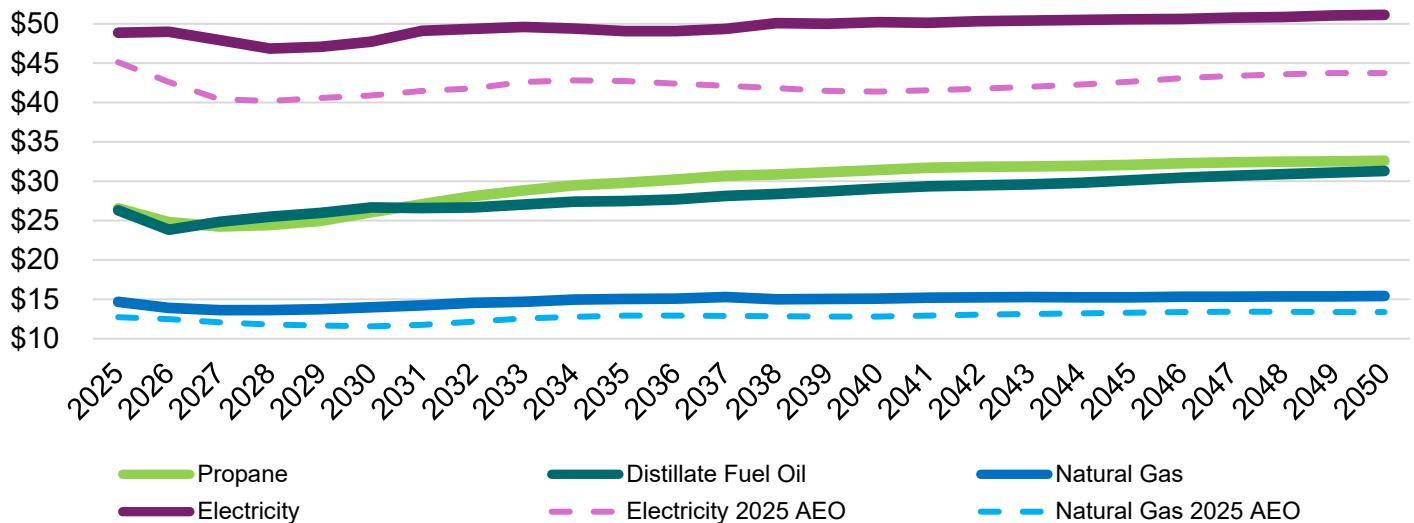


EIA 2050 Energy Price Projections

7/15/2026

2026 AEO Residential Retail Energy Prices

Dollars (2025\$) per MMBtu



Source: EIA Annual Energy Outlook 2026

The Energy Information Administration (DOE) newly updated Annual Energy Outlook (AEO) projects that electricity will remain more expensive than competing fuels, such as natural gas, over the long term, with the 2026 outlook showing a wider cost gap than the projections released last year. Most of the increase is due to expectations for higher costs for electric generation and utility distribution. For residential customers, the impact of higher distribution costs may change over time if costs can be spread out across more average daily use. If peak demand remains high and off-peak use falls, fixed system costs will be spread across fewer kilowatt-hours, raising average prices. Overall, the 2026 AEO projects that the national average residential retail cost of electricity relative to natural gas will stay within a range of around 3.3–3.5 times higher through 2050.

Key Findings

- Natural gas and electricity prices are both projected to rise modestly (~5%) through 2050 in the 2026 AEO. Propane and fuel oil forecasts changed little from the 2025 outlook, with long-term prices still rising by about 20–23%.
- While the projected paths for natural gas and electricity prices are similar across the 2025 and 2026 AEOs, higher electricity prices will have a larger impact on consumer affordability because all U.S. households use electricity. As a result, the average household spends X% more on electricity than natural gas, even for similar services.
- Electricity costs are expected to rise across the board over the projection period, driven by distribution and generation costs. By 2050, generation could account for 46% of electricity costs, followed by distribution at 35% and transmission at 19%. All three cost components rise on a per-kWh basis, with the largest increases coming from distribution and generation.

- While the 2026 AEO shows little change in peak uses such as space heating and cooling, it projects lower off-peak electricity use, including EV charging, which can raise average prices by spreading fixed costs over fewer kilowatt-hours.

EIA Annual Energy Outlook Regional Projections

Census Region		2025	2026	2030	2035	2040	2045	2050	% Change 2050 vs 2025
New England	Natural Gas	\$ 20.57	\$ 20.08	\$ 19.20	\$ 19.42	\$ 19.79	\$ 19.88	\$ 20.17	-2.0%
	Electricity	\$ 81.55	\$ 81.88	\$ 76.14	\$ 75.38	\$ 77.05	\$ 81.12	\$ 82.89	1.6%
	Electric to Gas Ratio	3.96x	4.08x	3.96x	3.88x	3.89x	4.08x	4.11x	
Middle Atlantic	Natural Gas	\$ 15.44	\$ 14.45	\$ 14.64	\$ 15.03	\$ 15.23	\$ 15.27	\$ 15.29	-1.0%
	Electricity	\$ 60.45	\$ 60.77	\$ 60.23	\$ 61.25	\$ 63.90	\$ 66.31	\$ 68.02	12.5%
	Electric to Gas Ratio	3.92x	4.2x	4.11x	4.08x	4.19x	4.34x	4.45x	
East North Central	Natural Gas	\$ 11.46	\$ 11.21	\$ 11.22	\$ 11.81	\$ 12.18	\$ 12.31	\$ 12.39	8.1%
	Electricity	\$ 47.43	\$ 47.82	\$ 45.87	\$ 46.28	\$ 46.67	\$ 47.06	\$ 47.04	-0.8%
	Electric to Gas Ratio	4.14x	4.27x	4.09x	3.92x	3.83x	3.82x	3.8x	
West North Central	Natural Gas	\$ 12.19	\$ 11.76	\$ 12.40	\$ 12.99	\$ 13.12	\$ 13.03	\$ 12.96	6.3%
	Electricity	\$ 42.37	\$ 42.27	\$ 41.16	\$ 44.59	\$ 45.21	\$ 44.81	\$ 44.45	4.9%
	Electric to Gas Ratio	3.47x	3.6x	3.32x	3.43x	3.45x	3.44x	3.43x	
South Atlantic	Natural Gas	\$ 16.80	\$ 16.19	\$ 17.23	\$ 18.50	\$ 19.23	\$ 19.63	\$ 19.94	18.6%
	Electricity	\$ 45.61	\$ 45.82	\$ 44.56	\$ 45.16	\$ 45.95	\$ 46.07	\$ 46.34	1.6%
	Electric to Gas Ratio	2.71x	2.83x	2.59x	2.44x	2.39x	2.35x	2.32x	
East South Central	Natural Gas	\$ 13.06	\$ 12.48	\$ 13.82	\$ 14.69	\$ 15.06	\$ 15.04	\$ 15.04	15.1%
	Electricity	\$ 41.04	\$ 40.74	\$ 37.84	\$ 38.26	\$ 38.75	\$ 38.70	\$ 39.33	-4.2%
	Electric to Gas Ratio	3.14x	3.26x	2.74x	2.61x	2.57x	2.57x	2.61x	
West South Central	Natural Gas	\$ 16.79	\$ 14.83	\$ 15.94	\$ 16.87	\$ 17.38	\$ 17.34	\$ 17.28	2.9%
	Electricity	\$ 37.83	\$ 37.11	\$ 39.77	\$ 41.21	\$ 42.83	\$ 41.55	\$ 41.69	10.2%
	Electric to Gas Ratio	2.25x	2.5x	2.49x	2.44x	2.46x	2.4x	2.41x	
Mountain	Natural Gas	\$ 11.16	\$ 11.58	\$ 11.55	\$ 12.33	\$ 12.73	\$ 12.85	\$ 12.97	16.2%
	Electricity	\$ 43.24	\$ 43.73	\$ 43.57	\$ 44.28	\$ 46.17	\$ 46.22	\$ 47.06	8.8%
	Electric to Gas Ratio	3.87x	3.78x	3.77x	3.59x	3.63x	3.6x	3.63x	
Pacific	Natural Gas	\$ 19.87	\$ 17.45	\$ 16.64	\$ 20.28	\$ 18.16	\$ 18.96	\$ 19.77	-0.5%
	Electricity	\$ 70.87	\$ 70.50	\$ 65.00	\$ 67.74	\$ 68.40	\$ 70.33	\$ 72.92	2.9%
	Electric to Gas Ratio	3.57x	4.04x	3.91x	3.34x	3.77x	3.71x	3.69x	

Source: Energy Information Administration // AGA Contact: Brendan O'Brien (bobrien@aga.org) 202-824-7220.

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