

RESIDENTIAL ENERGY COST ANALYSIS FOR GREATER COLORADO REGION

Based on data from the U.S. Energy Information Administration (EIA), prices in the broader Mountain region follow patterns comparable to those in Colorado, offering an indication of expected household energy cost trends across the Region. When analyzing the cost of energy for Colorado households, state prices and use are only available through January 2026. Modeling future energy prices is available only from the EIA for the Mountain Census Region.

In 2025, the average EIA-reported residential prices in Colorado were:

Natural Gas

\$11.17 per Mcf

Electricity

15.85 Cents per kWh

Electricity costs **4.3 times** as much as natural gas on an energy-equivalent basis in Colorado. The Mountain regional average is 3.8x in 2025 and is expected to stay steady, based on AGA analysis of the EIA Short-Term Energy Outlook:

2025
3.8x

2026
3.7x

2027
3.6x

EIA Regional Projections

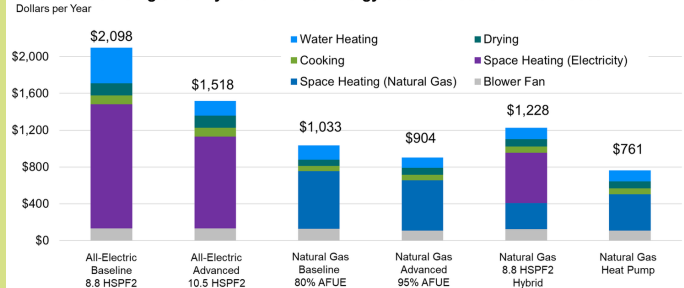
Seasonal patterns make natural gas even more attractive for space heating, especially when combined with other natural gas appliances. While the average electricity-to-gas price ratio in the state is around 4.3x in 2024, it may drop to about 2.8x in summer and rise to about 4.7x in the winter months.

Colorado First-Year and Lifecycle Cost Analysis

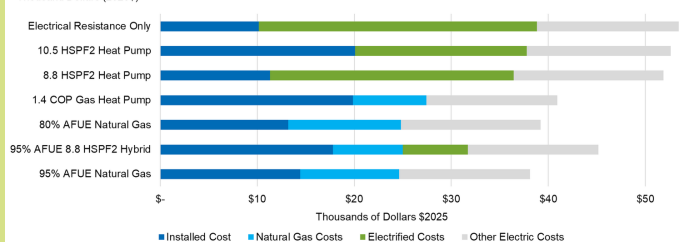
Using the methodology outlined in the AGA Building for Efficiency report, estimated heating costs were calculated for typical new single-family homes in the Greater Colorado area.¹ **A family living in a new single-family home with natural gas could save between \$614 and \$1,065 per year compared with an all-electric, air-source heat pump.** Over the life of the equipment, households could save between \$10,000 and \$13,000 with natural gas.

¹ <https://www.aga.org/research-policy/building-for-efficiency/>

Colorado New Single-Family Home Annual Energy Costs for Gas or Electric Uses



Colorado 15-Year New Single-Family Home Lifecycle Costs, All Appliances



Source: AGA Modeling

Impact of Winter Storm Fern on Energy Use & Energy Bills

Monthly Colorado Energy Price Comparison

This winter, much of the eastern United States experienced colder-than-normal weather, with temperatures staying below freezing for extended periods. In Colorado and the surrounding region, January and February averaged about 2°F warmer than normal. **During Winter Storm Fern, from January 22 to January 30, temperatures were approximately 9°F below normal**, with some of the coldest conditions occurring during the peak morning hours and single-digit temperatures persisting through much of the day.

Month	Natural Gas Price \$/Mcf	Electricity Price cents/kWh	Natural Gas Price \$/MMBtu	Electricity Price \$/MMBtu	Electricity to Gas Ratio
January-25	\$10.02	\$14.93	\$9.66	\$43.76	4.5x
February-25	\$9.75	\$15.08	\$9.40	\$44.20	4.7x
March-25	\$10.31	\$15.04	\$9.94	\$44.08	4.4x
April-25	\$11.67	\$15.50	\$11.25	\$45.43	4x
May-25	\$13.02	\$15.58	\$12.56	\$45.66	3.6x
June-25	\$16.23	\$16.04	\$15.65	\$47.01	3x
July-25	\$17.22	\$15.99	\$16.61	\$46.86	2.8x
August-25	\$17.41	\$16.37	\$16.79	\$47.98	2.9x
September-25	\$16.02	\$16.70	\$15.45	\$48.94	3.2x
October-25	\$12.28	\$16.26	\$11.84	\$47.66	4x
November-25	\$10.92	\$16.35	\$10.53	\$47.92	4.6x
December-25	\$10.41	\$16.12	\$10.04	\$47.25	4.7x
January-26	\$10.57	\$16.44	\$10.19	\$48.18	4.7x
February-26	\$10.99	\$16.79	\$10.60	\$49.21	4.6x
March-26	\$11.64	\$16.74	\$11.22	\$49.06	4.4x

Average Energy Costs During Winter Storm Fern

Cold weather like this can significantly affect home energy use and bills. **Natural gas heating systems commonly perform near their rated efficiency during cold weather.** By contrast, air-source heat pumps for space heating tend to lose efficiency and capacity during very cold periods, necessitating backup electric resistance heat.

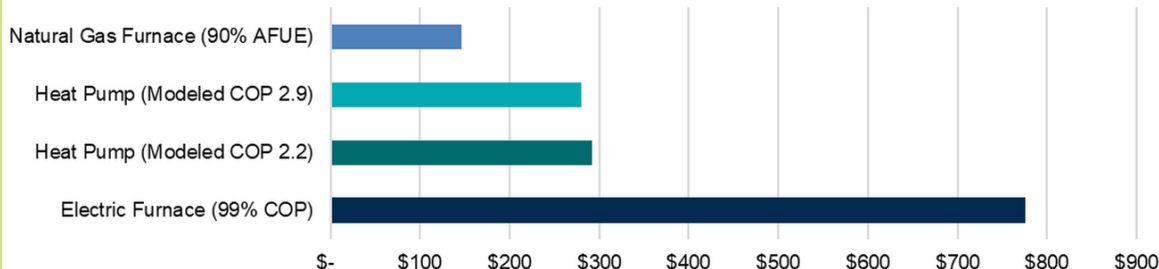
A heat pump for space heating might have an average January operating performance of 210% to 290%, but during the cold weather storm, it may have dropped to between 175% and 260% or as low as even 99% if only resistance was in use, which is likely for many households with older or minimum efficiency heat pumps.

Given that electricity costs 4.7 times more per unit of delivered energy than natural gas in January 2026, households relying on electric heat may face significantly higher energy bills during severe winter weather than households using natural gas heating. **Comparing the efficiency range of space heating appliances and average costs, electric bills for space heating could have been 1.9 to 5.2 times higher during the storm than the average natural gas heating bill.** The average natural gas space-heating cost in Colorado in January was \$147.¹ Heat pumps might have increased average heating costs during that month to \$130 to \$160 compared to natural gas, and as much as \$628 with only backup electric heating.

¹ Average natural gas space heating bill for January 2026 based on average household consumption that month minus average summer consumption in 2025 to reflect only space heating use and not a mix of other appliances.

Colorado Space Heating Bill Comparison for Winter Storm Fern

Natural Gas from EIA Data; Electric from Modeled January 2026 Performance



Source: AGA Modeling