

# How Florida Keeps Electricity Plentiful and Rates Low

**The Sunshine State has steered clear of green policies that are creating a grid crisis in other states.**

By  
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Electricity rates in U.S. states have diverged sharply in recent decades. In 2004 residential electricity in the five most expensive states was only twice as expensive on average as in the five most affordable states. Today it is 160% more expensive (that's another 60% on top of twice).

What explains the difference? State policies. Eight of the 10 most costly states have enacted renewable portfolio standards, "net zero" carbon-emission mandates, and regional cap-and-trade schemes. All eight are controlled by Democrats.

New York gets special honors. The Empire State has refused to develop the prodigious shale gas resources that have enriched Pennsylvania. And it has blocked construction of new natural-gas pipelines, depriving New Yorkers—and New Englanders—of affordable electricity.

Among the most populous states, Florida stands out as an island of sanity in a sea of government madness. Under continuous Republican governance since 1999, the Sunshine State took advantage of the shale boom, prioritizing natural gas over renewable energy. That has kept electricity prices low.

Florida relies on natural gas for 75% of its electricity, more than any other large state. That's remarkable because of the five largest states, the other four—California, New York, Pennsylvania, and Texas—all have significant natural-gas reserves, while Florida has none. Yet compared with Florida, residential electricity is 27% more expensive in Pennsylvania, 60% more expensive in New York and 137% more expensive in California. Even pro-energy, GOP-controlled Texas has more expensive electricity than Florida, partly because of its large renewable energy sector, which makes its grid costly and difficult to operate.

Because it has avoided the misguided climate policies of other states, Florida is better positioned to weather the historic energy-scarcity crisis now bearing down on America's electricity grid. Just as electricity demand is soaring across the country, driven by electric vehicles and artificial-intelligence data centers, a train wreck of federal policy failures is constraining the grid's ability to meet the new demand. Grid operators are already sounding the alarm.

One persistent problem is suffocating red tape. To placate environmentalists, the Biden-Harris administration rolled back Trump-era reforms to the federal permitting process, even those that benefited renewable energy. Now Inflation Reduction Act subsidies are flooding the market with solar energy, so nuclear, coal and gas plants needed for base-load generation can't fully recoup costs.

These subsidies have proved particularly toxic in states governed by regional transmission organizations, or RTOs, where utilities can't easily pass capital and operating costs on to consumers. This has led to soaring future capacity prices in RTO areas such as Pennsylvania, Ohio and Virginia, where capacity prices soared 900% in the recent auction for 2024-25. Meanwhile, virtually all large new nuclear and gas capacity being proposed is in non-RTO areas that still have vertically integrated utilities, chiefly Florida.

Making a bad situation worse, [Kamala Harris](#) would implement new Environmental Protection Agency rules requiring power plants to adopt astronomically expensive carbon-capture technologies that are unproven at scale. The EPA expects the new rule to force most coal-fired power plants to close. Investment in large new natural-gas plants has dried up in RTO areas, and the EPA has promised to follow up next year with another rule that could shut down many existing gas plants. Between retiring coal plants responsible for 15% of U.S. generation capacity and soaring demand projections of at least 15%, the U.S. is facing an electrical capacity shortfall of perhaps 30% by 2032. The regulatory train wreck will severely constrain the grid's capacity to make up the shortfall.

Democrats think solar power is coming to the rescue, but that is a fantasy. Only a fraction of the proposed solar and wind plants can be built in time to avert a scarcity crisis, let alone achieve "net zero" carbon-emission goals by 2035. And their output will be far short of nominal capacity because they don't generate power continuously. Some point to states with high renewable penetration and low electricity prices as proof that renewables are reliable, but all such examples are geographic anomalies: Washington state has abundant hydropower, while the Upper Midwest has constant wind and abundant land for affordable turbines.

Florida's experience shows the value of investing in resilience rather than pie-in-the-sky green technology: In less than a week Florida restored electricity to 99% of those who lost power in Hurricane Helene, and it is now helping neighboring states with disaster recovery. While Florida may avoid blackouts and rationing that could plague other states, it isn't immune to rising prices or foolish policies. Inflation Reduction Act subsidies are becoming increasingly popular in Florida, and [NextEra](#), which owns Florida Power & Light, has announced plans to cut 52% of the utility's carbon emissions by 2030 and 83% by 2040.

That makes for dark clouds on the horizon. Florida lawmakers should realize that renewable mandates and subsidies erode grid reliability. They should stick to protecting Florida from terrible climate policies. Otherwise, the Sunshine State will share in the looming energy-scarcity crisis.

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