumption, and retail power market conditions determine how strongly households feel the increase in their summer electric bills.

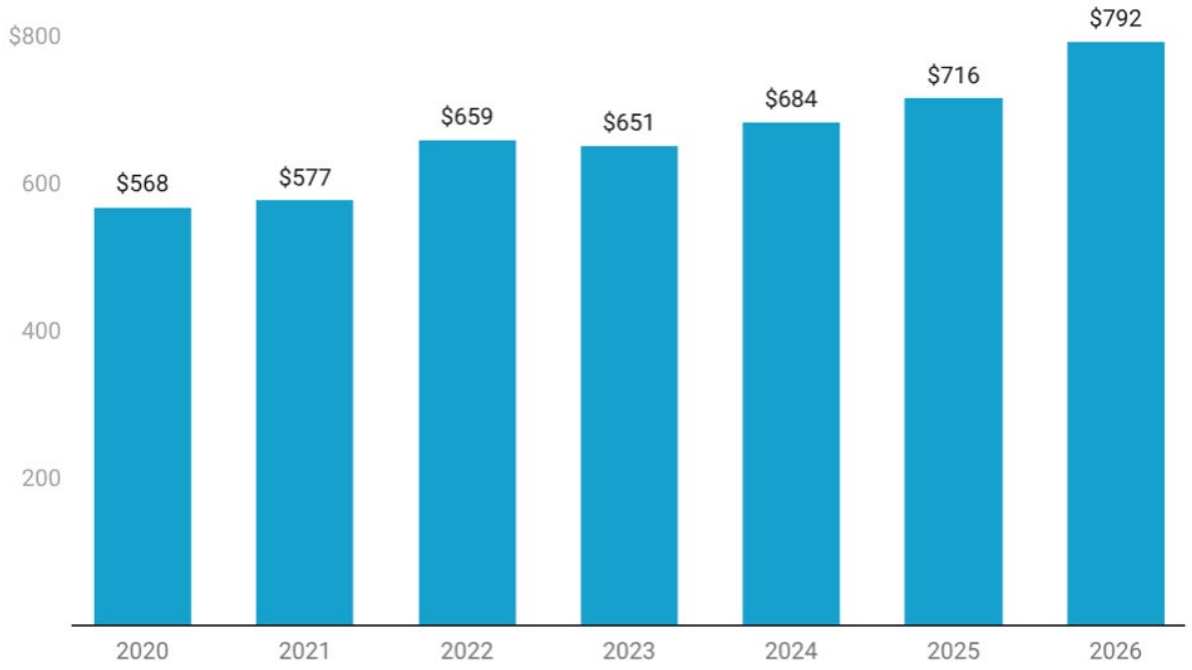
Average U.S. Summer Electric Bills (2020–2026): Figure 2A illustrates a pronounced upward trend in average summer electricity expenditures, with particularly strong growth beginning in 2020. The increase reflects the combined effects of rising retail electricity prices and higher cooling demand associated with hotter summer temperatures.

Recent years show a clear acceleration in costs compared to the prior decade, with the projected 2026 value reaching a new peak in nominal terms. Average summer cooling costs are projected to increase from approximately $570 in 2020 to $792 in 2026, an increase of nearly 40 percent. This substantial rise is consistent with broader trends in electricity pricing, utility infrastructure investments, higher fuel costs, and growing demand during periods of extreme summer heat.

Average U.S. Summer Electric Bills, Inflation Adjusted (2020–2026): Figure 2B presents average summer electricity expenditures adjusted for inflation. After accounting for changes in the overall price level, average summer cooling costs are projected to be approximately seven percent higher in 2026 than in 2020. Households are experiencing a real increase in the cost of maintaining access to cooling during the summer months. The increase reflects a combination

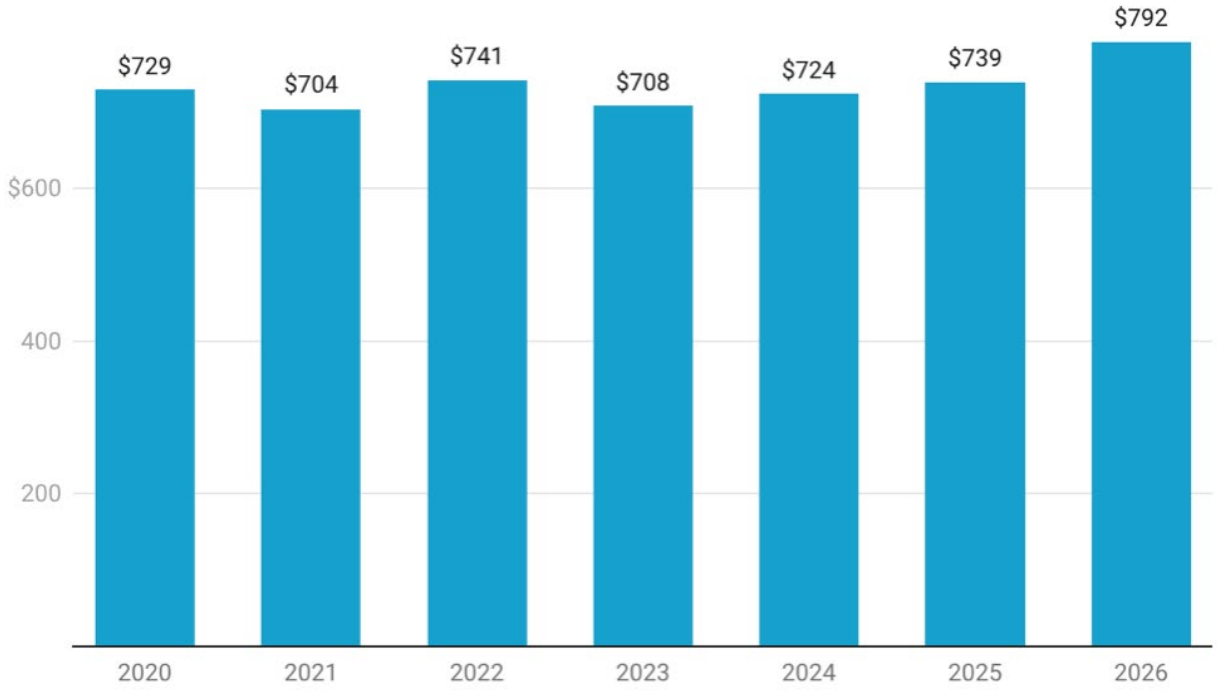
of higher electricity prices and greater weather-driven demand as households consume more electricity to cope with increasingly hot summer conditions. Even after accounting for inflation, Americans are paying more to stay cool than they were just a few years ago.

Figure 2A: Average Electric Bill from June to September (2020-2026)



Source: EIA

Figure 2B: Average Inflation-Adjusted Electric Bill (June to September 2026)



Source: EIA

Taken together, Figures 2A and 2B demonstrate that the recent rise in summer cooling costs is driven by both nominal price inflation and real increases in electricity expenditures. The persistence of upward movement in the inflation-adjusted series indicates that underlying market and demand fundamentals rather than transitory price effects are contributing to a sustained increase in household energy burden.

Energy price increases fall hardest on low-income households. The share of income spent by the lowest income families increased from about 9.38 to 9.86 percent of income more than four times the average rate for all families (2.35 percent). Even modest rate increases can force families to choose between paying utility bills and covering essentials such as food, rent or medicine.

The facts are striking:

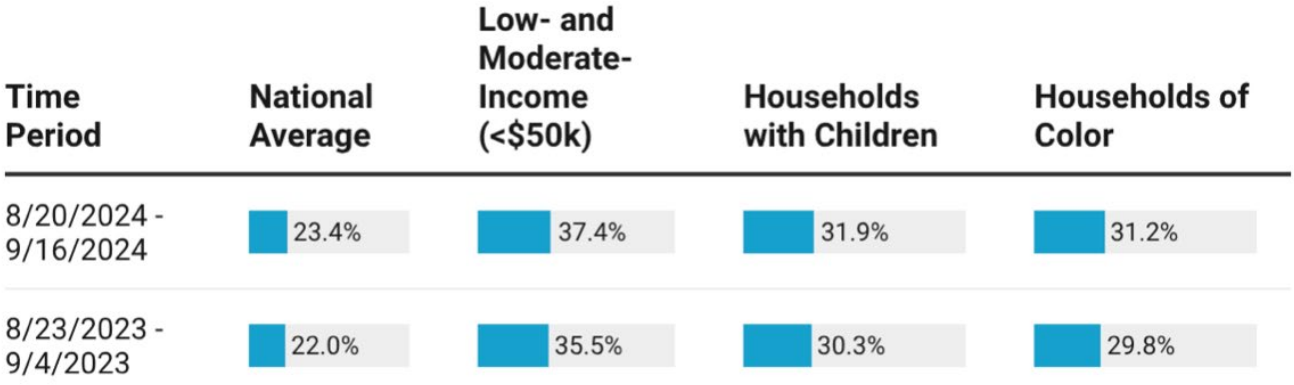
The **2024 Residential Utility Disconnections Report**, recently released by the U.S. Energy Information Administration, found that utilities disconnected electricity service 13.4 million times and natural gas service 1.7 million times in 2024. These figures confirm that the electricity shutoff crisis is far more widespread than previously estimated, underscoring the depth of the nation's energy affordability challenges.

The most recent **Census Household Pulse Survey (9/16/24)**, 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).

One in six U.S. households is behind on its energy bills, with total utility debt being expected to reach about $23 billion dollars at the end of 2026, which is the highest level since 2021. Nearly 40 percent of households earning under $50,000 report being unable to pay an energy bill at least once in the past year, and those pressures are likely to intensify as higher energy costs ripple through the broader economy.

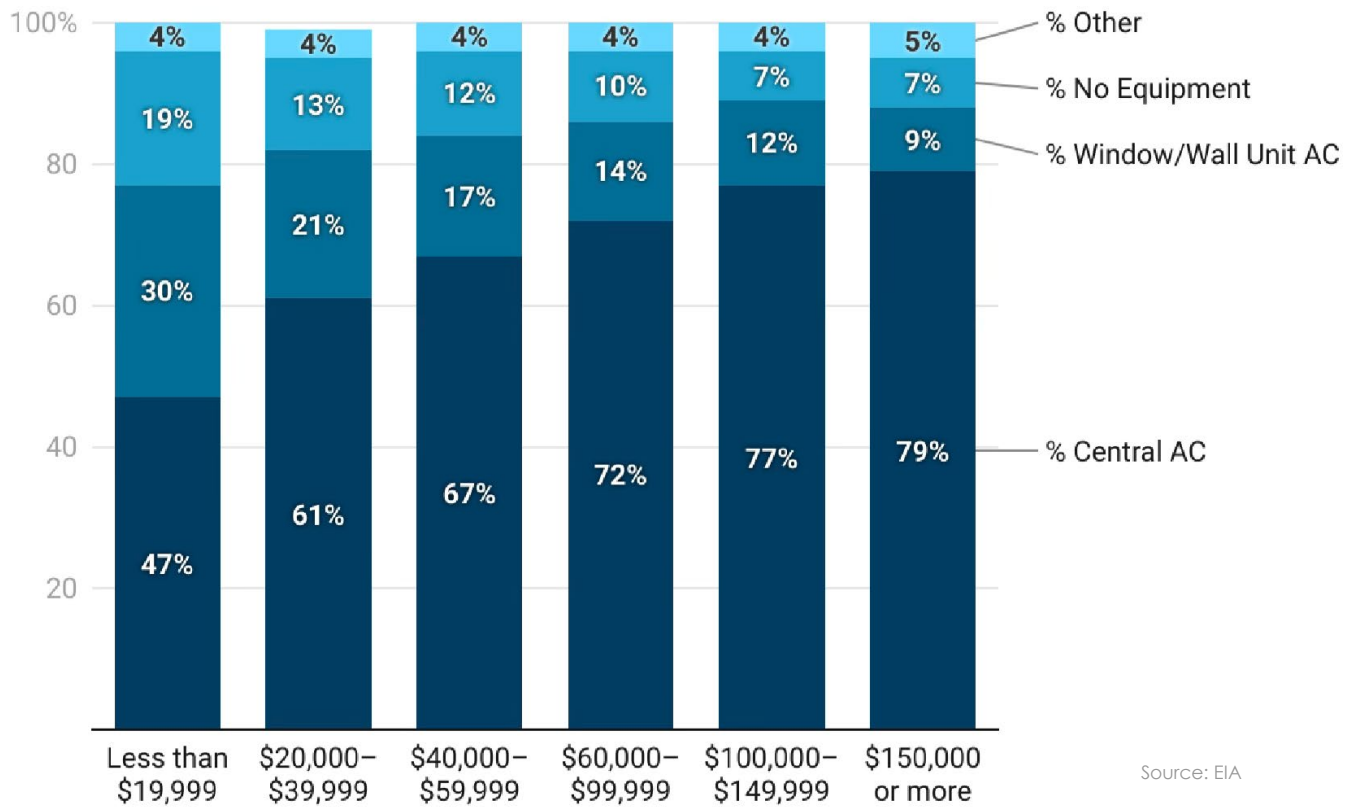
Federal Reserve survey data make clear how little margin many families have: 34 percent of adults with incomes below $25,000 dollars report they were unable to pay all their bills in full. Eliminating assistance under these conditions would not reduce the burden; it would simply shift more of it onto households least able to bear it.

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



Source: Census Pulse Survey July 2024

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



States are Expanding Summer Shut-Off Protections, but Coverage Remains Limited: Nineteen states and the District of Columbia provide some form of protection against utility shutoffs during the summer months, and several are moving to strengthen these safeguards as temperatures continue to rise. For example, Arizona recently adopted a broad summer protection policy designed to shield low-income households from disconnection during periods of extreme heat. However, summer shut-off protections remain far less comprehensive than winter protections.

In most states, protections are triggered only when temperatures exceed specific thresholds or during declared heat emergencies rather than providing continuous coverage throughout the summer. As a result, 31 states still offer no summer shut-off protections at all, leaving many low-income families vulnerable to the health and safety risks associated with prolonged exposure to extreme heat.

The real test of any shut-off protection is whether it prevents families from losing service during periods of high energy burden. In 2024, utilities disconnected electric service approximately 13.5 million times, an average of roughly 1.1 million shut-offs per month. If summer protections were providing the same level of protection as winter moratoriums, we would expect to see a significant decline in shut-offs during the summer months. That is not what the data show. Utility disconnections remained above one million in June, totaled approximately 967,000 in July, and returned to roughly 1.1 million in August. While there is a modest decline during the summer, it is nowhere near the reductions observed in states such as Illinois, New York, Wisconsin and New Jersey during the winter months, where stronger seasonal protections drive shut-offs sharply lower.

The evidence suggests that summer shut-off protections are generally far weaker than winter protections. If they were providing comparable safeguards, we would see a much larger decline in summer disconnections. Instead, hundreds of thousands of families continue to lose electric service during the hottest months of the year, when access to cooling can be critical to health and safety. If summer shut-off protections were truly protecting families, we would see utility disconnections fall during the hottest months of the year. The data show that's simply not happening.

The result is that many households remain vulnerable to utility shut-offs during periods of extreme heat, despite growing evidence that prolonged exposure to high indoor temperatures can pose serious health risks, particularly for seniors, children and individuals with chronic medical conditions.

Extreme Summer Temperatures are Higher and More Widespread: According to **NOAA, NASA,** and the **World Meteorological Organization**, 2025 was among the hottest years on record, continuing a sustained period of extreme heat that is increasing cooling demand and putting upward pressure on household energy costs. Forecasts from NOAA indicate that 2026 is likely to bring above-average temperatures across most of the country, with a developing El Niño and widespread drought conditions increasing the likelihood of another hot summer and further increases in cooling demand. Taken together, these trends point to a continued escalation in both the frequency and intensity of extreme heat events, with direct implications for household energy use and costs.

Extreme heat poses a significant and growing public health risk. According to the **Centers for Disease Control and Prevention**, heat is the leading cause of weather-related deaths in the United States, claiming approximately 2,000 lives each year. In recent years, that toll has risen sharply, with more than 2,400 heat-related deaths recorded nationally in 2023 and similarly elevated levels reported in 2024. These figures likely understate the full impact of extreme heat, as heat exposure is often recorded as a contributing factor in deaths attributed to cardiovascular disease, respiratory illness, stroke, and the exacerbation of underlying chronic conditions.

Local data illustrate the scale and persistence of the risk. In **Maricopa County**, Arizona, 608 heat-related deaths were confirmed in 2024 one of the highest totals on record. Preliminary data for 2025 suggest a decline to approximately 427 deaths, reflecting expanded heat mitigation efforts, but still far above historical norms and indicative of a sustained public health crisis. Even in years with modest improvement, heat-related mortality remains at historically elevated levels, underscoring the ongoing danger posed by prolonged and extreme heat.

These risks are not evenly distributed. Low-income households, older adults, and individuals with pre-existing health conditions are particularly vulnerable to extreme heat, especially when they lack reliable access to air conditioning. Nearly 20 percent of very low-income households do not have any cooling equipment, leaving them exposed during periods of sustained high temperatures. For these households, the ability to maintain safe indoor temperatures is not simply a matter of comfort it is a matter of health and safety.

Conclusion: Taken together, these findings point to a worsening outlook for vulnerable households. Families that are already struggling to pay their energy bills will face increasing difficulty keeping their homes at safe temperatures this summer. Rising electricity prices, higher cooling demand, limited access to air conditioning, and insufficient federal and state assistance programs are converging to deepen the affordability crisis. Absent increased federal support and stronger protections against utility shutoffs, the combination of rising energy costs and extreme heat will continue to place millions of households in unsafe and potentially life-threatening conditions.

Appendix 1: Average State Summer Electric Bill (2025)

State	Summer 2025 Bill	Summer 2026 Est.	Difference	% Difference
Alabama	$858	$911	$54	6.3%
Alaska	$518	N/A	N/A	N/A
Arizona	$931	$1060	$128	13.8%
Arkansas	$667	$716	$49	7.4%
California	$744	$828	$84	11.2%
Colorado	$521	$592	$72	13.8%
Connecticut	$899	$994	$96	10.6%
Delaware	$700	$789	$89	12.8%
District of Columbia	$643	$725	$82	12.8%
Florida	$829	$935	$106	12.8%
Georgia	$790	$891	$101	12.8%
Hawaii	$847	N/A	N/A	N/A
Idaho	$450	$512	$62	13.8%
Illinois	$637	$687	$50	7.8%
Indiana	$713	$769	$56	7.8%
Iowa	$573	$601	$28	4.9%
Kansas	$655	$687	$32	4.9%
Kentucky	$667	$708	$42	6.3%
Louisiana	$776	$833	$57	7.4%
Maine	$551	$610	$59	10.6%
Maryland	$786	$886	$100	12.8%
Massachusetts	$797	$882	$85	10.6%
Michigan	$607	$655	$47	7.8%
Minnesota	$530	$556	$26	4.9%
Mississippi	$785	$834	$49	6.3%
Missouri	$766	$803	$37	4.9%
Montana	$439	$500	$61	13.8%
Nebraska	$560	$587	$27	4.9%
Nevada	$620	$705	$85	13.8%
New Hampshire	$642	$710	$68	10.6%
New Jersey	$848	$915	$67	7.9%
New Mexico	$513	$584	$71	13.8%
New York	$720	$777	$57	7.9%
North Carolina	$641	$723	$82	12.8%
North Dakota	$465	$488	$23	4.9%
Ohio	$691	$745	$54	7.8%
Oklahoma	$732	$786	$54	7.4%
Oregon	$514	$572	$58	11.2%
Pennsylvania	$694	$749	$55	7.9%
Rhode Island	$698	$772	$74	10.6%
South Carolina	$744	$839	$95	12.8%
South Dakota	$551	$578	$27	4.9%
Tennessee	$733	$779	$46	6.3%
Texas	$872	$936	$64	7.4%
Utah	$535	$609	$74	13.8%
Vermont	$523	$579	$56	10.6%
Virginia	$708	$798	$90	12.8%
Washington	$439	$488	$49	11.2%
West Virginia	$637	$718	$81	12.8%
Wisconsin	$538	$580	$42	7.8%
Wyoming	$431	$491	$59	13.8%
U.S. Total	$717	$792	$75	10.5%

Appendix 2: 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 3: Summer and Winter Shutoff Protections by State (2025)

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	