



2025 Update State Climate Policy Trends and Opportunities

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Introduction

Kristen Soares



State Climate Policy
Network Manager

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State Climate Policy Network



Network of **15,000+**

- State and local elected officials
- NGO advocates
- Researchers
- State agency staffers
- Organizers and activists
- Business leaders

... working on state climate policy

www.climate-xchange.org/network

Pro Bono Policy Assistance

We specialize in state climate policy design and analysis.
Reach out to kristen@climate-xchange.org with your requests on:

- **Example states** and **model rules** for a given policy
- **Gap analysis** of your state's climate policy landscape
- **Connections** to other actors working on similar issues

2025 State Climate Policy Trends and Opportunities



Ava Gallo

*Climate and Energy Program
Manager, National Caucus of
Environmental Legislators*



Ruby Wincele

*Policy & Research Manager,
Climate XChange*



Jacqueline Adams

*Senior Policy & Research
Associate,
Climate XChange*

Agenda

1. 2025 Trends
2. Q&A

Speaker

Ava Gallo



**Energy and Climate Program
Manager**

National Caucus of Environmental
Legislators

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2025 State Climate Policy Trends and Opportunities

Ava Gallo

Climate & Energy Program Manager
National Caucus of Environmental Legislators (NCEL)

Who Is NCEL?

- Nationwide network of over 1,200 legislators from all 50 states and both major parties.
- Serves as a connector for legislators to collaborate across the country.
- Your remote environmental staff.
- Created by and for state legislators.
- National, regional, and state forums.



NCEL's Program Areas



Climate & Energy



Conservation



Environmental Health



Ocean

Environmental Justice

Climate and Energy

Main focuses include:

- **Power** - utilities and grid modernization, renewable energy, phasing out fossil fuels
- **Transportation** - electrification, public transit, bikes & pedestrians
- **Buildings** - building performance standards, appliances, energy efficiency



Ava Gallo

Climate and Energy Program Manager

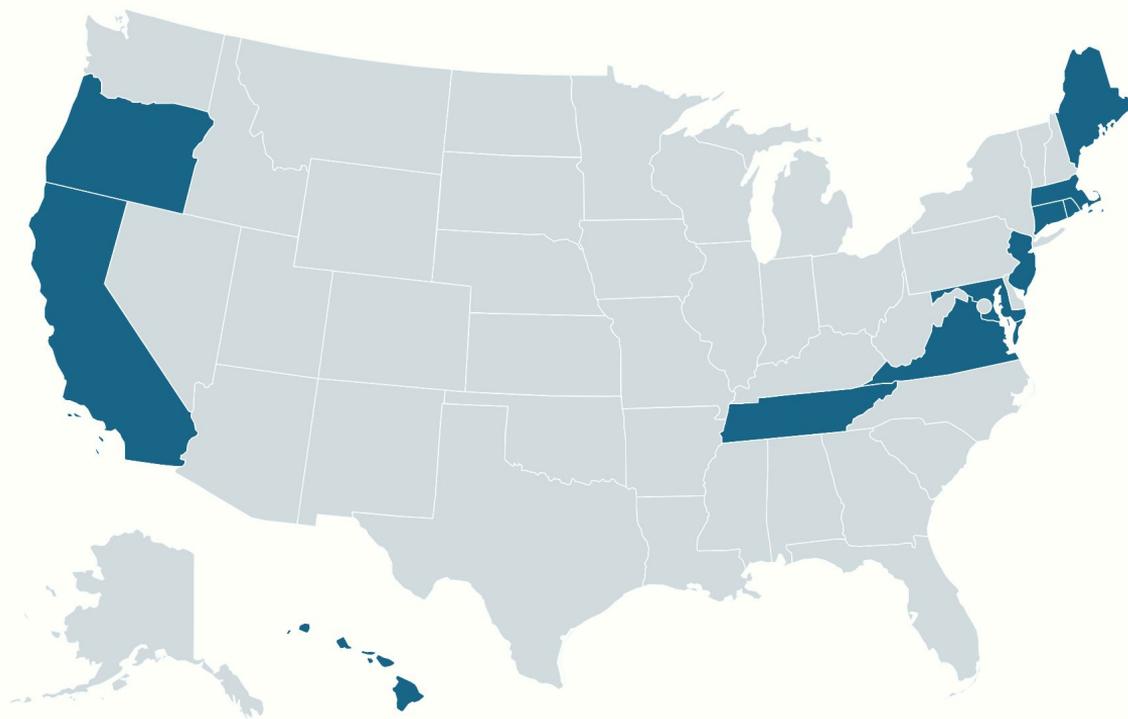
ava.gallo@ncelenviro.org

Insurance & Making Polluters Pay

Climate Superfunds

Since NY and VT passed Superfund legislation in the 2024 session, 11 states have introduced legislation.

Loss of federal funding has pushed states to consider other sources of funding - including fossil fuel companies.



Insurance & Disaster Response

- **Colorado HB 1182:** Requires property insurers to transparently disclose and account for wildfire risk models and mitigation actions while also providing policyholders with clear information, appeal rights, and incentives for wildfire risk reduction.
- **Oregon HB 2081:** Directs the Oregon Investment Council and the State Treasurer to take actions to manage the risks of climate change for the Public Employees Retirement Fund, a pension plan specifically designed for individuals employed in the public sector.
- **Maine LD 1/SP 29:** Establishes the State Resilience Office and creates programs to fund improved resiliency from future extreme weather events.

Emerging Energy Technologies

Emerging Energy Technologies

- With energy demand growing rapidly and energy bills rising dramatically, states are thinking about what technologies can come online and can reduce demand
- Battery storage and geothermal energy have proven to be popular this session with state legislators
- States are also considering how virtual power plants and demand response programs can help lower the impact of high demand on the grid

Battery Storage & Geothermal

- **Texas HB 4370:** Makes geothermal infrastructure eligible for Public Improvement Projects, allowing utilities, municipalities, and other entities to own and operate geothermal infrastructure and to fund geothermal projects with public bonds.
- **Virginia SB 1316:** Expands Virginia's Renewable Energy Portfolio Standard to include geothermal resources.
- **Washington HB 1514:** Encourages the deployment of low-carbon thermal energy networks by integrating them into existing utility regulations.
- **New Mexico HB 361:** Authorizes the conversion of oil or gas wells into a facility that provides energy storage or develops geothermal energy.

Virtual Power Plants & Demand Response

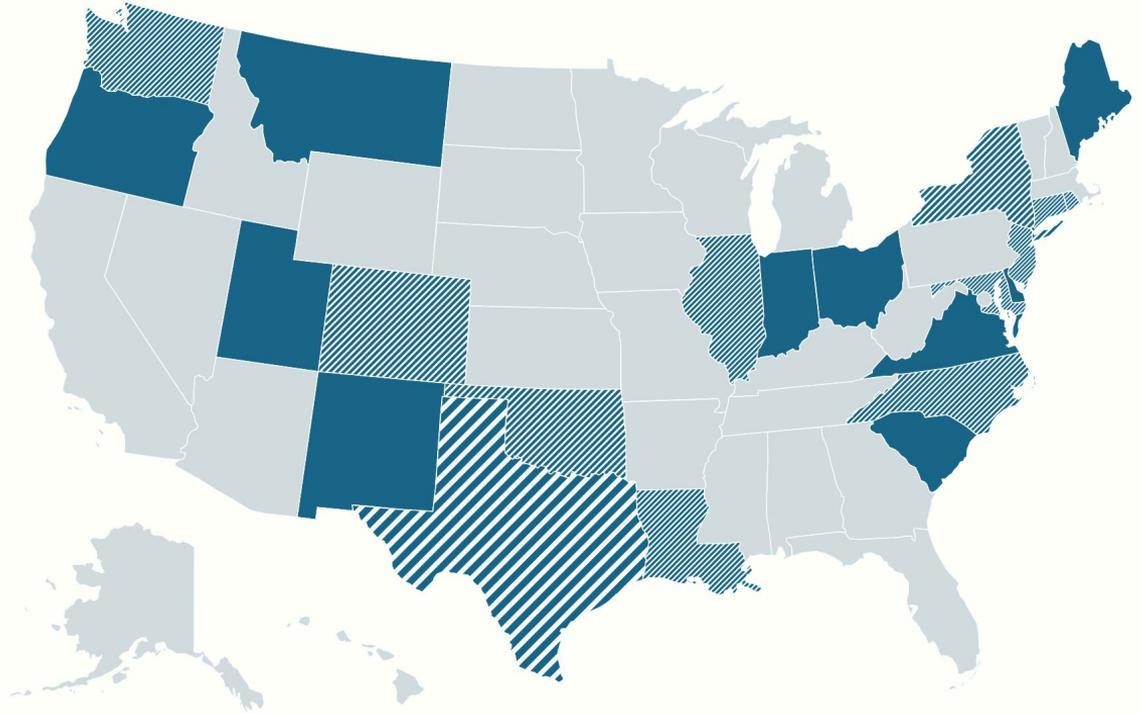
- **Maine LD 186:** Authorizes the Public Utility Commission to implement time-of-use (TOU) rates for electricity customers and requires the Commission to consider the impacts of a TOU rate on vulnerable populations prior to its implementation.
- **Texas HB 5323:** Creates the Texas Energy Waste Advisory Committee to recommend ways to reduce energy waste, boost efficiency, and improve demand response programs.
- **Virginia SB 1100:** Creates a three-year, 450 MW Virtual Power Plant pilot program – the largest in the nation. After three years, the law directs the pilot to be adopted as a formal program.

Transmission



Advanced Transmission Technologies

Utah HB 212 (Enacted 2025): Requires that during transmission expansion or improvement, distribution companies must conduct cost-effectiveness and timetable analyses of GETs integration, and report to the Public Service Commission.

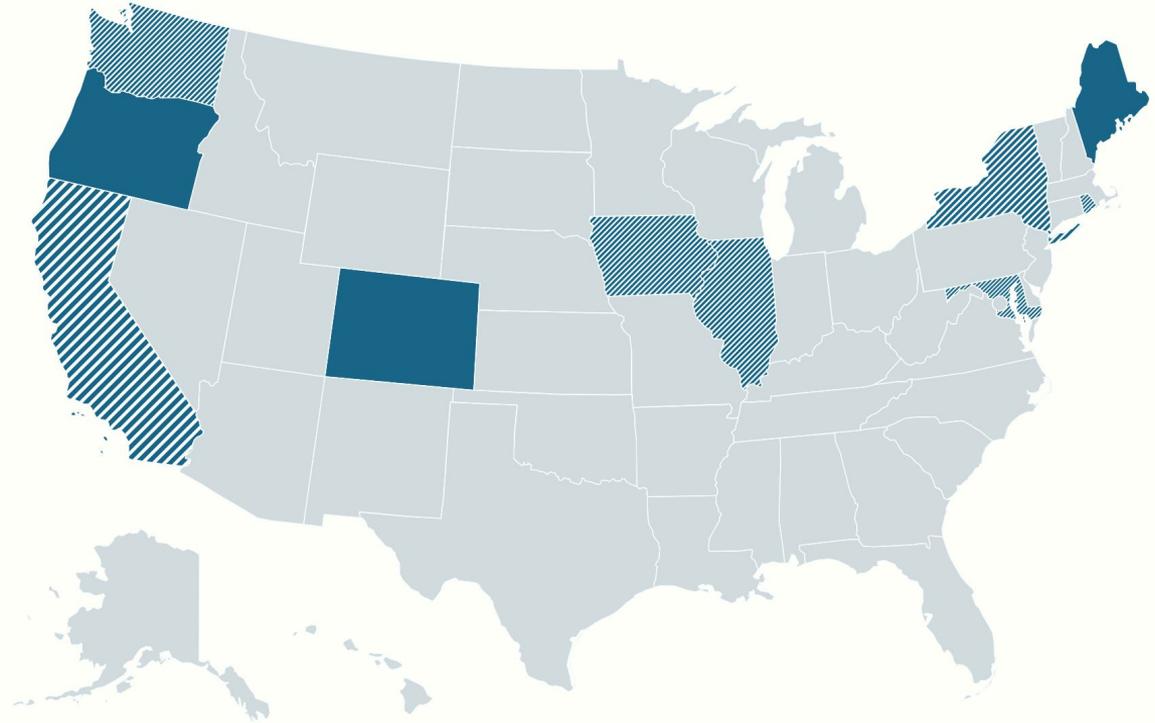


Siting, Permitting, & Rights of Way

CO H.B. 1292

(Enacted 2025):

Allows a transmission developer to locate high voltage transmission lines within a state highway right-of-way.

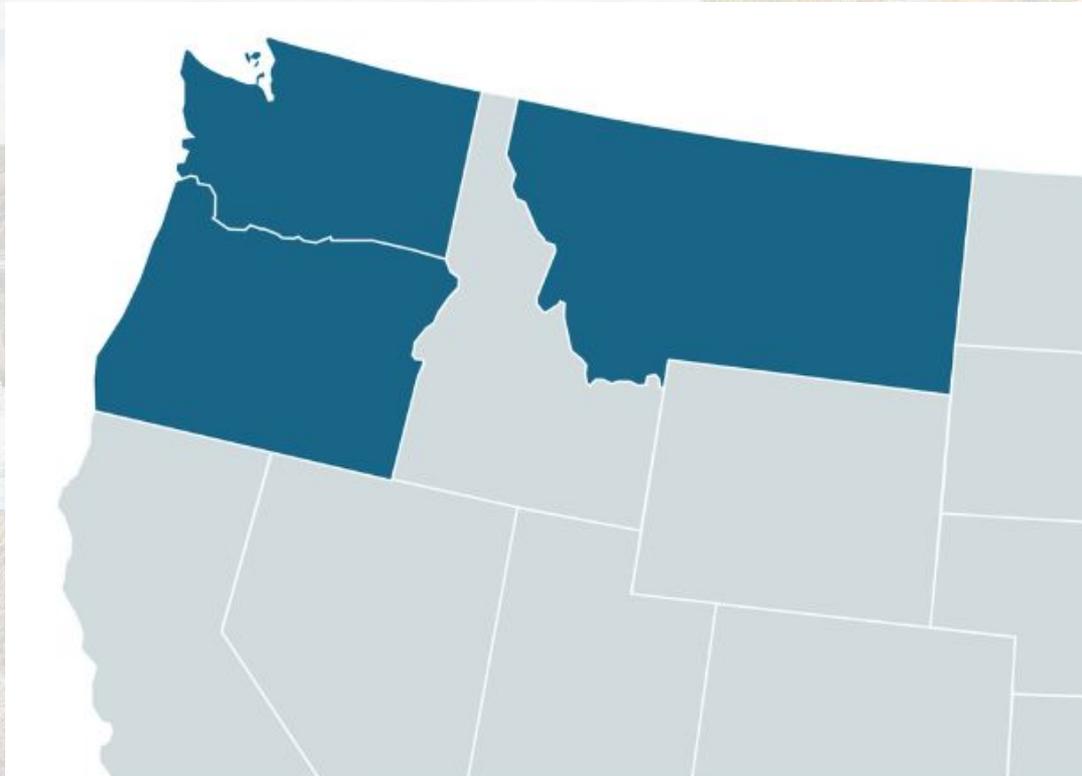


Transmission Authorities

Montana HB 314

(Reported Out of Committee, 2025):

Establishes a State Energy Authority in Montana to enhance and plan energy development and transmission.



Summary

- States are focused on how to reduce energy bills and create a reliable, affordable, and resilient grid
- States across the political spectrum are moving forward despite having different motivations for doing so
- States are reeling from the loss of federal funding and are looking for opportunities to replace funding for clean energy development and adaptation work

Contact:

Ava Gallo, NCEL
ava.gallo@ncelenviro.org
202.922.6753

Speaker

Jacqueline Adams



Senior Policy & Research Associate

Climate XChange

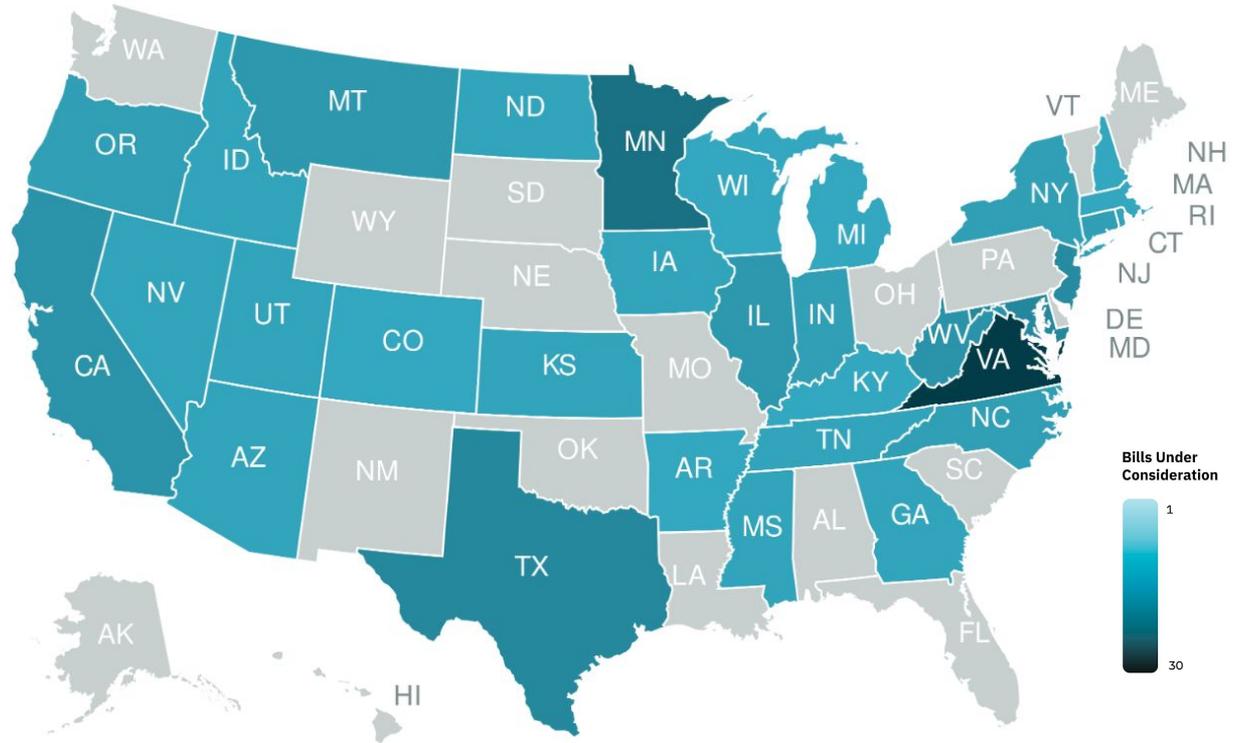
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Data Centers

- **137 bills**
- **32 states**

Top 5 States:

- Virginia - **30**
- Minnesota - **15**
- Texas - **9**
- Maryland - **9**
- New Jersey - **8**

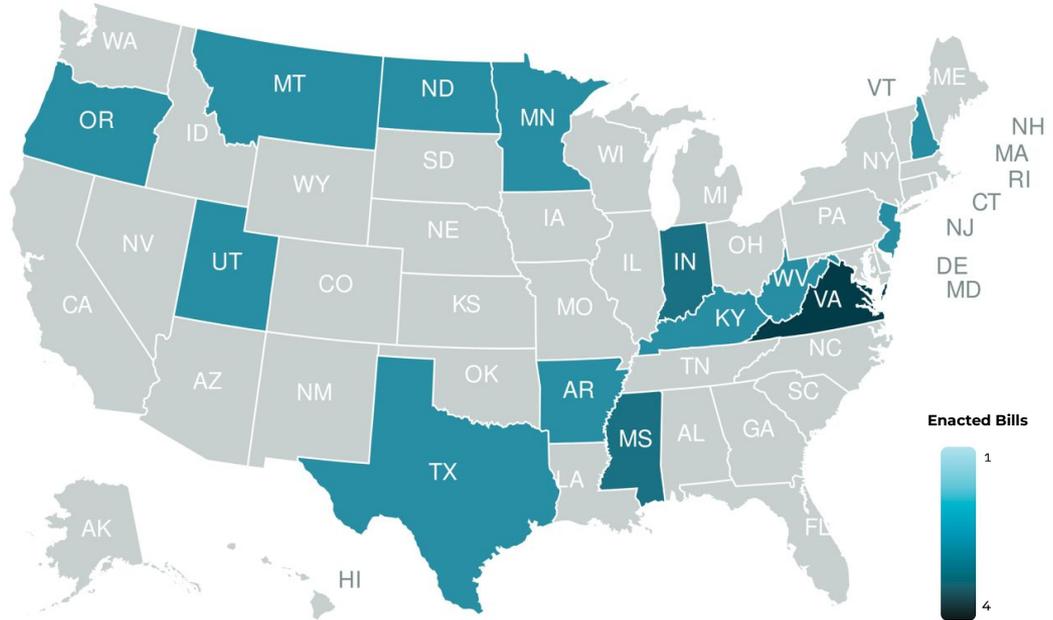


Enacted Data Center Bills

- **19** Enacted Bills
- **14** states
- **8** Incentive Bills
- **11** Guardrail Bills

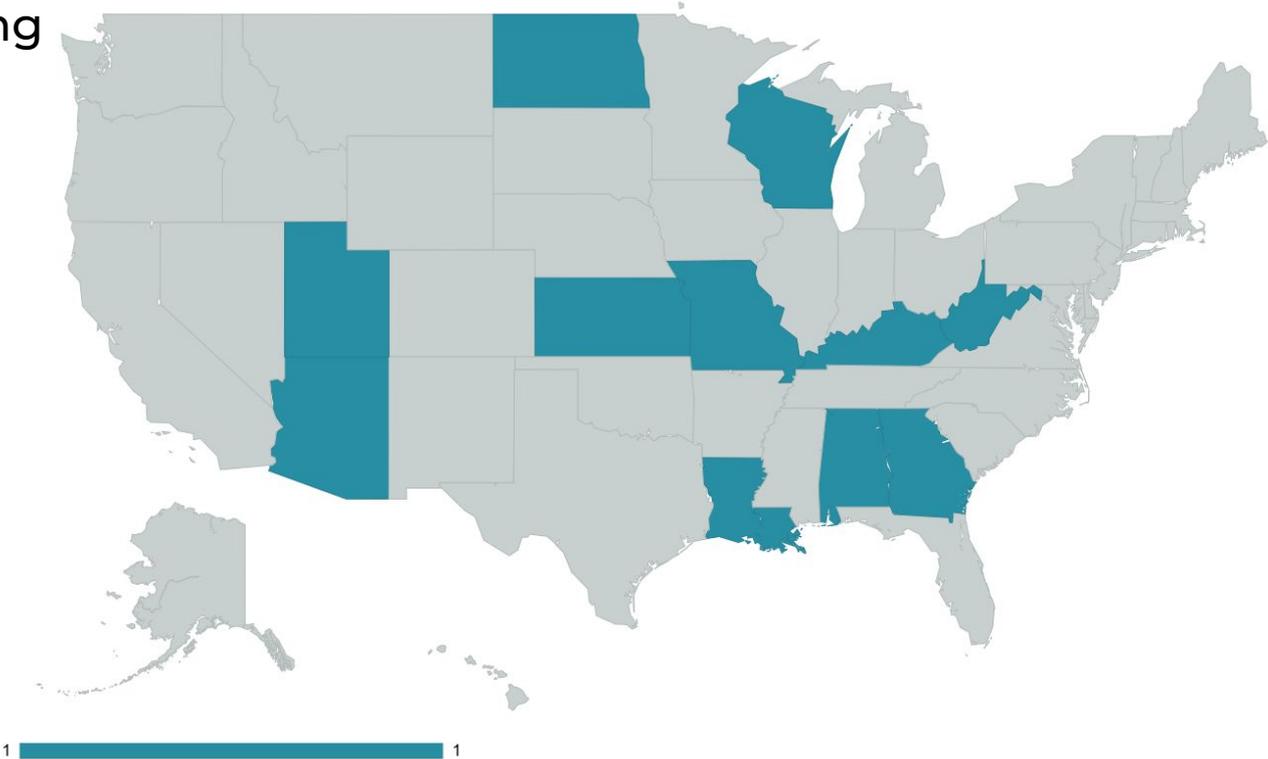
Most Common Themes:

- Tax Incentives
- Rates and Affordability
- Grid Planning & Reliability



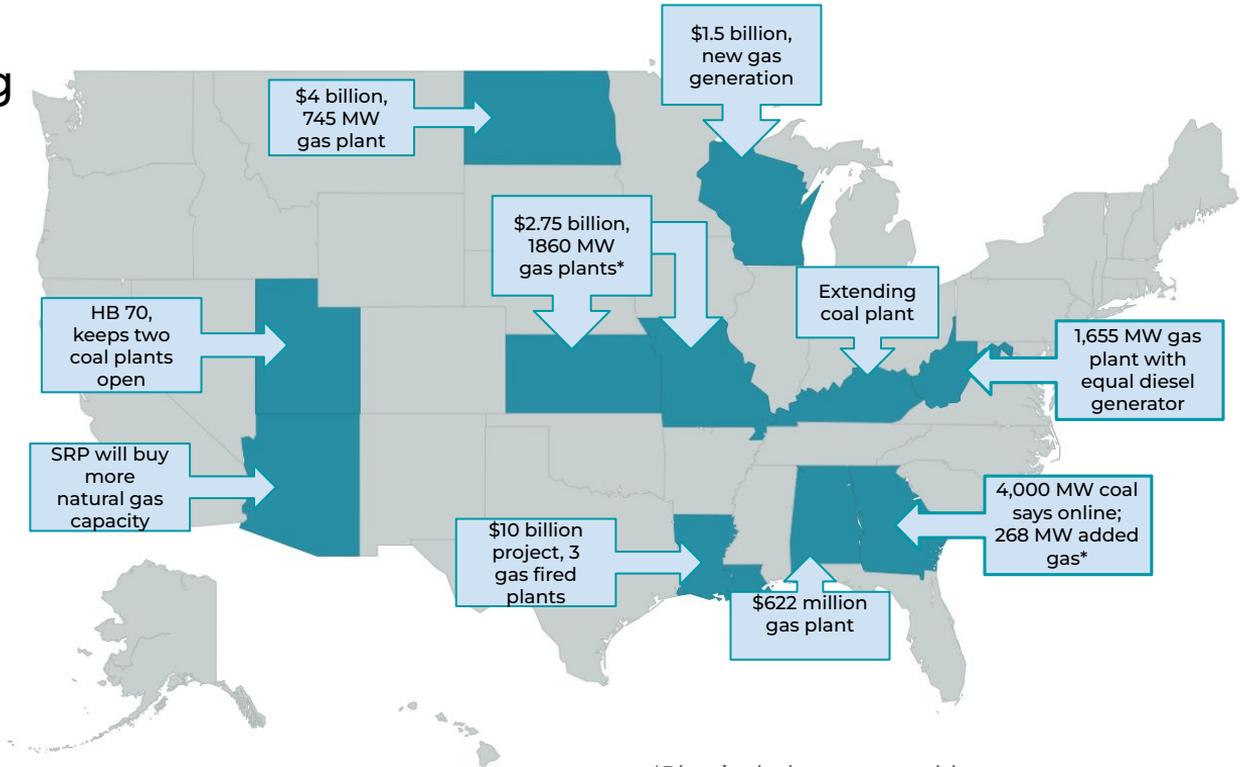
Fossil Fuel Expansion to Power Data Centers

- **11** states expanding Fossil Fuels
- **3** states keeping existing plants online
- **8** adding new capacity



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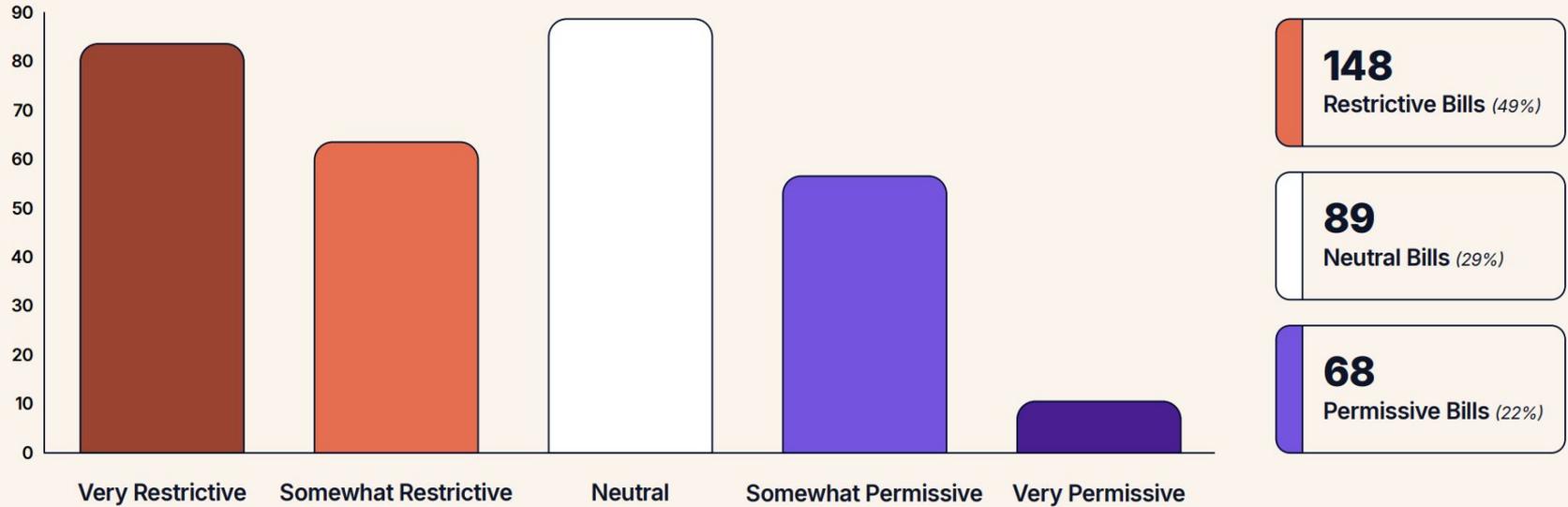
**Plan includes a renewable component*

Fossil-Fuel and ‘All-of-the-Above’ Approaches

- Louisiana ([HB 692](#)), Tennessee ([HB 1143](#)), and Indiana ([SB 178](#)) have all passed legislation to include natural gas as “clean energy”
- Oklahoma enacted [SB 460](#), which establishes natural gas as the state’s preferred fuel. Any generating facility that opts for a fuel source other than natural gas must provide evidence to state regulators that it is “in the best interest of this state’s electric consumers.”
- And several states are implementing an “all of the above” energy approach, that incentivizes building out more energy capacity, regardless of the source:
 - Ohio’s [HB 15](#) includes provisions to accelerate energy development in the state (it does not discriminate based on type of energy)
 - Indiana Governor’s [EO 25-50](#): Directs the Secretary of Energy and Natural Resources and the IURC to collect electricity demand data, monitor dispatchable electricity, assess natural gas supply, add energy generation sources where needed, and improve energy reliability and affordability.
 - Pennsylvania Gov Shapiro’s proposed [Lightning Plan](#) is an effort to modernize the state’s energy standards, and adding new energy sources to the grid, and trigger innovation in nuclear and renewable energy, battery storage, and more.

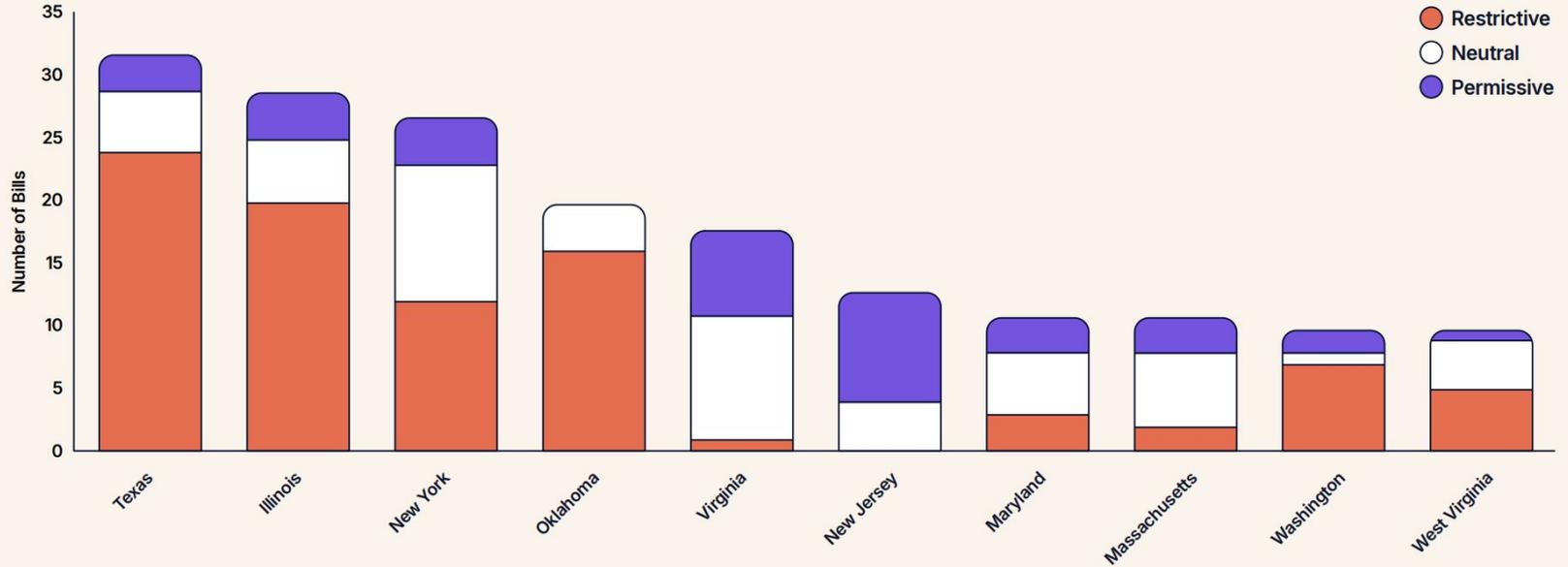
Overall Deployment Impact Distribution

Restrictive bills significantly outnumber permissive ones



Source: [Clean Tomorrow](#)

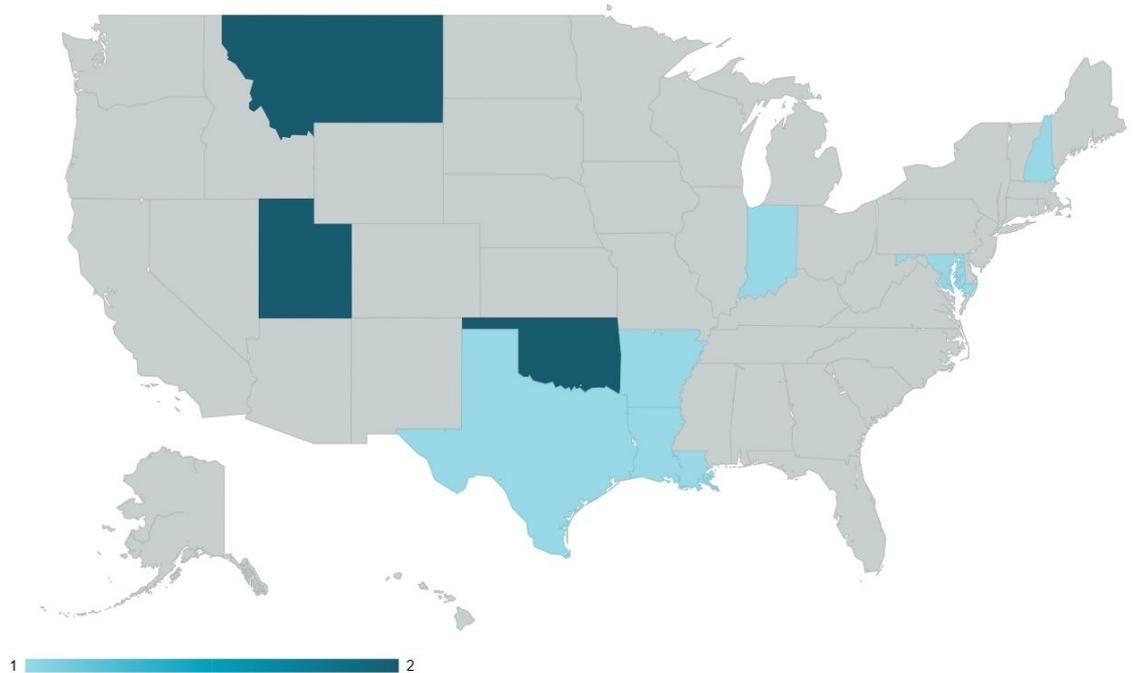
Top 10 Most Active States in 2025 by Bills Introduced



Source: [Clean Tomorrow](#)

Enacted Anti-Renewable Legislation

- **12 bills enacted across 9 states**
 - Stringent siting, permitting, decommissioning requirements ([Arkansas Wind Energy Development Act](#))
- **Massachusetts and New Jersey** have delayed wind procurement and infrastructure development



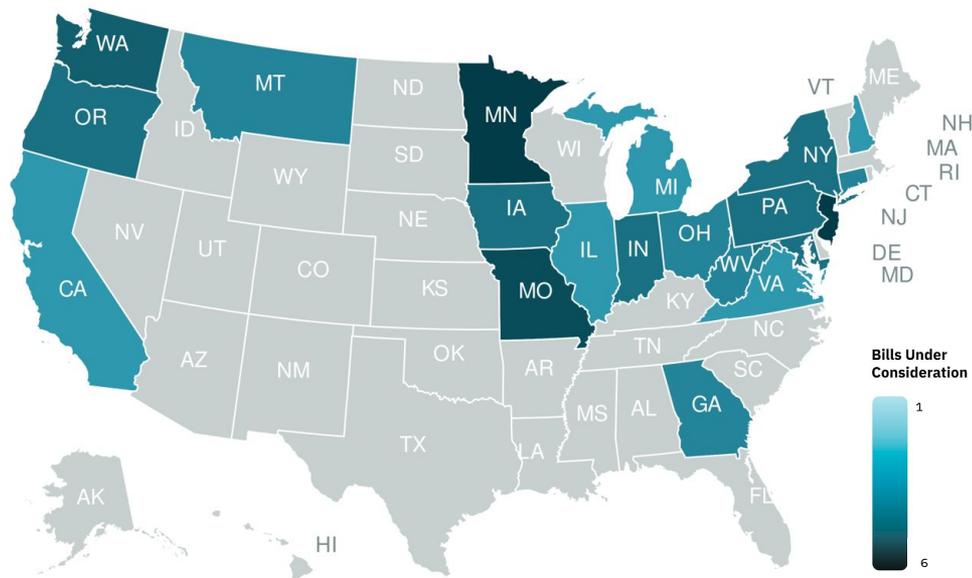
Community Solar

54 bills proposed across **20** states

3 total bills enacted

- **New Jersey's [S.4530](#)**: adds capacity for additional 3,000 MW of community solar projects in the state
- **Minnesota [SF 2](#)**: Expanding low-income solar access and advocates were able to save the state's community solar program - with 500 MW of planned projects

Building on the foundation that [45 states](#) have established so far

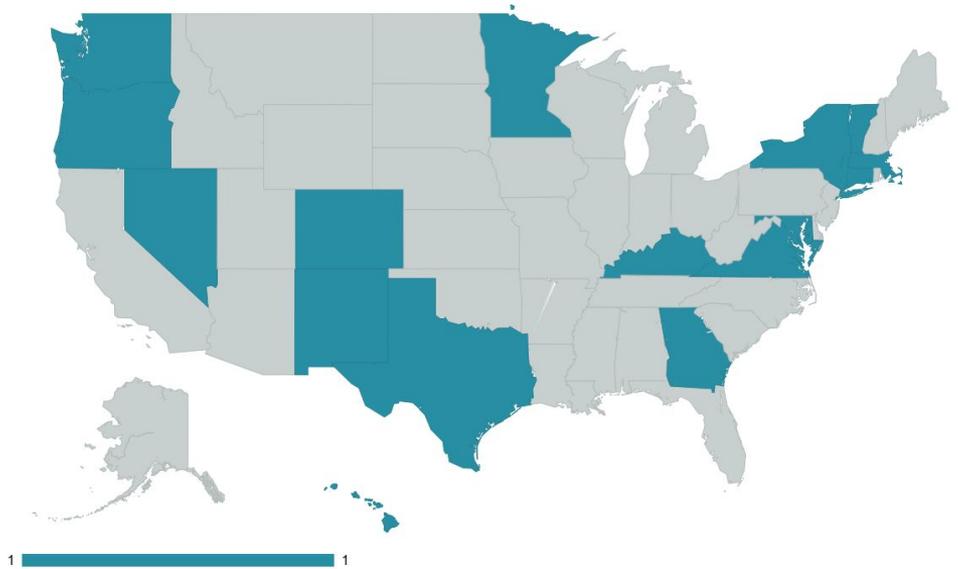


Enacted Pro-Renewable Legislation

16 states enacted legislation to expand solar access

Through expedited review and siting, streamlined permitting, increased access for low income customers, new capacity additions, and expanded funding.

- **Nevada** [AB 458](#) allows developers to install solar panels on low-income multifamily units
- **Hawaii** [SB 589](#) targets installing 50,000 new customer-sited distributed energy (rooftop solar and battery storage) by 2031.
- **Minnesota** PUC [approved](#) added capacity of 3,200 MW wind and 400 MW solar by 2030
- **Massachusetts** updates its incentives for solar projects serving low income households
- **New Mexico** appropriated \$20 million for the Local Solar Access Fund through [HB 2](#)



Speaker

Ruby Wincele



Policy & Research Manager

Climate XChange

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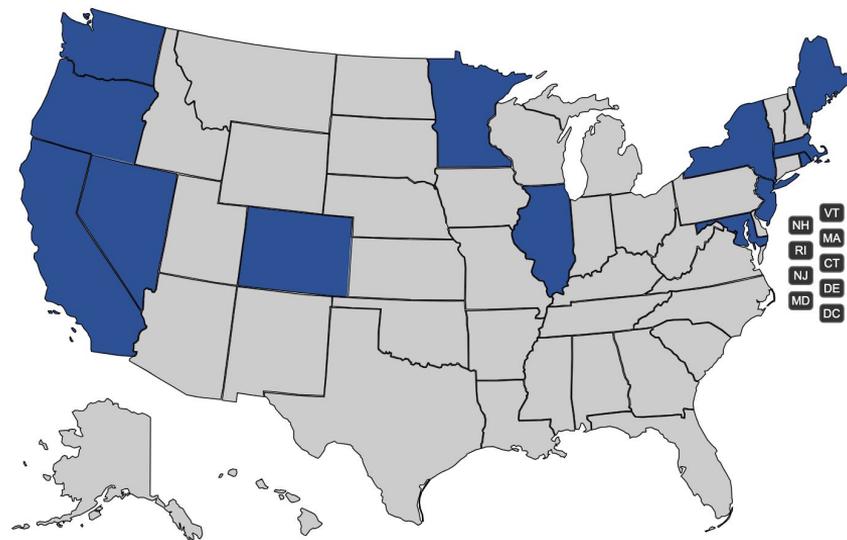
Gas Transition

Future of Gas: Long-term planning to align the gas system with climate targets

- More than a dozen states have some sort of regulatory proceeding that considers the future of gas since 2020
 - Maryland is the most recent state to [launch formal FOG proceeding](#)

FOG Trends in 2025:

- Considering non-gas alternatives to gas expansion projects
- Ending gas connection subsidies
- Evaluating cost-effective strategies for pipeline replacement
- Incentivizing pipe retirement & installing alternatives
- Requiring leak detection and repair



Source: [NARUC](#)

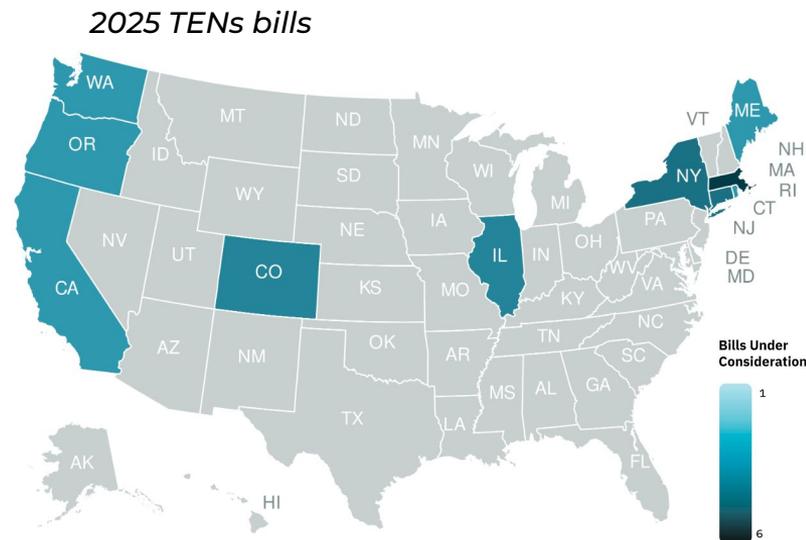
Gas Transition

Thermal Energy Networks (TENs): Shared, underground pipe systems that provide efficient, low-emission heating and cooling to a network of buildings

- 21 bills across 10 states
 - 4 states enacted TENs legislation: New York, Maine, Connecticut, Washington
 - 7 bills still active across 2 states: California and Massachusetts

Heat Pump Deployment

- Statewide plans for deployment
- New/Expanded incentives
- Energy codes to encourage/require heat pumps
- Seasonal electricity rates for heat pump owners



Ensuring a Just Transition as States Curb Gas Use

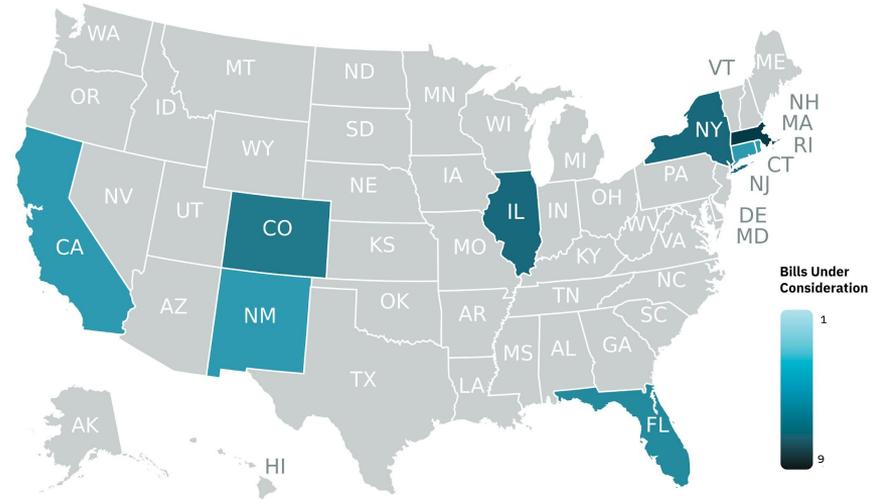
28 bills in 9 states

Just Transition Plans

- 5 states
 - Statewide plans: Connecticut, Florida, Illinois, Massachusetts, and New York
 - Utility-specific: Massachusetts (gas transition)

Just Transition Bureaucracy and Funding

- 5 states: Colorado, Massachusetts, New Mexico, and New York



Transportation Electrification

State Responses to Federal Attacks on California Clean Vehicle Programs

- 13 U.S. Climate Alliance states formed the [Affordable Clean Cars Coalition](#)
- In response to a [June Executive Order](#), California agencies developed a plan for ZEV uptake
- New and resumed funding for EV charging infrastructure
 - U.S. DOT issued revised National Electric Vehicle Infrastructure (NEVI) guidance after program/funding was paused in February; states can submit new plans to apply for funding
 - State EVSE funding: Colorado (\$5M), Indiana (\$3.3M), Massachusetts (\$46M), New York (\$7M), Connecticut (\$50M over 2 years)
 - Maine announced resumed EV rebates, require customers to purchase off-peak chargers

Q&A

Thank you for joining!

**Reach out to
kristen@climate-xchange.org with any
additional questions!**

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