

THE LOOMING AMERICAN ELECTRICITY AFFORDABILITY CRISIS

*How decades of energy decisions are hitting
American families, and what must change now.*

AUGUST 2025

POWER  THE FUTURE

AMERICA'S ENERGY AFFORDABILITY CRISIS ON THE HORIZON

America's electric grid is on a trajectory toward **an affordability crisis decades in the making**. Since the early 2000s, politically motivated energy policies, often prioritizing ideology over reliability, have steadily driven up electricity costs, which working families are now facing. The current administration did not create this trend, but it is now up to them to address it.

Data from more than **500,000 federal electricity records** show a consistent pattern: as dispatchable fossil fuel generation is retired and replaced with intermittent wind and solar energy, electricity prices rise. This is not a short-term fluctuation. It is a long-term structural problem that has been building for decades.

If action is not taken now, the U.S. will face an energy system that is increasingly expensive, unreliable, and unable to meet peak demand. The consequences will be felt most acutely by working families, small businesses, and industries that depend on stable, affordable power.

To reverse course and restore affordability, the administration should:

- 1. Utilize the Defense Production Act:** As the previous administration did, direct resources and authorities toward securing firm, dispatchable generation capacity.
- 2. Build new fossil fuel plants:** Add reliable baseload generation to stabilize prices and meet future demand. If electricity rates are surging now, they will only skyrocket as AI power demand is added.
- 3. Halt premature closures:** Identify fossil fuel plants slated for retirement and exercise federal authority to keep them online until equivalent firm capacity is fully operational.
- 4. Expand Existing Coal Capacity:** Upgrade and run today's coal fleet closer to full potential, adding firm power quickly and cheaply without waiting years for new construction.

America's energy policy must be rooted in reality, not political fashion. A balanced, affordability-first approach can protect consumers from skyrocketing costs, strengthen grid stability, and ensure the nation's economic competitiveness in the decades ahead.



WHAT HIGH ENERGY COSTS MEAN FOR EVERY FAMILY

Higher electricity prices don't stop at the utility bill. They ripple through the economy:

- **Household budgets** – \$50/month higher bills mean \$600 less per year for food, savings, or healthcare.
- **Small businesses** – Restaurants, shops, and workshops face higher operating costs, leading to price increases or layoffs.
- **Inflation pressure** – Energy is embedded in every product and service; rising power costs push up prices across the board.
- **Job risk** – Energy-intensive industries move production to lower-cost grids overseas, taking jobs with them.

The Real Cost to Families

For a typical family of four, electricity costs already average around **\$150–\$180 per month**, or roughly **\$2,000 per year**. If rates rise by just 30%, a modest increase compared to recent spikes, that adds an extra \$600 to annual household expenses.

But the impact doesn't stop at the utility bill. Higher electricity prices raise production costs for groceries, clothing, and household goods, meaning the same family could pay \$200–\$300 more each year at the store. Factor in higher restaurant bills, costlier local services, and price increases for essentials like healthcare or transportation, and **the true cost of expensive electricity can easily top \$1,000 a year**, shrinking savings and straining budgets even further.

AMERICANS ARE FEELING THE CRISIS

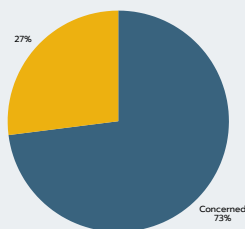
**73% OF
AMERICANS ARE
CONCERNED
ABOUT RISING
ENERGY BILLS**

Rising utility costs aren't just numbers on a chart — Americans are already living it. National surveys show overwhelming concern across every demographic, according to a recent survey:

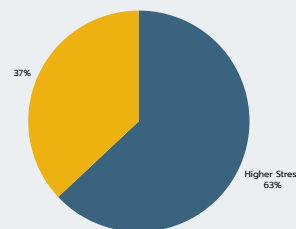
- 73% of **Americans say they're worried** about rising electric and gas bills this year.
- 64% report their **bills are higher** than last year.
- 63% say energy costs are adding to their **financial stress**.
- Nearly 80 million Americans are **struggling to pay their bills**.

Families are making tough choices: keeping homes at unsafe temperatures, skipping expenses, or cutting back on essentials. Rising power costs hit working households, small businesses, and renters, the hardest.

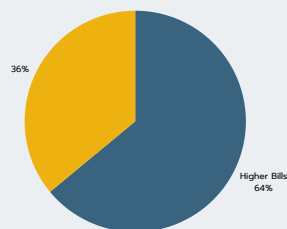
Concerned about Electric and Gas Bills this Year



Energy Costs Adding Financial Stress



Higher Bills This Year



80 million Americans More Stressed



HOW WE GOT HERE: DECADES OF BAD POLICY

The price Americans pay for electricity today is the cumulative result of **decades of politically motivated decisions**:

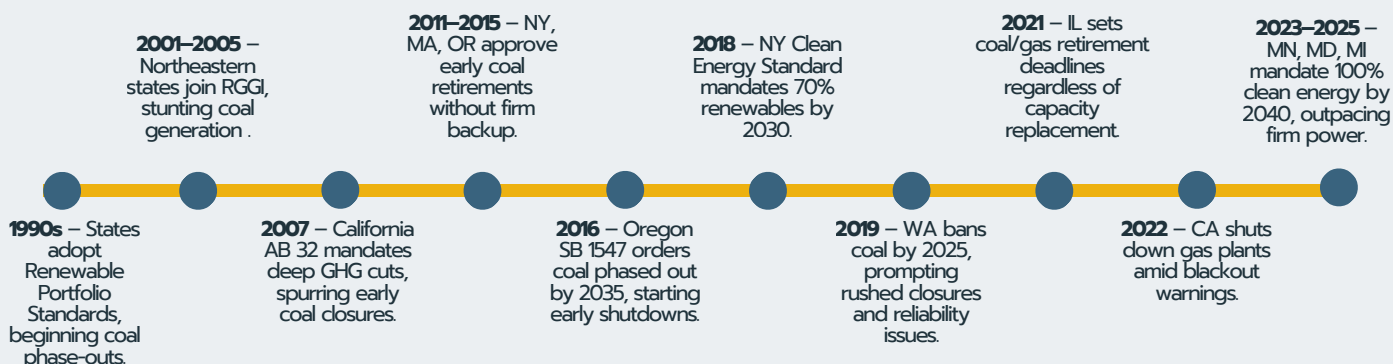
- Renewable portfolio standards and carbon regulations that forced premature plant retirements.
- Subsidies and mandates that artificially favored wind and solar regardless of reliability.
- Market structures that penalize dispatchable fossil fuel and nuclear plants while rewarding intermittent sources.

In the 1990s and early 2000s, America's grid was dominated by baseload coal, gas, and nuclear: reliable power sources that could scale to meet demand. By 2020, hundreds of these plants had been shuttered, many without replacement capacity in place.

This shift wasn't free. As reliability declined, **prices climbed**, leaving households and businesses with fewer affordable energy options.

**AVERAGE RETAIL
ELECTRICITY
RATES UP 34%
SINCE 2000,
ADJUSTED FOR
INFLATION**

THE PATH TO TODAY'S AFFORDABILITY CRISIS



THE AFFORDABILITY CRISIS BY THE NUMBERS

TOP STATES CUTTING FOSSIL FUEL POWER

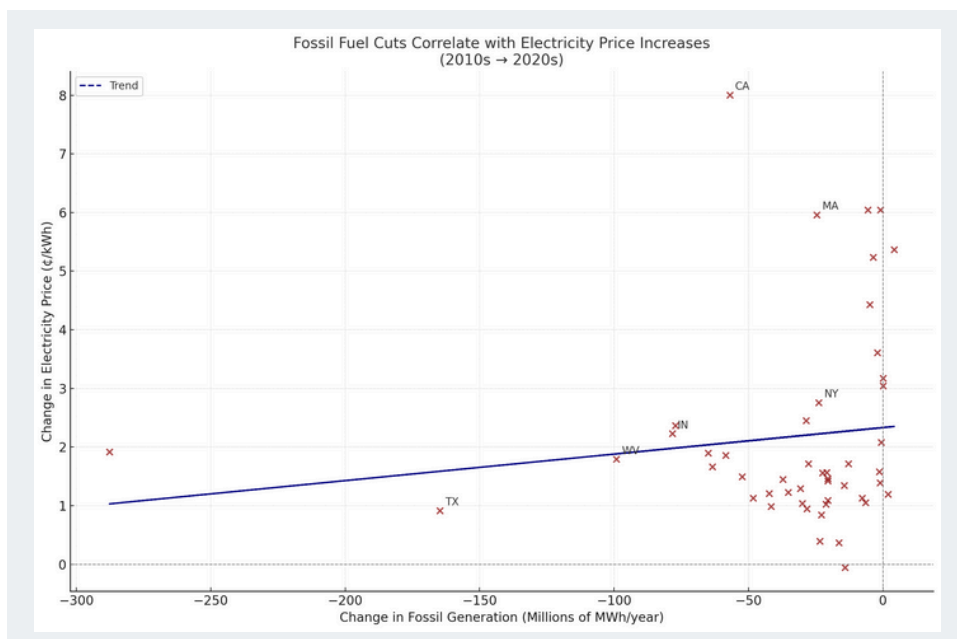


An independent Power The Future [analysis](#) across all 50 states reveals a clear correlation between fossil fuel retirements and retail price increases:

- California – Fossil generation down 57 million MWh/year since 2010; prices up 8.3¢/kWh.
- Massachusetts – Fossil generation down 74%; prices up 6.4¢/kWh.
- New York – Closure of Indian Point nuclear plant drove downstate prices higher and increased reliance on imports.
- New Jersey – Eagle Point gas plant mothballed despite rising demand.

Why It Matters:

Every percentage point drop in fossil generation shifts more costs onto ratepayers, not just in power bills, but across every sector that depends on affordable electricity.



RELIABILITY AND PRICE GO HAND IN HAND

The cheapest electricity is the kind that's always there when you need it. When reliability drops, prices rise:

- More backup generation must be kept on standby.
- More storage and transmission must be built.
- Emergency imports are purchased at premium prices during peak demand.

Replacing dispatchable fossil fuel with intermittent renewables has increased the cost of keeping the lights on, even before you pay your bill.

Restartable plants like Indian Point (NY) and Eagle Point (NJ) could restore large volumes of low-cost capacity without the expense of building new infrastructure from scratch.

AROUND

400

**FOSSIL FUEL-FIRED
POWER PLANTS
HAVE BEEN CLOSED**

**IN THE U.S. SINCE 2010, INCLUDING
NEARLY 300 COAL PLANTS**

SHUT-DOWN POWER PLANTS CAN BE RESTARTED

**Gibbons
Creek, TX**

**Schiller
Station, NH**

**Eagle Point,
NJ**

**Indian
Point, NY**

**Canal
Station, MA**

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The Real Risk to the Electric Grid

Power shortages are coming thanks to wind and solar subsidies. Here's how they distort energy investment.

By The Editorial Board [Follow](#)

July 20, 2025 5:49 pm ET

**AI COULD DOUBLE
U.S. ELECTRICITY
DEMAND BY 2030.
WITHOUT FIRM
POWER, PRICES
WILL SKYROCKET.**

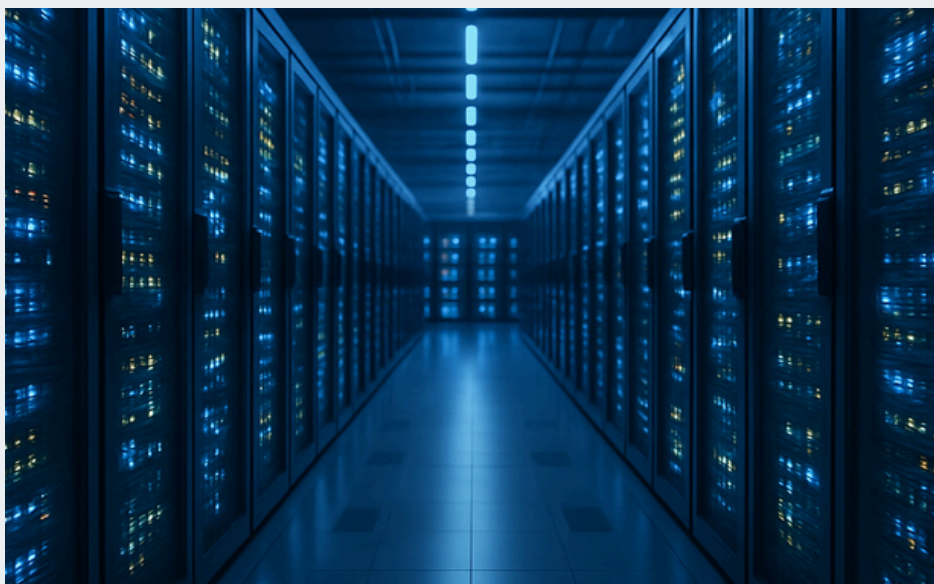
THE AI DEMAND SURGE

The Coming Collision: AI Growth vs. Grid Fragility

Artificial Intelligence is no longer a future idea; it's here, and it runs on electricity. Data centers are the backbone of AI, and their demand is exploding.

Analysts project that U.S. data center power use could **double by 2030**, equal to the electricity needed for **40 million homes**. AI workloads alone may soon require more electricity than entire states, forcing families, small businesses, and hospitals to compete with server farms for scarce power.

Unless new firm generation is built, this surge will collide with an already fragile grid, pushing rates higher and raising the risk of widespread outages. The affordability crisis is set to accelerate.



POLICY ROADMAP TO REVERSE THE TREND

We can stop the affordability crisis, but only if we act now.

- 1. Utilize the Defense Production Act (DPA)**
The federal government already has the tools to respond quickly to threats to national security, and a reliable grid is national security. The DPA can be used to prioritize critical grid equipment, restart mothballed plants, and fast-track upgrades so the lights stay on and prices don't spike.
- 2. Build New Fossil Fuel Plants**
Natural gas and coal remain the most affordable and reliable sources of electricity. Building modern, high-efficiency plants on existing sites can bring decades of low-cost, dependable power — and do it faster than many renewable projects that require massive new transmission lines.
- 3. Halt Premature Closures**
Closing plants before replacement capacity is online drives up prices and increases blackout risk. Federal and state leaders should put closures on hold until firm, dispatchable alternatives are ready, not just promised on paper.
- 4. Expand Existing Coal Power Plant Capacity**
Among the quickest ways to add affordable, reliable power is by using what we already have. Many coal plants run below their design capacity or sit idle due to policy limits. With upgrades and smart investment, these plants could deliver thousands of megawatts back to the grid, far faster and cheaper than building new generation, easing pressure on families and businesses.

Every year we delay, the cost of power rises, not because of market forces alone, but because of policy choices.

We can choose a different path.

**FOR MORE
INFORMATION ON
HOW TO KEEP THE
LIGHTS ON, VISIT**

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