

The Role of Load Growth in Electricity Price Trends

PRESENTED BY

Ryan Hledik

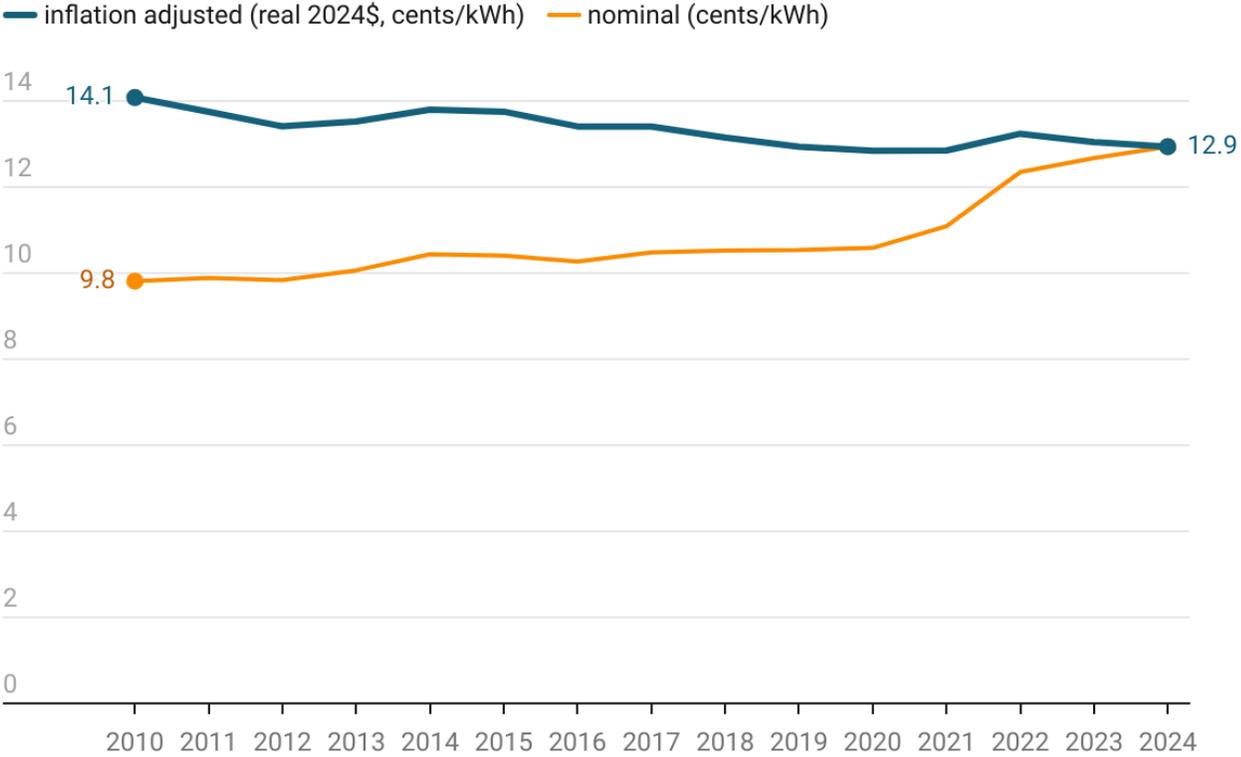
NATIONAL ACADEMIES FORUM ON ENERGY SYSTEMS
TRANSFORMATION AND DECARBONIZATION

FEBRUARY 4, 2026



Retail prices are up, but have tracked inflation (on average)

National Average Retail Electricity Prices



Source: EIA • Created with Datawrapper

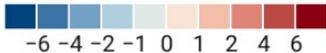
Notes: Represents the “all-in” price, equivalent to total customer bills (including volumetric, demand, and fixed charges) divided by total retail electricity sales, and covers all costs associated with the provision of retail service (generation + transmission + distribution).

Source: Wiser et al, “[Factors Influencing Recent Trends in Retail Electricity Prices in the United States](#), October 2025.

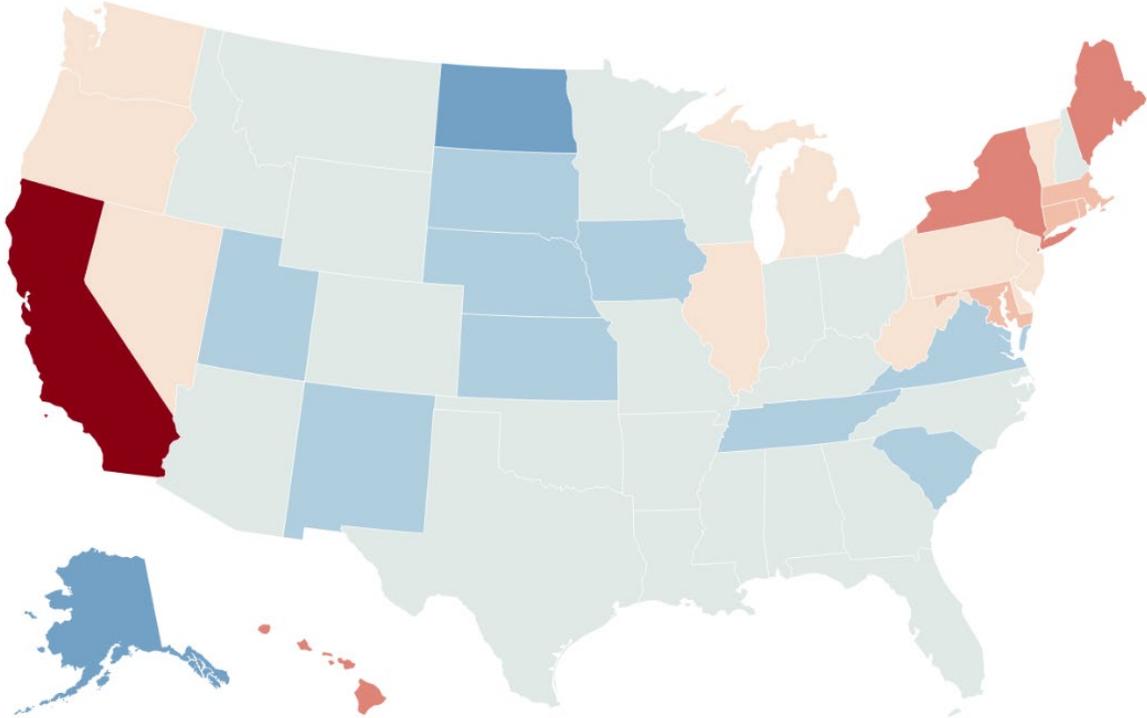
Price changes varied significantly across states

Change in Average Retail Electricity Prices: 2019-2024

Real 2024\$ cents/kWh, inflation adjusted



Real
(inflation adjusted)



Source: EIA • Created with Datawrapper

Source: Wiser et al, "[Factors Influencing Recent Trends in Retail Electricity Prices in the United States](#), October 2025.

The drivers of price changes are diverse

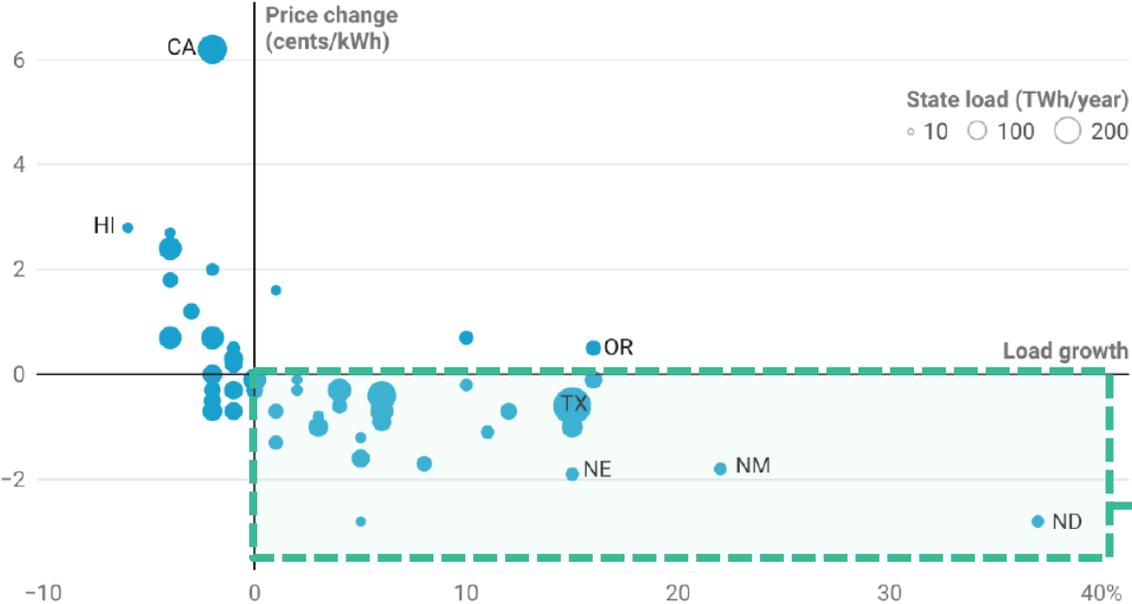
	Impact	Geographic Breadth
Replacement & hardening of aging distribution (and transmission)	 medium	Large
Extreme weather & wildfires: recovery and mitigation	 larger	Medium
Natural gas price variability	  larger	Large
Customer load growth	 medium	Medium
Utility-scale wind & solar (market based)	 medium	Medium
State Renewable Portfolio Standard policies	 medium	Medium
Net energy metered solar	 larger	Small

Source: Wiser et al, [“Factors Influencing Recent Trends in Retail Electricity Prices in the United States](#), October 2025.

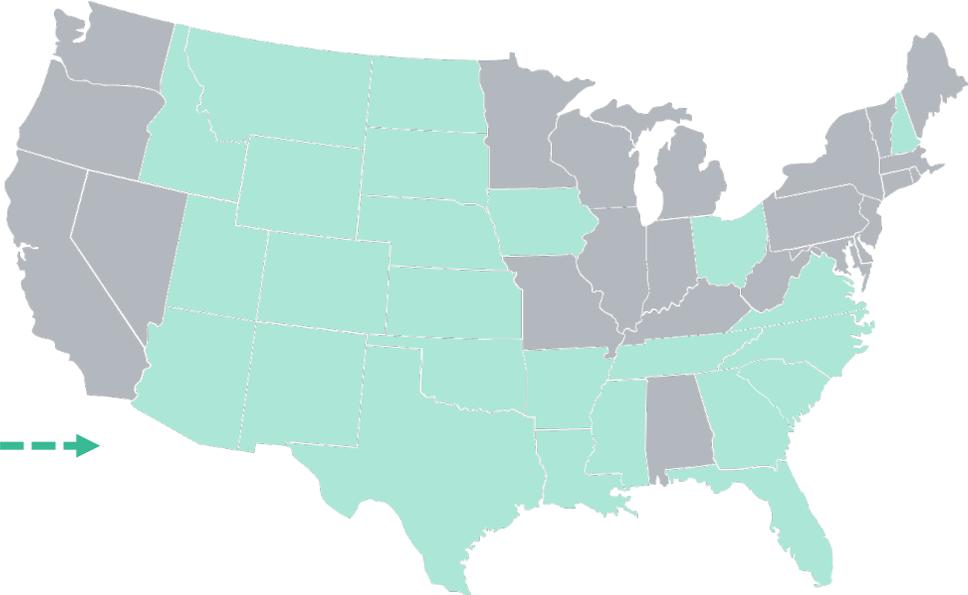
Load growth *could* put downward pressure on prices



Load Growth vs. Retail Electricity Price Changes, 2019-2024



States with Load Growth & Inflation-Adjusted Price Decrease, 2019-2024

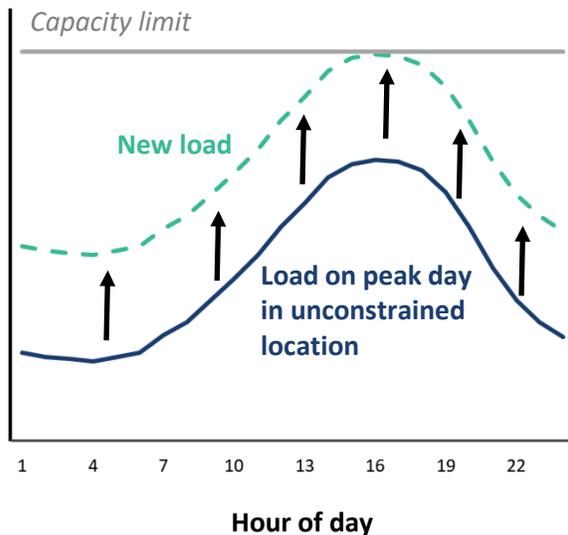


Source: Source: Wiser et al, "Factors Influencing Recent Trends in Retail Electricity Prices in the United States, October 2025.
Notes: Price change in cents/kWh, inflation adjusted to 2024\$. Load growth in percentage terms from 2019 to 2024.

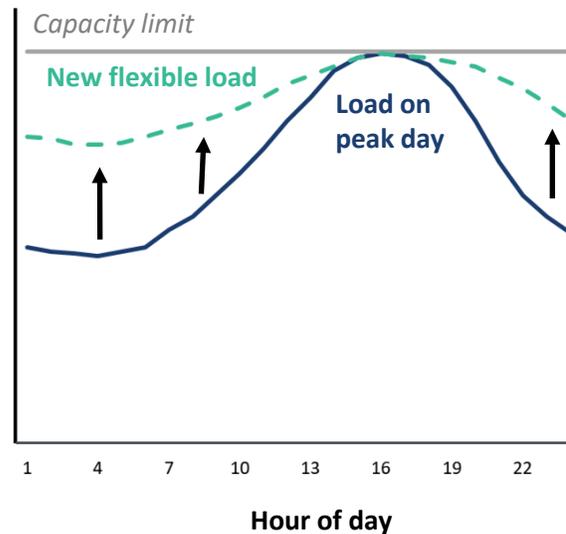
The three ways to improve system utilization

System utilization can be improved by adding new load when and where there is spare capacity. System headroom can be created through deployment of flexible distributed energy resources (DERs).

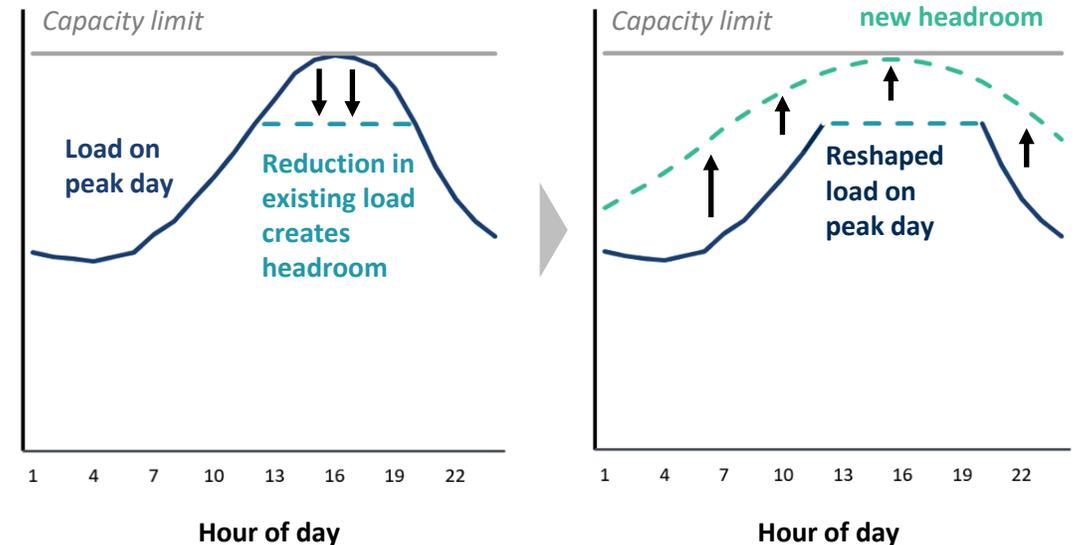
1 Add new load in locations where sufficient headroom already exists on the system.



2 Add new load at times when there is spare capacity. This is possible if the new customers are flexible and/or can self-supply during peak conditions.



3 Incentivize technologies and behavioral changes that reduce peak demand of existing load. This creates new headroom on the system, which can then accommodate the addition of new load.

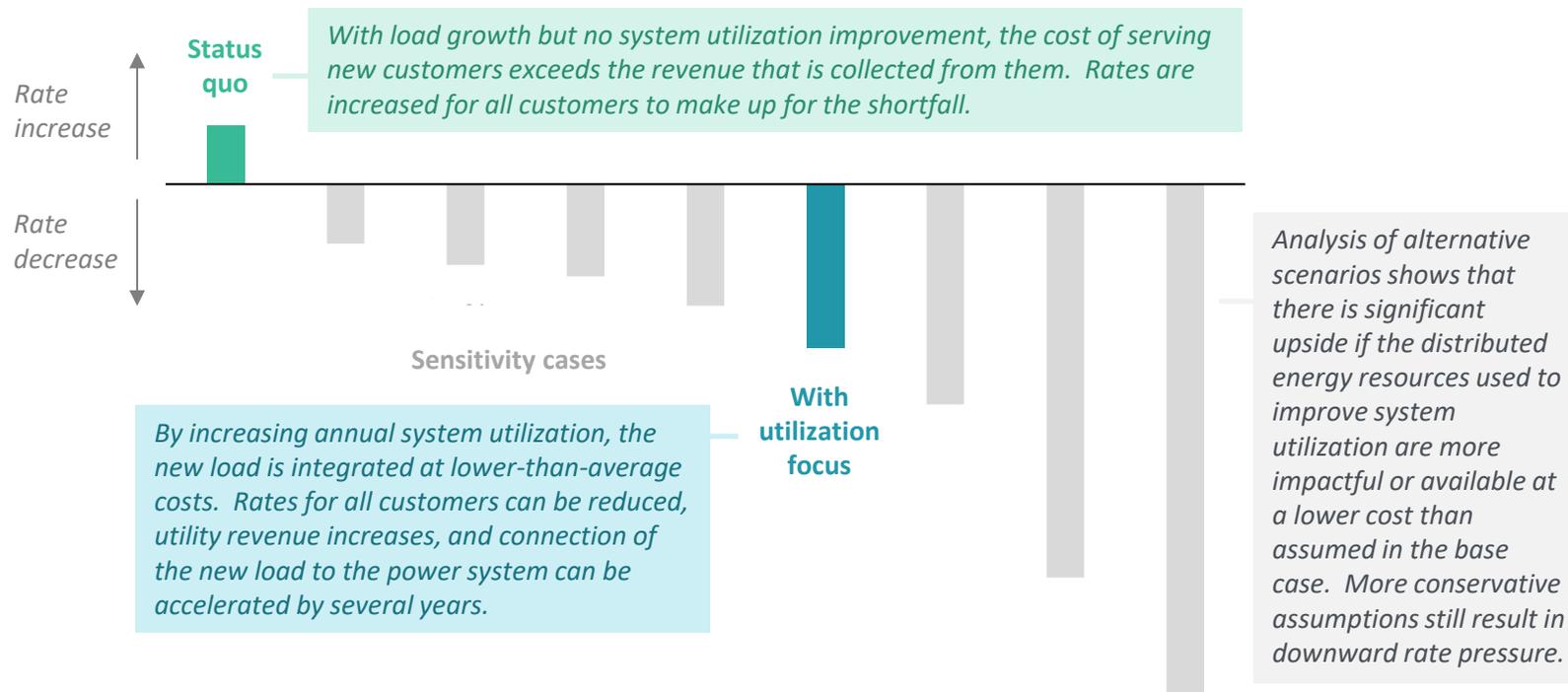


Note: These are highly simplified conceptual illustrations. The nuances of how improved system utilization would put downward pressure on rates are discussed in more detail throughout this report.

The rate impacts of improved system utilization

All else equal, improving system utilization offsets upward pressure on rates from load growth, resulting in lower customer bills while increasing utility revenues and accelerating the connection of new customers.

All-in Average Rate Impact Due to Load Growth
For various characterizations of the power system



Important considerations

- Exposure to wholesale market prices
- Rate design and cost allocation
- Differences between generation, transmission, and distribution
- Scale of flexibility opportunities
- Existing system characteristics, including current utilization level

More information in forthcoming Brattle report for GridLab and the Utilize Coalition.