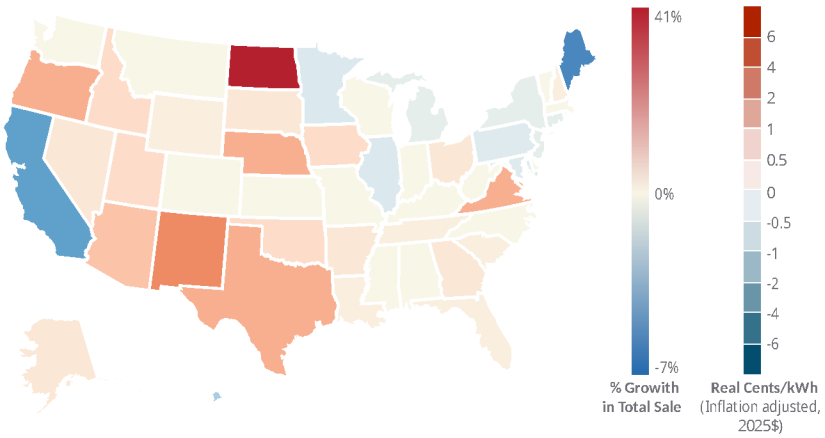
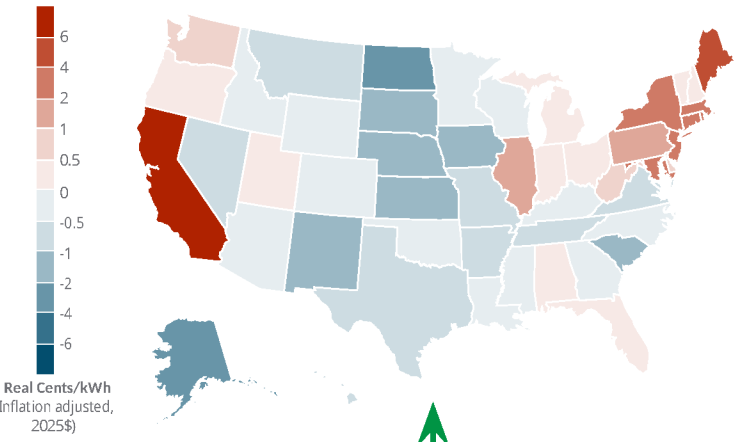
National prices compared to sales

Growth in State Retail Electricity Sales: 2019 to 2025



Change in Average Retail Electricity Prices: 2019 to 2025



Bills are rising

29%

While data centers are visible, they aren't the primary driver.

What to Look at Next:

- Only a **few quantitative studies** have been conducted as of May 2026, examining this relationship between data center growth and retail electricity rates, with most looking at historical data. Further, **many rely on correlation rather than establishing causal relationships.**
- How well **risk mitigation tools** will perform over time.
- How processes (such as infrastructure planning, regulatory lag, cost allocation, and market design) **will change** in response to rapid and sustained load growth.
- While the quantitative studies to date **have not found evidence** of systematic cost shifting, research gaps remain and the risk is not absent.

The Path Forward

E3's analysis of more than 10 different studies shows that rising electricity bills are not solely the result of a rise in data center development. The financial pressures on our energy system are complex, rooted in broad economic trends and factors, and the transition to a more modern and resilient grid is a work in progress.

E3 recommends the **following approach to create a framework** for responsible load growth. With thoughtful, market-specific approaches, policymakers can support economic growth while protecting customers and ensuring fair cost allocation.

DATA CENTER COALITION®

- **Strengthen planning and forecasting.**
- **Leverage tailored large load tariffs and align cost allocation with the pace of load growth.**
- **Enable innovative supply and load integration models.**
- **Close analytical gaps with both targeted and more quantitative analysis.**

Read E3's study, Understanding the Drivers of Rising Electricity Rates and the Role of Data Centers, here.
ethree.com/electricity-rate-drivers-data-center-role-2026