
Fitch: U.S. Public Power Capex Continues to Increase as Spending Peak Shifts Later

Fitch Ratings-New York/Austin-10 September 2026: Fitch Ratings says U.S. public power utilities and electric cooperatives are delaying more capital spending until later years. Actual 2025 capex trails prior expectations, while projections for 2027 and 2028 have increased. Fitch outlines these findings in its special report, “U.S. Public Power Capital Spending Accelerates.”

Compared with issuer estimates collected by Fitch in 2025, actual 2025 capex was about 4% below prior expectations for retail systems and about 15% below prior expectations for wholesale systems. Fitch says this reflects management conservatism in a rapidly changing cost environment, along with procurement delays and lengthening lead times, particularly for new generation projects.

“Utilities are still moving ahead with large capital programs, but the timing remains variable as supply-chain and project execution challenges persist,” said Patrick Goggins, Director, Fitch Ratings.

The Midwest stands out in Fitch’s analysis, with projected capex growth at more than 120% of recent historical spending. Part of this increase may reflect investments needed to meet higher planning reserve margins following recent storm events and revised requirements from the Southwest Power Pool.

Wholesale issuers remain the main driver of sector growth, projecting aggregate year-over-year capex growth of 42% from 2025 to 2026. Fitch says the risk of overbuild and stranded investment could become a longer-term credit concern for generation-owning systems if expected load growth does not materialize. However, issuers have broadly absorbed higher capex thus far, and credit quality remains sound.

“U.S. Public Power Capital Spending Accelerates” is available at www.fitchratings.com.

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