



Press Release

How Much Are Electricity Prices Rising – And Why?

ALLIE WATSON | OCTOBER 9, 2025

Fast-rising electricity prices are frequently making news headlines and have become a topic of political contention at the national and state levels. In a new insight, Director of Energy and Environmental Policy Shuting Pomerleau provides an overview of U.S. electricity prices' recent and historical trends and analyzes the main factors that drive electricity price changes.

Key points:

- *While U.S. national retail electricity prices saw a fast increase in the first half of 2025 at a 10-percent nominal growth rate, they have generally grown at a more moderate pace historically – with nominal prices staying relatively flat at a 0.7-percent growth rate from 2013–2020, 5.5 percent from 2020–2022, and are projected to grow at 4.5 percent from 2022–2026.*
- *Various factors affect electricity prices, including the costs associated with utilities' generation, transmission, and distribution of electricity on the supply side of the electric system; the projection of future power demand from different end customers, weather conditions, and related regulations.*
- *Residential electricity prices continue to be relatively higher and grow at a faster pace compared to the commercial and industrial sectors, which is driven by the residential sector's smaller volume of power demand, less predictability of power usage, and the high cost of relying on the local distribution system.*

[Read the analysis.](#)