

Residential Electricity Rate Changes in the Average Congressional District

Executive Summary

Electricity costs for families have increased significantly in many states during the 12-month period ending September 2025. These rising costs are having major impacts on American families, driving 14 million Americans into debt, causing up to 4 million families to have their power shut off this year, and forcing people to choose between necessities like heating their home or buying groceries.

In the average congressional district:

- Residential electricity rates (\$ per kilowatt) increased by **8.2%** between September 2024 and September 2025.
- A family using the average amount of electricity will spend approximately **\$130** more this year than last year.
- This increase is more than **two and a half times** the rate of inflation over the same period.¹

Across the 423 districts with available data, residential electricity rates have increased in **83%** of districts since September 2024. Nearly 40% of districts saw rates increase by more than **10%**, and over **one in five districts** saw increases above **15%**.

Background

Electricity is an essential household expense. Families cannot easily reduce electricity use without sacrificing basic needs like heating and cooling their home, refrigerating their food, and keeping the lights on. When electricity rates increase, as they did between September 2024 and September 2025, households have to make difficult choices between paying their power bill and buying other household necessities like groceries.² Rising electricity rates are also driving more families into debt, with roughly 1 in 6 American families (21.5 million households) behind on their utility payments and 1 in 20 families (14 million Americans) are

¹ The 8.2% figure represents a customer-weighted average of rate changes. Comparison is made to the CPI increase of 3.0% over the same period. U.S. Bureau of Labor Statistics, *Consumer Price Index Summary* (October 24, 2025) (<https://www.bls.gov/news.release/cpi.nr0.htm>).

² U.S. Department of Agriculture, *The Effects of Energy Price Shocks on Household Food Security in Low-Income Households* (July 13, 2017) (<https://www.ers.usda.gov/publications/pub-details?pubid=84240>); Jay Bhattacharya, et al., American Journal of Public Health, *Heat or Eat? Cold-Weather Shocks and Nutrition in Poor American Families* (July 2003) (<https://ajph.aphapublications.org/doi/full/10.2105/AJPH.93.7.1149>).

so far behind that their utility debt may be sent to collection agencies.³ By the end of the year, as many as four million families may have their power cut off because they were unable to pay their utility bills.⁴

The Inflation Reduction Act (IRA), which was passed by Congress in 2022, created incentives for clean energy and home energy efficiency improvements that would have led to trillions of dollars in new clean energy and efficiency investments.⁵ A central goal of the law was reducing electricity costs by expanding low-cost renewable energy and making energy use more efficient. Experts predicted these investments, along with those enacted in the 2021 bipartisan infrastructure law, would lower households' electricity costs by tens of billions of dollars and reduce average electricity rates by nearly 10% by 2030.⁶

This year, however, Congress repealed or rolled back most of those investments. The budget reconciliation bill signed into law by President Trump in July will reduce federal investments in clean energy and energy efficiency by over \$500 billion, according to the Congressional Budget Office.⁷ Energy analysts estimate that these changes will reduce new clean energy generation by approximately 60% by 2035 and increase average household electricity costs.⁸ Total energy costs are expected to increase by nearly \$200 annually for the average household by 2035 from this legislation alone, with some regions facing far higher increases.⁹

³ National Energy Assistance Directors Association, *The Cost of Power: How Soaring Electric Rates Are Deepening Energy Poverty in America* (August 2025) (<https://neada.org/wp-content/uploads/2025/08/costofpower.pdf>) (1 in 6 families behind on utility payments); The Century Foundation, *Fueling Debt: How Rising Utility Costs Are Overwhelming American Families* (November 17, 2025) (<https://tcf.org/content/commentary/fueling-debt-how-rising-utility-costs-are-overwhelming-american-families/>) (1 in 20 families may have utility debt sent to collection agencies).

⁴ National Energy Assistance Directors Association, *The Cost of Power: How Soaring Electric Rates Are Deepening Energy Poverty in America* (August 2025) (<https://neada.org/wp-content/uploads/2025/08/costofpower.pdf>).

⁵ Congressional Budget Office, *Estimated Budgetary Effects of Public Law 117-169, to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14* (September 7, 2022) (<https://www.cbo.gov/publication/58455>) (initial cost estimate); Joint Committee on Taxation, *Description of Energy Tax Changes Made by Public Law 117-69* (April 17, 2023) (<https://www.ict.gov/publications/2023/jcx-5-23/>) (description of clean energy incentives); Goldman Sachs, *The US is Poised for an Energy Revolution* (April 17, 2023) (<https://www.goldmansachs.com/insights/articles/the-us-is-poised-for-an-energy-revolution>) (\$3 trillion in clean energy and efficiency investment).

⁶ U.S. Department of Energy, *Investing in American Energy*, (August 16, 2023) (https://www.energy.gov/sites/default/files/2023-08/DOE%20OP%20Economy%20Wide%20Report_0.pdf).

⁷ Congressional Budget Office, *Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline* (July 21, 2025) (<https://www.cbo.gov/publication/61570>).

⁸ Rhodium Group, *What Passage of the "One Big Beautiful Bill" Means for US Energy and the Economy* (July 11, 2025) (<https://rhg.com/research/assessing-the-impacts-of-the-final-one-big-beautiful-bill/>).

⁹ Rhodium Group, *What Passage of the "One Big Beautiful Bill" Means for US Energy and the Economy* (July 11, 2025) (<https://rhg.com/research/assessing-the-impacts-of-the-final-one-big-beautiful-bill/>).

President Trump's tariffs have compounded the loss of the IRA's incentives by increasing the costs of building new power plants and upgrading the nation's electrical grid. Industry experts estimate that tariffs will increase the cost of most power generation technologies by up to 11%.¹⁰ The administration's 50% tariffs on steel, aluminum, and copper are forcing utilities to pay more to maintain and expand their grids. Utilities import 80% of their electrical transformers – essential components that move electricity from power plants to customers – and tariffs are pushing up the cost of transformers by as much as 20% in 2025.¹¹

Other factors contributing to higher prices are rising demand from data centers and the costs of protecting the grid from extreme weather and wildfires caused by climate change.¹²

In response to rising costs and demand, President Trump has declared a national energy emergency and authorized expedited permitting for coal, nuclear, and other fossil fuel power plants to increase supply and lower prices.¹³ Yet wind and solar are now the cheapest sources of new electricity because their costs have plunged dramatically in recent years and their fuel sources are free.¹⁴ Energy experts have warned that shifting federal support from clean energy to fossil fuel energy will increase, not decrease, electricity prices.¹⁵

¹⁰ Wood Mackenzie, *All Aboard the Tariff Coaster: Implications for the US Power Industry* (June 2, 2025) (<https://www.woodmac.com/press-releases/tariffs-to-increase-costs-and-slow-down-development-for-us-power-industry/>).

¹¹ Bloomberg, *The Device Throttling the World's Electric Future* (March 24, 2025) (<https://www.bloomberg.com/features/2025-bottlenecks-transformers/>).

¹² U.S. Energy Information Administration, *After More Than a Decade of Little Change, U.S. Electricity Consumption is Rising Again* (May 13, 2025) (<https://www.eia.gov/todayinenergy/detail.php?id=65264#>) (overview); U.S. Energy Information Administration, *Short-Term Energy Outlook*, page 9 (November 2025) (https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf) (2025 and 2026 growth); GAO, *Electricity Grid Resilience: Climate Change Is Expected to Have Far-reaching Effects and DOE and FERC Should Take Actions* (March 5, 2021) (<https://www.gao.gov/products/gao-21-346>) (climate change risks and costs).

¹³ Federal Register, *Executive Order 14156, Declaring a National Energy Emergency* (January 29, 2025) (<https://www.govinfo.gov/content/pkg/FR-2025-01-29/pdf/2025-02003.pdf>); Federal Register, *Executive Order 14241, Reinvigorating America's Beautiful Clean Coal Industry* (April 8, 2025) (<https://www.federalregister.gov/documents/2025/04/14/2025-06380/reinvigorating-americas-beautiful-clean-coal-industry-and-amending-executive-order-14241>); Federal Register, *Executive Order 14300, Ordering the Reform of the Nuclear Regulatory Commission* (April 8, 2025) (<https://www.federalregister.gov/documents/2025/05/29/2025-09798/ordering-the-reform-of-the-nuclear-regulatory-commission>).

¹⁴ Lazard, *Levelized Cost of Energy* (June 2025) (<https://www.lazard.com/news-announcements/lazard-releases-2025-levelized-cost-of-energy-plus-report-pr>).

¹⁵ Rhodium Group, *Taking Stock 2025: US Energy and Emissions Outlook*, pages 23-24 (September 10, 2025) (<https://rhg.com/research/taking-stock-2025/>).