

FACT SHEET

Renewables Aren't Behind Energy Cost Increases

Winter 2026

Are Renewables Raising Your Electric Bill?

The Northeast region has some of the highest electricity prices in the country. You might hear on social media or in the news that renewable energy could be to blame. But is that the reality? The short answer: No.

The data shows the opposite. This fact sheet digs into the issue in depth—highlighting why renewables are clearly not to blame and digging into why such an inaccurate claim gets promoted in the first place.

STATES WITH MORE RENEWABLES HAVE SEEN SMALLER ELECTRICITY PRICE INCREASES

Extensive data from across the U.S. shows:

- States that invested early and heavily in wind, solar, and storage have had slower electricity price growth over the past 20 years.
- States that depend heavily on natural gas for power generation, especially the Northeast, have higher electricity prices – and the relationship is *statistically significant*.¹

The bottom line: More renewables \longrightarrow smaller price increases
 More gas dependence \longrightarrow higher prices

Figure 1. Trends in State Electricity Price Increases by Renewable Penetration

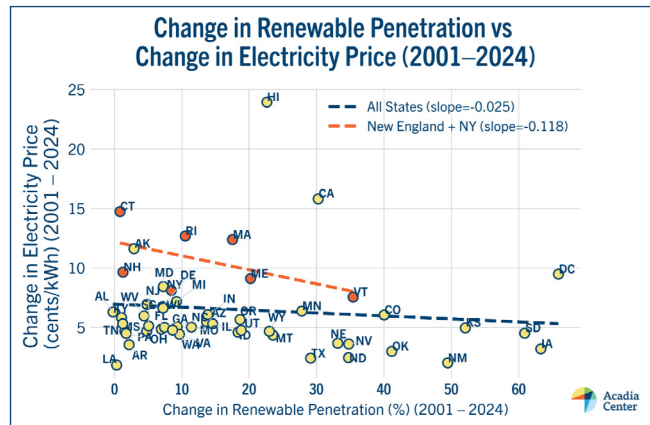
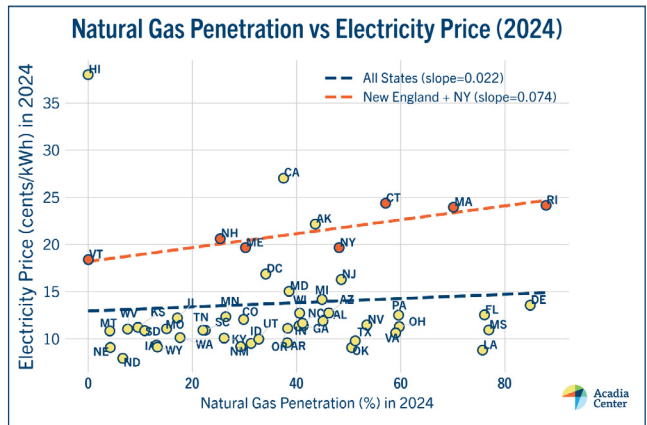


Figure 2. State Electricity Prices by Natural Gas Penetration



RENEWABLE ENERGY COSTS HAVE FALLEN DRAMATICALLY – AND GAS COSTS WILL GO UP

- Between 2000 and 2020, the cost of useful energy from wind, solar, and battery storage decreased by 72%, 90%, and 94%, respectively (see Figure 3 below).²
- Prices continue to fall in recent years: for example, between 2023 and 2024 battery equipment costs fell 40%, and they are on track for another substantial decrease in 2025.³
- In recent decades, each time the amount of solar and wind installed around the world has doubled, the levelized costs of energy for those technologies have decreased by 24% and 15%,⁴ respectively. In other words, as more is installed, the prices come down because the technology advances, supply chains mature, innovations are made, processes become streamlined, and financing gets cheaper.



- Renewables do have real costs, but they also have clear benefits to the grid and ratepayers. Most critiques of distributed solar, for example, often attribute costs to renewable policies without considering variables such as storm damage costs and may overlook high electricity costs driving increasing solar adoption rather than vice versa.

WHAT IS LEVELIZED COST OF ENERGY?

Levelized Cost of Energy (LCOE) is the average cost of producing electricity from a power plant over its entire life—factoring in building, fuel, and operating costs—so different energy sources can be compared on a fair, apples-to-apples basis. LCOE is not the be-all end-all, but one helpful evaluative metric.

Think of it like comparing two cars:

- One is cheap to buy but expensive to fuel and maintain.
- The other is more expensive upfront but cheap to operate.

LCOE tells you which car is cheaper per mile over its entire life, not just at the moment you buy it.

Meanwhile, **fossil fuel prices have become more volatile**—especially natural gas. In regions like the Northeast, where power plants run mostly on natural gas:

- Electricity prices rise when gas prices spike.
- Global supply disruptions (wars, LNG markets, cold snaps) cause sudden bill increases.
- International market participation increases prices (the amount of liquified natural gas exported from the US has increased 10x since 2016).⁵

And gas prices are expected to rise. The Energy Information Administration (EIA) projects that prices will increase by 33% or more in 2026, and the New York Mercantile Exchange (NYMEX) Futures Price also indicates expected gas price increases.

These long-term trends explain why renewables increasingly lower customer bills—simply put, by reducing customers' exposure to volatile and increasingly expensive natural gas through the deployment of cheap, clean energy. More information on how natural gas is affecting home heating and electricity costs can be found [here](#).

RENEWABLES SAVE CUSTOMERS MONEY – ESPECIALLY DURING EXTREME WEATHER

Studies consistently find that renewables save customers money by reducing wholesale electricity prices during extreme weather, and winter peaks when gas demand rises and gas supply is constrained. They have shown that:

- 3.5 GW of offshore wind could have provided \$528 million in savings if online in Winter 2024/25,⁶ and 9 GW of offshore wind could save New England ratepayers \$630 million a year.⁷
- Adding solar plus storage to homes would allow ~60% of households to save 15% on electricity bills and ride through blackouts.⁸ In Vermont, Green Mountain Power's battery lease program saves customers over \$3 million annually while providing them with backup power for outages.⁹
- On June 24, 2025, when temperatures reached 102°F and energy demand surged, behind-the-meter solar saved New England ratepayers at minimum \$8.2 million (and likely much more) in one day.¹⁰
- The New England Clean Energy Connect (NECEC), now delivering hydropower from Canada to New England, will deliver Massachusetts ~\$3 billion in net benefits including bill reductions of ~\$50 million per year.
- Solar and storage in New England will reduce energy costs in the region by \$684 million annually by 2030, and provide an additional \$432-721 million in benefits from avoided greenhouse gas emissions.¹¹

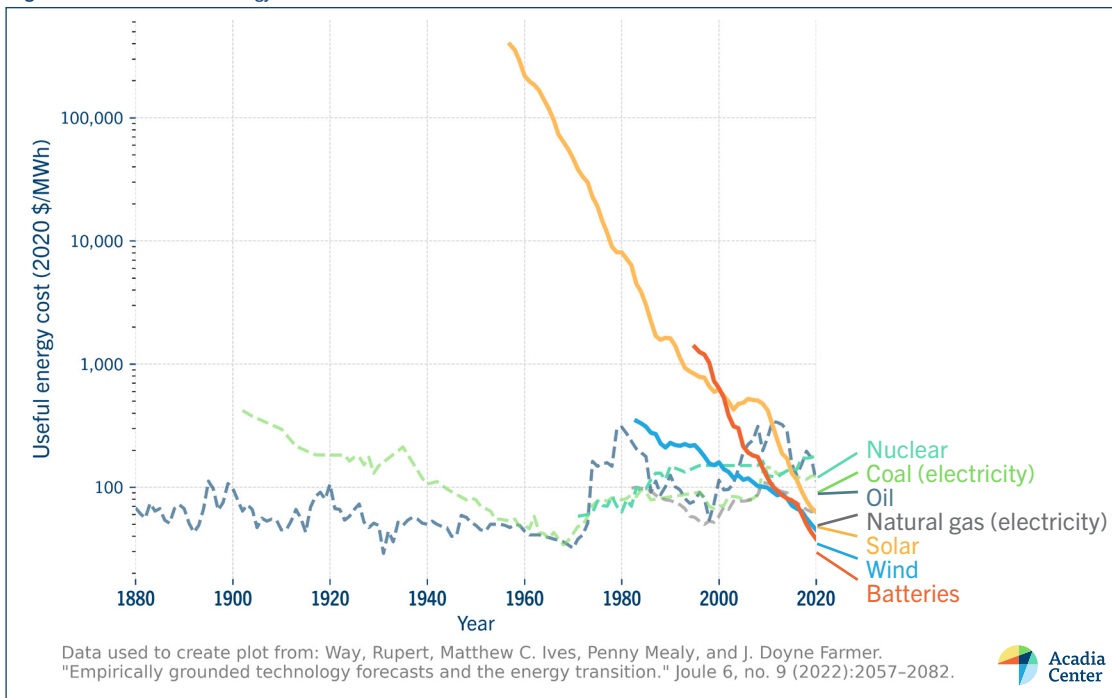


A CASE STUDY ON RENEWABLES: HIGH PENETRATION, AFFORDABLE, AND RELIABLE

There are examples of utilities increasing renewables that support the regional trends observed that renewables are not the driver of electricity cost increases. One such utility is Holy Cross Energy; a municipal utility located in Colorado. Between 2018 and 2024, the utility increased the amount of clean energy (as a percentage of total energy) served to customers from **39 to 75%**. The utility charges 99% of its customers a rate that is 33% below the national average and in the lowest **1/3** of Colorado electric rates.¹²

For more information on energy cost drivers, please visit Acadia Center's website at www.acadiacenter.org.

Figure 3. Historical Costs of Energy Sources



Endnotes:

- 1 Data for plots from: [EIA-923 Power Plant Operations Report \(released: 9/18/2025\)](#) (generation data); [EIA Electric Power Monthly Table 1.17.B](#) (solar generation data for generators under 1MW); [EIA-861 Annual Electric Power Industry Report \(released: 10/7/2025\)](#) (cost data)
- 2 [Empirically grounded technology forecasts and the energy transition | Way et al.](#)
- 3 [Batteries now cheap enough to make dispatchable solar economically feasible | PV Magazine International](#)
- 4 [Learning a Better Way To Forecast Wind and Solar Energy Costs | Department of Energy](#)
- 5 [Liquefied U.S. Natural Gas Exports \(Million Cubic Feet\) | EIA](#)
- 6 [Value of Wind in Winter 2024/25 | RENEW Northeast & Daymark](#)
- 7 [Quantifying the Ratepayer, Climate, and Public | Synapse](#)
- 8 [Most U.S. households can save money and weather blackouts with solar plus storage | Stanford Report](#)
- 9 [A \\$55/month Tesla Powerwall lease program in Vermont just got a lot bigger | electrek](#); [Green Mountain Power Kept 1,100 Homes Lit Up During Storm Outage | Greentech Media.](#)
- 10 [Grid Action Report – June Heat Wave | Acadia Center](#)
- 11 [Powered Up: Evaluating the Year-Round Benefits of Solar and Storage in Massachusetts | Synapse](#)
- 12 [2024 Annual Report | Holy Cross Energy](#)

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