

WINTER HEATING REPORT

WINTER HEATING PRICES PROJECTED TO INCREASE BY 8.7 PERCENT

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WASHINGTON DC (September 14, 2026): U.S. home heating costs are projected to rise by 8.7 percent this winter, more than [twice](#) the rate of inflation, driven primarily by higher electricity, and heating oil costs. Furthermore, rising costs for home heating over the past five years have had a compounding effect. Energy costs are up 23.9 percent since the winter of 2021-22.

On average, households are expected to spend \$1,030 on heating this winter, an increase of \$82 from last year. Families that rely on electric heating are projected to see costs rise by 9.0 percent, while households using natural gas are expected to see heating costs increase by 5.8 percent. Heating oil costs are projected to rise by 31.3 percent, largely because of the sharp increase in heating oil prices driven by the war in Iran. Propane users are expected to see heating costs increase by 8.7 percent.

Across all fuel types, the increase in heating costs is being moderated by expectations for a warmer winter due to El Niño, which typically brings warmer-than-normal winter temperatures to much of the United States, reducing the amount of energy households need to heat their homes.

Winter Heating Costs 2025/2026 to 2026/2027

Winter	Natural gas	Electricity	Propane	Heating oil	All Fuels
2025-26	\$686	\$1,146	\$1,286	\$1,749	\$948
2026-27	\$726	\$1,249	\$1,398	\$2,297	\$1,030
\$ Difference	\$40	\$103	\$112	\$548	\$82
% Difference	5.8%	9.0%	8.7%	31.3%	8.7%

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Funding for LIHEAP needs to be increased: NEADA is urging Congress to increase LIHEAP funding from \$4 billion to [\\$7 billion](#) to help families manage rising home energy costs. Energy bills are taking up a growing share of household budgets, particularly as energy prices continue to rise. For low and moderate income households, the issue is not simply that energy costs are rising. Higher heating and electricity bills leave families with less money for food, housing, transportation and other basic necessities. Increasing LIHEAP funding is therefore essential to helping families afford their energy bills, avoid falling into utility debt and keep their homes safely heated and cooled.

"This is a warning that too many families are entering winter with no room left in their budgets," said Mark Wolfe, executive director of NEADA. They have already experienced record high summer cooling costs and now they are facing home heating costs that are rising more than twice the rate of inflation.

"Congress cannot wait for the first cold snap," Wolfe added, "LIHEAP funding should be increased now. Energy is not a luxury. We can modernize the grid and meet growing demand without pushing families into crisis, but affordability has to be a key element of those decisions

Why are prices rising? Electric prices have been continually rising over the past decade due to a myriad of factors. Higher interest rates have increased the cost of financing power plants and transmission upgrades, while rising natural gas prices are pushing up electricity generation costs. Electricity demand is also growing rapidly, driven in part by the expansion of data centers. Aging grid infrastructure and regional capacity constraints are adding further system costs. At the same time, reduced federal incentives for renewable energy have slowed investment in lower-cost clean power.

For families that rely on heating oil, the risk is even greater. Heating oil prices are closely tied to global oil markets and remain vulnerable to developments in the war. Before the conflict, crude oil was trading at approximately \$72 per barrel. Prices subsequently rose toward \$100 per barrel as concerns grew about disruptions to oil supplies and shipping through the Strait of Hormuz. Higher crude oil prices have already pushed up wholesale heating oil costs and could lead to significantly higher heating bills this winter.

Over the longer term, the cost of home energy has continued to put pressure on household budgets. The increases have been particularly significant for households that rely on electricity or heating oil, while natural gas and propane costs have varied by region and by household

Winter Heating Costs 2021/2022 to 2026/2027

Winter	Natural gas	Electricity	Propane	Heating oil	All Fuels
2021-22	\$621	\$920	\$1,638	\$1,417	\$831
2026-27	\$726	\$1,249	\$1,398	\$2,297	\$1,030
\$ Difference	\$105	\$329	-\$240	\$880	\$199
% Difference	16.9%	35.7%	-14.7%	62.1%	23.9%

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consumption. Since the winter of 2021-22, the cost of home heating for those using electricity increased by 35.7 percent as compared to 16.9 percent for those using natural gas and fell by 14.7 percent propane. For those using heating oil prices increased by 62.1 percent in large due to the war in Iran.

Regional household heating costs: National averages hide substantial regional differences in both energy prices and the amount of energy households need to heat their homes. The Northeast generally faces the highest heating costs because winters are colder and a larger share of households rely on heating oil, the most expensive heating fuel. Electricity prices are also relatively high in the Northeast, particularly in New England and the Middle Atlantic with natural gas being the least costly fuel for home heating. In the 2025-26 EIA outlook, for example, electricity prices in the Northeast averaged about 24 cents per kWh, compared with about 16 cents in the Midwest and 15 cents in the South. EIA also found that heating expenditures for electrically heated homes were highest in the Northeast.

Northeast Region Winter Heating Prices 2025/2026 to 2026/2027

Winter	Natural gas	Electricity	Propane	Heating oil	All Fuels
2025-26	\$989	\$1,675	\$1,972	\$1,749	\$1,311
2026-27	\$979	\$1,885	\$2,143	\$2,297	\$1,449
\$ Difference	-\$10	\$210	\$171	\$548	\$138
% Difference	-1.0%	12.5%	8.7%	31.3%	10.5%

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The Midwest also has relatively high heating needs because of colder winters, but its fuel mix is different. Less expensive natural gas is the dominant heating fuel, with propane also important in rural areas. As a result, Midwest households can have high heating consumption even when the price of electricity or natural gas is lower than in the Northeast.

Midwest Region Winter Heating Prices 2025/2026 to 2026-2027

Winter	Natural gas	Electricity	Propane	All Fuels
2025-26	\$659	\$1,328	\$1,367	\$889
2026-27	\$630	\$1,499	\$1,491	\$924
\$ Difference	-\$29	\$171	\$124	\$35
% Difference	-4.4%	12.9%	9.1%	3.9%

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The South generally has lower winter heating costs because temperatures are warmer, households use less energy for space heating, and electricity, which is used for heating by a much larger share of households, is cheaper than in colder regions of the country. Even so, energy prices are rising in the South as they are across the country and higher electricity prices or an unusually cold winter can still produce significant increases in bills.

South Region Winter Heating Prices 2025/2026 to 2026/2027

Winter	Natural gas	Electricity	Propane	All Fuels
2025-26	\$580	\$1,049	\$1,167	\$917
2026-27	\$508	\$1,183	\$1,288	\$991
\$ Difference	-\$72	\$134	\$121	\$74
% Difference	-12.4%	12.8%	10.3%	8.1%

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The West is more difficult to characterize as a single market because it includes very different climates and electricity systems. The Pacific states have relatively mild winters in many areas, while the Mountain states have substantially greater heating needs. Electricity prices and generation resources also vary widely across the region.

West Region Winter Heating Prices 2025/2026 vs 2026/2027

Winter	Natural gas	Electricity	All Fuels
2025-26	\$553	\$1,035	\$753
2026-27	\$518	\$1,120	\$768
\$ Difference	-\$35	\$85	\$15
% Difference	-6.4%	8.3%	2.0%

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These regional differences are important when interpreting the national 8.7 percent increase. A household in the Northeast that relies on heating oil or electricity can face a much larger dollar heating bill than a household in the South, even when both experience the same percentage increase. The national average therefore should be viewed as a planning benchmark, not as an estimate of what every household will pay. Recent storm is driving electricity prices higher.

Share of income spent on home energy: Low- and-moderate-income households are spending an increasing share of their incomes on home energy. The share of income spent by the lowest income families, the lowest 20 percent of the population, increased from about 9.38 to 9.86 percent and for those with incomes in the next lowest range, families between the 20th and -40th percentile, increased from about 4.85 percent to 5.11 percent of income. Even modest rate increases can force families to choose between paying utility bills and covering essentials such as food, rent or medicine.

Electric & Natural Gas Expenditure for All Income Quintiles

Lowest 20%				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$1,705	\$17,291	9.86%	9.1%
2024	\$1,563	\$16,658	9.38%	

Second 20%				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$2,276	\$44,556	5.11%	9.2%
2024	\$2,084	\$42,925	4.85%	

Third 20%				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$2,482	\$77,304	3.21%	9.3%
2024	\$2,271	\$74,474	3.05%	

Fourth 20%				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$2,820	\$126,167	2.24%	9.4%
2024	\$2,578	\$121,548	2.12%	

Top 20%				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$3,429	\$274,561	1.25%	9.7%
2024	\$3,127	\$264,510	1.18%	

All Consumers				
Year	Electric & Nat. Gas	Income	% Income Energy	Difference
2025	\$2,544	\$108,167	2.35%	9.4%
2024	\$2,326	\$104,207	2.23%	

Utility rates expected to continue their upward momentum: More than [275 electric and natural gas utilities](#) have either increased rates, received approval for rate increases or proposed increases since 2025. These increases could raise electricity and natural gas customers' bills by more than \$101 billion through 2028.

Financial stress and rising risk of shutoffs: With reduced federal energy assistance and growing arrearages, millions of households are at risk of losing utility service. About one in six U.S. households is behind on utility bills, with residential utility debt approaching \$23 billion. In 2024, [utilities disconnected](#) residential electric service approximately 13.4 million times and natural gas service approximately 1.7 million times because of unpaid bills.

What must change: If access to affordable home energy is essential, affordability has to be treated as part of the energy system, not as an afterthought. Rising energy costs have made energy insecurity a growing problem, particularly for low income households, where a missed payment can quickly become a crisis. Beyond short term relief, longer term solutions are needed, including stronger funding and outreach for programs like LIHEAP.

Utilities also have a responsibility to consider the impact of rate increases on vulnerable customers and to provide meaningful affordability protections when seeking approval for grid upgrades and other investments. Modernizing the electric grid is necessary, but it should not come at the expense of households least able to pay. Protecting access to essential energy services must be treated as a core part of the transition, not a secondary concern.