US wind energy monitor
Q2 2025

Joint report from Wood Mackenzie and
the American Clean Power Association

Executive summary

US wind industry momentum continues for the next five years despite One Big Beautiful Bill

1 The US wind market faces significant headwinds, with permitting challenges, tariff hikes, and now a phaseout of tax credits. These factors led to a **50% drop in wind turbine orders for the first half of 2025** compared to the same period in 2024. Order intake in H1 2025 is expected to be finalized at the lowest level in the last five years.

2 Despite a volatile market, Wood Mackenzie forecasts **average annual installations of 9 GW** capacity across the onshore, offshore and repowering segments **over the next five years,** supported by a robust pipeline. Cumulative capacity will reach approximately 197 GW by the end of 2029, 0.4% lower than our previous forecast.

3 The One Big Beautiful Bill Act (OBBBA) ends tax credits by 2027 and sets a "start of construction" deadline 12 months after the bill's passage. According to phaseout precedent, developers could have four years from that date to complete projects – a timeline currently under review by the Internal Revenue Service (IRS). Assuming that holds true, Wood Mackenzie's analysis indicates **a 3% reduction in the five-year** forecast across onshore and offshore, which equates to **1.2 GW less capacity compared to the previous outlook**. The most significant downside in the outlook is anticipated after 2030, once technology-neutral tax credits fully sunset while the country faces growing power demand.

4 Wood Mackenzie's modelling shows that across all states, **tax credit expiration may increase unsubsidized levelized cost of energy (LCOE) by 25%** on average. This impact is much greater than our modelled tariff scenarios, which can add up to 10% to LCOE, underscoring the challenges developers face in offtake negotiations.

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