
HOW GOVERNORS, STATE LEGISLATURES, AND PUBLIC UTILITY COMMISSIONS CAN ENSURE PLUMMETING SOLAR, WIND, AND BATTERY COSTS ACCELERATE OUR CLEAN ENERGY FUTURE

BY SONIA AGGARWAL AND MIKE O'BOYLE ● JUNE 2020

Dramatic recent reductions in the costs of key technologies mean the U.S. can reach 90 percent zero carbon electricity by 2035 without raising customer electricity bills at all from today's levels, according to [*The 2035 Report: Plummeting Solar, Wind, and Battery Costs Can Accelerate Our Clean Energy Future.*](#)

On the path to 90 percent over the next 15 years, the electric grid can productively employ \$1.7 trillion dollars in investment, support a net increase of 530,000 energy sector jobs each year, and reduce economy-wide emissions by 27 percent. This future requires no new fossil fuel power plants, with all existing coal plants retiring by 2035, and avoids up to 85,000 premature deaths from fossil fuel emissions by 2050.

Building a 90 percent zero carbon electricity system is a huge opportunity for economic recovery from the COVID-19 recession—investing in a healthier economy and supporting new jobs with a focus on coal communities in transition, without raising electricity bills when budgets are tight. This is a no-regrets blueprint for investing in America's future and stimulating innovation.

- Adopt a **Clean Energy Standard** targeting 90 percent by 2035 or earlier, and 100 percent by 2045 or earlier (governors, state legislatures, PUCs).
- **Prohibit regulated utility investment in new natural gas, unless there is a clear, demonstrated need with no reasonable clean alternative**; require explanation of how such investments would benefit customers, coexist with rapid clean energy deployment, and remain useful over the lifetime of the asset (PUCs).
- **Authorize PUCs to create ratepayer-backed bonds** that securitize uneconomic coal and gas units, relieving utility customers of the obligation to pay high costs of capital, while making utilities whole for their reasonable investments. Include funding for supporting workers and communities in these financial plans (state legislatures).
- **Explore and expand performance-based regulation** to encourage early compliance with clean energy goals, incent cost-effective demand-side management, and control utility costs through the transition. Use Hawaii's open and thorough stakeholder process as a model (PUCs).
- **Require utilities to undertake all-source procurements** when they identify the need for more generation resources, allowing all resources to compete to meet a technology-neutral need, using the principles above (PUCs).

- **Provide stopgap funding to supplement the tax base provided by retired coal infrastructure.**
Consider setting up a state Just Transition Office (state legislatures).
- **Support regulated utility research and development to support the transition to 100 percent clean.**
Consider pooling resources at the ISO/RTO level, regional level, or multistate utility level to share risk and increase impact. (PUCs)
- **Provide economic opportunity for coal-dependent communities** through clean energy investment, job training, and stopgap funding for public services (state legislatures).