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## Delivering Affordability Through Energy Abundance

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## INTRODUCTION

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In the past year, the United States has reclaimed its spot as the world's top energy producer. This is not by accident.

After four years of aggressive net-zero and renewable-energy mandates that led to energy inflation and higher costs, the Trump administration has embraced energy abundance as policy.<sup>1</sup> Abundance means expanding the production and consumption of reliable energy sources like coal, natural gas, geothermal, and nuclear energy, largely through the free market and deregulation—not government subsidies.<sup>2</sup>

**Producing more abundant, reliable, secure energy through energy addition (energy abundance)—not energy subtraction (net-zero decarbonization)—here at home has manifold benefits, including delivering affordability in the form of lower energy costs and utility bills.** Lower energy prices have positive downstream effects on industries including shipping, transportation, agriculture, and electricity.

The federal government has adopted this energy abundance posture; more U.S. states would benefit from embracing it as well.

**When Americans think about energy affordability, their thoughts often jump to the price at the pump.** The price has risen sharply since late February 2026, when the national average for regular unleaded gasoline was about \$2.98 per gallon. As of the writing of this paper, it sits near \$4.50—a 50% increase in a matter of months. This is a real cost-of-living burden, and it's worth understanding why prices rose. Gasoline is refined from crude oil, and crude is priced on a global market. Even though the

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1 A. Bhole, "Energy Prices Soar Almost 30 Percent Under Biden—13 Times Faster than Previous 7 Years: Analysis," New York Post, April 12, 2024, <https://nypost.com/2024/04/12/us-news/electricity-costs-soar-under-biden-administration-energy-prices-soar-under-biden-administration/>

2 Gabriella Hoffman and C. Sheffield, "Energy Abundance: How America Can Lead the World in Energy Production While Creating a Better, Cleaner Environment," Independent Women, 2025, <https://www.independentwomen.com/wp-content/uploads/2025/10/Energy-Abundance-Report.pdf>

United States is the world's top producer, the price an American pays at the pump is set by a world market that responds to events far from American shores. The single largest driver of the current spike is the Iran war and Iran's closure of the Strait of Hormuz, the chokepoint through which roughly one-fifth of the world's oil passes. When that waterway closed, global crude prices jumped, and American pump prices followed—not because domestic abundance policy failed, but because no level of domestic production can fully insulate a globally traded commodity from a supply shock of this magnitude.

**This is the proper way to understand the relationship between energy policy and energy prices.** Producing more here at home is the right long-term goal, and the United States has met it. We are the world's leading producer of oil and natural gas and a net energy exporter. But independence does not equal immunity. The same administration pursuing abundance at home is also conducting a foreign policy that, in the short run, moves global markets and therefore domestic costs. That tension is temporary. As the war moves toward its conclusion with the Strait's eventual reopening, the supply shock will ease and prices will fall, though consumers should expect the relief to lag crude markets in the short term. The durability of lower prices depends on staying the course: if permitting reform, deregulation, and production gains described in this report are sustained rather than reversed, the United States will return to a low-price baseline and be better positioned to absorb the next geopolitical shock.

**In the meantime, the administration has wisely reached for targeted, market-oriented tools to blunt the shock rather than for price controls or demand restrictions.** It has temporarily waived the Jones Act, the 1920 law requiring goods shipped between U.S. ports to travel on American-flagged vessels, freeing foreign-flagged tankers to move crude and fuel domestically. This waiver, first issued in March 2026, has been extended

through mid-August 2026. It has also eased sanctions on Venezuela's state oil company, reopening a major source of heavy crude to American refiners, and U.S. imports of Venezuelan oil have since climbed to their highest level in more than a year, helping offset the barrels stranded by the Hormuz closure. These are abundance-oriented responses in miniature: adding supply rather than rationing it, and they are exactly the kind of policy that brings prices back down without sacrificing the long-run goal.

### Energy Abundance, Not Net-Zero, is the Backbone of Affordability

Encouraging the production of abundant, reliable, and secure energy sources will usher in affordability.

In a notable concession, Heatmap, a climate-focused news outlet, acknowledged in fall 2025 the affordability tension at the heart of progressive climate policies:

*The transition to clean energy will be expensive today, even if it'll be cheaper in the long run.*

*Democrats have embraced a new theory of how to win: run on affordability and cost-of-living concerns while hammering Donald Trump for failing to bring down inflation. There's only one problem: their own climate policies.<sup>3</sup>*

**The free market—not government—should ultimately decide which energy sources credibly compete in the marketplace.** At this time, due to rising electricity demand, sources like natural gas, nuclear (fission and fusion), geothermal, and even coal are helping to keep costs down amid surging energy use and geopolitical events.

<sup>3</sup> R. Meyer, "Democrats' New Affordability Message Is Complicating Climate Policy," Heatmap News, November 18, 2025, <https://heatmap.news/politics/democrats-affordability-climate>

Overreliance on government subsidies burdens taxpayers, while preventing energy technologies from becoming competitive and being adopted at scale.

**For example, wind and solar energy—intermittent energy sources that only generate power when the wind blows and sun shines, respectively—have been subsidized for decades by federal and state governments.** Renewable energy mandates require states and private entities to replace coal, oil, and natural gas with wind, solar, electric vehicles, and batteries by 2050. For the past several decades, these energy forms received billions in taxpayer dollars but haven't replaced reliable natural gas (43%), nuclear (18.6%), or coal (16.2%) to supply our electricity.<sup>4</sup> Subsidized solar energy has received 15 Investment Tax Credit (ITC) extensions and merely accounts for 3.9% of net U.S. electricity generation, while subsidized wind energy has received 12 Production Tax Credit (PTC) extensions and accounts for 11% of net U.S. electricity generation.<sup>5</sup>

**The One Big Beautiful Bill Act (OBBBA) passed in summer 2025 phased out the majority of solar ITC and wind PTC from the deceptively named Inflation Reduction Act of 2022.**<sup>6</sup> This ensures that all energy forms can operate on an equal playing field and compete for private investment dollars.

**Approving new natural gas and nuclear energy projects, for example, will save ratepayers billions in energy costs, compared to subsidized wind and solar.** This is especially true in New England, a region that has experienced a 29% surge in electricity costs between 2019 and 2024 due to green mandates such as 100% renewable energy targets, renewable portfolio

standards (RPS), and membership in the cap-and-trade program called the Regional Greenhouse Gas Initiative (RGGI).<sup>7</sup>

**A recent Always On Energy Research report, “Alternatives to New England’s Energy Affordability Crisis,” found that building new natural gas and nuclear projects instead of wind and solar would save New England ratepayers up to \$708 billion through 2050 (via natural gas; roughly \$400 billion via nuclear), avoiding most of the \$815 billion in added costs the renewables-only path would impose over the same timeframe.**<sup>8</sup> Always On Energy Research analyzes the high costs of transitioning to 100% renewables by 2050. Their modeling provides state-specific data and analysis that reveals the true costs of energy-related policies and their real-world impact on a state’s electric grid.

### Permitting Reform Will Usher in Affordability

**In order to meet America’s abundance moment and lower prices,** there must be more domestic production of reliable and abundant energy sources.

**On Day One of the second Trump term, the White House announced decisive steps to reform the National Environmental Policy Act (NEPA)** by repealing 60-year-old Council on Environmental Quality (CEQ) regulations, deprioritizing climate considerations, and streamlining environmental review.<sup>9</sup> Previously, energy projects took 7 to 10 years to permit and new mines faced development timelines as long as 29 years. If these changes hold, the Interior Department’s

4 U.S. Energy Information Administration, “Frequently Asked Questions (FAQs),” <https://www.eia.gov/tools/faqs/faq.php?id=427&t=8>.

5 R. Bradley, “Solar Tax Credits: 1978–2025 (Never Enough),” Master Resource, June 30, 2025, <https://www.masterresource.org/solar-power-issues/solar-tax-credits-1978-2025/>.

6 A. Muresianu, “How the One Big Beautiful Bill Changes Green Energy Tax Credits,” Tax Foundation, August 12, 2025, <https://taxfoundation.org/blog/big-beautiful-bill-green-energy-tax-credit-changes/>.

7 T. Higgins, “New Federal Study Documents Electricity Price Hikes in RGGI States,” Pittsburgh Works Together, November 5, 2025, <https://pghworks.com/new-federal-study-documents-electricity-price-hikes-in-rggi-states/>.

8 Always On Energy Research, “Alternatives to New England’s Energy Affordability Crisis,” February 9, 2026, <https://www.aoenenergy.org/work/total-system-cost-wind-and-solar-new-england/>.

9 The White House, “Unleashing American Energy,” January 20, 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>.

emergency procedures can cut permitting review to as little as 28 days.<sup>10</sup>

**With rising demand for reliable domestic energy and critical minerals supplies, permitting reform will allow new projects to come online faster.** Unless these regulatory changes are made permanent by Congress, through efforts like the SPEED Act, the U.S. could squander this opportunity and not have enough new capacity available to meet rising electricity demand. This bill would codify many of these reforms in statute, making them durable against future executive reversal by different administrations.

Failure to streamline the permitting process could lead to higher energy costs and discourage private investment in new technologies.

## Market Innovation Will Lead to Energy Affordability Without Environmental Ruin

Innovation—not climate regulation—is the key to unlocking energy affordability without threatening clean air, water, and land quality.

**The shale boom of the 2000s to 2010s is a prime example of this.** Between 2008 and 2015, the U.S. increased domestic oil and gas production through hydraulic fracturing (fracking) and horizontal drilling. It cut American dependence on foreign oil and gas imports and subsequently lowered costs here at home. This transition to natural gas is also “responsible for 62% of cumulative carbon dioxide emissions savings.”<sup>11</sup>

Nuclear (fission and fusion) power and geothermal are also poised to undergo a similar renaissance due to demand for reliable energy sources.

**The U.S. has set an ambitious goal of 400 gigawatts (GW) of total nuclear capacity by 2050—enough to power hundreds of millions of people.** The federal government is reforming the Nuclear Regulatory Commission (NRC) and expediting permitting to ensure both nuclear energy forms can come online and power the nation.

**Fission energy is a clean and reliable energy source, working nearly 24/7 and functionally operating for 93% of the year.** A standard one gigawatt (GW) fission plant also occupies about one square mile of land—a fraction compared to utility-scale wind and solar. Small modular reactors (SMRs) and microreactors are being fast-tracked for NRC approval, with several currently under development across the country.<sup>12</sup>

**Even more promising is fusion energy.** Compared to fission, fusion doesn’t produce any long-lived radioactive waste and creates four times as much energy. It’s described as having the potential to produce “limitless” clean, abundant energy.<sup>13</sup> In fact, the U.S. is poised to build and operate the world’s first commercial fusion power plant by the 2030s in Virginia.

**Geothermal energy is the second most reliable energy source after nuclear energy.** Geothermal power plants “use hot water from the Earth’s crust to generate steam to power a turbine for electricity generation.” The aforementioned horizontal drilling and hydraulic fracturing technology employed for natural gas is also being utilized here. Unlike other renewables, geothermal is abundant and reliable. Like natural gas and nuclear,

<sup>10</sup> S&P Global, “United States Ranks Next to Last in Development Time for New Mines that Produce Critical Minerals for Energy Transition, S&P Global Finds,” July 18, 2024, <https://press.spglobal.com/2024-07-18-United-States-Ranks-Next-to-Last-in-Development-Time-for-New-Mines-that-Produce-Critical-Minerals-for-Energy-Transition,-SP-Global-Finds>; U.S. Department of the Interior, “Department of the Interior Implements Emergency Permitting Procedures to Strengthen Domestic Energy Supply,” June 4, 2025, <https://www.doi.gov/pressreleases/departement-interior-implements-emergency-permitting-procedures-strengthen-domestic>

<sup>11</sup> American Gas Association, “Climate Change Commitment,” May 12, 2023, <https://www.aga.org/natural-gas/environment/climate-change-commitment/>

<sup>12</sup> Nuclear Energy Institute, “Land Needs for Wind, Solar Dwarf Nuclear Plant’s Footprint,” July 2015, <https://www.nei.org/news/2015/land-needs-for-wind-solar-dwarf-nuclear-plants>

<sup>13</sup> “Why Fusion?,” US Fusion Energy, <https://usfusionenergy.org/why-fusion>.

geothermal—a source that works optimally for 90% of the year—is also being used to provide electricity for AI data centers.<sup>14</sup>

## AI Data Centers & Consumer-Regulated Electricity

**Rising AI energy demand has created an affordability concern and, without proper market structures, the electricity needs of large data centers could be socialized onto ordinary ratepayers.** AI data centers, however, revealed that part-time subsidized energy sources like wind and solar can't adequately power the future. That's why natural gas, nuclear, geothermal, and even coal could supply the electricity needed for these power centers.<sup>15</sup>

**Electricity demand is rising not only on account of AI data centers,** but also due to manufacturing, defense capabilities, technology usage, and even air conditioning.

**To balance concerns about AI data centers and rising electricity rates, a practical solution has emerged: consumer-regulated electricity (CRE).** The Cato Institute argues that private electricity networks, under a CRE framework, would allow data centers to generate electricity on a parallel electric grid without transferring costs onto existing customers:

*CRE would resolve a central tension in today's electricity policy: how to welcome new industrial investment without*

*socializing its costs. By creating a parallel track for new load growth, CRE would allow states to attract new electricity-intensive industries at zero cost to taxpayers and ratepayers. At the same time, CRE would create space for rapid innovation in generation, transmission, and system design—experimentation that is nearly impossible within the highly risk-averse regulated grid.*<sup>16</sup>

**In August 2025, New Hampshire became the first state in the U.S. to adopt this framework as policy.**

<sup>17</sup> In January of this year, Senator Tom Cotton (R-AR) introduced a federal companion bill in Congress specifically aimed at lowering energy costs.<sup>18</sup>

**During his recent State of the Union Address, President Trump announced companies specializing in AI data centers “have the obligation to provide for their own power needs.** They can build their own power plants as part of their factory so that no one's prices will go up.”<sup>19</sup>

**In response to affordability concerns, many major technology companies were already heading in this direction before the Trump administration announced its Ratepayer Protection Pledge Proclamation.**<sup>20</sup> Google, Meta, Amazon, and other technology companies are already committed to this “Bring Your Own Power” (BYOP) concept to not pass costs down onto worried consumers. Essentially, tech companies are co-locating their data centers next to power generation sources—e.g., gas turbines or nuclear

14 “Geothermal and Data Centers,” [Energy.gov](https://www.energy.gov/hgeo/geothermal/geothermal-and-data-centers), <https://www.energy.gov/hgeo/geothermal/geothermal-and-data-centers>.

15 S. Kimball, “Trump Wants Coal to Power AI Data Centers. The Tech Industry May Need to Make Peace with That for Now,” CNBC, May 17, 2025, <https://www.cnbc.com/2025/05/17/trump-wants-coal-to-power-ai-data-centers-the-tech-industry-is-wary-.html>

16 T. Fisher, “The Case for Consumer-Regulated Electricity: Private Electricity Grids Offer a Parallel Path to Energy Abundance,” Cato Institute, February 3, 2026, <https://www.cato.org/briefing-paper/case-consumer-regulated-electricity-private-electricity-grids-offer-parallel-path>

17 T. Fisher and G. Lyons, “New Hampshire Sparks a Revolution in Electricity Supply,” Wall Street Journal, September 26, 2025, <https://www.wsj.com/opinion/new-hampshire-sparks-a-revolution-in-electricity-supply-dab10a8d>

18 Office of U.S. Senator Tom Cotton, “Cotton Introduces Bill to Lower Energy Costs for Arkansans,” January 8, 2026, <https://www.cotton.senate.gov/news/press-releases/cotton-introduces-bill-to-lower-energy-costs-for-arkansans>

19 S. Kimball, “Big Tech Companies to Meet Trump at White House to Sign Pledge on Data Center Power Costs,” CNBC, February 25, 2026, <https://www.cnbc.com/2026/02/25/trump-tech-ai-data-center-electricity-price-pledge.html>

20 The White House, “Ratepayer Protection Pledge Proclamation,” March 2026, <https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/>

reactors—to not overwhelm existing electric grids. To conserve precious water resources, especially in states out West, data center operators are using closed-loop cooling systems to reduce reliance on freshwater by up to 70%.<sup>21</sup>

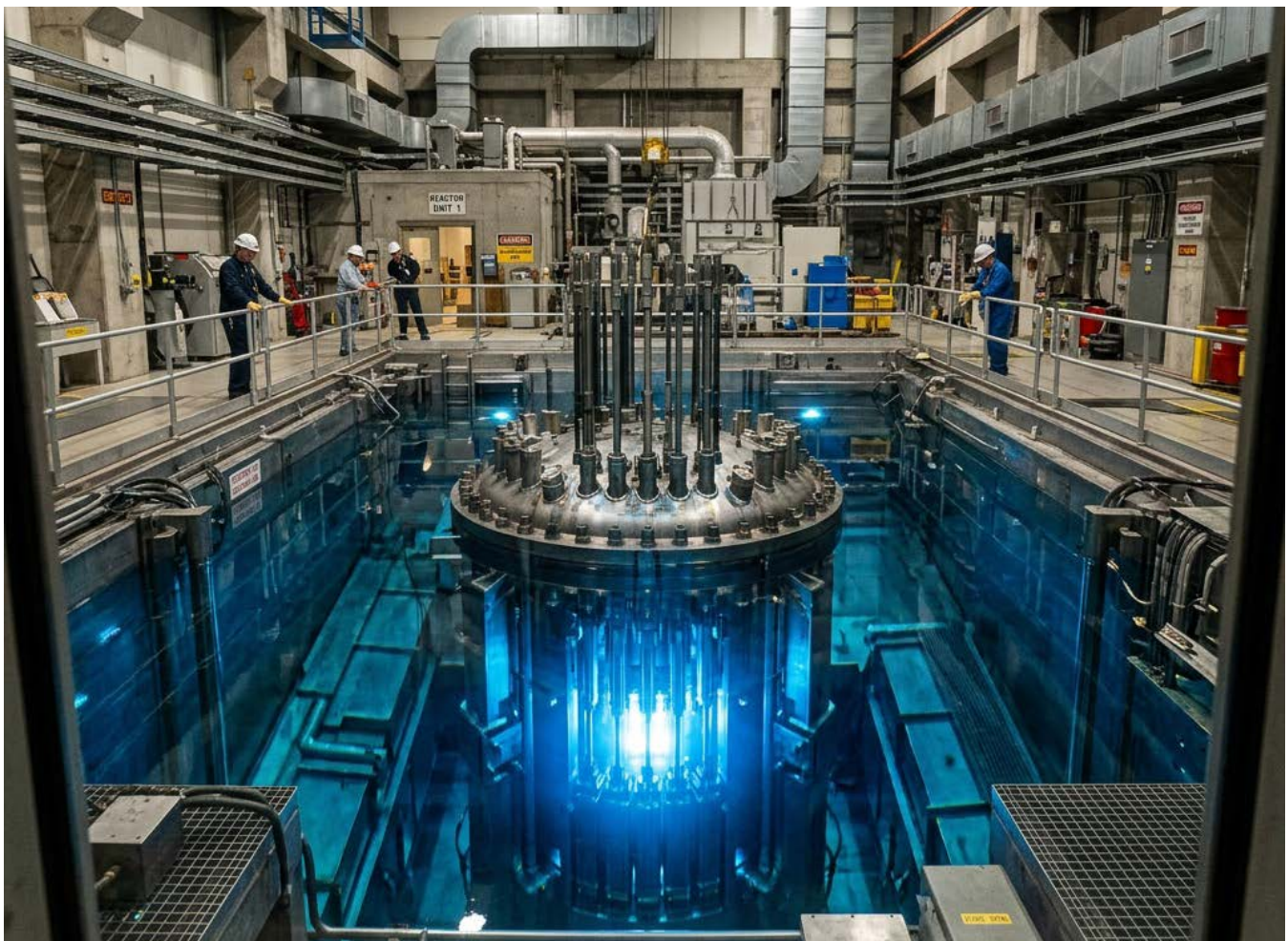
## Conclusion

**Due to American energy abundance policies, the U.S. is producing record amounts of oil and gas.**

In 2025, we became the first nation to export 100 million metric tons of liquefied natural gas (LNG) in a year<sup>22</sup>—solidifying our status as a net energy exporter.

And deregulatory measures by the Trump administration are reforming the permitting process that is necessary to build new infrastructure projects. As energy prices decrease, cost savings will trickle down to consumers in the form of cheaper fuel, food, and transportation costs.

**But there is room for improvement to achieve affordability on electricity prices.** A combination of deregulation—the repeal of costly green mandates in states—and innovating electricity markets with consumer-regulated electricity (CRE) reforms can effectively deliver lower energy prices without harming the environment.



21 M. Yañez-Barnuevo, "Data Centers and Water Consumption," Environmental and Energy Study Institute, June 25, 2025, <https://www.eesi.org/articles/view/data-centers-and-water-consumption>.

22 Preliminary LSEG/Reuters data; see Independent Women, "U.S. Sets LNG Export Record in 2025," January 6, 2026, <https://www.independentwomen.com/2026/01/06/u-s-sets-lng-export-record-in-2025/>.



## About the Author

Gabriella Hoffman is the director of the Center for Energy and Conservation at Independent Women. She is a freelance media strategist, award-winning writer, and [Townhall.com](https://www.townhall.com) political columnist. She hosts the District of Conservation podcast and CFACT original video series “Conservation Country.”

Gabriella has published columns and articles in Richmond Times-Dispatch, the Hill, RealClearPolicy, RealClearEnergy, RealClearMarkets, Virginian Pilot, Washington Examiner, Deseret News, [InsideSources.com](https://www.insidesources.com), Washington Times, Field & Stream, Sporting Classics, Outdoor Life, The Virginia Sportsman, Wall Street Journal, and more. Additionally, she’s been quoted/featured in notable publications including Washington Post, Fox News, NPR, Marie Claire, and Time Magazine’s Guns in America fall 2018 issue.

Gabriella credits her Lithuanian parents, Soviet Union escapees, for instilling a love of freedom, liberty, and limited government in her.

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