Beyond Tax Credits: The Broader Legal Landscape for Renewable Energy

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Renewable Energy Tax Credits: Unpacking the Latest Federal Updates

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Major factors impacting renewable energy development

1. **Local government control**—bans, denials of conditional use permits, inadequate tax revenue options

2. **Interconnection with transmission lines**—Federal Energy Regulatory Commission policy, implemented by utilities or regional transmission organizations such as PJM

3. **Inadequate transmission infrastructure**

1. Local government control

Enabling more, or alternative, local taxation approaches could encourage local government approval.

Ohio Payment in Lieu of Taxes for wind or solar ≥ 20 MW nameplate capacity. Ohio Rev. Code § 5727.75.

Partial preemption of local land use authority more feasible than full preemption.

Michigan partial preemption, Public Act 233: state control ≥ 50 MW nameplate capacity solar or storage, ≥100 MW wind *if* no local "compatible renewable energy ordinance."

State funds provided to local governments with compatible ordinance—**Renewables Ready Communities Award.**

2. Transmission interconnection

FERC Order No. 2023 (2023): pro forma large and small generator interconnection procedures

Cluster studies of generators

More demonstration of financial commitments and readiness

Shared network upgrades—proportional impact within a cluster

3. Inadequate transmission infrastructure

FERC Order No. 1920 (2024): Regional transmission planning and cost allocation

"**Cost-effective** regional transmission for **long-term** transmission needs"

Accelerated transmission expansion leads to national electricity system cost savings of $270–490 billion through 2050.

Incremental investments in transmission are more than compensated for by reduced electricity system costs for fuel, generation and storage capacity, and other costs. Approximately $1.60 to $1.80 is saved for every dollar spent on transmission.