

# AN INFLECTION POINT FOR THE U.S. POWER SECTOR

**Analysis on the Pipeline of Planned Power Projects Amid  
Generational Changes**

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# Contents

|                                                                               |    |
|-------------------------------------------------------------------------------|----|
| Key Takeaways .....                                                           | 3  |
| Introduction.....                                                             | 4  |
| Clean Power Growth Slows While Fossil Power Rebounds .....                    | 6  |
| New Fossil Power Could Return to Recent Peak.....                             | 8  |
| Fossil Power Cancellations Decline While Clean Power Cancellations Grow ..... | 11 |
| New Power Capacity Concentrated in a Handful of States .....                  | 12 |
| Coal Retirement Rate Slows and Federal Policy Adds Uncertainty .....          | 14 |
| More Fossil Power Could Cost Consumers .....                                  | 17 |
| Decisions Today Shape Tomorrow’s Grid .....                                   | 18 |
| Acknowledgments .....                                                         | 19 |
| Methodology.....                                                              | 19 |

# Key Takeaways

Using data from the U.S. Energy Information Administration’s [Annual](#) and [Monthly](#) Electric Generator Reports, this brief explores the pipeline of planned fossil and clean power plants in the United States as of Q2 2026. Analyzing these planned projects reveals shifts in energy developers’ and utilities’ near-term priorities, as well as the influence of recent policy changes. Below are our six key findings from this research:

1. **Clean power growth slows while fossil power rebounds:** Clean power continues to account for the largest share of planned U.S. power sector development, the “pipeline” of future capacity, but growth has slowed from its 2024 peak. Meanwhile, fossil power announcements have increased since 2022, suggesting electric utilities and energy developers are recalibrating their priorities in response to evolving federal policy and projected rapid load growth, relying on methods to evaluate resource adequacy that favor traditional dispatchable resources. Based on capacity factors, planned natural gas project capacity is now comparable to that for solar and wind.<sup>1</sup>
2. **New fossil power is poised for a sharp uptick:** If currently planned projects come online as expected, new fossil capacity additions could reach a market share not seen since the early 2010s. However, new fossil projects still face near- and medium-term challenges to deployment, including gas turbine supply constraints and uncertainty surrounding projected large load demand from data centers.
3. **Fossil power cancellations decline while clean power cancellations grow:** Fossil power project cancellations dropped in 2024 and have remained low through the first half of 2026. Of the 51.6 gigawatts (GW) of fossil capacity planned at the start of 2025, developers only canceled 1.5 GW (2.9 percent) by year-end. Clean power moved in the opposite direction: cancellations have increased since 2022, with 13.1 GW of 281.7 GW (4.7 percent) canceled in 2025.
4. **New clean and fossil power capacity is geographically concentrated:** Approximately half of planned U.S. clean power capacity is concentrated in Texas, California, and Arizona, while roughly half of planned fossil fuel capacity is in Texas, Louisiana, and Pennsylvania. Texas leads each category due to its projected load growth, resource availability, size, and regulatory environment.
5. **Coal retirement rate slows and federal policy adds uncertainty:** Coal capacity continues to decline, but slowly—less than one GW retired in 2025 (the lowest since 2009). Utilities and plant owners have cited forecasted demand growth, perceived reliability concerns, and

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<sup>1</sup> Includes all projects reported to EIA, with the latest project expected to come online in 2034.

federal actions to keep some plants available, which may add greater uncertainty to the timing of future coal plant retirements.

6. **More fossil power could raise costs for consumers:** When both upfront and operating costs are considered, solar and wind power projects have the lowest lifetime costs of all power sources. A more fossil fuel-reliant buildout would potentially lead to increased customer costs for electricity, relative to a clean-power pathway.

## Introduction

The U.S. power sector is experiencing the most significant growth and change in decades. The U.S. Energy Information Administration (EIA) [reported](#) that electricity demand in 2025 reached a new high. Utilities have [revised their load forecasts upward](#) every year since 2021. Looking further ahead, EIA [projects](#) electricity demand will increase by 25 to 50 percent from 2025 through 2050, driven primarily by artificial intelligence (AI) data centers and vehicle electrification.<sup>2</sup> Decisionmakers face challenges to meet electricity needs reliably and affordably.

At the same time, evolving federal policy is influencing electric utilities' and energy developers' decisions as they respond to growing electricity demands. The One Big Beautiful Bill Act (OBBBA) prematurely terminated the federal tax credits for wind and solar power.<sup>3</sup> Additionally, the Trump administration has taken several executive actions intended to impede clean power development, including: blocking the permitting of clean power development on federal lands (i.e., the proposed [largest solar project](#) in the country by nameplate capacity in Nevada),<sup>4</sup> halting offshore wind projects via [permitting processes](#) and [payments to developers](#) to cancel projects, and [banning solar inverter imports](#). While some of these actions have been [challenged](#) and [reversed in court](#), others remain in effect. Other actions—including [sweeping tariffs](#), canceled [funding](#), and withdrawing [regulatory support](#) for transmission projects—will disproportionately impact clean power projects. Further reflecting a shift in federal priorities, the administration has supported fossil fuel investments through the [repeal of greenhouse gas regulations](#), [emergency orders](#) to keep coal plants online, and [funding](#) for new coal plants and coal plant retrofits.

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<sup>2</sup> The latest analysis represents an increase in expected load growth compared to prior years. For example, EIA [projected in 2023](#) that electricity demand would grow between 14 to 28 percent between 2025 and 2050.

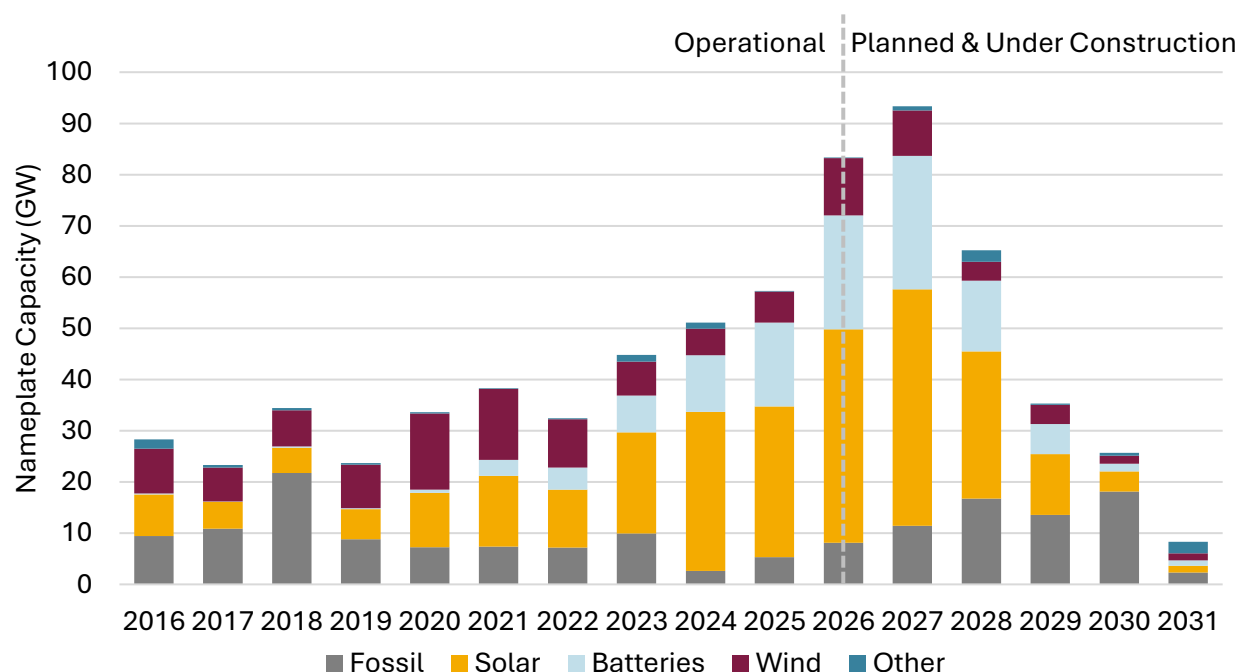
<sup>3</sup> Rather than phasing out “no earlier than 2032” as stipulated in the Inflation Reduction Act, the OBBBA required energy developers to begin construction by July 2026 or be placed in service by the end of 2027 in order to receive tax credits.

<sup>4</sup> Nameplate capacity is the maximum potential output of a generator.

## An Inflection Point for the U.S. Power Sector

Based on data reported to EIA as of the second quarter of 2026, about 285 gigawatts (GW) of power projects are either planned or under construction (see Figure 1).<sup>5</sup> Most of this capacity is from clean generators and storage—referred to in this brief as “clean power”<sup>6</sup>—but an increasing share is from fossil sources (see Figure 1). This brief summarizes the power capacity that is expected to come online to meet anticipated demand and delves into emerging stories about the state of the fossil and clean power pipelines.

Figure 1: New Power Capacity to Come Online in the United States through 2031



Data as of Q2 2026. The year refers to when the plant opened (for operating plants) or is planned to open (for planned and under construction plants). 99 percent of the planned capacity is expected to come online by 2031, except for 2.2 GW of nuclear capacity and 1.0 GW of fossil capacity, which are expected to come online in 2032 and 2034, respectively. “Other” includes nuclear, hydroelectric, geothermal, biomass, landfill gas, municipal solid waste, and flywheels.

Source: Energy Information Administration

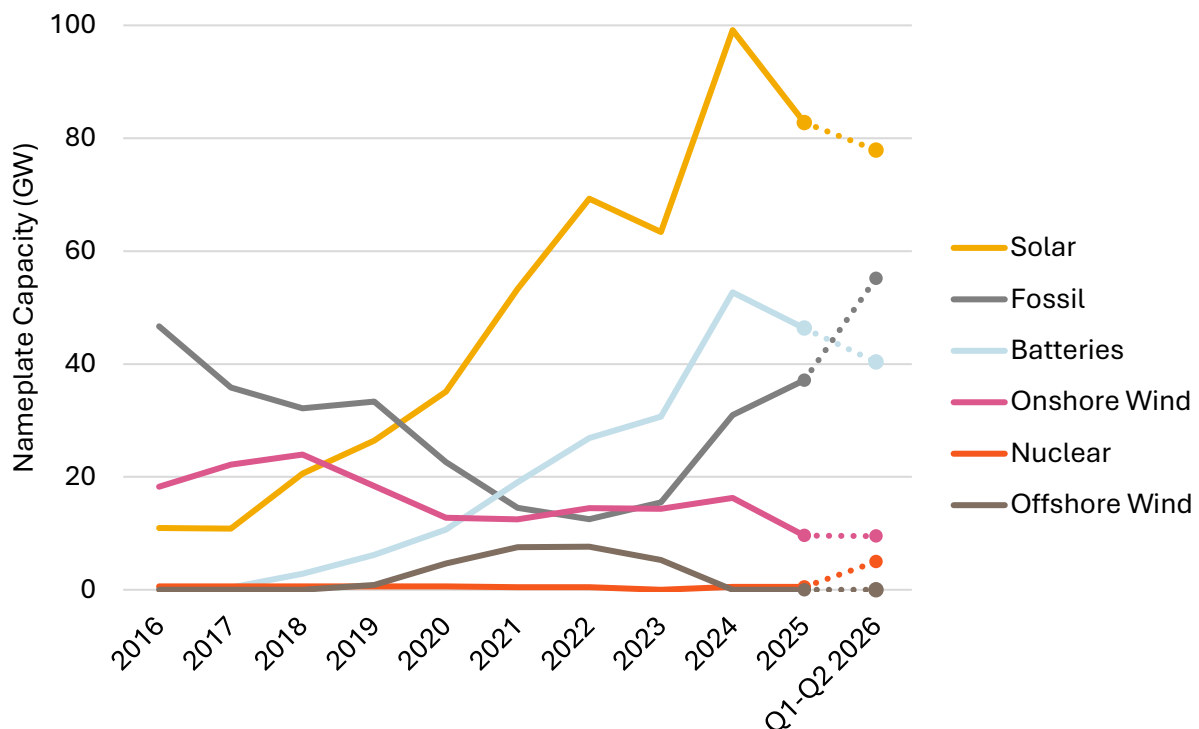
<sup>5</sup> Data reflects nameplate capacity reported by utilities, not guaranteed additions to the grid. 99 percent of the planned capacity is reported to come online through 2031, except for 2.2 GW of nuclear capacity expected in 2032 and 1.0 GW of natural gas capacity expected in 2034.

<sup>6</sup> In this brief, clean power is defined as batteries, geothermal, hydroelectric (both conventional and pumped storage), onshore wind, offshore wind, and solar (photovoltaic and thermal), but excludes nuclear and biomass.

# Clean Power Growth Slows While Fossil Power Rebounds

In 2016, fossil power comprised the largest share of planned power capacity in the United States with about 47 GW in the pipeline. Planned fossil capacity then declined for several years, reaching a low in 2022 of roughly one-third its 2016 level. Over the same period, announcements for solar, onshore and offshore wind, and grid-scale battery storage grew rapidly and became the bulk of new planned capacity (see Figure 2), helped in part by advances in technology and the falling cost of [solar](#), [wind](#), and [batteries](#). In 2024, planned capacity for solar and batteries peaked at 99.2 GW and 52.7 GW, respectively. Meanwhile, operating battery capacity grew an [average of 70 percent per year](#) since 2023.

Figure 2: Cumulative Planned Capacity by Technology Reported Each Year



For 2016-2025, the year refers to when the annual data were released and includes all planned capacity at the end of that year regardless of expected operating date. 2026 data include the planned capacity as of June 2026 and so cover the first half of the year only (indicated by dashed lines). Only includes the top six technology groups and does not include projects under construction.

Source: Energy Information Administration

Since 2022, planned fossil capacity has grown steadily. In the first half of 2026 alone, planned fossil capacity reached its highest level since 2016. According to [RMI](#), renewables still account for most of the planned capacity in utility integrated resource plans, but plans have been shifting more toward gas capacity in recent years due to expected load growth from data centers and vehicle electrification, as outlined in the *New Fossil Power Could Return to Recent Peak* section of this report. Utilities also pointed to new resource adequacy rules<sup>7</sup> in some regions, changes in federal tax credits, and potential federal regulatory changes to justify their changing plans.

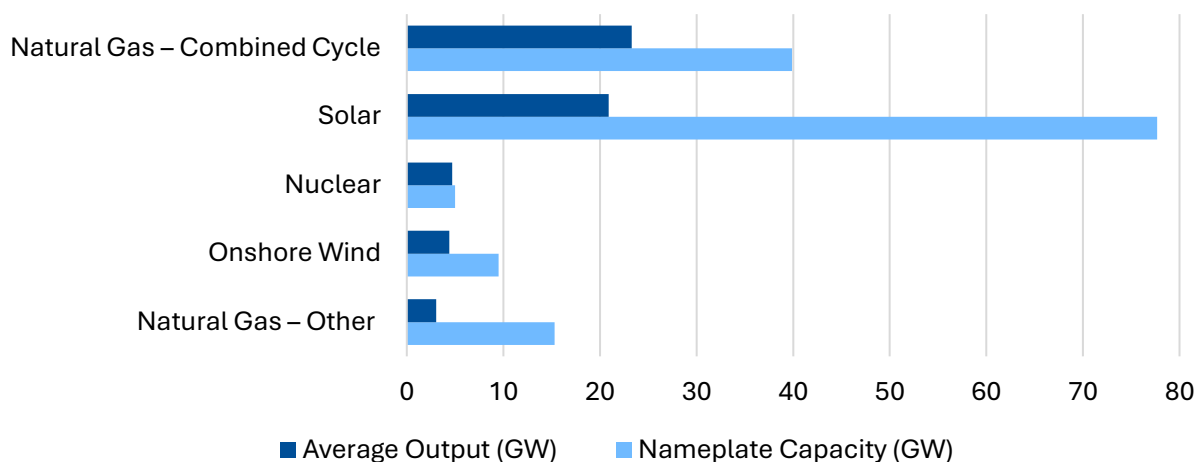
Though some policymakers and utilities are focused on dispatchable fossil generation, clean power sources play an important role in meeting growing demand. In some places, solar and batteries can be the [quickest and cheapest](#) option to add capacity to the grid, and intermittent generation sources like solar and wind can become dispatchable when combined with batteries.

Throughout this brief, we focus on nameplate capacity of new projects, which is the maximum potential output of a generator. This overstates the actual output of all sources, most notably from intermittent sources like wind and solar. To provide a rough comparison of expected output, we use capacity factors, which consider typical operating patterns for each technology as well as weather patterns (see Figure 3). Solar, with an average capacity factor of about 27 percent, has the second-highest anticipated effective capacity from planned projects. Natural gas, with average capacity factors of 58 percent for combined cycle plants and 20 percent for other plants, has about the same amount of planned effective capacity as solar and wind combined. As a result, nameplate capacities reported in this issue brief understate natural gas power plants' share of the power sector pipeline compared to clean power projects.

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<sup>7</sup> [Common methods](#) for assessing resource adequacy involve assigning fixed credits to different generating sources. This [does not fully capture](#) the contribution of intermittent sources and storage to real-world operations and, in some cases, is leading utilities to rely more heavily on fossil plants.

Figure 3: Nameplate Capacity and Effective Capacity for Planned Projects as of Q2 2026



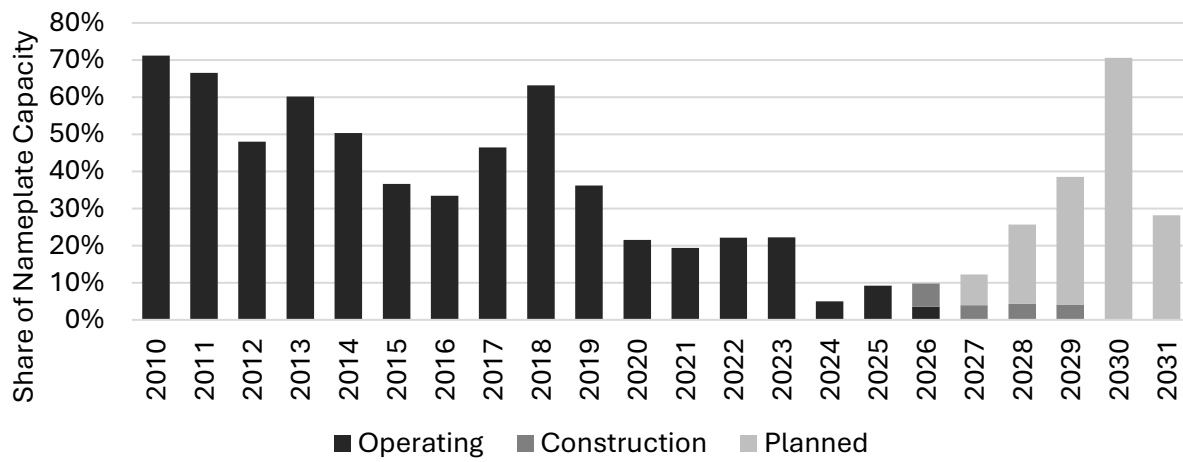
Includes all technologies with at least five GW of planned nameplate capacity. For clean technologies, average capacity factors are for 2026 from the National Laboratory of the Rockies [2024 Annual Technology Baseline](#). Natural gas capacity factors are from the EIA’s 2025 [annual estimates](#). “Natural Gas – Other” includes all natural gas capacity not included in “Natural Gas – Combined Cycle” and draws on the capacity factor of a steam turbine. Capacity factor does not consider solar or wind projects paired with storage.

Source: [Clean Economy Tracker](#), [Energy Information Administration](#)

## New Fossil Power Could Return to Recent Peak

Fossil fuel fired power plants represented about 70 percent of all nameplate power capacity that came online in the United States in 2010 (see Figure 4). Each year from 2010 to 2019, fossil power plants accounted for at least 30 percent of the new operating capacity that came online. Beginning in 2020, however, fossil power plants as a share of new operating capacity fell annually, reaching a low of five percent in 2024. Declining costs combined with the revamped clean energy tax credits in the Inflation Reduction Act [paved the way](#) for clean power additions to overtake fossil power additions in the early 2020s. However, the trend is reversing. Between 2026 and 2030, energy developers currently expect to complete about 68 GW of new fossil capacity, almost all from natural gas. At the end of 2025, developers expected to build 47 GW over the same timeframe, a 45 percent increase in planned fossil capacity in just six months. By 2030, fossil power plants could represent about 70 percent of the new energy pipeline, although a rapid increase in new fossil capacity would [mean](#) a ramp-up in power sector pollution and potentially an increase in costs, as explored in *More Fossil Power Could Cost Consumers*.

Figure 4: New Fossil Power Nameplate Capacity Expected to Come Online Through 2031, as a Share of All Power Plant Types



The year refers to when the plant opened (for operating plants) or is planned to open (for planned and under construction plants).

Source: Energy Information Administration

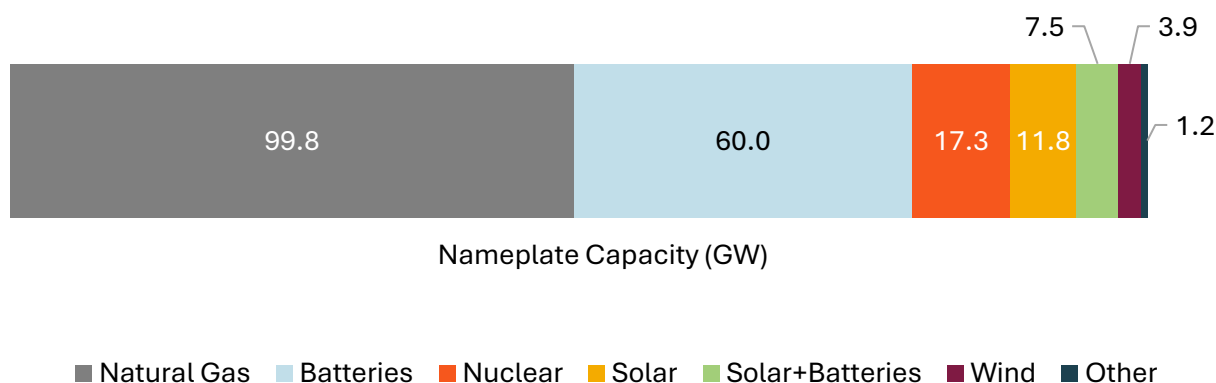
Utilities and independent system operators likewise project increases in electricity generation from new fossil power plants, particularly from natural gas. In PJM Interconnection territory—which has the [largest electricity market](#) in the country, covering 13 eastern states and the District of Columbia—proposed natural gas plants make up about half of the capacity in their [reformed](#) interconnection queue process<sup>8</sup> as of August 2026 (see Figure 5). In the Midcontinent Independent System Operator (MISO) territory—covering parts of the Midwestern and Southern United States—natural gas plants represent [about 70 percent](#) of all capacity in its interconnection fast-track program. Considering [all interconnection queues](#) across the country, requested natural gas capacity increased by about 86 percent in 2025, while requested solar, storage, and wind capacity all slightly decreased. Likewise, for some individual power providers and utilities, load growth is exceeding prior forecasts due to rapid data center development, leading some to invest in new natural gas capacity. Examples include the [Tennessee Valley Authority](#), [Dominion Energy](#), and [Georgia Power](#). Per RMI analysis, utilities have been [shifting their plans toward greater gas capacity](#) in recent years, often citing load growth as a key factor. However, planned power projects reported

<sup>8</sup> The interconnection queue tracks projects seeking permission to connect to the grid. Starting in 2026, PJM [launched](#) a new interconnection process which clears the prior queue and implements a “first-ready, first-served” approach for all requests, rather than the prior “first-come, first-served” approach. The new process requires “meaningful up-front financial commitments and proof of site control... to reduce speculative projects, improve predictability and increase the overall pace of interconnection.”

## An Inflection Point for the U.S. Power Sector

to EIA and interconnection requests are subject to change or cancellation. To illustrate, [75 percent](#) of interconnection requests submitted between 2000 and 2020 were withdrawn by 2025.

Figure 5: Interconnection Requests from PJM’s Reformed Interconnection Process



Data as of August 3, 2026. “Other” includes Hydro, Biomass, Coal, Fuel Cell, Methane, and Fusion.

Source: [PJM Interconnection](#)

Several developers have announced plans to build exceptionally large data centers and intend to supply them with power from new natural gas power plants built specifically for this purpose. Examples include [Amazon’s nearly eight GW plant](#) in Texas and [OpenAI’s nine GW plant](#) in Ohio, which will be owned by the federal government. The Texas plant is expected to operate off-grid and will not be factored into data reported to EIA; developers have not specified whether the Ohio plant will be connected to the grid. If these two plants are completed, they will become the two largest power plants in the United States in [power capacity](#), far surpassing the 6.8 GW Grand Coulee Dam in Washington state. Each plant is also expected to have about twice as much nameplate capacity as the current highest capacity U.S. fossil power plant, the 4.3 GW West County Energy Center in Florida.

Supply chains present a major risk for these planned projects, whether they are grid-connected or not. The [decline in natural gas turbine orders](#) in the United States in recent decades left domestic manufacturers unprepared to ramp up turbine production in the past few years as demand began to rise. With domestic demand for natural gas surging, a multiyear backlog for gas turbines has formed worldwide. The supply shortage has increased prices and strengthened manufacturers’ bargaining power. As a result, the capital costs of natural gas turbines have risen. According to [GridLab](#), combined cycle turbine costs were about \$1,000–\$1,400 per kilowatt for projects coming online in 2026 and 2027; now, projects coming online between 2028 and 2031 are often reporting capital costs of \$2,000 per kilowatt or more. [Other studies](#) have also shown rapid increases in gas

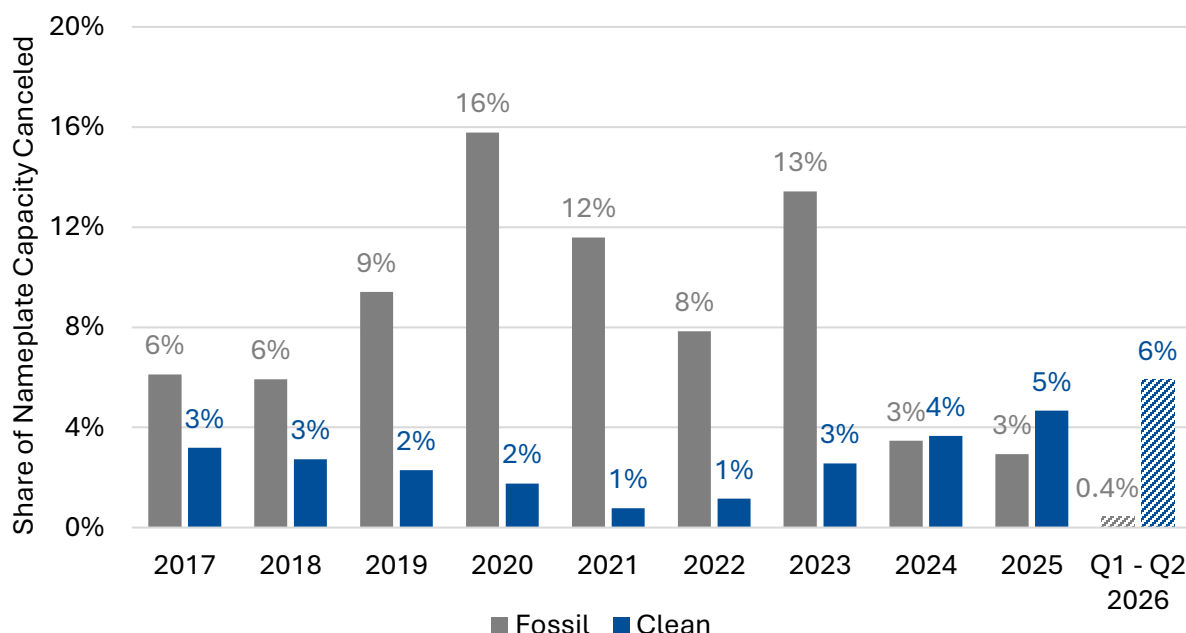
turbine and power plant costs. It is not clear from the EIA data which planned projects have secured turbine orders, but Global Energy Monitor data show that [two-thirds of projects they track have not](#). In at least [one case](#), Amazon's eight GW plant in Texas, developers are turning to older, less efficient, and more polluting turbine models to overcome the backlog of newer turbines.

The apparent trend of fossil power projects overtaking clean power projects by 2030 is likely not due to longer planning timelines for fossil power. Limited comprehensive data are available on development timelines across power technologies, but industry and national laboratory estimates range from [less than two years](#) to [about 4 to 6 years](#) when accounting for the full interconnection and permitting timeline (which is [longer on average](#) for solar and wind than natural gas). Although some [small projects in certain locations](#) may fall near the low end of that range, most clean power projects announced today are likely on a similar 2030–2031 timeline as most planned natural gas plants.

## Fossil Power Cancellations Decline While Clean Power Cancellations Grow

Between 2017 and 2023, planned and under construction fossil fuel-generator cancellations ranged from six to 16 percent (see Figure 6). A 10-percentage-point decline occurred between 2023 and 2024; fossil power cancellations have remained low from 2024 through 2026's first half. Of the 51.6 GW of fossil capacity in the pipeline at the beginning of 2025, energy developers canceled only about 1.5 GW by the end of the year. So far in 2026, very little fossil capacity has been canceled while the pipeline continues to grow. In contrast, clean power cancellations have been growing since 2022. Cancellations have increased since 2022, with 13.1 GW of 281.7 GW (4.7 percent) canceled in 2025.

Figure 6: Canceled Fossil and Clean Power Nameplate Capacity as a Share of Planned and Under Construction Capacity



The year is the capacity canceled in that year only. 2026 is shown as hatched because it includes only data reported in the first two quarters.

Source: Energy Information Administration

Some fossil energy developers have said that they are interested in either reviving previously canceled plants or expanding existing plants to meet new load growth projections. For example, developers in West Virginia are investing over \$1 billion to [revive plans for a natural gas power plant](#) that was originally proposed in 2014. Additionally, Georgia Power recently proposed building [3.7 GW of new natural gas capacity](#) to meet growing electricity demand, including two new plants at former coal power sites and one expansion at an existing natural gas plant. These anecdotes could become a larger trend among developers and utilities if current market conditions hold.

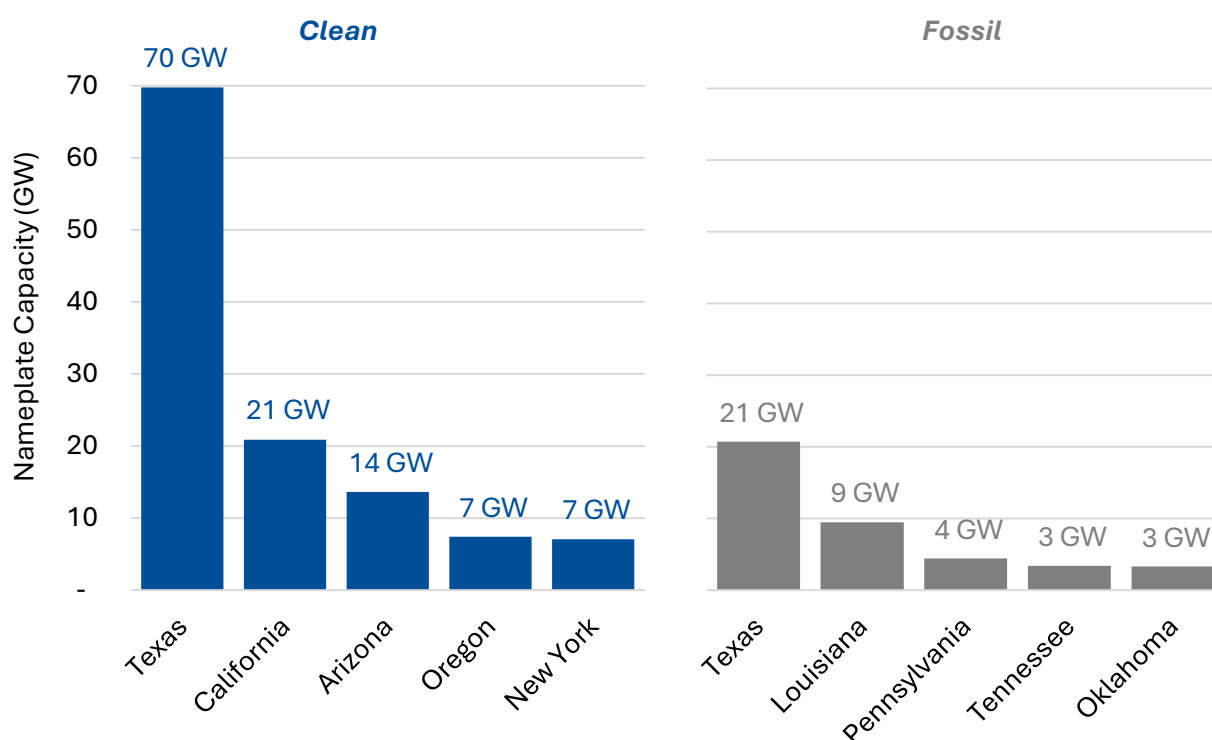
## New Power Capacity Concentrated in a Handful of States

The pipelines for both new fossil and clean power are geographically concentrated. For fossil power, more than half of all planned and under-construction capacity is in just three states—Texas,

## An Inflection Point for the U.S. Power Sector

Louisiana, and Pennsylvania (see Figure 7). All three are [major natural gas producers](#) with substantial [existing gas infrastructure](#) and notable data center development. Texas and Pennsylvania also rank among the states with the most [planned data center capacity](#). In Texas, the grid has limited connections to draw power from other states and so must generate power for these data centers in state. In August 2026, regulators in Louisiana [approved three new natural gas power plants totaling 2.2 GW](#) to serve one large, proposed data center for Meta.

Figure 7: Top Five States for Clean vs. Fossil Nameplate Capacity (Planned and Under Construction)<sup>9</sup>



These charts do not account for capacity factor, do not include nuclear or biomass power, and do not account for the higher capacity factor for solar and wind projects that are paired with storage. If adjusted for capacity factor, Texas clean power would be 13.1 GW and Texas fossil power would be 10.7 GW.

Source: Energy Information Administration

<sup>9</sup> Note that this is based on nameplate capacity, which is the maximum possible output of a generator rated by the manufacturer and does not take into consideration capacity factor. The actual electricity output of clean and fossil plants varies by technology and use case.

The clean power pipeline is similarly dominated by three states—Texas, California, and Arizona. As with fossil power, Texas accounts for the largest share of planned and under-construction clean power capacity by far, representing about one-third of the total pipeline. Many factors may be contributing to this concentration. Like natural gas projects, clean power sources—particularly wind or solar combined with batteries—are benefiting from the AI data center-driven load growth in Texas. [Fewer regulations](#) in Texas have allowed both fossil and [clean power sources](#) to come online quickly. Project economics are also likely favorable in these states due to significant renewable resources: Texas, California, and Arizona have some of the highest solar [resource potentials](#) in the country, and Texas has the best wind resources.

Most states have more clean nameplate capacity planned and under construction than fossil nameplate capacity, except for some in the Great Plains and Appalachian regions. Even in Texas, clean power represents about 73 percent of the planned and under-construction nameplate capacity. This matters because Texas can shape national totals in both directions: a large clean pipeline can accelerate deployment, while a large fossil pipeline can materially affect emissions, fuel demand, and regional reliability planning.

# Coal Retirement Rate Slows and Federal Policy Adds Uncertainty

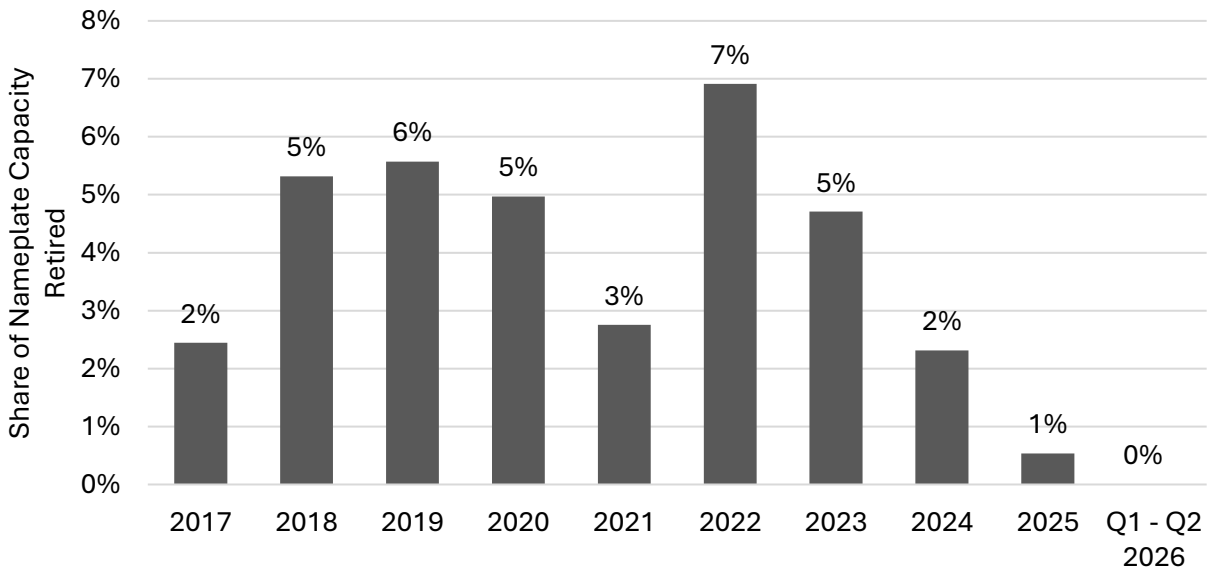
Total coal capacity in the United States declined for years as aging plants retired and no new capacity came online. The [average operational coal plant](#) in the United States is 44 years old. The newest U.S. coal plant to come online did so in 2013, and no coal plant capacity is currently planned or under construction. However, in June 2026, the Trump administration announced that it [was supporting](#) two new coal powered facilities in West Virginia and Alaska, as part of an \$850 million investment to support coal facilities across the country, though these projects do not appear yet in the EIA data.

Over the last two decades, the United States has seen a [drop-off](#) in coal power generation with little new planned capacity, retirements of existing facilities, and lower usage of existing capacity. This trend is [due to](#) a combination of cheaper alternatives and regulations aimed at reducing power sector pollution. However, the rate of coal retirements in the United States slowed considerably in 2025. Last year, less than one GW of coal capacity was retired, the lowest since 2009 and significantly lower than the 8.5 GW plant owners reported that they would retire in 2025 as of

## An Inflection Point for the U.S. Power Sector

December 2024.<sup>10</sup> No projects have been reported retired yet in 2026. For comparison, plant owners reported 0.9 GW had been retired by this point in 2025 and 2.4 GW in the same period in 2024, meaning that this is not simply the result of seasonal reporting of plant retirements. The rate of retirements has dropped steadily since 2022, per Figure 8. In 2025, the IEA [pointed to](#) higher natural gas prices and policy interventions such as environmental exemptions and funding for retrofits as material in lower coal plant retirements. For some plants, like [Brandon Shores](#) in Maryland and [Oak Creek](#) in Wisconsin, retirements have been delayed with utilities citing concerns about reliability and rising energy demand. Meanwhile, analysis from Rhodium group [released](#) in January 2026 points to rising demand and actions from the U.S. Department of Energy (DOE) as drivers of slower retirements of coal facilities.

Figure 8: Retired Coal Nameplate Capacity as a Share of Operating Coal Capacity



Conventional steam coal generation capacity retirements by year the project retired, divided by the total coal operational capacity that year.

Source: Energy Information Administration

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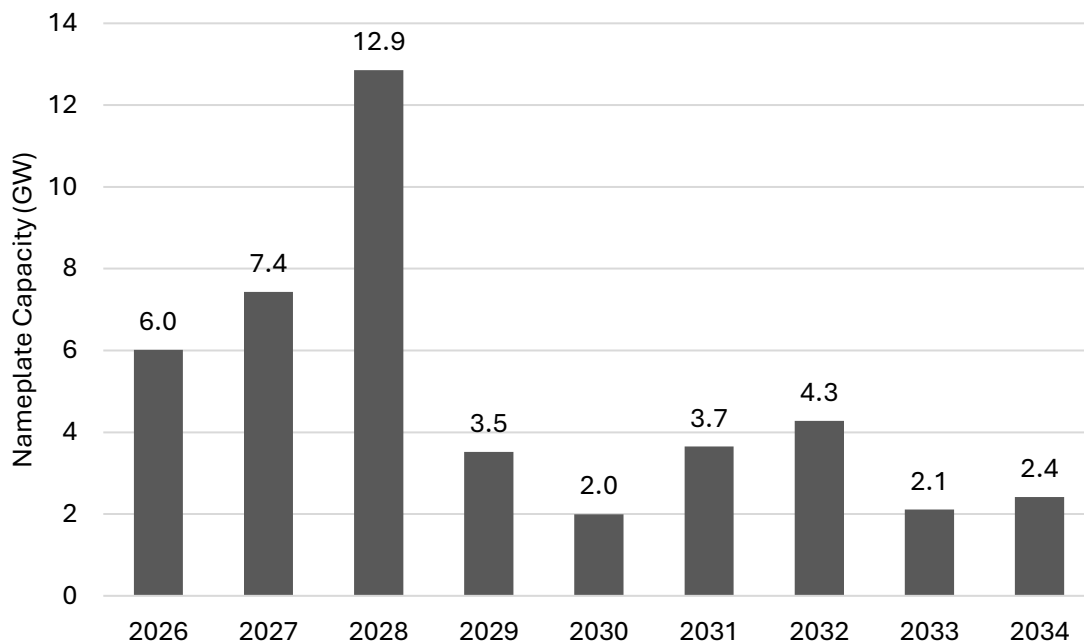
<sup>10</sup> In April 2026, the EIA [reported](#) that the levels of coal retirement in 2025 were the lowest yet at 2.6 GW. However, the total for 2025 in their report differs from the total published by EIA in June 2026, collected in August 2026. This appears to be principally driven by the Intermountain Power Project in Utah (1.8 GW), which featured in February 2026 but not in June 2026 data. The EIA data are subject to change.

## An Inflection Point for the U.S. Power Sector

Some of the delayed retirements since 2025 were due DOE [emergency orders](#) directing 3.2 GW worth of coal plants to temporarily remain operating, citing grid reliability concerns. These [orders each last](#) 90 days, but DOE can reissue them. The initial order for one Michigan plant has been [struck down](#) by federal courts, and other orders are in litigation. However, at this time all the plants targeted by these orders remain open.

Looking ahead, power plant owners report that about 44.3 GW of coal power will retire between 2026 and 2034, or about one-quarter of the total coal capacity operating today (see Figure 9).<sup>11</sup> Extending the emergency orders by the DOE could delay retirement further for covered plants.

Figure 9: Planned Coal Retirement Nameplate Capacity through 2034



Source: Energy Information Administration

Federal policy, including executive orders and regulatory changes, materially affects the rate and amount of coal retirements. For example, the EIA [Annual Energy Outlook 2026](#) estimates that elimination of greenhouse gas emissions regulations on power plants alone will cut the amount of expected coal retirements by 2050 in half, independent of potential impacts from executive actions or other federal policies. Similarly, the Environmental Protection Agency's own [regulatory impact](#)

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<sup>11</sup> Not all operating power plants report an expected retirement date, so the total retirements during this period could be larger.

[analysis](#) released in September 2026 estimated that the repeal will avoid 32 GW of originally expected coal retirements by 2035.<sup>12</sup>

## More Fossil Power Could Cost Consumers

The preceding sections show that the planned power pipeline is changing by technology, geography, and retirement timing. Those changes matter for electricity customers, as energy affordability is a [top issue](#) for Americans. Costs will depend not only on the price of individual technologies, but also on fuel exposure, financing, transmission needs, reliability requirements, and how quickly resources can be brought online.

The mix of power sources that utilities use to meet growing electricity demand as well as the costs to expand and modernize the grid will directly affect costs for electricity customers. Researchers at Lawrence Berkeley National Laboratory (LBNL) analyzed key drivers of price increases from 2019 to 2024, finding the factors that drove price changes varied by region. Overall, the biggest drivers were natural gas price variability, grid hardening, extreme weather and wildfires, and net energy metered solar. Price drivers could differ in an era of load growth.

There are various useful metrics to understand the cost of building different electricity sources, including generator capital costs, operating costs to produce and deliver electricity, broader grid infrastructure costs, average customer bills, or energy burdens.<sup>13</sup> The [levelized cost of energy \(LCOE\)](#) is a metric that normalizes both capital and operating expenses over the expected lifetime output of the project. LCOE is one of the most comprehensive measures of electricity costs, capturing both capital and operating expenses over the project lifetime, although it does not include some [key system costs](#) such as transmission and distribution investment. [Annual LCOE reporting](#) by Lazard found that wind and solar are the most cost-competitive energy sources: Lazard modeled the average unsubsidized cost of utility-scale solar and wind to be \$69 per megawatt-hour (MWh) and \$68 per MWh, respectively, in 2026. This is compared with \$90 per MWh for a combined cycle natural gas plant and \$120 per MWh for a natural gas peaking plant. However, the average cost for solar and storage combined is \$109 per MWh, pointing to challenges for clean firm technologies to compete with gas. These estimates do not account for some key cost drivers noted

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<sup>12</sup> Note these totals refer to model estimates and so may differ from EIA data.

<sup>13</sup> An energy burden [refers](#) to “the percentage of income spent by a household on energy for heating, lighting, air conditioning, cooking, etc. Households with greater energy burdens may have to make tradeoffs between paying utility bills and medical, housing, or other expenses.”

by LBNL, such as natural gas price volatility. Lazard analysts also noted that the recent spike in natural gas capital costs due to turbine shortages may not be fully reflected in the LCOE yet.

These costs are higher than 2025 levels across the board, though with a slightly sharper increase for solar. The authors attribute increases across all generation types to higher capital costs, interest rates, tariffs, and supply chain constraints, and point to the fact that the increase would be even higher when accounting for lost tax credits. Morgan Stanley [analysis](#) from April 2025 agreed that the costs of solar would rise due to new tariffs and revoked tax credits.

Looking ahead, an Energy Innovation [analysis](#) took a more comprehensive look at the costs of meeting load growth with fossil or clean power through 2030. Beyond power plant construction and operating costs, the authors also include investments in storage, transmission, energy efficiency, and demand response needed for clean sources to meet demand. The authors find that relying primarily on clean power could save \$5.1 billion on consumer bills compared to a fossil-heavy scenario (about 17 percent lower), mostly due to lower and less volatile fuel costs.

## Decisions Today Shape Tomorrow's Grid

America's power sector is entering a new period of demand growth while federal policy and market signals are reshaping investment decisions. The central challenge for policymakers, regulators, and utilities is to meet growing demand with power that is affordable, clean, and reliable. Clean power capacity has risen in the past decade and offers a potentially lower-cost pathway for meeting new demand, particularly when paired with storage.

In our analysis, we identify emerging trends such as the recent rebound in planned fossil capacity and a slowdown in fossil cancellations and retirements. These shifts have occurred in response to changing federal policy, projected load growth, and resource adequacy concerns. If utilities and developers respond to power demand primarily with new fossil generation, consumers could face higher costs from turbine supply constraints, rising capital costs, and fuel price volatility, as well as being vulnerable to the health consequences of higher pollution. The U.S. power sector is at a new inflection point, with decisions made today shaping the cost, reliability, and emissions profile of the grid for decades to come.

# Acknowledgments

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# Methodology

This brief draws on Atlas Public Policy analysis using Clean Economy Tracker data derived from U.S. EIA [Annual Electric Generator Report \(Form EIA-860\)](#) and [Preliminary Monthly Electric Generator Inventory \(Form EIA-860M\)](#) data. Technology includes batteries, geothermal, hydroelectric (including conventional hydropower and hydroelectric pumped storage), onshore wind, offshore wind, solar photovoltaic, and solar thermal. “Operational” includes currently operating, standby/backup, and temporarily out of service facilities. Projects may also be “Planned” and “Under Construction.” “Canceled” refers to projects that are canceled or indefinitely paused and does not include retired projects.

The data are from the Form EIA-860, for the years that are available. Where annual data are not yet available, the data are from the Form EIA-860M, which are considered preliminary estimates and subject to change; a delay of approximately six months exists between the end of the year and when the data becomes available. Data were pulled on August 18, 2026, before EIA published the Annual Electric Generator Report for 2025. Note that there could be delays between when a project is planned (or canceled) by a developer and when the change is reflected in the monthly data. All projects that will be “primarily fueled by energy sources other than coal or nuclear energy expected to begin commercial operation within five years” are [included in the data](#), for coal and nuclear projects, it includes all projects expected to begin operation within 10 years. The dataset only includes projects one megawatt or larger. The first clean power projects in the data date to before 1900 (all hydroelectric until the 1970s), however most clean power capacity on the grid is new.

According to the [EIA](#), nameplate capacity refers to the maximum rated output of a generator designated by the manufacturer, expressed in gigawatts. Where they are considered, average capacity factors for clean technologies are for 2026 from the National Laboratory of the Rockies [2024 Annual Technology Baseline](#). Natural gas capacity factors are from the EIA's 2025 [annual estimates](#). “Natural Gas – Other” includes all natural gas capacity not included in “Natural Gas – Combined Cycle” and draws on the capacity factor of a steam turbine. Capacity factor does not consider projects paired with storage. See the full methodology [here](#).



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