

REPORT

AN AFFORDABILITY CRISIS OF TRUMP'S MAKING: THE TRUMP ADMINISTRATION'S ENERGY POLICY IS DRIVING UP COSTS FOR AMERICAN HOUSEHOLDS AND MAKING US SICK

President Trump promised to cut utility bills in half within 18 months in office, but instead, average U.S. residential electricity rates increased more than 9 percent by the end of his first year and are now 16 percent higher as of May 2026.¹ Analysis by NRDC shows that instead of lowering costs for American households, the Trump administration's energy agenda is increasing energy costs for most families while bolstering the profits for fossil fuel companies. The Trump administration is doing everything in its power to stop the momentum and build-out of affordable clean energy and putting its thumb on the scale for dirty fossil fuels—at the expense of local economies and Americans' pocketbooks and health.

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Emissions rising from smokestacks at the coal-fired Mill Creek Generating Station in Louisville, Kentucky.

The One Big Beautiful Bill Act (OBBBA), passed in July 2025, has effectively gutted much of the landmark 2022 Inflation Reduction Act (IRA), ending critical strategic investment and support for clean energy.² At the same time, Trump’s global tariff war targeted numerous trade partners, strained supply chains, and has raised the cost of *all* electricity generation technologies.³ The administration has also tipped the scale toward fossil fuel generators by halting federal permits for clean energy, including the stalling of federal approval processes to stop wind development.⁴ It is even spending nearly \$4 billion in taxpayer money to pay companies to cancel planned wind projects.⁵

Instead, Trump’s policies are focused on propping up the fossil fuel industry. The U.S. Department of Energy (DOE) is forcing utilities to keep old, expensive, and heavily polluting fossil fuel plants online past their planned retirement; thus far, it has cost consumers more than \$400 million.⁶ And despite the fact that coal has declined from around 50 percent of all U.S. electricity generation in 2005 to an expected 15 percent in 2026, due to competition from cheaper and cleaner resources, another \$950 million in DOE funding has been announced to modernize, restart, or build new coal plants in the United States.⁷

NRDC analyzed the effects of this administration’s self-inflicted “energy emergency.” Our analysis in this issue brief focuses on the power sector and finds that the full suite of the Trump administration’s policies to stop renewable energy

and promote fossil fuels will continue to mean higher costs for consumers, less new investment and jobs, and a dramatic increase in deadly pollution. Key findings include:

- 1. By 2035, U.S. consumers spend up to an extra \$30 billion a year on electricity** under Trump’s policies, with household electricity bills **increasing up to 25 percent** in certain parts of the country.
- 2. Trump’s energy agenda results in up to \$700 billion in lost investment** in the U.S. power system over the next decade.
- 3. The country loses between 390 and 540 gigawatts (GW) of new wind, solar, and energy storage** power plants over the next decade—requiring the U.S. power grid to keep more expensive, aging coal, gas, and oil plants online instead to meet growing power needs.
- 4. Increased air pollution due to these policies results in up to 69,000 additional early deaths** and 85,000 extra emergency room visits and hospital admissions. This could increase health-care spending by up to \$1.7 billion per year, adding further pressure on already high health-care insurance premiums for American households.
- 5. Power sector carbon dioxide (CO₂) emissions could be twice as high by 2035**, as compared to the January 2025 Snapshot case. In total, the United States emits an additional 3.6 to 5.5 billion metric tons economy-wide over the next decade due to Trump’s agenda, with more than half of this extra climate pollution coming from the power sector.



Workers installing one of 3,632 solar panel modules on the rooftop of the parking structure and south facade of the National Laboratory of the Rockies (NLR) in Golden, Colorado.

NRDC used Evolved Energy Research’s EnergyPATHWAYS and RIOs models to assess the impact of Trump’s policies and actions. A detailed explanation of our assumptions and methodology is included in the accompanying technical appendix slides.⁸

EnergyPATHWAYS is a stock accounting tool that calculates energy demand and the associated cost of equipment based on user-defined scenarios. These demand-side outputs were then input into RIO, an economy-wide linear optimization model that determines the least-cost pathway for deploying, retiring, or using the technologies and commodities that are necessary to meet demand. This optimization is also subject to other constraints, including state and federal policy and resource adequacy requirements. Our modeling was done for the United States using 27 model regions that follow NERC, ISO, and RTO subregional boundaries.⁹

Our analysis looked at a range of scenarios to illustrate how Trump’s actions are increasing energy bills and putting our health at risk. We considered three cases:

- A “January 2025 Snapshot” scenario that models existing state and federal policies as of January 2025
- A “Trump—Limited Impact” scenario that models the impact of OBBBA and the rollback of federal regulations finalized under the previous administration. We also included a lower tariff impact on all electricity generation technologies
- A “Trump—Full Impact” scenario that models the same policies as the Limited Impact case but includes a more comprehensive assessment of other actions by this administration, such as persistently high tariff impacts, the DOE 202c orders, wind and solar permitting delays, wind remands and stalled federal approvals, and a surge in liquefied natural gas (LNG) exports^{10,11}

While some Trump policies (e.g., those related to LNG exports, 202c orders, and permitting headwinds) are assumed to be phased out in the next administration, others (e.g., tariffs, OBBBA, and regulatory rollbacks) are assumed to persist throughout the entire modeling period, reflecting the difficulty of reversing these policies. We also did not include the impacts of the Iran War, which has caused oil prices to spike in recent months. However, oil is not a significant source of power generation (the focus of this report), and natural gas prices have remained relatively flat.¹² The policy specifications in each case are summarized below (see Table 1) and in our technical appendix, with additional details on supply-side, demand-side, and policy assumptions being also provided.

TABLE 1: MODELING CASE SPECIFICATIONS

Specification	January 2025 Snapshot	Trump—Limited Impact	Trump—Full Impact
Policy	IRA + all finalized Biden energy regulations (DOE, DOT, EPA)	OBBBA and all Biden-era regulations repeals	
Tariff level on CapEx	None	Low tariffs on power sector capital costs through 2030	High tariffs on power sector capital costs through 2035
Offshore wind (OSW) builds	Assumes all under-construction and permitted projects are built without delay and state OSW targets are met	Assumes all under-construction and permitted projects are built without delay, but state OSW targets are not met	Assumes all under-construction projects are built without delay, but permitted projects are remanded and delayed until 2032
LNG and natural gas	LNG exports and natural gas prices match EIA AEO/STEO reference case	LNG exports and natural gas prices are 20% and 5.4% higher, respectively, between 2025–2030	
202c orders	Coal, gas, and oil plants retire as planned	Coal, gas, and oil plants delay scheduled retirements until 2029	
Solar and wind permitting headwinds	No additional constraints on solar/wind annual builds	Solar is constrained to 30 GW/year and no new wind projects—besides those under construction or in advanced development—are allowed through 2030	

FOSSIL FUELS GET A LIFELINE WITH TRUMP

Our modeling shows that even under the Trump administration policies, renewable electricity remains highly competitive with fossil fuels and will continue to grow, rising from roughly 25 percent of total electricity generation today to between 46 and 52 percent by 2035 (Figure 1). Despite Trump working to stack the deck against renewables, they remain the main source of new electricity given their cost, speed of deployment advantages over new gas plants, and ability to insulate from fossil fuel price and supply volatility. However, renewables fall short of the progress that would have occurred if the IRA tax credits and pre-Trump power sector regulations had stayed in place. Under the January 2025 Snapshot scenario, renewables would have comprised roughly 65 percent of all electricity by 2035.

The main effect of the administration's policies is the preservation of market share for existing fossil fuel plants, primarily older, less efficient coal and natural gas units.

The average U.S. coal plant is roughly 45 years old, and many of these plants were scheduled to retire by the mid-2030s because they were uneconomic to operate. Coal and gas generation without carbon capture and storage (CCS) technology was projected to decline 45 percent by 2035 under the January 2025 Snapshot as older plants retired and lower-cost renewables came online. But under the Trump administration policies, fossil generation instead remains relatively flat through 2035, with coal benefiting the most. Coal capacity was expected to fall to near zero by 2032 under the January 2025 Snapshot, with the remaining coal plants installing CCS. But with Trump's policies, about 65 to 75 GW (or 40 percent) of the coal fleet stays open through 2035. In total, the modeling shows an additional 596 to 964 terawatt-hours (TWh) of unabated fossil fuel generation by 2035 compared to the January 2025 Snapshot case (Figure 2) while also losing more than 1,000 TWh of renewable generation.

Figure 1: U.S. generation mix under modeled scenarios between 2025 and 2035

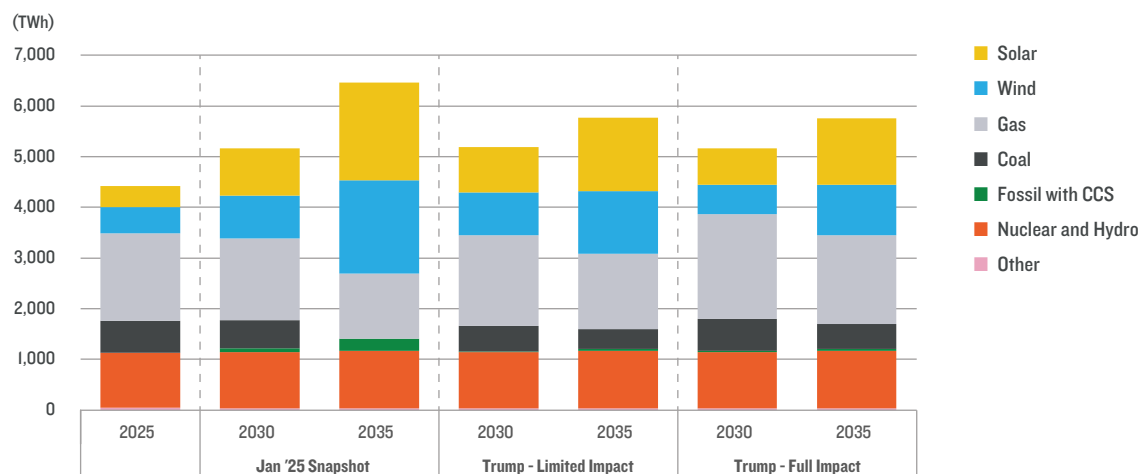
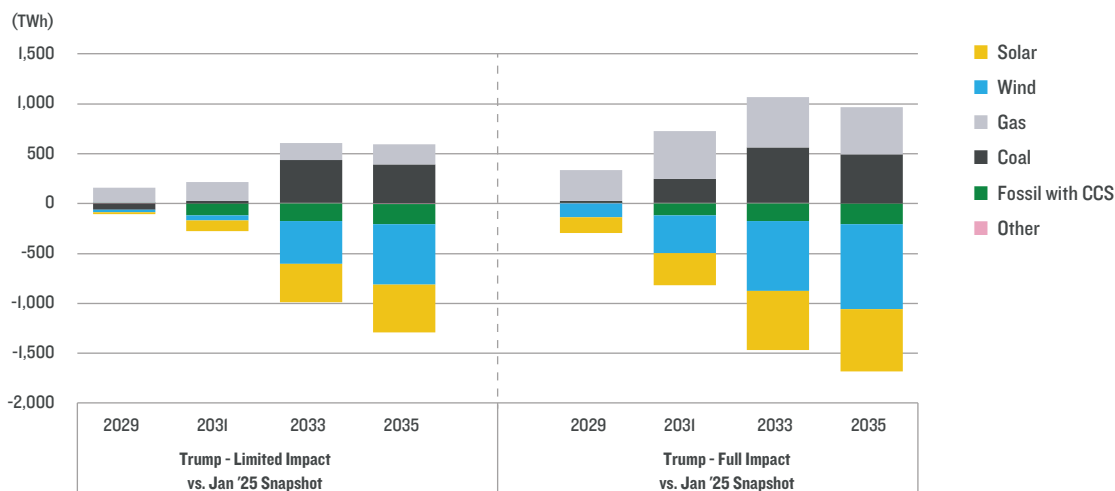


Figure 2: Change in electricity generation under Trump actions between 2029 and 2035, relative to January 2025 Snapshot



Note: "Other" includes nuclear, hydro, and other generation sources, which are relatively unchanged, relative to the January 2025 Snapshot case over the modeling period.

TRUMP'S POLICIES THREATEN NEW POWER SECTOR INVESTMENT

Trump's policies also slash overall investments in the power sector, resulting in an older, more volatile, and more expensive grid. Cumulatively over the next decade, Trump's policies result in the loss of 390 to 540 GW of new wind, solar, and storage projects—representing between one-third and more than one-half of all new renewable capacity expected under the January 2025 Snapshot. These lost projects would have supported an estimated 360,000 to 550,000 direct jobs in the United States annually over the next decade.¹³ They also would have expanded the workforce along the domestic clean energy supply chain (e.g., critical components such as batteries cells, solar modules, and wind turbine components), provided tax revenues for local communities and states, and driven new economic activity and broader employment opportunities in communities hosting these projects.

Crucially, these lost projects are not actually replaced with other sources of new power. At most, only 9 GW of additional gas capacity is added with Trump's policies in place. Near-term supply chain bottlenecks on gas turbines, the volatility of fuel prices, and the general cost-competitiveness of new renewables relative to gas are expected to lead to limited new gas investment, even with Trump's new policies.¹⁴ Instead, the power sector will have to rely on aging and expensive existing fossil generators to make up the difference.

This decline in new capacity amounts to a total net loss of \$590–\$700 billion of total new infrastructure investment by 2035 (Figure 3), relative to the January 2025 Snapshot.

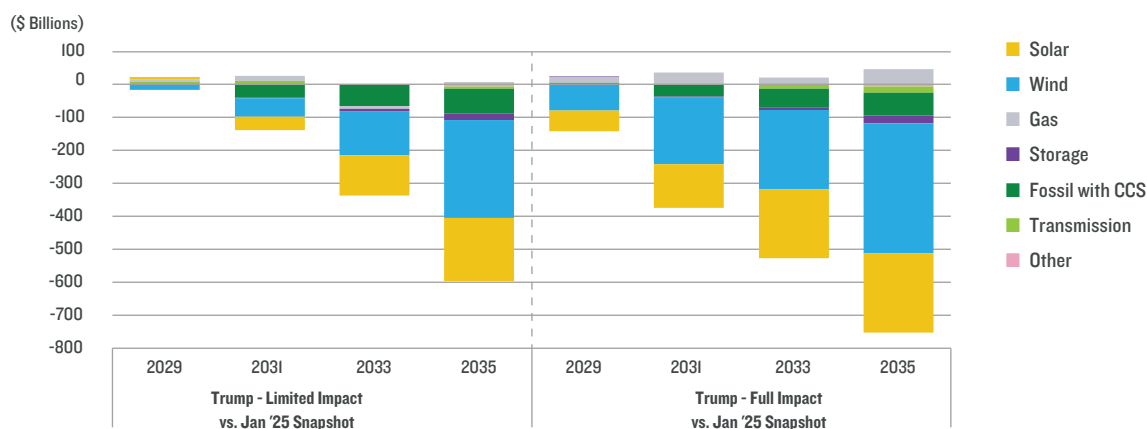
Wind, solar, and storage capacity make up the largest share of lost investments, with \$488–\$635 billion of lost capital investments in these technologies. Little additional investment in new gas power occurs between our two cases. In fact, total investment in fossil fuel technologies declines by \$23 to \$66 billion by 2035, given the loss of investments in CCS technologies.

ELECTRICITY COSTS AND HOUSEHOLD BILLS RISE

Because Trump's policies limit new renewable generation, the grid will have to rely more heavily on the existing, higher-cost legacy fossil fuel system. By 2035, the power sector spends \$5–\$15 billion more on fossil fuels (coal, natural gas, and oil) and claims \$45 billion less in IRA tax incentives relative to the January 2025 Snapshot case. While levelized capital costs decline in each scenario due to the lower spending on new power generation, total system costs still rise \$21–\$30 billion more annually to meet U.S. electricity needs by 2035 (Figure A.1, 2025\$).

These higher system costs translate to higher electricity prices and bills for U.S. households. By 2035, average household electricity rates are projected to increase by an additional 4.2–5.5 percent nationwide, relative to the January 2025 Snapshot case. **Household electricity rates increase by as much as 25 percent by 2035, due to Trump's policies, in certain parts of the country**, with some of the highest rate increases occurring in the Great Plains, Upper Midwest, Southwest, New York, and Florida (Figure 4).

Figure 3: Change in cumulative capital investment by technology under Trump actions for 2029 to 2035, relative to January 2025 Snapshot (in 2025\$)



Note: "Other" includes nuclear, hydro, and other generation sources, which are relatively unchanged, relative to the January 2025 Snapshot case over the modeling period.

This analysis used the U.S. Environmental Protection Agency (EPA) CO-Benefits Risk Assessment (COBRA) screening model (version 5.2)¹⁸ to estimate the air quality health impacts of Trump administration energy policy changes, relative to a January 2025 policy Snapshot.¹⁹ SO₂, NO_x, and PM_{2.5} power sector emissions within each electricity market were downscaled to individual power plants using per-pollutant emission shares.²⁰ Plant-level emissions were summed to county totals, integrated into the 2028 baseline emissions profile, and run through COBRA's source-receptor matrix to compute pollution concentrations and the resulting health impacts at county resolution across the entire continental United States. Each Trump Impact scenario was compared against the January 2025 Snapshot to isolate the incremental health burden attributable to the policy changes. Monetized values for reported mortality and morbidity endpoints used COBRA health valuation functions.

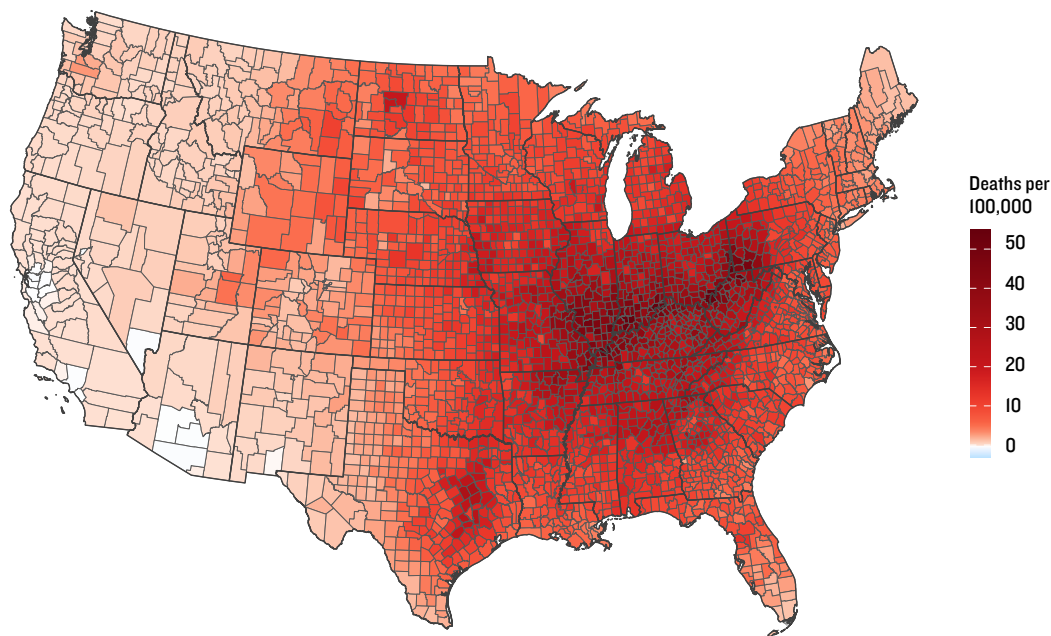
This increased rate of illness has real costs for the U.S. health-care system. Under the Trump policy scenarios, total health-care system spending is estimated to increase by around \$1.2–\$1.7 billion (2025\$) nationally per year by 2035, relative to the January 2025 Snapshot case, with these costs passed on to households through higher health insurance premiums. Over the next decade, total health-care spending is estimated to be \$3.9–\$8.3 billion higher due to Trump's policies.

These health-care costs are only a small fraction of the full societal cost of this excess pollution. The total public health cost of the additional pollution is estimated to be \$129–\$177 billion (2025\$) per year by 2035, reflecting the monetized

harm from more premature deaths, greater rates of illnesses, and the impact from more people being out sick from work and school. The health effects from Trump's policies do not affect all of the United States equally. Premature death rates are highest in regions with significant existing fossil fuel infrastructure, such as the Rust Belt and Appalachia, with impacts being greatest in southern Illinois, Indiana, Kentucky, Ohio, western Pennsylvania, and West Virginia (Figure 5).

Our analysis only explored pollution impacts from the power section, but Trump's attacks on vehicle and buildings regulations will result in even greater health harms than those modeled here.

Figure 5: Cumulative additional county per capita adult mortality from 2026 to 2035 in Trump—Full Impact Case, relative to January 2025 Snapshot



Note: Counties are shaded by cumulative 2026–2035 changes in death per 100,000 people, relative to January 2025 Snapshot case.

TRUMP'S POLICIES FUEL CLIMATE CHANGE

By 2035, Trump's agenda is estimated to increase power sector greenhouse gas emissions by roughly 400 to 600 million metric tons per year, relative to the January 2025 Snapshot case (See Appendix, Figure A.3). These impacts are further magnified across the full economy, as Trump's regulatory attacks on energy efficiency and electrification result in greater emissions across buildings, vehicles, and industry. By 2035, economy-wide U.S. greenhouse gas emissions are projected to increase by roughly 800 to 1,000 million metric tons per year, relative to the January 2025 Snapshot case (See Appendix, Figure A.4). This increase in emissions is greater than the total emissions produced by powering and heating every home in the United States each year, all while Trump's policies increase costs and worsen health outcomes for these same households.²¹

Over the next decade, our modeling shows that the United States will produce a cumulative, additional 3,600–5,500 million metric tons economy-wide due to Trump's agenda. At the high end of our estimates, this is greater than the *total* net greenhouse gas emissions produced by the United States in 2025.²² Over half of the increase in emissions is attributable to the power sector, where the slashing of tax credits and EPA fossil fuel regulations result in sectoral emissions that are double the amount projected under the January 2025 Snapshot case.

CONCLUSION: TRUMP'S WAR ON CLEAN ENERGY COMES AT THE EXPENSE OF HOUSEHOLD BUDGETS AND HEALTH

The Trump administration's reckless policies are not only a setback to the clean energy transition, but they will also raise costs for U.S. households while leading to significantly worse health and economic outcomes over the coming decade.

Despite clean energy being the cheapest and fastest form of new electricity to deploy in the United States today, Trump is using the full power of the federal government to prop up aging, expensive fossil fuel infrastructure that market forces were already in the process of phasing out. And he's doing so at the expense of every American family. Instead, household energy bills are set to increase dramatically, states will lose clean energy jobs and economic investments, and increased air pollution will lead to more health-care spending, more hospital visits, and more early deaths. These policies leave American households increasingly vulnerable against a growing affordability crisis.

Despite the Trump administration's attacks, clean energy is still growing in the United States and the fundamentals—the need for clean energy, its low cost, and its high speed to deployment—remain. NRDC will continue to challenge wrongheaded Trump administration policies and to reverse them when politically possible. There will be many opportunities to course correct as consumers and political leaders across the country feel the pain of rising prices, the growing concern over grid reliability, and the compounding health effects.

Endnotes

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