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Clean Energy Project Cancellations Top $14 Billion So Far in 2025

Businesses have pulled the plug on big projects amid Trump's retreat on climate action. But plenty remain in the pipeline, awaiting a Congressional decision on tax credits.

By Marianne Lavelle
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Businesses have cancelled or delayed more than $14 billion of investments in U.S. clean energy projects so far this year, reflecting their uncertainty and pessimism over federal support amid President Donald Trump's climate policy retreat, industry analysts reported Thursday.

The sector still is showing resilience—at least $4.2 billion in new renewable energy, grid, electric vehicle and battery projects were announced over the same time period, from January through April, according to the tracking report by the nonprofit group Environmental Entrepreneurs, or E2, and its research partner, Atlas Public Policy.

Some 10,000 jobs are expected to be created by these newly announced projects—including an electric truck assembly plant that the Jeff Bezos-backed startup Slate Auto said it would site in Warsaw, Indiana. That's equal to the estimated number of job losses from all the clean energy projects that have been abandoned so far this year. Nevertheless, it's a sharp reversal of trends E2 tracked in the sector over the previous three years, when $127.7 billion in new clean energy project announcements outpaced cancellations at a rate of nearly 50-to-1.te change on vulnerable communities.

- Officials at E2, a nonpartisan group of clean energy business leaders and investors, said it was an ominous sign as the Senate prepares to take up Trump's "One Big, Beautiful Bill," the House-passed tax and spending cut package that would eliminate most of the clean energy tax credits Congress passed in the 2022 Inflation Reduction Act.

“If the tax plan passed by the House last week becomes law, expect to see construction and investments stopping in states across the country as more projects and jobs are cancelled,” said Michael Timberlake, communications director for E2. “Businesses are now counting on Congress to come to its senses and stop this costly attack on an industry that is essential to meeting America’s growing energy demand and that’s driving unprecedented economic growth in every part of the country.”

The White House did not immediately respond to questions about the report.

The biggest of the cancellations that E2 tracked came in April. The United Auto Workers announced that Stellantis would not go forward with a $3.2 billion battery plant it planned to add to a giant shuttered assembly facility it is reopening in Belvidere, Illinois. And global energy giant RWE announced it was shuttering its U.S. offshore wind operations “for the time being” due to “the political environment” in the United States. RWE had invested $1.1 billion to develop wind projects offshore of New York, Louisiana and California.

While E2 tracks public announcements of new projects and cancellations, other efforts at tracking what’s happening in the clean energy sector provide a more detailed picture—and in some senses, a more optimistic one.

The Clean Investment Monitor, a project of the Massachusetts Institute of Technology and the consulting firm Rhodium Group, tracks actual capital spending in the quarter of all projects that have broken ground, and also includes investment in decarbonization projects at energy and industrial plants as well as consumer spending—for example, on EVs, rooftop solar and efficiency upgrades. For the first quarter of 2025, Clean Investment Monitor reported $67.3 billion in spending, a 6.9 percent increase from the same period in 2024. However, it was a 3.8 percent falloff from the previous quarter, and the second consecutive quarterly decline after an unbroken record of quarterly expansion that began in 2021.

Retail purchases of clean energy technology by households and businesses clearly were the driving force in investment in early 2025, the Clean Investment Monitor reported. Its analysis, like that of E2, noted the cancellation of a number of big clean energy projects over the quarter. And it warned of the headwinds for the clean energy supply chain, not only due to uncertain federal policy but the escalation of tariffs and broader macroeconomic pressures.

The American Clean Power Association (ACPA), which tracks utility-scale electricity projects, also put out its first quarter report Thursday, showing that developers installed 7.4 gigawatts of solar, wind and storage capacity, marking the second-strongest start to a year on record. (The strongest start on record was 2024, when 8 gigawatts came on line.) That brings total utility-scale clean power capacity to more than 320 gigawatts, which the association estimates is enough to power nearly 80 million U.S. homes. Of course, that electricity is not only powering homes but also businesses, where power demand is rising sharply due to data centers.

It was a record-setting quarter for battery storage capacity, which surpassed 30 gigawatts, a 65 percent increase from last year. Indiana quadrupled its energy storage capacity in just one quarter, with the help of a big system owned by the energy company AES that opened in April at the site of a former coal power plant.

Texas continued to lead the nation in both utility-scale solar and land-based wind capacity, with its total clean energy portfolio reaching more than 80 gigawatts, a 20 percent increase from a year ago, ACPA said. In all, eight of the top 10 states for clean power additions in the quarter voted Republican in the 2024 presidential election.

The association also saw continuing growth in the project development pipeline, with a 12 percent year-over-year increase in projects under construction or in the advanced stages of development. If all are built, it would add up to $328 billion in investment, said the group's CEO, Jason Grumet.

"Clean power is shovel-ready at scale," he said, while echoing E2's concerns about the retreat from federal support for the sector in Washington.

"With unprecedented demand growth for electricity, we must send consistent investment signals across the energy sector," Grumet said. "The greatest threat to a reliable energy system is an unreliable political system."

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Consumer Watchdog Accuses Regional Grid Operator of Overcharging Marylanders for Power

PJM's energy market and grid rules face legal challenges from the state consumer advocate, which says the grid operator unfairly charges local customers for out-of-state power needs and for bloated capacity costs.

The Maryland Office of People's Counsel, the state's consumer watchdog, has filed two major complaints against the regional power grid operator, arguing that its market and infrastructure planning rules are systematically overcharging Maryland electricity customers to subsidize services and infrastructure benefiting other states—particularly Virginia.

In one complaint to the Federal Energy Regulatory Commission (FERC), jointly filed with the Illinois and New Jersey agencies, Maryland's OPC targets PJM Interconnection's 2025/2026 capacity auction

in July 2024, which sent prices surging to $269.92/MW-day, a staggering increase from $28.92/MW-day in the previous auction.

According to the complaint, overall auction costs increased from $2.2 billion to $14.7 billion in a single year, producing an unjustified spike in expenses for customers. The grid serves 13 states and the District of Columbia.

“These results reflect PJM’s consistent favoring of the interests of large corporations—utilities and generators—over customer interests,” Maryland People’s Counsel David S. Lapp said in an emailed response to Inside Climate News.

In an earlier statement, Lapp said: “PJM ran a flawed auction resulting in prices that—unless corrected—will cost Maryland residential electric customers hundreds of dollars per year in unreasonable and unnecessary capacity costs.

“We are asking FERC to undo those unjust results and direct PJM to reset the prices for the 2024 auction by correcting the same flawed rules that FERC has already accepted the need to fix for future auctions,” he added.

If successful, the complaint could reduce the projected customer costs by over $5 billion, the OPC said.

In emailed comments, PJM spokesperson Jeffrey Shields said, “PJM has not ‘acknowledged flaws’ in its auction rules,” adding that “the rules for the 2025/2026 auction were at the time of the auction, and continue to be, just and reasonable as approved by the Federal Energy Regulatory Commission.” He argued that legally, the results cannot be retroactively changed.

Inside Climate News previously reported a separate legal filing by advocacy groups, including the Sierra Club, which estimated that Baltimore Gas and Electric (BGE) customers could see their monthly bills rise by 19 percent due to the unprecedented surge in capacity auction prices.

The OPC’s complaint argues that the spike was not due to any actual supply shortages but instead was caused by PJM’s rules, which excluded two key power plants from the pool—the Brandon Shores and Wagner facilities near Baltimore.

These plants, funded by Maryland ratepayers to stay online for reliability reasons, were not counted as available supply in the auction. As a result, the filings said Maryland consumers are now being asked to “pay twice”—once through their utility bills to keep the plants running, and again in inflated auction prices.

“Requiring Maryland’s residential customers to bear these massive costs is contrary to bedrock ratemaking principles that allocate costs based on who causes the costs and who benefits—and is unlawful,” Lapp said. Under the Federal Power Act, captive utility customers cannot be required to pay twice for the same service, Lapp said.

PJM’s own Independent Market Monitor also said the 2025/2026 capacity auction didn’t reflect real market conditions, saying it was “significantly affected by flawed market design” decisions.

The OPC complaint, citing the monitor's findings, estimated that auction flaws, including the exclusion of power plants and other capacity market barriers, contributed to over $7.6 billion in excess charges. Prices in the BGE zone reached $466.35/MW-day, according to the complaint.

> "Once again, Maryland's residential electric customers are being asked to pay hundreds of millions for infrastructure being built to support out-of-state data centers."
>
> *— David S. Lapp, Maryland People's Counsel*

Beyond auction failures, the OPC also separately objected to PJM's proposed cost allocation for approximately $6 billion in new transmission infrastructure projects. These projects are primarily driven by the forecasted growth of electricity demand from data centers in Northern Virginia. Despite this growth occurring outside Maryland, the OPC said PJM's rules would saddle Maryland ratepayers with nearly $800 million in costs.

"PJM's rules are causing residential utility customers to subsidize the power needs of data centers serving some of the richest companies in the world," Lapp said in his emailed response.

The complaint pointed out that PJM's own forecasts project little or even declining demand growth for Maryland utilities. BGE's peak load is expected to decline by 2030 relative to 2024, while Pepco's peak load is forecast to rise by only 5 megawatts. In contrast, Northern Virginia's data center-driven load growth alone is forecast to add more than 10 gigawatts, exceeding the total peak demand of BGE.

"Once again, Maryland's residential electric customers are being asked to pay hundreds of millions for infrastructure being built to support out-of-state data centers," Lapp said in a press release.

The OPC argued it was unfair to make Marylanders pay for energy projects they won't financially benefit from—especially when those costs come from growth in other states. The agency also warned that Maryland customers will still be stuck footing the bill for expensive upgrades that may not even be needed if the expected data center demand in Virginia doesn't come to fruition.

Both complaints assert that PJM's practices reflect a broader structural pattern: Maryland ratepayers are being unfairly burdened, either through inflated auction prices or through disproportionate infrastructure costs.

Denying the alleged flaws in auction rules, PJM's Shields also defended the transmission cost allocation across states as consistent with PJM's FERC-approved tariff, saying Maryland benefits from the projects because they help maintain system reliability. "Marylanders benefit from this line because it is needed to keep their lights on, and Maryland consumers will be charged for their share of that benefit," he said.

Contesting the OPC's claim that Marylanders are unfairly footing the bill for out-of-state infrastructure, Shields said, "FERC has determined that the cost is not disproportionate."

The OPC and other consumer advocates are asking FERC to fix the auction results, change how PJM splits up costs and ensure that customers get refunds if they've been overcharged.

OPC's legal filings stressed that FERC has a statutory obligation to ensure that wholesale electricity rates are just and reasonable, and that allowing the 2025/2026 auction results to stand would violate that mandate.

The complaint asked FERC to act before June 1, when the new capacity charges will take effect. If successful, OPC estimates that the average BGE customer's monthly bill would only increase by about $5.50, as opposed to the projected $16. Residential customers of other Maryland utilities would see similar outcomes.

If FERC cannot resolve the matter in time, it should order refunds to be processed retroactively once the issue is settled, the complaint added.

OPC's broader warning is that unless PJM's rules are corrected, Maryland customers will continue to face systemic overcharges. The agency argued that the stakes go beyond this year's bills and touch on the long-term integrity and fairness of regional electricity markets.

"There is widespread concern among state ratepayers advocates about the impacts of data centers," Lapp said in his comments. "We are all under-resourced relative to the utilities, generation companies, and the data centers themselves. Where we can, we coordinate our efforts.