NEWSLETTER *Published January 23, 2026 · 5 minute read*

On the Grid: Between a Rock and a Hard Place

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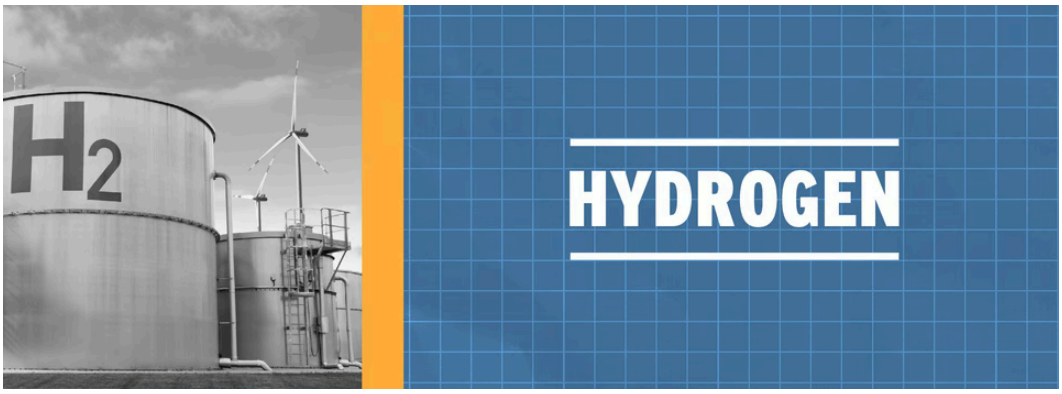
Hi Friend!

Welcome back to *On the Grid*, Third Way's bi-weekly newsletter, where we'll recap how we're working to deploy every clean energy technology as quickly and affordably as possible.

We're excited to have you join us!



Last week, Michigan Governor Gretchen Whitmer signed an executive order launching a new state initiative to explore the use of geologic hydrogen as a clean fuel. Michigan agencies will assess the state's geologic potential, identify viable pathways for hydrogen production and underground storage, and develop practical strategies for regulation. This is a huge move for energy diversity in the state and the end result of years of work from Third Way, local Michiganders, and other allies in the space.

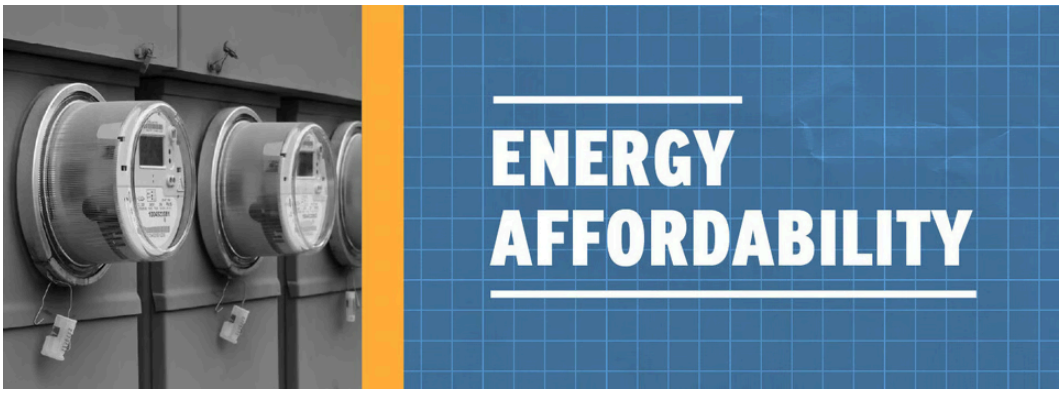
Why Should We Care About Geologic Hydrogen? Geologic hydrogen is just naturally occurring hydrogen gas that accumulates underground. But unlike oil and gas, hydrogen use produces water, not harmful CO2 emissions, as a byproduct. It's also an energy heavyweight, delivering more energy per pound than any other fuel. That makes hydrogen one of the few realistic options for powering hard-to-electrify parts of our economy, like heavy industry.

Unfortunately, it's been very difficult to find and extract geologic hydrogen, and manufacturing it is expensive and energy-intensive. New technology may change the game, but we need to take action, like the plan Michigan is enacting, to determine whether the US can actually produce enough of it, affordably and at scale.

Why Does This Executive Order Matter? This moves geologic hydrogen from an abstract idea to a real-world clean energy solution. Michigan's unique geology, combined with the state's deep industrial base and existing energy infrastructure, makes it one of the most

promising places to test how geologic hydrogen could *actually* work at scale. By testing multiple hydrogen production and storage approaches at once, Michigan can generate the data needed to attract private investment and move projects from pilot concepts to commercial deployment.

What's Third Way's Role and What's Next? In September 2025, Third Way convened experts from state agencies, federal policymakers, and industry in Ypsilanti, Michigan, to assess the state's potential for geologic hydrogen exploration and the real-world barriers to development. This informed the framework for Governor Whitmer's executive order and built a coalition in the state that could advocate for hydrogen exploration. There are still practical questions we need to answer about hydrogen production, storage, and use. We'll work with the state to support their process, focusing on closing the gaps that matter the most for investment, translating technical information into policy-relevant insights, and bringing together stakeholders.



The emergence of AI and autonomy, and their impact on economies, security, and emissions, dictate that we have to electrify much more of our economy. Economic reality, however, dictates that electrification only works if electricity is cheap. Going electric–at home and at work–makes a lot less sense if the costs are high. Last year, wholesale electricity prices rose 23% nationwide, with increased prices ultimately reflected in families' bills. As a majority of Americans feel the squeeze on their household budgets, there's no tolerance for uncertainty, complexity, or even a willingness to absorb upfront costs.

What We Know: Late last year, Third Way surveyed 1,000 likely voters nationwide. The overwhelming majority of respondents said that their household costs have increased in recent years. We zoomed in on two states to get a sense of the source of high prices and what clean technologies can do to provide some relief:

- In Maine, electricity prices have risen 14% in a single year. A quarter of Mainers report being unable to pay at least one utility bill, and many are cutting back on essentials to cover energy costs.
- In New Jersey, electricity prices have jumped 15% over the same period, and 28% of households struggled to pay their energy bills in full last year.

What's Driving Costs Up? In both states, reliance on natural gas leaves power prices exposed to global volatility, which quickly translates to higher household bills. While new generation could ease some of those pressures, long-overdue grid investments and slow interconnection processes have left large amounts of new capacity off the grid. In New Jersey, those dynamics are compounded by the structure of the regional power market, run by the PJM Interconnection, which has long struggled to keep pace with growing demand.

What We're Doing: The rising cost of electricity has turned affordability into a central political test. This year, we'll clarify how clean energy can lower costs for working families and help address the market, policy, and economic challenges that keep prices high. Check out our first round of state-specific narratives on Maine and New Jersey.

- Noah Kaufman, in *The Atlantic,* argues that while climate change is unquestionably real, the economic models used to estimate long-term implications are often too uncertain, and that using modeled projections as precise measurements often distorts policy debates.
- Zoya Teirstein, in *Grist*, outlines President Trump's track record on climate and offers a cautiously optimistic read on the durability of the Administration's damage thus far.
- Bill Loveless, on Columbia's Energy Exchange podcast, chats with reporters Maxine Joselow and Josh Siegel about how major climate and energy narratives are landing with Americans, especially as we head into this year's midterm elections.