

ENERGY LEADERSHIP IN A TIME OF NEED: A BLUEPRINT FOR STATES

The passage of the One Big Beautiful Bill Act (OBBBA) has shocked the U.S. economy, which was experiencing record investments in new affordable energy projects, improving home and business access to efficient products, and supercharging domestic clean manufacturing. Energy Innovation projects the energy provisions in the OBBBA will cost American households and businesses \$170 billion in higher energy bills, shrink U.S. GDP by \$1.1 trillion, and cost 790,000 jobs by 2035.

This Blueprint for States provides a starting place for state policymakers to develop rapid responsive strategies lead where the Federal government has failed. Our Blueprint shows how, regardless of budgetary flexibility, states can take immediate action to continue attracting private-sector investments, deploying lower-cost clean energy, protecting U.S. households from rising costs, and restoring economic opportunities for their constituents.

NO-REGRETS ACTION 2: REMOVE BARRIERS TO CLEAN ENERGY

Renewable energy keeps electricity affordable. While the cost declines of building wind and solar in the U.S. have been remarkable, they have stalled out and even reversed in recent years, bucking the global trend of continued cost declines. We can do better.

As states do all they can to accelerate construction of planned projects today, they can also lay the groundwork for continued cost declines for clean energy projects for years to come. There are multiple pathways to continued cost reductions for building clean energy, starting with improving the challenging investment environment. Federal targeting



of clean energy notwithstanding, energy projects need investment-grade policy to reduce financing costs and development timelines. These include certainty on a few fronts: access to land, access to transmission, and access to revenue.

To address these barriers and reduce the cost of clean energy, states can focus on four main tracks: improving siting and permitting practices, getting more out of existing transmission infrastructure, promoting self-supply of clean energy, and enhancing procurement.

For instance, moving wind and solar projects through interconnection queues often takes an average of four years or longer, and unexpected transmission upgrade costs can lead to projects dropping out of the queue entirely. Transmission capacity is closely linked with interconnection delays, and the U.S. only built 888 miles of new transmission in 2024, less than 10% of what's needed according to DOE. Local permitting can also severely slow down or stop projects entirely. Recent research from the Sabin Center on Climate Law identified 459 counties and municipalities across 44 states that adopted several local restrictions on siting renewables, a 16 percent increase year-over-year.

Finding ways to reduce barriers to clean energy build out and therefore reduce the cost of developing these projects is essential to long-term cost reductions. Key to making it easier to build new clean energy projects includes setting standards for local permitting of clean energy projects, increasing resources for and standardizing state-level permitting, and identifying areas for carbon-free generation and grid infrastructure projects. There are also several solutions to making better use out of the grid we have while working toward getting long-range transmission built, such as surplus interconnection and upgrading transmission capacity along existing rights of way.

Enabling and smoothing the path for distributed resources and on-site resources for large customers can often circumvent interconnection and siting issues. With data centers and other large loads coming online rapidly, particularly making it easier for large customers with a high willingness to pay to build or purchase power from new clean energy projects can help drive renewable energy forward in the absence of tax credits. This includes both allowing such an acquisition and creating a utility rate structure that fairly allocates the costs of these projects between new and existing customers.

Policy Action	Policymaker	Impacts State Budget?
Create a one-stop authority for permitting for clean energy projects.	Governor, legislature, energy office	Yes
Adopt performance-based permitting to allow expedited approval for projects with low impacts that meet designated criteria and adequately fund enforcement.	Governor, legislature, siting authority, energy office, department of environment	Yes

Policy Action	Policymaker	Impacts State Budget?
Identify and pre-authorize renewable energy zones and transmission corridors and convene agencies on implementation plans.	Energy office, utility regulators	No
Require regulated utilities to undertake and adopt best practices for competitive procurement, such as all-source procurement, to drive down the costs of projects.	Governor, legislature, utility regulators	No
Set minimum standards and transparent, reasonable deadlines for localities when permitting clean energy projects.	Governor, legislature	No

Additional resources:

- [Insight Report: State Policy Approaches to Renewable Energy Siting](#) (Clean Tomorrow)
- [Clean energy siting and permitting fact sheet](#) (National Caucus of Environmental Legislators)
- [A Progressive Take on Permitting Reform](#) (Roosevelt Institute)
- [State Approaches to Renewable Energy Siting](#) (Clean Tomorrow)
- [Model Legislation to Enable Community Solar](#) (Coalition for Community Solar Access)
- [Scarcity to Surplus: Leveraging Existing Infrastructure for Rapid Electricity Deployment](#) (UC Berkeley)
- [2035 Report: Reconductoring](#) (UC Berkeley)
- [Renewable Generation Costs in 2024](#) (IRENA)

Example policies:

- [California's opt-in central permitting for clean energy](#) (California Energy Commission)
- Michigan House Bill 5120 ([summary](#)) setting minimum standards for local permitting
- Texas [SB 1202](#) - legislation to accelerate permitting for residential solar and storage ([summary](#))
- Florida [HB 683](#) - legislation to expedite rooftop solar permitting ([summary](#))
- [Laws in Order: An Inventory of State Renewable Energy Siting Policies](#) (Clean Air Task Force)
- Ohio [HB 15](#) - legislation that enables large customers to self-generate electricity ([summary](#))
- California's Renewable Energy Transmission Initiative - [summary](#)
- [Nevada Energy Clean Transition Tariff](#) (Google)

Energy Innovation has policy experts to help state policymakers go deeper into which policies can best accomplish their state goals. Contact us: power@energyinnovation.org