

Addenda #85 – August 2025

Re: Ch. 8, 2050 Net-Zero Emissions; Impossible!!

*SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all*

*Over 100 GW of U.S. solar, wind projects no longer pencil out, says FTI Consulting*

*Tax credit cuts from the Republican Congressional budget bill have made more than 320 proposed solar and wind projects no longer economically viable, said the business consultancy.*

*pv magazine; July 23, 2025*

*The early end of federal tax credits for solar and wind projects may lead to many canceled proposed projects as the economic viability has come under question.*

*“We conservatively estimate that more than 320 proposed wind and solar projects with a total capacity of over 100 GW would no longer be economically viable, making it significantly harder, if not impossible, to attract capital and meet key development milestones,” said a report from FTI Consulting.*

I’ve written several Addenda’s about offshore wind projects where developers had realized the cost of the project would not allow them to be profitable, and the developer cancelled the project outright or backed out of contracts awarded and rebid the same project at higher rates for the electricity they would produce. In October 2023, Ørsted, Equinor and BP petitioned the New York State Public Service commission to make contract adjustments for three offshore wind projects that were bid in 2018. The developers claimed that due to increased costs, the projects were no longer “viable investments.” The PSC refused to grant the \$12 billion rate increase, so in January 2024, the developers terminated the agreements and backed away from the projects. The termination did not last, however. The projects were “re-bid” in January 2024 at “more favorable terms” and the projects moved forward.

Ref: Addenda #30 – January 2024, Addenda #40 – February 2024

Under the Inflation Reduction Act of 2022, developers received a 30% tax credit for investments in zero-emission energy projects, and a production credit of up to \$0.0275 for every kilowatt-hour of “clean electricity” generated by the projects. While the tax credits enabled expensive renewable energy projects to be profitable for developers, these two credits were estimated to cost the federal government \$62 billion in lost tax revenue over ten years. Overall, the IRA would result in a reduction of long-term U.S. economic growth by about 0.2 percent and eliminate about 29,000 full-time equivalent jobs in the United States.

Source: Breaking Down the Inflation Reduction Act’s Green Energy Tax Credits; Tax Foundation, September 14, 2022

Source: Details & Analysis of the Inflation Reduction Act Tax Provisions; Tax Foundation, August 10, 2022

When the *One Big Beautiful Bill Act* passed Congress in May, tax credits that developers relied on to help make renewable energy projects profitable were terminated for projects not starting construction by July 4, 2026. Projects already under construction will be allowed tax credits if a “substantial portion” of the project is built by the July 2026 deadline. The Institute for Energy Research reported that tax breaks on renewable energy projects cost \$31.4 billion in 2024 alone and were expected to cost taxpayers \$421 billion more between 2025 and 2034.

FTI Consulting estimated that 54 GW, or 11% of all solar and wind capacity for renewable projects planned in years *after* the deadlines, are likely “no longer financially viable” and developers will scrap those projects unless they can receive considerably “more favorable terms” from local governments to develop them. “Utilities will need to seek alternatives less affected by H.R. 1 [OBBBA] to bridge capacity shortfalls. Without coordinated policy and regulatory support, however, the risk remains high that the U.S. power grid will not be able to support the next wave of technological and industrial expansion.”

Twenty-four states, plus the District of Columbia and Puerto Rico, have 100% carbon-free electricity mandates, with target dates of 2030 to 2050. These states represent 53% of the population of the United States. In its *U.S. State Renewables Portfolio & Clean Electricity Standards: 2024 Status Update*, the Lawrence Berkeley National Laboratory notes that the demand for electricity from renewable power sources will grow 240%, from roughly 500 TWh today to 1700 TWh by 2050, in order to meet emissions and electrification mandates. That is a rate of growth that is three times what has been achieved in recent years.

Ref: Addenda #47 – June 2024 & Update June 2024, Addenda #78 – March 2025

Whether or not states can meet these mandates is debatable. The NYISO *2025 Power Trends* report showed that in 2024, New York generated 131,052 GWh of electricity for consumers; 34,451 GWh (26.3%) generated by “true renewable” sources (hydro, wind & solar) with another 27,936 GWh (21.3%) generated by nuclear power. In just five years, New York will need to more than double its current level of clean energy production, an unrealistic goal that cannot be achieved in that timeframe, but the state is failing to increase renewable power production at the rate needed to meet increased demand. Add in the challenge of ever increasing costs of materials and labor, developers financial problems leading to project terminations, insufficient progress in upgrading the nations electrical grid and now ending the clean energy tax credits from the Inflation Reduction Act. These combined, all but assure that states will be unable to meet renewable energy mandates.

Regardless of the challenges, Progressive Democrat leaders are still pushing emissions reductions and electrification goals while development of renewable power sources slow and forced closures of fossil fuel power plants continue. The outcome is predictable, but climate alarmists refuse to acknowledge it...

*More than half of North America faces a risk of energy shortfalls in the next five to 10 years as data centers and electrification drive electricity demand higher and generator retirements threaten resource adequacy...* North American Electric Reliability Corp, June 17, 2025

*With just five years to reach the Sustainable Development Goals, we need to shift into overdrive.* António Guterres Secretary-General, United Nations, July 14, 2025

*“The interesting thing about the Green New Deal, is it wasn’t originally a climate thing at all.... Do you guys think of it as a climate thing?” Because we really think of it as a how-do-you-change-the-entire-economy thing.”*

Saikat Chakrabarti, chief of staff for Representative Alexandria Ocasio-Cortez, Washington Post, 2019

*“It doesn't matter what is true, it only matters what people believe is true.”*  
Paul Watson, Co-founder of Greenpeace