50 STATES OF POWER DECARBONIZATION

Q2 2026 Quarterly Report

Executive Summary

NC CLEAN ENERGY TECHNOLOGY CENTER | DSIRE insight

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The NC Clean Energy Technology Center is a UNC System-chartered Public Service Center administered by the College of Engineering at North Carolina State University. Its mission is to advance a sustainable energy economy by educating, demonstrating and providing support for clean energy technologies, practices, and policies. The Center provides service to the businesses and citizens of North Carolina and beyond relating to the development and adoption of clean energy technologies. Through its programs and activities, the Center envisions and seeks to promote the development and use of clean energy in ways that stimulate a sustainable economy while reducing dependence on foreign sources of energy and mitigating the environmental impacts of fossil fuel use.

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FULL REPORT AND OTHER 50 STATES REPORTS

The full Q2 2026 50 States of Power Decarbonization report may be downloaded here.

In addition to *The 50 States of Power Decarbonization*, the NC Clean Energy Technology Center publishes additional quarterly reports called *The 50 States of Solar*, *The 50 States of Grid Modernization*, and *The 50 States of Electric Vehicles*, which may be purchased here. Executive summaries and older editions of these reports are available for download here.

ABOUT THE REPORT

WHAT IS POWER DECARBONIZATION?

Decarbonization is an expansive term generally referring to the reduction of carbon dioxide emissions. Decarbonization can be discussed in the context of any emitting sector – electric power, buildings, industrial processes, transportation, agriculture, or the economy as a whole. This report focuses specifically on decarbonization of the electric power sector, which may include economy-wide decarbonization actions that necessarily encompass the electric power sector.

PURPOSE

The purpose of this report is to provide timely, accurate, and unbiased updates to a broad audience of state lawmakers and regulators, state agencies, utilities, the clean energy industry, and other energy stakeholders, about how states are choosing to study, adopt, implement, amend, or discontinue policies associated with power decarbonization and how utilities are planning for and implementing future generation resource additions and retirements. This report catalogues proposed and approved executive, legislative, and regulatory changes affecting electric power decarbonization during the most recent quarter, as well as actions related to investor-owned utility resource plans and generation capacity changes.

The 50 States of Power Decarbonization report series provides regular quarterly updates and annual summaries of electric power decarbonization policy updates and utility resource planning, keeping stakeholders informed and up to date.

APPROACH

The authors identified relevant policy changes and resource planning updates through state utility commission docket searches, legislative bill searches, popular press, and direct communications with industry stakeholders and regulators.

Questions Addressed

This report addresses several questions about U.S. electric power sector decarbonization, including:

- What targets are states setting for clean/renewable electricity generation or the reduction of greenhouse gas emissions from the power sector?
- How are states reforming statutes and regulations governing utility generation resource planning, procurement, and retirement?

- What electric generation capacity additions and retirements are utilities planning over the near-term and long-term?
- What specific electric generation capacity additions are utilities seeking to implement in the near-term through direct development or procurement processes? What resources are utilities requesting approval to retire in the near-term?

Actions Included

This report focuses on cataloguing and describing important proposed and adopted policy changes related to electric power sector decarbonization.

In general, this report considers an "action" to be a relevant (1) legislative bill that has passed at least one chamber, (2) an open or recently decided regulatory docket or rulemaking proceeding, (3) an executive order or significant state agency initiative, (4) a recently published integrated resource plan, or (5) a competitive procurement under development or underway for electric generation capacity. Primarily, statewide actions and those related to investor-owned utilities are included in this report. An appendix of relevant bills that have been introduced, but not yet passed a chamber, is provided at the end of the report. Specifically, actions tracked in this issue include:

Studies and Investigations

State- or utility-led efforts to study issues related to electric power decarbonization, including decarbonization pathways, cost impacts, and other specific topics.

Clean Energy Targets

New state clean energy standards, renewable portfolio standards, or technology-specific capacity targets, or changes to existing targets. Changes to implementation rules, such as eligible technologies and facility sizes, covered entities, and alternative compliance payment rates are also included.

Emission Targets and Carbon Policies

New state greenhouse gas emission reduction targets or modifications to existing targets. Changes to implementation rules for emission reduction targets are also included, as well as state or regional carbon pricing policies, such as carbon taxes or cap-and-trade programs.

Planning and Procurement Rules

Changes to rules governing the utility integrated resource planning process, as well as rules governing utility procurement of electric generation resources or retirement of existing utility-owned generation facilities.

Large Load Customer Treatment

New tariffs or rules, or modifications to existing tariffs or rules, governing data center and other new large load customer interconnection, rate structures, and contract terms, as well as options for resource procurement and on-site generation.

Utility Integrated Resource Plans

Integrated resource plans recently filed by investor-owned utilities and actively under review by regulators, as well as utility efforts to develop an integrated resource plan in advance of filing the plan with regulators.

Generation Capacity Changes

Utility-initiated requests to build, acquire, convert, or retire generation facilities, as well as utility green tariffs for large customers and state- or utility-led competitive procurements for electric generation resources (excluding utility requests for approval of individual power purchase agreements and competitive procurements for unbundled renewable energy certificates).

Actions Excluded

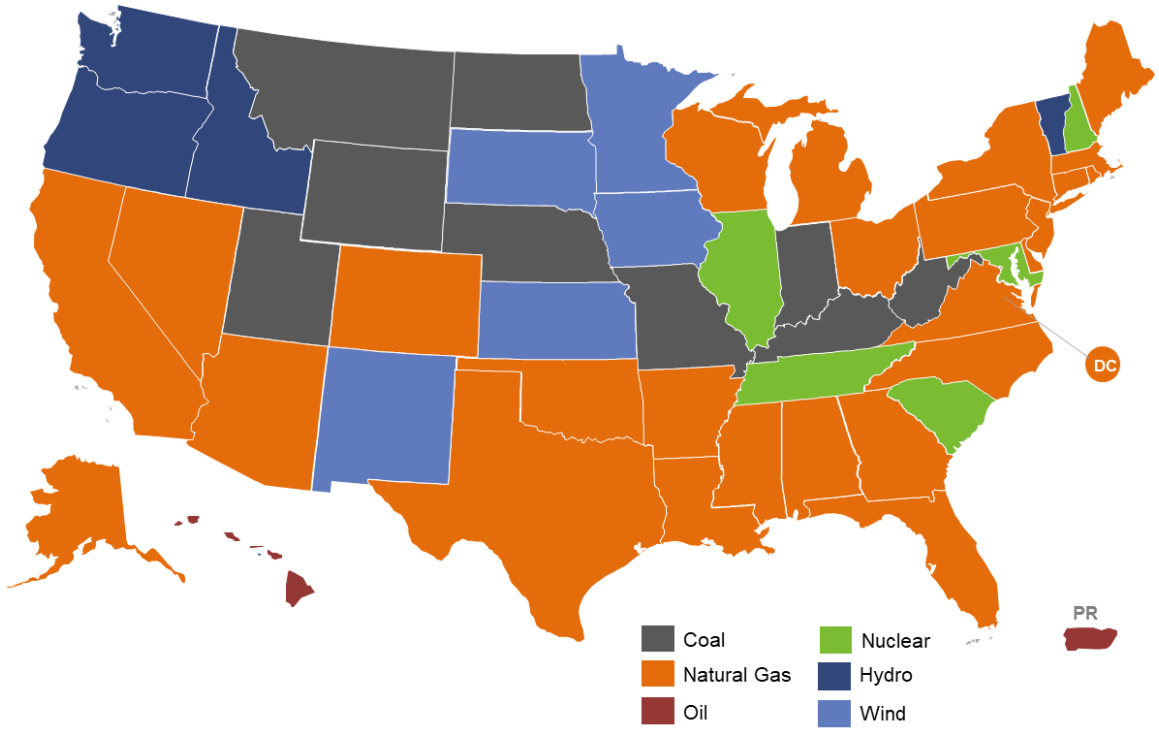
This report excludes actions that are specifically related to decarbonization of buildings, industrial processes, transportation, and agriculture. The report authors recognize that there are numerous important policy and regulatory issues related to clean energy project development that are highly relevant to overall electric power sector decarbonization. In order to maintain a well-defined scope of content, the report excludes actions specifically related to transmission and distribution planning, interconnection rules, and permitting and siting rules. Distribution system planning efforts are covered in the 50 States of Grid Modernization quarterly report, as well as a multitude of policies pertaining specifically to energy storage. Actions specific to distributed generation and community solar are covered in the 50 States of Solar quarterly report, and actions related to transportation electrification are covered in the 50 States of Electric Vehicles quarterly report. As noted above, utility requests for approval of individual power purchase agreements and competitive procurements for unbundled renewable energy certificates are excluded from this report.

DECARBONIZING THE U.S. ELECTRIC POWER SECTOR

The electric power sector in the U.S. is the second largest source of greenhouse gas emissions, behind the transportation sector, with a majority of its energy resources coming from fossil fuels. The industrial end-use sector is right behind it, followed by commercial and residential buildings. Together, these sectors account for approximately 90% of U.S. greenhouse gas emissions.[*] While the electric power sector itself accounts for 25% of emissions, efforts underway to electrify transportation, buildings, and industrial processes amplify the impact of decarbonizing the power sector.

With the federal government reversing its previously-established clean energy targets, the majority of attention on power decarbonization is at the state level. As of now, 23 states have set clean or renewable energy standards or goals to reach net-zero emissions by 2050 at the latest. In addition, a plethora of electric utilities have announced net-zero or carbon neutrality goals for Scope 1, Scope 2 – and for some – Scope 3 emissions.[†]

Figure 1. Largest Contributing Resource to State Electric Generation Mix (2025)



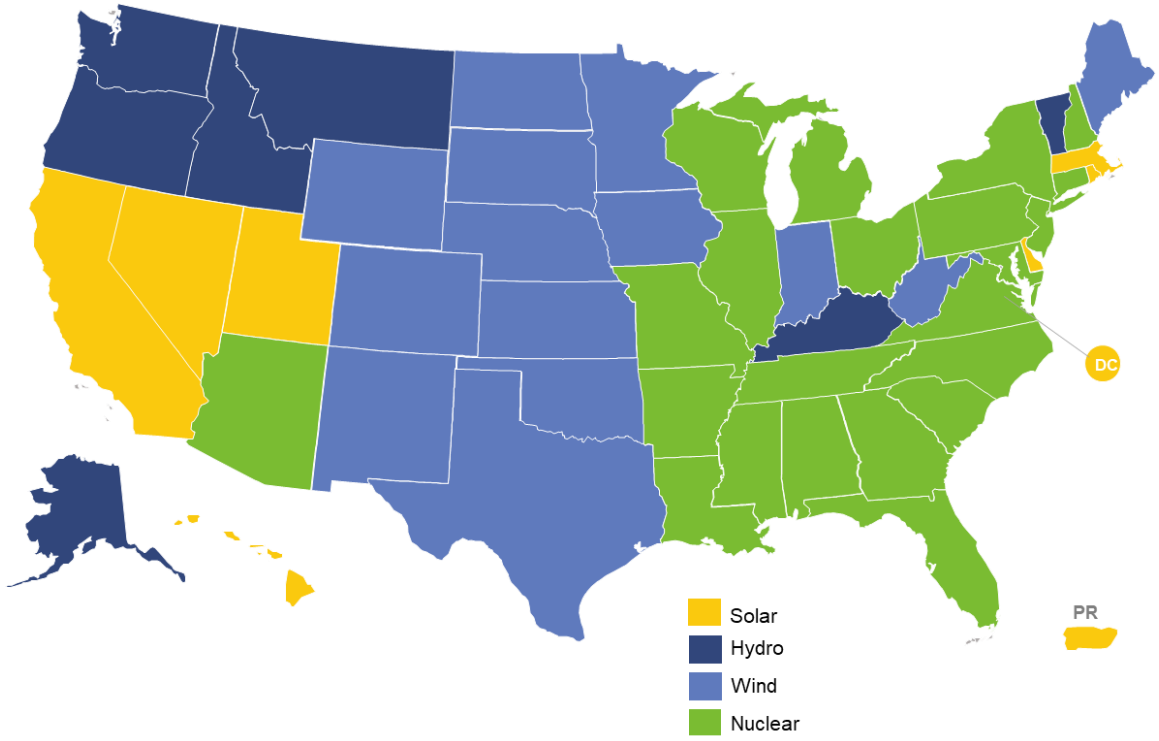
Data Source: U.S. Energy Information Administration – Electric Power Monthly, Net Generation by State by Type of Producer by Energy Source (Jan. – Dec. 2025).

[*] Environmental Protection Agency (EPA), *Sources of Greenhouse Gas Emissions*. EPA, May 2025, https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions.

[†] Smart Electric Power Alliance (SEPA), *Utility Carbon-Reduction Tracker*™. SEPA, May 2025, https://sepapower.org/utility-transformation-challenge/utility-carbon-reduction-tracker/#:~:text=100%25%20carbon%2Dfree%20electricity%20by%20the%20end%20of%202030.&text=Carbon%20neutral%20scope%201%20and%202%20emissions%20by%202030.&text=Net%2Dzero%20scope%201%20and%202%20emissions%20by%202040.&text=Net%2Dzero%20CO2%20emissions%20by%202045.

However, most U.S. states and the country as a whole still have a long way to go to achieve these goals. Natural gas (40.8%) and coal (16.6%) remain two of the nation's dominant electric generation resources, and either natural gas, coal, or oil make up the largest share of electricity generation in 36 states (See Figure 1).[‡] Despite the current dominance of fossil fuels, clean energy is becoming a mainstay in the nation's energy mix, particularly as costs decline and states acquire cleaner resources to meet climate and other environmental objectives.

Figure 2. Largest Contributing Clean Resource to State Electric Generation Mix (2025)



Data Source: U.S. Energy Information Administration – Electric Power Monthly, Net Generation by State by Type of Producer by Energy Source (Jan. – Dec. 2025).

Nationwide, clean energy resources are currently led by nuclear (17.7%), followed by wind (10.5%), solar (6.7%), and hydropower (5.6%).[§] Across the country, these resource mixes vary greatly, with different resources leading each state's clean electricity generation; currently, most states' clean energy portfolios are led by either nuclear or wind energy (see Figure 2). The overall contribution of clean energy sources to states' electricity generation also varies widely, ranging from 4% to 99% in 2025 (see Figure 3).

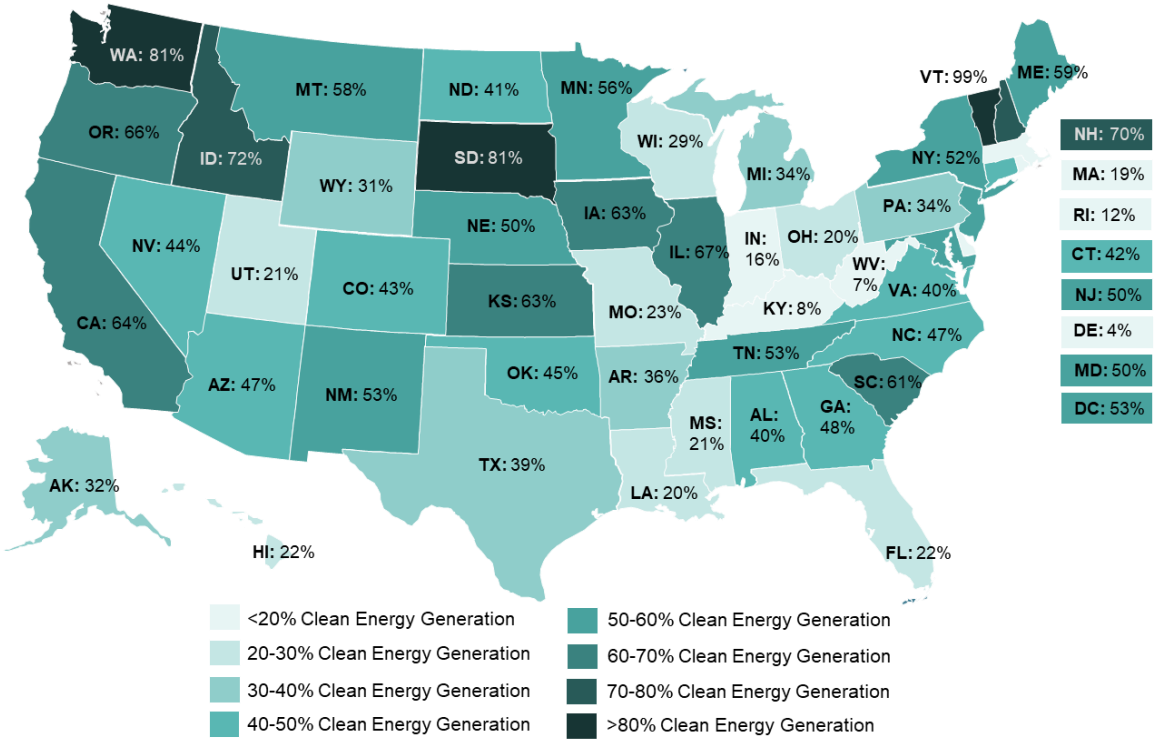
Power decarbonization involves a wide range of potential pathways and technological solutions, allowing decision-makers to pursue a variety of combinations that, in theory, lead to the same end

[‡] U.S. EIA, Electric Power Monthly, Net Generation by State by Type of Producer by Energy Source (Jan. – Dec. 2025). https://www.eia.gov/electricity/data/state/.
[§] U.S. EIA, Electric Power Monthly, Net Generation by State by Type of Producer by Energy Source (Jan. – Dec. 2025). https://www.eia.gov/electricity/data/state/.

goal. However, the cost of each pathway can vary dramatically, and challenges like global supply chains, transmission access, interconnection queues, and local permitting can impact the actual feasibility and timeline of each pathway. The timescale for implementation is a critical consideration for meeting climate goals, while cost is also highly important to minimize adverse economic impacts on individuals and businesses, particularly low-income households.

Another major factor influencing U.S. power decarbonization is anticipated electric load growth due to data centers and other large load customers. Growing demands for power are presenting new challenges for power sector decarbonization, with potential delays in fossil fuel plant retirements and additional new natural gas generation capacity being contemplated to serve these loads.

Figure 3. Percentage of Clean Electricity Generated by State (2025)



Data Source: U.S. Energy Information Administration – Electric Power Monthly, Net Generation by State by Type of Producer by Energy Source (Jan. – Dec. 2025). Map represents percent of total MWh generated in each state from clean energy sources (biomass, geothermal, hydroelectric, nuclear, solar, and wind).

Although there is much work to be done from where we currently stand to achieve state and utility power decarbonization goals, the future holds significant opportunity. Nearly very U.S. state is considering issues related to power decarbonization, resource planning, and large load customer energy use. Meanwhile, states are working to create regulatory structures that will support the achievement of reliability, economic development, and power decarbonization goals in the most fair and efficient ways.

EXECUTIVE SUMMARY

Q2 2026 POWER DECARBONIZATION ACTION

In the second quarter of 2026, 50 states and Puerto Rico took a total of 564 actions related to electric power decarbonization, resource planning, and large load customer treatment. Table 1 provides a summary of state and utility actions on these topics. Of the 564 actions tracked, the most common were related to large load customer treatment (155), electric generation capacity changes (154), and planning and procurement rules (81).

Table 1. Q2 2026 Summary of Grid Modernization Actions

Type of Action	# of Actions	% by Type	# of States
Large Load Customer Treatment	155	27%	43
Electric Generation Capacity Changes	154	27%	37 + PR
Planning and Procurement Rules	81	14%	33 + PR
Studies and Investigations	67	12%	36 + PR
Utility Integrated Resource Plans	49	9%	28 + PR
Clean Energy Targets	35	6%	18 + PR
Emissions Targets & Carbon Policies	23	4%	15
Total	**564**	**100%**	**50 States + PR**

Note: The "# of States/ Districts" total is not the sum of the rows because some states have multiple actions. Percentages are rounded and may not add up to 100%.

TOP 5 POWER DECARBONIZATION ACTIONS OF Q2 2026

Five of the quarter's top policy developments are highlighted below.

New York Legislators Adjust and Delay Statewide Emissions Target

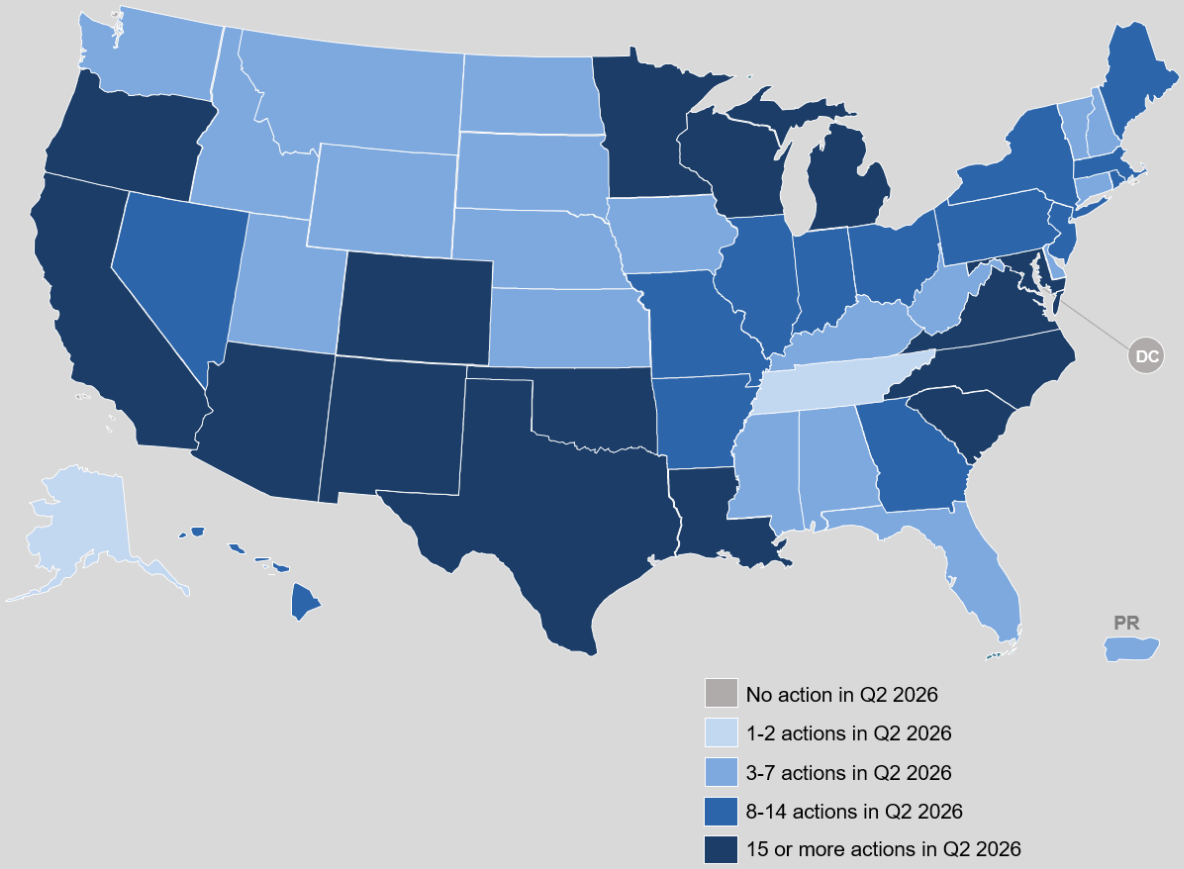
As part of a budget bill enacted this Spring, New York lawmakers made two major changes to the state's emissions targets and carbon policies. Over fears that the state would not hit its emissions reduction targets, the bill changed the interim target from a reduction of 40% below 1990 levels by 2030 to 60% below 1990 levels by 2040. The bill leaves the 2050 target, 85% below 1990 levels, unchanged.

Georgia Regulators "Put a Ring" on BYONCE

The Georgia Public Service Commission approved Georgia Power's Bring Your Own New Clean Energy, or "BYONCE", program, allowing large customers to subscribe to clean generation. Utility-scale resources are available to customers with greater than 3 MW of load, and distributed

resources are available to customers with 1 MW to 3 MW of demand. Participating customers pay a monthly participation fee in return for bill credits. If the credits exceed the monthly fee, 75% of the difference is returned to participants and 25% to all ratepayers.

Figure 4. Q2 2026 Action on Power Decarbonization and Resource Planning



Pennsylvania Regulators Adopt Statewide Model Large Load Tariff

The Pennsylvania Public Utility Commission adopted a statewide model tariff for large loads, covering individual loads over 50 MW and aggregate loads over 100 MW. It includes provisions pertaining to contract length, financial assurances, exit fees, cost of planning and interconnection studies, contribution-in-aid-of-construction, voluntary interruptible service, and on-site generation. The model tariff will guide future utility filings and proceedings.

New Jersey Lawmakers Lift Moratorium on Nuclear Energy

New Jersey lawmakers enacted a bill lifting the state's de facto moratorium on new nuclear energy. While the statute did not explicitly ban nuclear, the way it was written – requiring federal approval of a safe disposal method for nuclear waste – functionally prevented state approvals.

The changes revise it to federal approval of a disposal *or* storage method, and as safe storage methods have already been approved, it therefore allows state approval of nuclear projects.

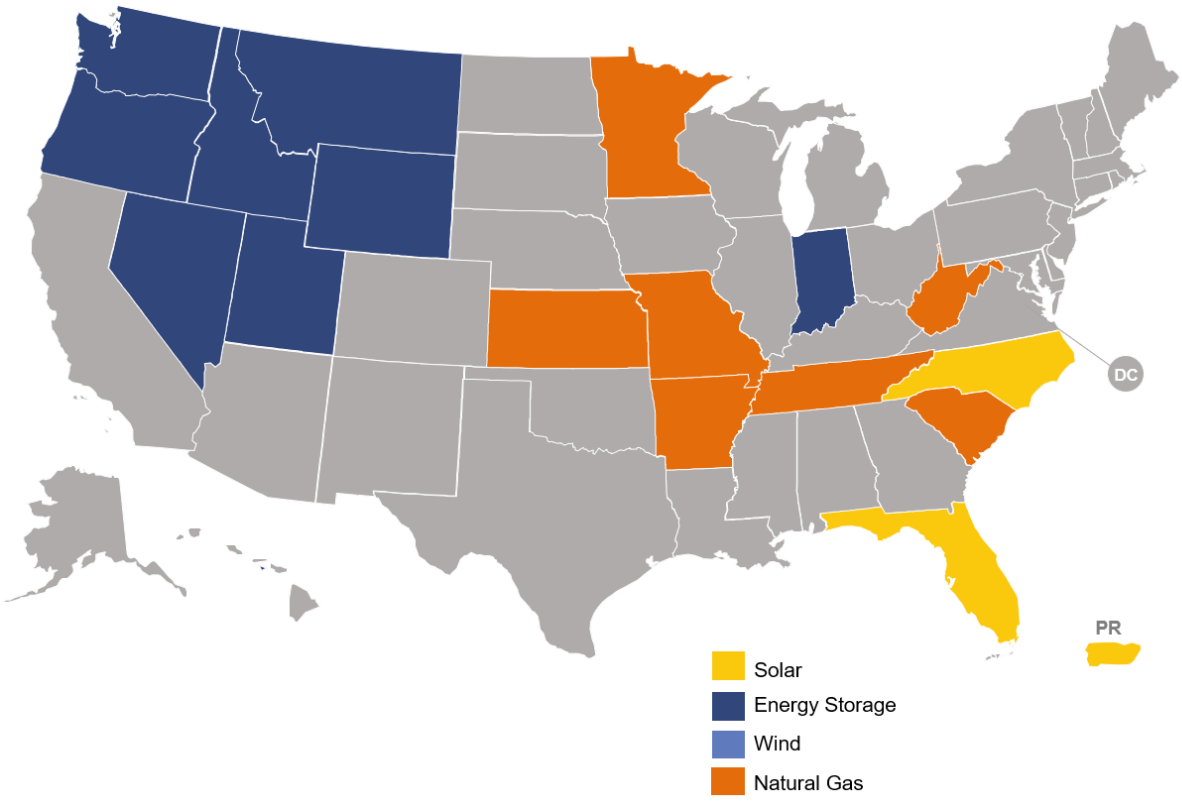
Evergy Updates Kansas and Missouri IRPs, Delays Coal Retirements

Evergy filed the annual IRP updates for all four of its subsidiaries in Kansas and Missouri, projecting higher demand mainly due to large load customers. Instead of additional generation, Evergy elected to delay retirements for multiple coal plants. Four units will retire five years later than planned, two units seven years later than planned, and three units beyond the planning horizon of the IRPs. For planned generation additions, Evergy significantly cut its solar and demand-side management and removed wind entirely; meanwhile, it plans to add slightly more natural gas and storage.

POWER DECARBONIZATION: LOOKING AHEAD

While natural gas and nuclear currently account for the majority of U.S. electricity generation, natural gas and solar are making up the largest planned capacity additions for most utilities. Among integrated resource plans (IRPs) recently filed or under review by regulators in Q2 2026, planned capacity additions totaled 77,810 for natural gas, 72,193 for solar, 43,017 for storage, 12,615 for nuclear, and 12,327 MW for wind, while planned coal retirements totaled 26,752 MW.

Figure 5. Q2 2026 Utility IRP Action, by Largest Planned Resource Addition



TOP POWER DECARBONIZATION TRENDS OF Q2 2026

State Lawmakers and Regulators Pull Back on Clean Energy Policies

Across the country, states took steps to pull back on clean energy policies or commitments. In New York and Maryland, legislators moved back emissions reduction target deadlines or lowered emissions reduction goals. In Maryland's case, this was a temporary change, with the emissions goal gradually rising back to its original level over the next few years. Other states scaled back ambitions on clean and renewable energy deployment. Arizona regulators filed a recommended order that would repeal the state's energy efficiency resource standard, following its March 2026 repeal of the renewable energy standard. In New Jersey, the Board of Public Utilities approved staff recommendations to reduce the state's renewable portfolio standard targets for 2027 and 2028; and Ohio regulators made carbon-emitting resources eligible for renewable energy credits.

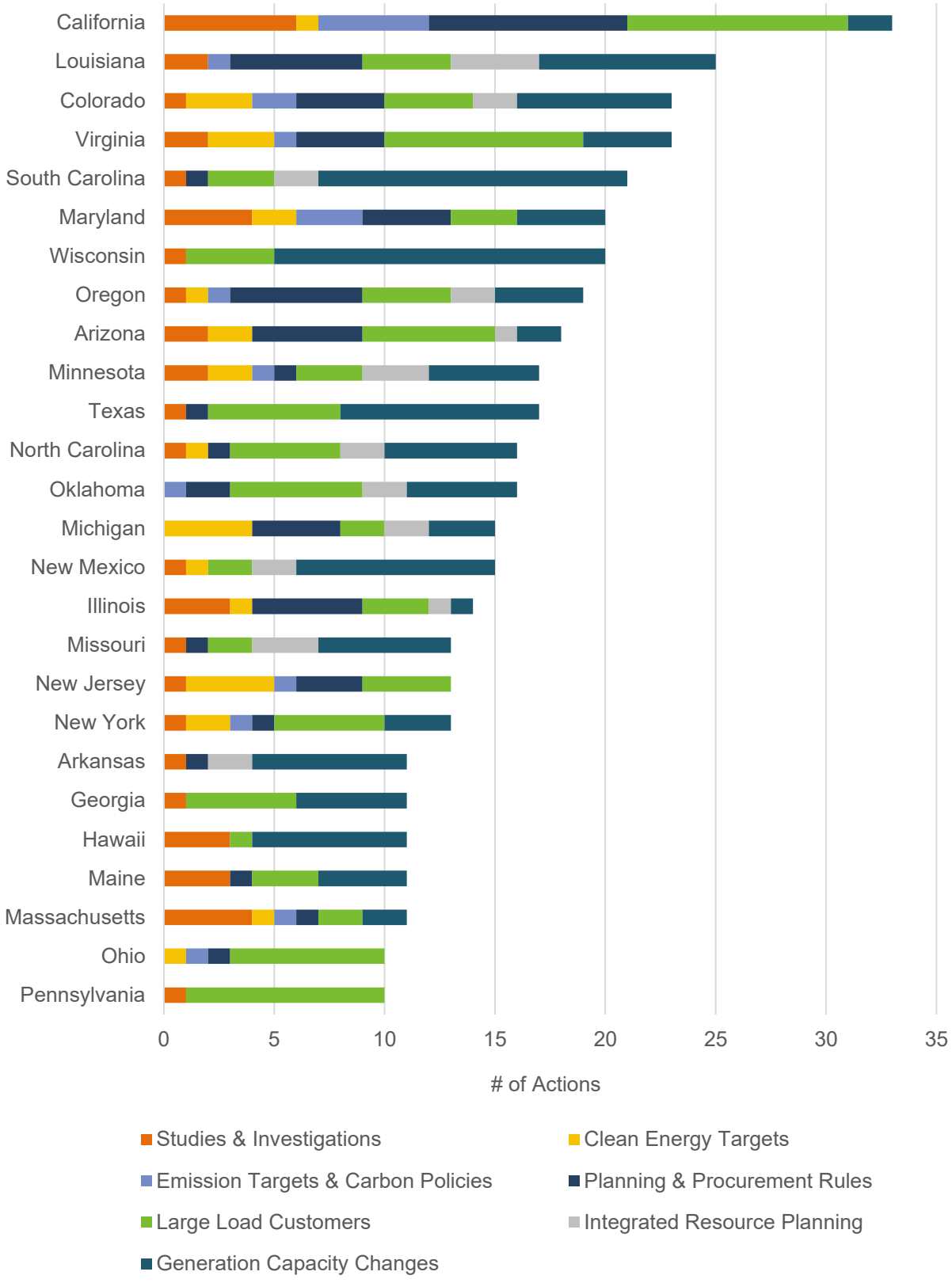
Governors Take Steps to Address Large Load Additions

Executive action on large loads is becoming increasingly widespread, with governors signing executive orders to investigate or develop large load policies, often with the goal of encouraging responsible economic development. Governor Landry of Louisiana ordered a new framework for ratepayer and community protection, while Governor Gordon of Wyoming set forth a framework for data center development. Governor Healey of Massachusetts released a statement outlining expectations for responsible data center development and operations, as Governor Shapiro of Pennsylvania established standards for responsible infrastructure development and best practices for data centers to receive state support. Finally, Governor Mills of Maine established an advisory council to address large-scale data center opportunities. In addition, there are ongoing working groups or investigations in Missouri, North Carolina, Oregon, and Washington based on previous executive orders and gubernatorial requests.

States Require Large Load Customers to Contribute to Customer Programs

A growing number of states are adopting requirements for large load customers to provide financial contributions to programs supporting energy efficiency and low-income customers. In Maryland, new registration fees for large load customers will go towards the state's low-income energy efficiency programs and electric universal services programs. Delaware lawmakers passed a bill requiring large load customers to contribute to the state's Green Energy Fund and Low-Income Charge, while their New York counterparts passed a bill creating a host community benefits fund so data centers invest in residential distribution generation and energy efficiency; both bills await gubernatorial response. Vermont legislators passed a bill requiring data centers to support statewide reductions in fossil fuel consumption and greenhouse gas emissions, but the Governor vetoed the bill. A Pennsylvania House bill awaiting Senate response requires large load customers to contribute to utility service and energy conservation programs.

Figure 6. Most Active States of Q2 2026



FULL REPORT PRICING DETAILS

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