

STATE SUPPORT CENTER

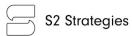
A State Leadership Moment

Recommendations and Examples for State Energy Action Amidst Federal Policy Change

September 29, 2025

https://www.s2strategies.org/state-support-center

Major Federal Policy Changes



Jan 28, 2025 White House announces federal funding freeze

Feb 12, 2025 EPA freezes \$20B in GGRF funds

July 4, 2025

White House EO #14260 directs USDOJ to **April 8, 2025** target state climate laws

May 30, 2025 DOE cancels first clean energy grants (\$3.7B)

June 12, 2025 Congress repeals California's Clean Car Standards

POTUS signs HR 1 "OBBBA" July 29, 2025

Aug 1, 2025 Interior restricts solar & wind projects

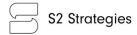
Finding

Treasury Dept guidance further restricts Aug 15, 2025

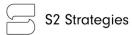
solar and wind energy tax credits

EPA proposes to rescind Endangerment

Significant Impact on State Economies

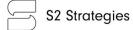


- Increase climate and air pollution affecting American communities
- Increase household energy costs OBBBA alone projected to raise average American's energy bill \$170/year, with some states seeing over \$600 annual increase.
- Eliminate jobs & investment OBBBA expected to result in loss of 900,000+ jobs and put over \$520 billion in investment at risk.
- **Undermine grid reliability** OBBBA projected to <u>reduce overall energy</u> <u>capacity</u> installed on the grid by an estimated 50+% over the next 10 years a real challenge amidst rising load growth.



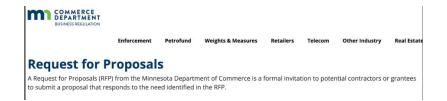
Build! Move quickly to help communities and consumers benefit from federal tax credits before they expire

- Educate consumers about expiring incentives For rooftop solar and home energy upgrades (Dec 31, 2025), EV charging stations (June 30, 2026)
- Task specific state agencies with actions to help solar and wind projects begin construction before federal ITC/PTC incentives expire
 - O Projects that begin construction by July 4, 2026 have four years to finish and get a tax credit (if begin before Jan 1, 2026 do not need to meet new complex 'prohibited foreign entity' materials assistance requirements), OR
 - Projects placed in service by Dec 31, 2027 can also qualify for tax credit
- Federal Energy Tax Credit Resources for States
 Time Sensitive Actions States Can Take to Spur Investment in the Near Term





Gov. Polis Announces New Actions for Coloradans to Access Money-Saving Clean Energy Resources and Accelerate Clean Energy Infrastructure









Federal Clean Energy Tax Assistance Program (CETCAP)

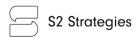
Act now: federal clean energy tax credits are expiring soon.

The Washington Clean Energy Tax Credit Assistance Program (CETCAP) team has helped more than 150 organizations statewide secure hundreds of thousands of dollars in tax credits by providing legal and filing assistance for hundreds of projects.



Promote low-cost clean electricity

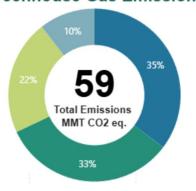
- Fast-track solar, wind, energy storage and other clean electricity projects
 - E.g. streamline siting and permitting, promote use of surplus interconnection, virtual power plants (VPPs) and grid-enhancing technologies (GETs)
- Hold utilities and large energy users accountable
 - E.g. require utilities to show how they'll use fast-expiring federal credits, deploy clean energy and justify rate increases. And require large data centers to use demand flexibility and not shove costs on ratepayers.
- Provide financing support for project development
 - E.g. provide incentives and capitalize state energy financing authorities

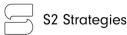


Continue state clean economy leadership across sectors

- Promote clean transportation alternatives
 - o E.g. EV incentives, clean fuel standards, transit investment
- Advance building decarbonization
 - E.g. zero-emission appliance and clean heat standards, building codes updates, electric appliance incentives
- Promote clean and globally-competitive industries
 - o E.g. incentives and emissions reductions at industrial facilities
- Support sustainable agriculture and forests
 - E.g. use state policy and remaining federal funding opportunities







Provide resources for state agencies and buckle down for long haul

- **Keep going** federal backsliding necessitates even greater state policy leadership
- Continue to invest in state clean energy leadership
 - Use limited public funding for high-leverage opportunities
- Provide funding for state agencies
 - Pull-back in federal funds will impact state agencies and personnel
- Work with other states
 - Regional and nation-wide coalitions provide collection opportunities for progress and federal pushback
- Prepare for sustained federal attacks on state policies
 - April 2025 executive order previews legal and policy assault on state authorities

S2 Strategies

Q&A

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