Consumer Cost Implications of Offshore Wind Stop Work Orders

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AMERICAN CLEAN POWER

Executive Summary

On December 22, The US Interior Department issued stop-work orders for five under construction offshore wind (OSW) projects, citing classified national security risks identified by Department of Defense officials.

These projects are on average over 70% complete, have employed thousands of American workers, and have undergone years of review by National Oceanic and Atmospheric Administration, the Department of the Interior, the Department of War, and other federal offices. These orders impacted Coastal Virginia Offshore Wind (VA), Vineyard Wind 1 (MA), Revolution Wind (RI), Sunrise Wind (NY), and Empire Wind (NY).

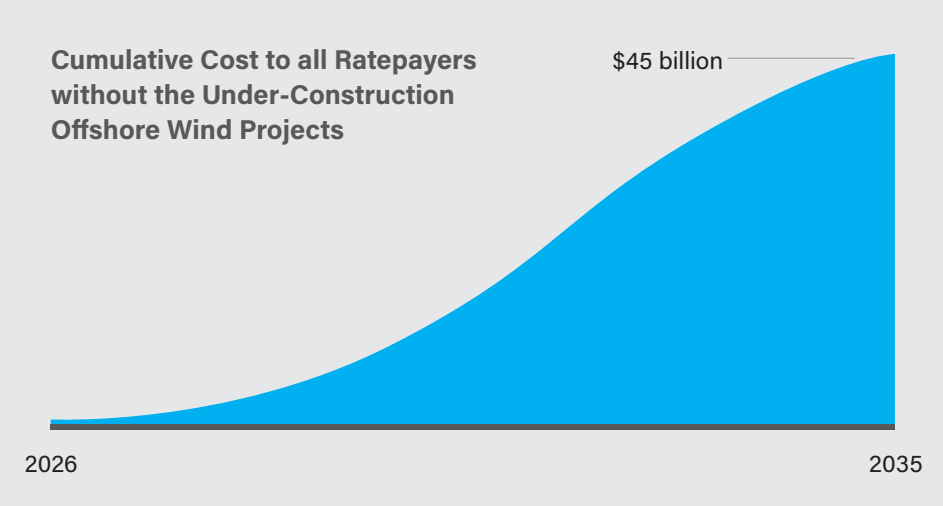
These five projects sit within the independent system operators of PJM, NYISO, and ISO-NE. In these markets, wholesale electricity prices are set by the cost of the marginal unit, the last and most expensive power plant needed to meet demand at a given moment.

Given the marginal unit is frequently a natural gas–fired power plant, wholesale electricity prices are highly sensitive to natural gas prices, fuel efficiency, and system demand.

Adding more clean energy resources like OSW lessens the reliance on older, less efficient, and more expensive peaking units. They can shift the marginal unit from high-cost peakers to more efficient generation, lowering wholesale prices across many hours of the year.

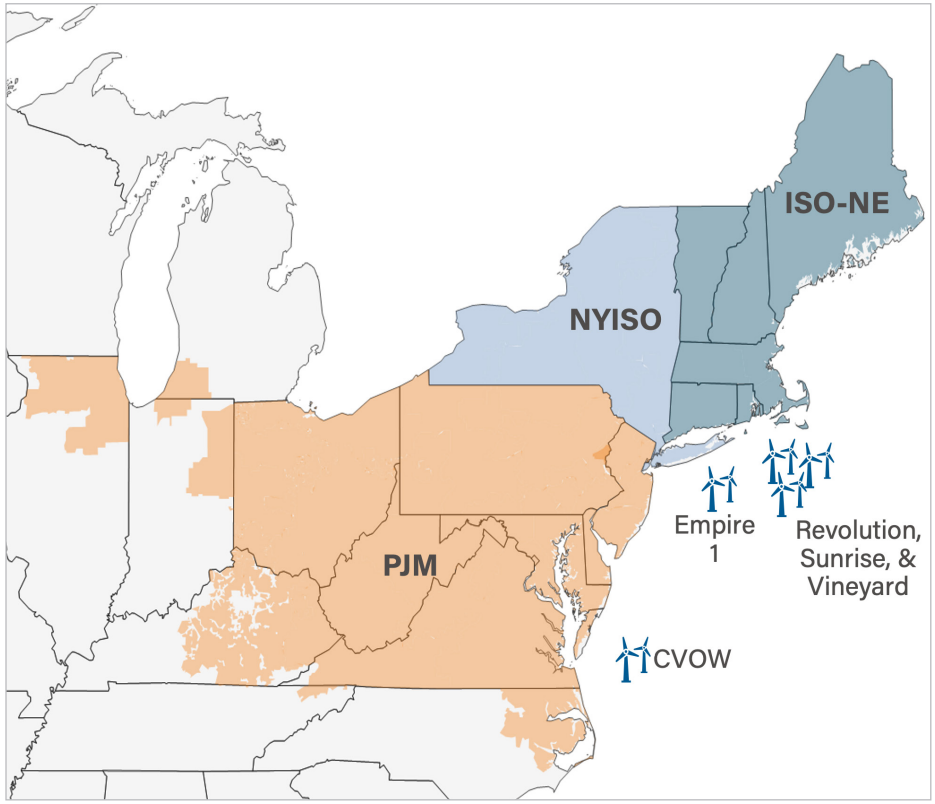
ACP modeled the impact of removing the five OSW projects on the Eastern Interconnect via a wholesale production simulation optimization. The results of which were then translated into retail rates across 15 states and D.C.

Over the next 10 years, customers along the East Coast will see an estimated $45 billion in additional cost as a result of the canceling and/or delaying of these five offshore wind projects. Without these energy projects, the grids in these states will experience higher wholesale power prices, a greater reliance on fuel-constrained generation, and the loss of low-cost, winter-peaking energy.



Overview of the Impacted Energy Projects

These projects have collectively **invested nearly $30 billion**, expect to support **over 15,000 jobs**, and will provide enough electricity to power **2.5 million homes**.



Project	Capacity (MW)	State	Investment ($B)	Homes Powered (000)	Total Jobs (Direct & Indirect)	% Complete	Daily Costs incurred by Stop-Work ($M)
Coastal Virginia Offshore Wind	2,587	VA	8.9	660	2,000	70%	5+
Revolution Wind	704	CT, RI	5.4	350	2,236	87%	1.44
Sunrise Wind	924	NY	7	600	3,500	45%	1
Vineyard Wind 1	806	MA	4.5	400	3,700	95%	2
Empire Wind 1	810	NY	4	500	4,000	60%	*

Data source:

Dominion Energy v U.S. DOI et al Complaint filed in U.S. District Court for the Eastern District of Virginia, Norfolk Division, Case 2:25-cv-00830

New York Times, 16 January 2026, "Judge in Virginia Hands Trump 3rd Setback This Week on Wind Farms"

Revolution Wind v U.S. DOI et al Motion for Preliminary Injunction and Stay filed in U.S. District Court for the District of Columbia, Case 1:25-cv-02999-RCL

Sunrise Wind v U.S. DOI et al Complaint for Declatory and Injunctive Relief filed in U.S. District Court for the District of Columbia, Case1.26-cv-00028

Vineyard Wind 1 vs U.S. DOI et al Complaint for Declatory and Injunctive Relief filed in U.S. District Court for the District of Massachusetts, Case 1.26-cv-10156

Empire Offshore et al vs U.S. DOI et al Complaint filed in U.S. District Court for the District of Columbia, Case 1:26-cv-00004

* Information has not yet been made public

Scenario Design and Assumptions

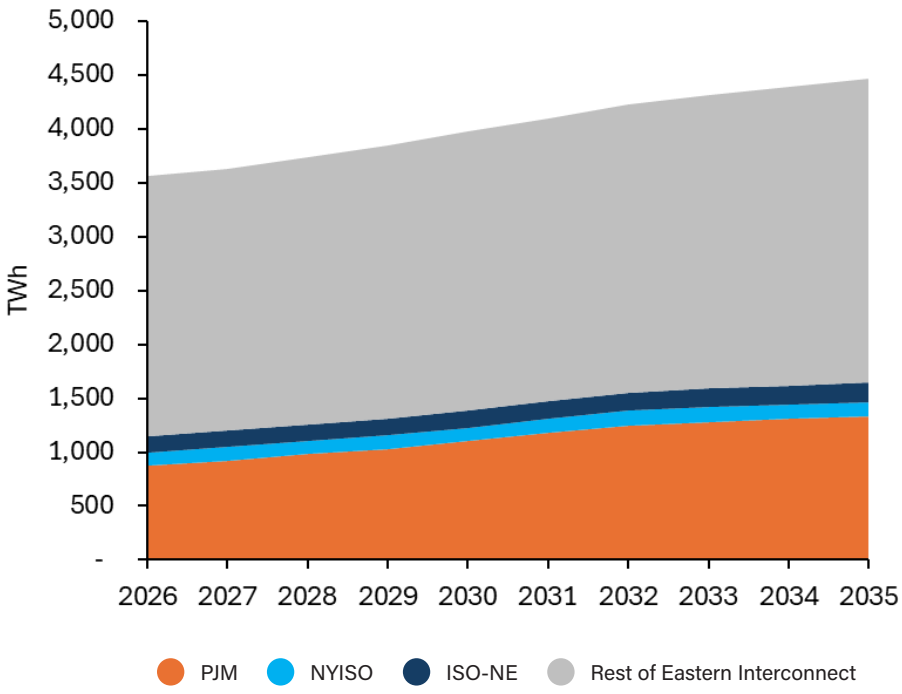
To assess the impacts of the stop-work-orders ACP modeled the Eastern Interconnect under two scenarios:

- **Base Case**: ACP's own in-house-view of the expected future in which all eligible generation technologies, including new renewable energy, storage, and gas are available to meet forecasted load growth. This represents a business-as-usual trajectory.
- **Stop Work Order Case**: Removed the five OSW projects under construction indefinitely. All other items remained the same.

The Stop Work Order Case highlights the risks this policy poses to Mid-Atlantic and Northeast states during a period of rapid load growth. **Without sufficient new generation, the region would face reliability challenges, increased dependence on imported power, and greater reliance on high-cost peaking units—ultimately driving electricity prices higher.** Offshore wind provides the most logical large-scale solution to meet their energy and reliability demands given the regions geographical limitations to unlimited onshore resources.

Assumption	Details
Load	Load Forecasts from ISOs and Utilities as of Spring 2025.
Planned Build & Retirements	Near term clean power builds align with ACP CPIQ database. Natural gas builds are from EIA 860M. Retirements align with EIA's most recent 860M report. Model can optimize build starting in 2028.
New Build Resource Eligibility	Solar, Onshore Wind, Battery Storage, Offshore Wind, Gas CCGT, Gas CT, and Nuclear.
Resource Costs	Sourced from confidential member information as well as public financing and resource CAPEX trends. Regional cost multipliers are incorporated as well. Solar and wind are assumed eligible for tax credits through 2030. Storage is assumed eligible for the full tax credit value through 2032 before stepping down.
RPS & CES Requirement	Existing state policies.
Gas Price	ACP uses near-term five-year forwards pulled from S&P trended to EIA's Annual Energy Outlook . Monthly shapes based off blended historical and forward prices.
Build Limits	All eligible technology is limited to practical and technical limits based off supply chain realities, land availability, and political realities.

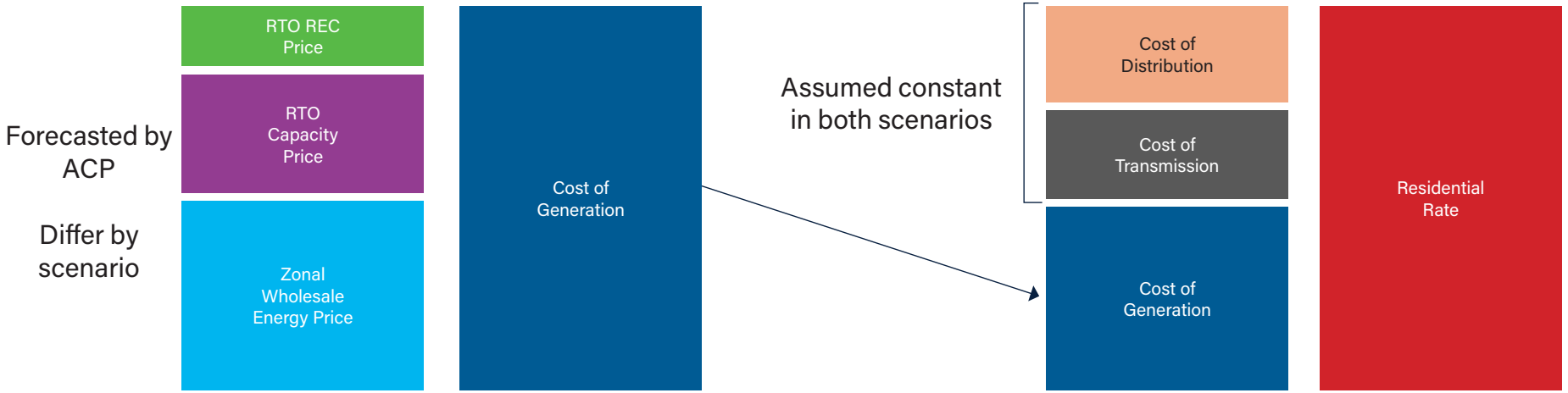
Load Growth Forecast in Eastern Interconnect



Methodology

- ACP uses the EnCompass software model to conduct capacity expansion and production simulations, generating 8,760 hourly prices and system dynamics for the Eastern Interconnect over the next 25 years.
- EnCompass uses a unit commitment and economic dispatch algorithm to determine the least-cost solution to meet energy demand. Unit-commitment optimization determines when generators will be online or offline, whereas the economic dispatch determines how much energy is dispatched from online or available resources.
- ACP's Base Case was designed in Fall of the 2025. The Stop Work Order Case takes that same model and runs a production simulation without the five offshore wind projects.[1]
- The hourly price from this model represents the wholesale cost of electricity. Mid-Atlantic States, New York, and New England all belong to competitive wholesale electricity markets: PJM, NYISO, and ISO-NE respectively.
- These changes in wholesale zonal energy prices are then modeled into retail rates.
- The states in PJM, NYISO, and ISO-NE are largely competitive retail choice states.
- As a result, the cost of generation component of their retail rate can be modeled as a function of wholesale energy price, capacity price, reserve margin, and load factor. ACP assumes a distribution loss factor of 5%.
- The delta in retail rates between the cases is applied to the electricity usage in the states per EIA to get final cost results.

Visual View of Retail Price Methodology

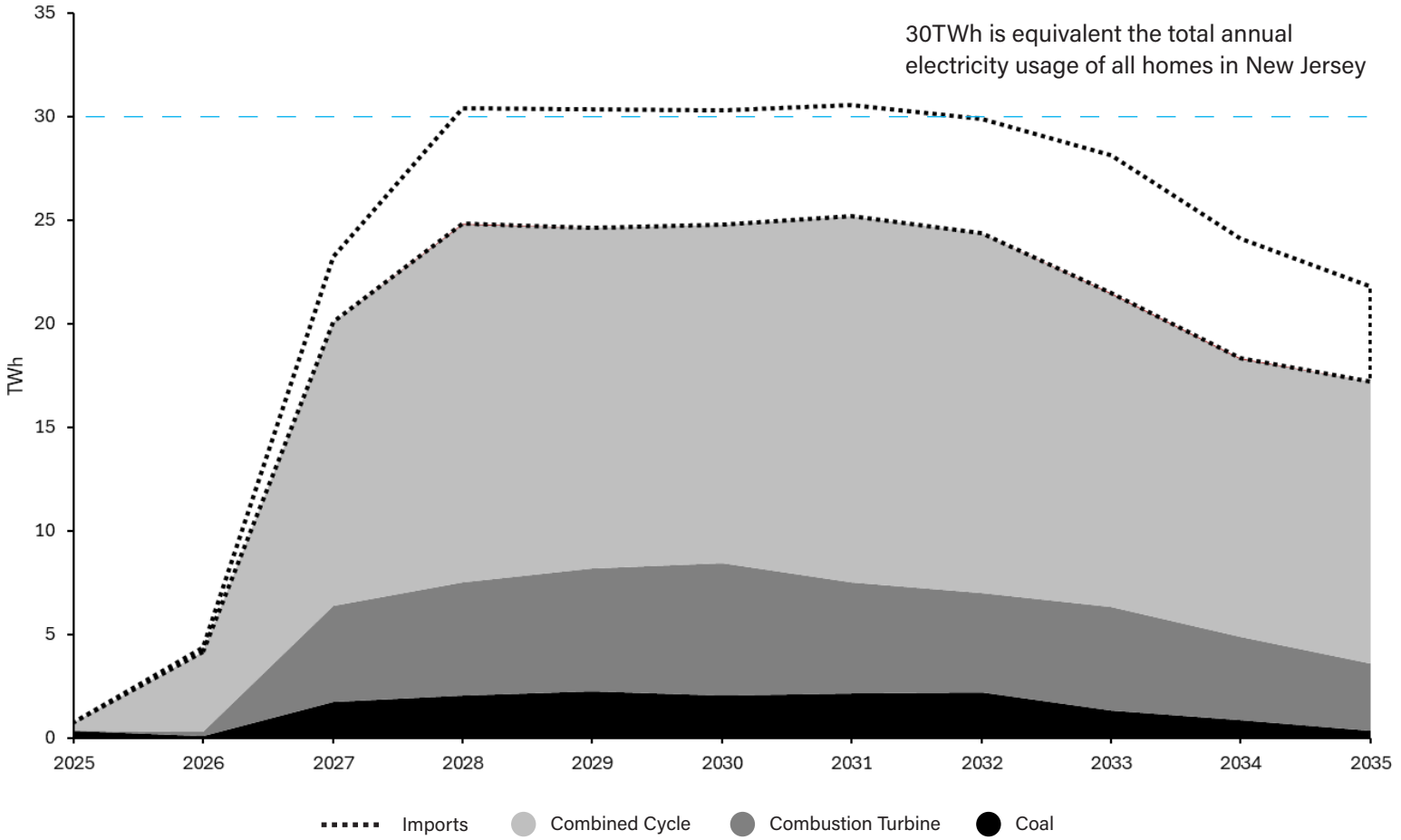


1 We do not assume anything else gets built in the near-term given the reality of most projects, utilities, and ISOs have been operating under the assumption these five projects will come online.

There is an increased reliance on peaking thermal units and imports for the region, threatening reliability and cost.

Almost 25 TWh in additional fossil fuel generation is needed by 2028 to replace the 30+TWh of lost OSW.
The remaining demand will be met by paying for more expensive energy from neighboring regions.

Generation Change across PJM, NYISO and ISO-NE in the Stop Work Order Case relative to ACP Base Case



Offshore wind limits electricity prices spiking

Evening hours prices spike significantly with the removal of the five OSW projects as grid operators have to quickly ramp up peaking units or deploy demand side management. Prices also increase in afternoon hours as well as non-summer periods.

Change in Prices in PJM with Five Offshore Wind Projects Offline

Daily Interval

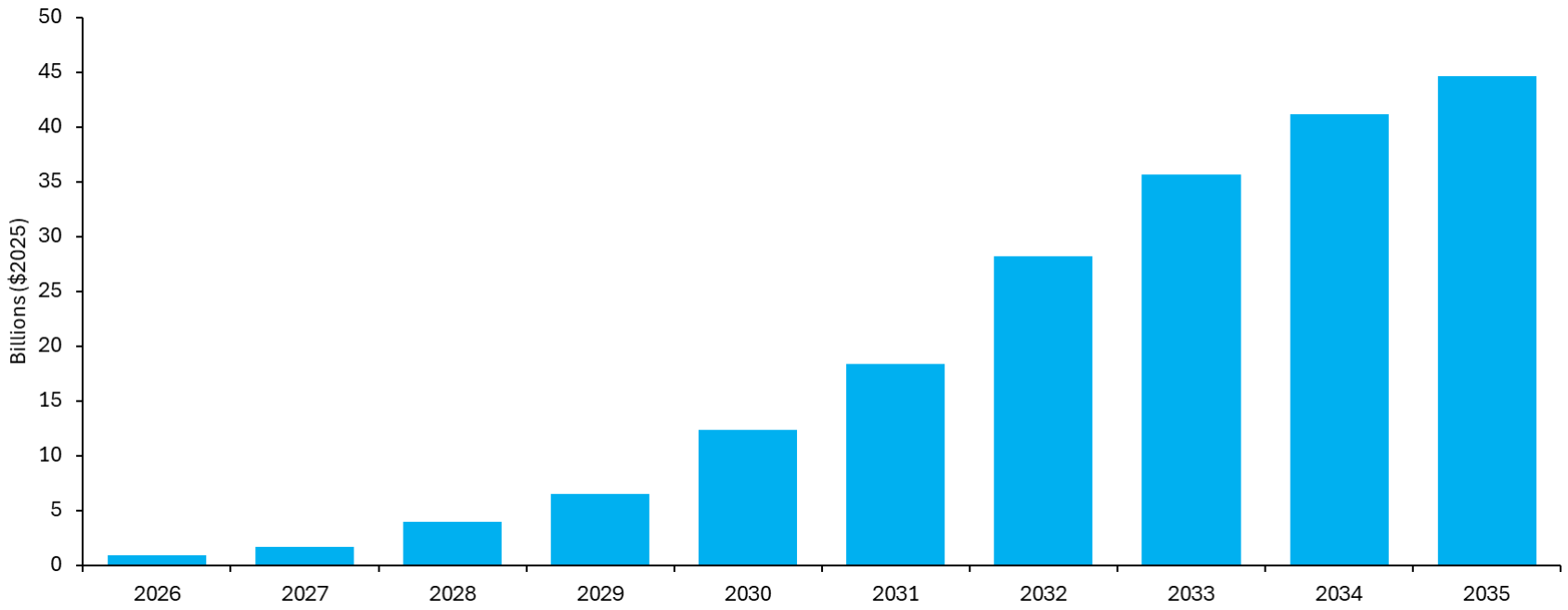
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
2028	Jan	1	1	1	1	1	1	2	3	2	1	1	1	1	1	1	1	1	3	6	5	3	2	1	2
	Feb	1	1	1	1	1	1	1	2	1	2	1	1	1	1	1	1	1	1	2	2	2	1	1	1
	Mar	0	1	1	1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Apr	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	29	42	35	1	1	1
	May	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	0	0	0
	Jun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Jul	1	1	1	1	1	1	1	2	4	31	-22	-1	-22	21	17	0	12	6	-1	-1	1	55	3	2
	Aug	0	0	1	0	0	0	0	0	0	0	0	0	0	0	-10	2	31	28	-9	2	-4	0	0	0
	Sep	0	0	0	0	0	0	1	0	0	0	0	0	1	1	1	1	5	40	29	30	40	1	1	1
	Oct	1	1	1	1	1	2	3	2	1	1	1	1	1	1	1	1	1	3	46	16	2	2	1	1
	Nov	0	0	0	0	0	0	1	1	1	1	1	1	1	1	0	1	0	0	0	1	1	1	1	0
	Dec	1	1	1	1	0	1	1	1	1	1	1	1	0	0	0	0	1	1	1	1	1	1	1	1
2030	Jan	2	2	1	2	2	2	3	4	2	2	1	1	2	2	2	2	2	6	34	30	30	3	2	2
	Feb	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	1	1	1
	Mar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Apr	1	1	1	1	2	3	3	2	2	2	2	2	2	2	2	2	2	2	30	101	31	2	2	1
	May	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	1	1	1	1
	Jun	0	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	1	-8	-18	-8	1	1	1	0
	Jul	13	10	6	6	11	11	13	13	15	25	54	80	30	2	-27	-4	30	48	48	40	55	40	27	13
	Aug	0	0	0	0	0	0	0	0	-4	-4	-4	-4	-5	-7	-2	-2	-2	41	43	30	-11	-4	-4	-4
	Sep	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-23	1	1	-18	1	1	1
	Oct	2	2	2	2	2	3	18	3	2	2	2	2	2	2	2	2	3	67	129	68	5	4	2	2
	Nov	10	10	10	10	10	10	10	10	10	10	6	6	6	6	6	10	11	50	50	46	19	10	10	9
	Dec	5	5	5	5	5	9	9	9	6	5	5	5	5	5	5	5	6	7	11	7	6	5	6	5
2032	Jan	9	9	9	9	9	5	6	9	9	10	6	5	5	5	5	5	5	6	7	6	6	6	6	6
	Feb	0	0	0	0	0	0	1	1	0	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1
	Mar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Apr	2	1	1	2	2	2	2	2	2	2	2	2	1	2	2	1	1	2	2	-8	2	2	2	2
	May	0	0	1	0	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1
	Jun	0	0	0	0	0	0	0	0	0	1	0	1	1	1	1	1	1	0	1	1	1	1	0	0
	Jul	15	15	15	15	15	15	17	27	31	46	84	92	114	111	114	85	87	80	40	24	23	115	102	64
	Aug	13	9	9	8	9	9	9	8	8	8	8	8	8	8	8	9	13	13	13	14	13	13	13	12
	Sep	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	0	-1	1	1	1	0
	Oct	12	12	12	12	13	17	18	20	16	16	16	15	15	15	15	16	15	14	10	14	14	13	11	10
	Nov	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Dec	18	17	18	18	17	17	17	22	16	20	20	20	19	23	24	23	21	27	26	26	26	26	27	21

Consumers could pay up to $45 billion in additional energy costs if these energy projects are permanently stalled

Applying the wholesale price change in PJM, NYISO, and ISO-NE to the retail rates of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New York, D.C., Delaware, Illinois, Maryland, New Jersey, Ohio, Pennsylvania, Virginia, and West Virginia sees a significant climb in costs to all ratepayers.

This is based on the most recent year of total electricity consumption data of these states, totaling over 1,000 TWh of retail electricity usage. This represents 25% of the U.S. electricity consumption.

Cumulative Cost to all Ratepayers without the Under-Construction Offshore Wind Projects

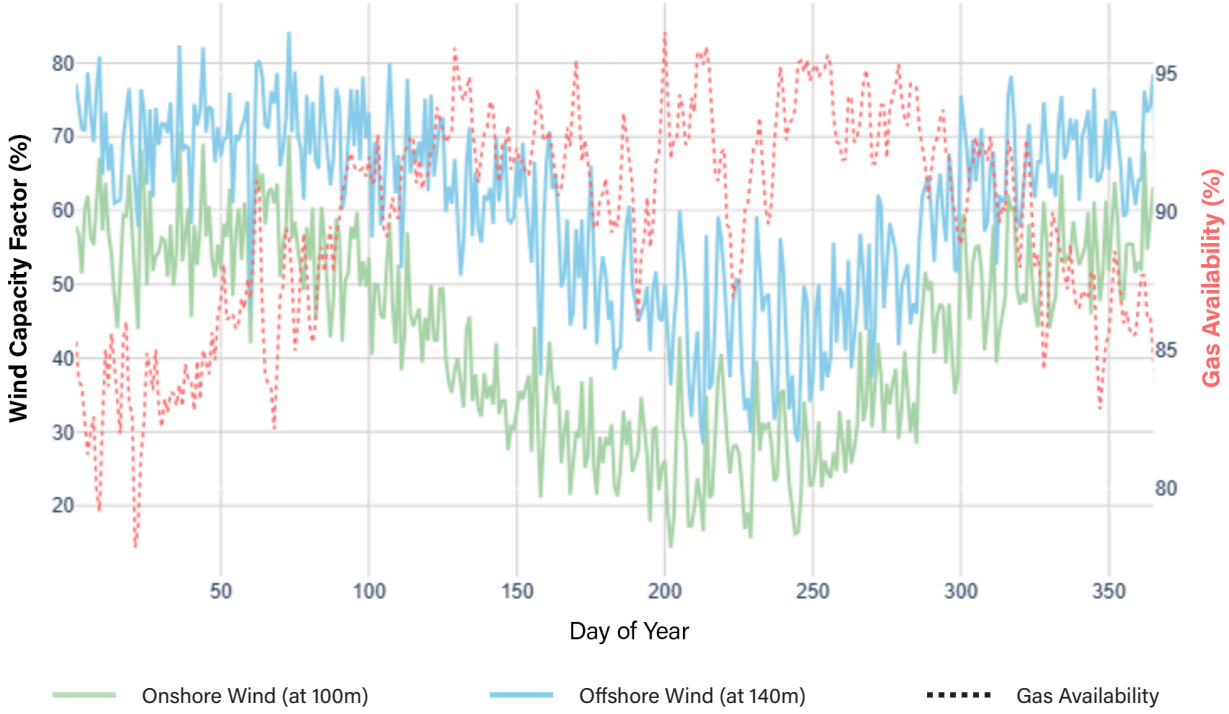


Canceling energy projects raises reliability risks and system costs

- Offshore wind produces the most electricity during winter, precisely when fuel supplies are tight and demand spikes.
- These projects reduce exposure to fuel shortages and price volatility.
- Offshore wind is the only near-term, scalable solution for ensuring reliability in the region.
- Limited land, transmission constraints, and fuel-dependent generation make offshore wind essential this decade.

Wind Availability vs. Gas Availability in New England

Offshore wind produces the most when gas is constrained



Source: CRA-Report-Offshore-Winds-Contribution-to-Grid-Reliability-Resource-Adequacy-November-2025.pdf

Wind and natural gas generation profiles are highly complimentary in the Eastern Interconnect. Offshore wind produces the most during the winter months when gas units face the greatest risk of outages. Where natural gas resources help back-fill low-wind hours during the summer months (when gas is also cheapest in the region). Ultimately this smooths all their generation and ensures an "all-of-the-above" approach to ensure the region has reliable and cost-effective electricity.

Performance:
Onshore Average: 43.1%
Offshore Average: 60.4%
Avg. Improvement: +40.2%

Other Resources

- *Fact Sheet: Ensuring Compatibility Between Offshore Wind and Military Readiness.* January 2026. Ensuring Compatibility Between Offshore Wind and Military Readiness
- *Wind Turbine & Radar Interactions and Solutions.* January 2026. Wind Turbine & Radar Interactions and Solutions
- *Halting Offshore Wind Projects in Construction Will Undermine Electricity Reliability in New York and New England While Raising the Cost of Power*. Grid Strategies. January 2026. Halting Offshore Wind
- *PJM Court Filing on CVOW*. January 2026. gov.uscourts.vaed.587725.67.0.pdf
- *The contribution of offshore wind to grid reliability & resource adequacy*. Charles River Associates. November 2025. CRA-Report-Offshore-Winds-Contribution-to-Grid-Reliability-Resource-Adequacy-November-2025.pdf
- *Meeting New York's Energy Needs: Reliability & Offshore Wind*. Aurora Energy Research. May 2025. Meeting New York's Energy Needs: Reliability & Offshore Wind
- *ISO New England Statement on Department of the Interior Offshore Wind Announcement*. December 2025. ISO New England statement on Department of the Interior offshore wind announcement - ISO Newswire
- *New York 2025 Energy Plan*. 2025 Energy Plan - New York State New Energy Plan
- *New York ISO 2025 Gold Book*. April 2025. 2025-Gold-Book-Public.pdf
- *ISO New England's Forecast Report of Capacity, Energy, Loads, and Transmission*. May 2025. CELT Reports

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