CEBA
Clean Energy Buyers Association

NEW REPORT
REPEALING CLEAN ENERGY TAX CREDITS WOULD RAISE ELECTRICITY PRICES FOR AMERICAN FAMILIES AND JOB CREATORS ACROSS THE US

American residential customers would pay an additional $110 per year in electricity bills[1], while electricity costs for businesses would increase by about 10%

The Clean Energy Buyers Association (CEBA) released a study conducted by NERA Economic Consulting showing that repealing the federal clean energy technology-neutral investment (§48E) and the production (§45Y) tax credits would have a significant inflationary effect on U.S. residential electricity prices by 2026.

Key findings from the NERA study

- **Increased costs for families:** Repealing §48E and §45Y would raise average U.S. residential electricity prices by almost 7% in 2026, adding approximately $110 annually to household utility bills.
- **Increased costs for businesses:** Companies would face a 10% increase in electricity costs, which will likely be passed on to consumers through higher prices.
- **Inflationary effects on residential electric bills and consumer products and services:** With rising electricity rates, consumers will feel the crunch on both their electric bills at home and on what they pay for consumer products and services. Small businesses will feel the same impacts, making it even harder for mom-and-pop businesses to survive with inflation already high.
- **Range of cost increases:** In some states, average electricity prices for businesses and residences could spike by as much as 29.5% in 2026, while others may see only modest increases. This is atop existing electricity price inflation, and the NERA study's use of conservative assumptions suggests that real-world price hikes could be even higher.
- **Biggest regional impacts:** Midwestern and Western states would see the highest increases, with all sector electricity prices rising by about 10% by 2026. By next year, Wyoming, Kansas, Missouri, and South Carolina would see significant price hikes — 30% for Wyoming and 15% for Kansas, Missouri, and South Carolina.
- **States most impacted:** According to the NERA report, if the tech-neutral tax credits are repealed, Wyoming, Illinois, New Mexico, North Carolina, Tennessee, Maryland, New Jersey, Delaware, Missouri, South Carolina, Arizona, Minnesota, Washington, Arkansas, and Nebraska would see the highest hike

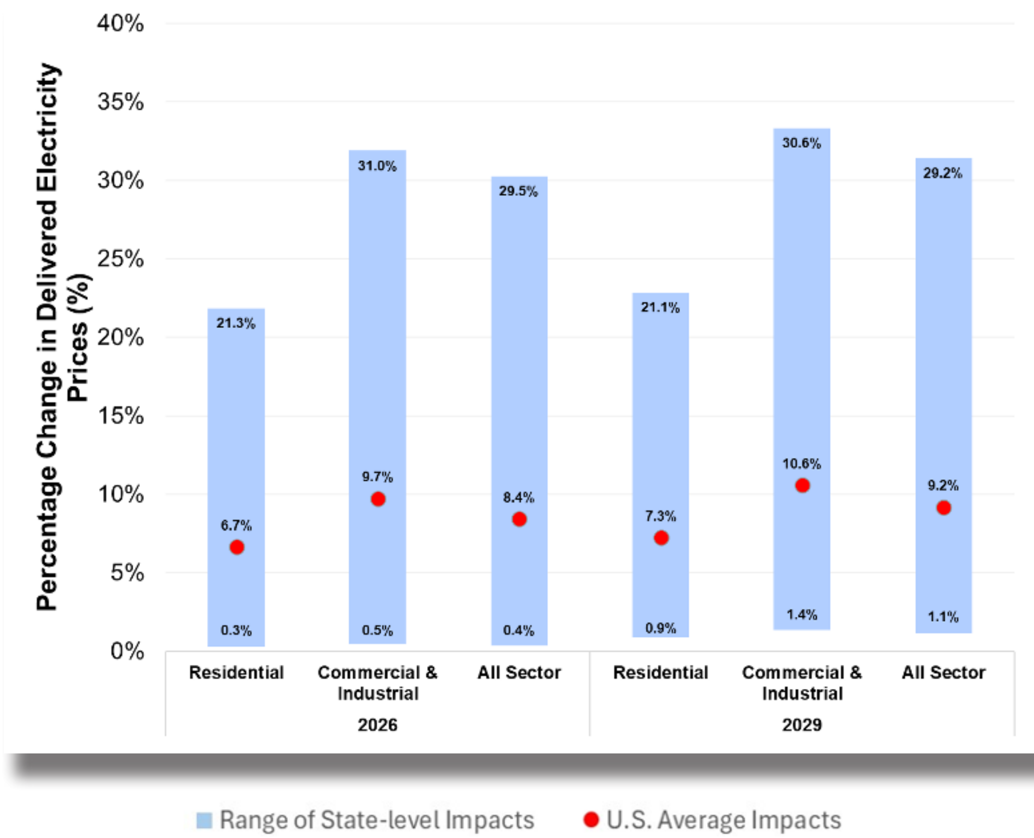
[1] The calculation relies on the Energy Information Administration's "Table 5A - 2023 Average Monthly Bill-Residential"; (See, https://www.eia.gov/electricity/sales_revenue_price/pdf/table_5A.pdf), multiplied by NERA Study's "residential" percentage increases for 2026, which was then multiplied by twelve to arrive at an annual number.

in electricity prices of all the states in the country by 2029.

- Terminating the tax credits endangers reliability and affordability of electricity for Americans and undermines American energy abundance at the exact moment we need it to compete with China.

Background on Tech-Neutral Tax Credits:

- **Investment Tax Credit (§48E):** Covers 6% of clean energy investments, including nuclear, hydropower, biofuel, wind, and solar. The credit increases to 30% if prevailing wage and apprenticeship standards are met.
- **Production Tax Credit (§45Y):** Provides 0.3 cents/kilowatt hour (kWh), adjusted annually for inflation. The credit increases to 1.5 cents/kWh when labor standards are met.



Percentage Increase in Average Residential Electricity Price, Top 15 States

2026			2029		
State	**% Change**	**¢/kwh**	**State**	**% Change**	**¢/kwh**
WY	21.3%	2.6	WY	21.1%	2.7
DC	17.3%	3.1	IL	19.1%	4.4
NM	16.5%	2.6	NM	16.5%	2.7
WA	14.6%	1.6	TN	15.4%	1.8
NC	13.5%	1.8	NC	14.4%	2.0
IL	13.5%	2.1	MD	13.9%	2.4
MO	12.7%	1.6	NJ	13.4%	1.7
TN	12.5%	1.5	MO	12.9%	1.6
KS	12.0%	1.8	DE	12.3%	2.0
SC	10.9%	1.5	AZ	11.4%	1.7
DE	10.7%	1.8	SC	10.9%	1.9
AZ	10.6%	1.6	MN	10.4%	1.6
MD	10.6%	1.9	WA	10.2%	2.0
MN	9.6%	1.5	AR	9.4%	1.5
CA	9.6%	3.2	NE	9.3%	3.4

SCAN TO VISIT THE NERA STUDY LANDING PAGE ON CEBUYERS.ORG

https://cebuyers.org/wp-content/uploads/2025/02/CEBA_Electricity-Price-Impacts-of-Technology-Neutral-Tax-Incentives-With-Incremental-Electricity-Demand-From-Data-Centers_February-2025.pdf