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# RESIDENTIAL ENERGY COST ANALYSIS FOR GREATER MINNESOTA REGION

Based on data from the U.S. Energy Information Administration (EIA), prices in the broader West North Central region follow some patterns with Minnesota's averages, offering an indication of expected household energy cost trends across the Region.

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

### Natural Gas

**$10.98** per Mcf

### Electricity

**15.82** Cents per kWh

On an energy-equivalent basis, this means electricity costs about **4.4 times more** than natural gas (with a regional average of about 3.4x in 2025). Based on the current EIA Short-Term Energy Outlook, this ratio is expected to grow:

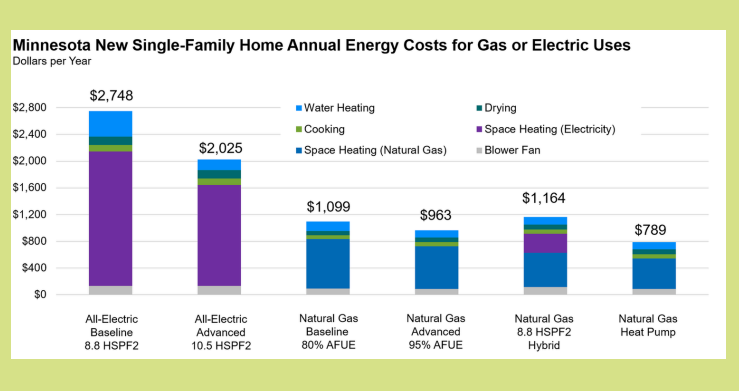

*EIA Regional Projections*

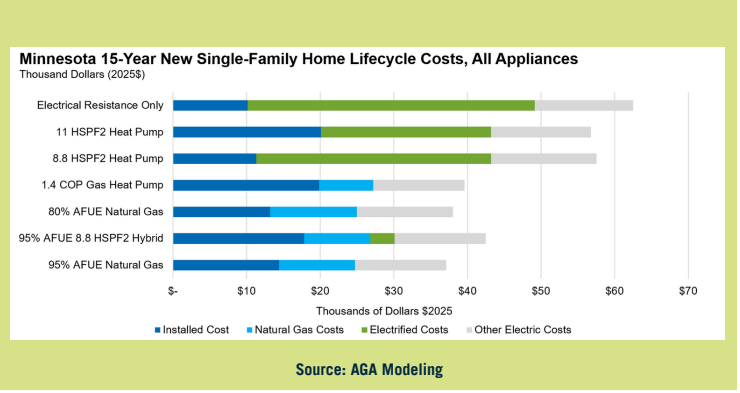
Seasonal patterns make natural gas even more attractive for space heating. While the average Minnesota electricity-to-gas price ratio is projected to be around 3.4x in 2026, it may drop to about 3.0x in summer and rise to about 4.6x in the winter.

## Minnesota First-Year and Lifecycle Cost Analysis for New Single-Family Homes

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 Minnesota area. **Households using natural gas could see annual cost savings between $1,063 and $1,649 compared with using an all-electric, air-source heat pump.**

Regarding emissions, the 95% AFUE gas home, with some share of RNG can have matching performance with an Energy Star ASHP home. Homes with a cold climate ASHP can reduce emissions but at significantly higher lifecycle costs.




**Source: AGA Modeling**

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