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On the Grid: Picking Winners, Raising Costs

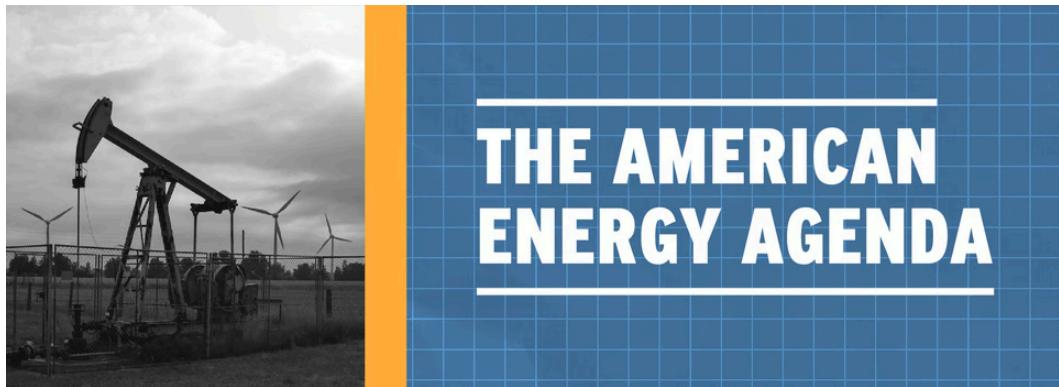
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Hi Friend!

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!



The Trump Administration says the government should not be in the business of picking winners and losers. Markets, not policymakers, they say, should determine which technologies can scale and compete, while those that can't should naturally fall away under market pressure. The stated principle is correct, but the Administration's practices don't match. Under Donald Trump and his allies, Washington is doing an extraordinary amount of picking and choosing—and they're not choosing what's best for lowering electricity costs or the nation's economy.

What's Happening? There's been a lot of coverage of the Trump Administration actively preventing new clean energy projects, particularly offshore wind projects, from moving forward. The Administration is also using emergency powers to force expensive coal plants to remain online. Federal approvals for clean energy are being revoked, clean projects already under construction are being stalled, and basic market signals are being ignored. While the courts are increasingly pushing back, the Administration remains 'hands-on' in energy markets.

Why Does This Matter? Americans are struggling to keep up with skyrocketing electricity prices, yet the Administration's actions are making the problem worse. Mandating that aging, unreliable coal plants continue operating locks in higher fuel, operating, and maintenance costs, which are ultimately passed on to consumers. As The Washington Post editorial board wrote last week, "*Ratepayers nationally will take on as much as \$6 billion in*

higher costs by 2028“ if the admin keeps aging coal plants open.” Propping up coal is bad policy and bad politics.

What We’re Doing: Third Way is leading an earned- and paid-media project in 10 utility coverage areas to raise awareness of clean energy’s affordability benefits, and we’re working with state and federal policymakers to sharpen messaging and political positioning in response to the administration’s anti-energy and anti-consumer policies.



Michigan Governor Gretchen Whitmer recently launched the Michigan Geologic Hydrogen Exploration and Preparedness Initiative to identify and potentially commercialize geologic hydrogen in the US. This is a *huge* deal for energy diversity and resilience, and the culmination of years of work by Third Way, local Michiganders, and a growing coalition of allies in the space.

Our Role: Last year, Third Way convened a group of experts in Ypsilanti, Michigan, to take stock of what geologic hydrogen could mean for the state. Participants included subject-matter experts from state agencies, federal policy specialists, and industry representatives, all focused on improving coordination of near-term research and early project development. The group agreed: hydrogen has enormous potential in Michigan, and identified specific actions they needed the state government to take to help it realize its energy and economic potential.

What Policymakers Should Keep In Mind: Geologic hydrogen is promising, but it is far more potential than reality because so much remains unknown in the industry. Commercializing geologic hydrogen in Michigan will require state investment in publicly available pre-competitive research to create a clearer picture of where geologic hydrogen resources are most likely to exist. Michigan’s near-term policy approach should not be to decide exactly how geologic hydrogen will be used yet, but to reduce risk and attract investors, making it easier for a variety of projects to get started. Public research on the state’s geologic

hydrogen prospects will, in turn, lower barriers to entry, so early projects flow toward Michigan.

As Michigan looks to offtake for geological hydrogen, it is still too early to know exactly how pure the hydrogen will be, how it will be produced, or how much it will cost to deliver, making it difficult to determine what industry it is best suited for. Instead of locking in answers now, Michigan should stay flexible and engage with a range of industries that could benefit from the hydrogen fuel. You can read our broader set of recommendations for policymakers in Michigan [here](#).



For most of February, the Eastern US has been slammed by severe winter storms and Arctic blasts. Electricity demand surged, and our power grid strained to keep up. Limited transmission capacity and damaged power lines made it harder to move low-cost electricity to the regions that need it most, amplifying both outages and prices. Nearly one million people lost power, and in some markets, real-time wholesale electricity prices topped \$1,800 per MWh, nearly ten times typical winter levels. As extreme weather becomes more common, the US needs a grid resilient enough to absorb these kinds of shocks, not make them worse.

So What Can We Do? Building a more resilient grid starts with two basics: stronger transmission and smarter planning. A system that can move power across regions is better able to absorb shocks and turn extreme weather into a much more manageable challenge. Right now, we're bogged down in permitting delays that slow transmission projects down before they even break ground.

Last year, Third Way partnered with Environmental Resources Management to unpack the non-cost barriers slowing clean energy and transmission deployment, surveying more than 200 clean energy professionals across the solar and transmission industries. More than 70% said federal permitting caused longer delays than state or local processes, and many

reported choosing project locations not based on grid need, but on how many federal permits they could avoid. That's not how you plan for resilience—that's how you plan around dysfunction.

What Comes Next? The US needs stronger, more interconnected, and more resilient transmission, but the federal permitting system is standing in the way. [Third Way](#) [partnered with Heatmap News](#) for a live conversation on the state of permitting reform and what it will take to move faster without cutting corners. Reporter Robinson Meyer sat down with Senator Martin Heinrich (D-NM) to talk candidly about where permitting reform stands, what's politically achievable right now, and why transmission remains one of the hardest and most necessary pieces of the clean energy transition. You can also listen to their follow-up conversation [here](#).





- [Josh Busby and Greg Pollock](#), in *Foreign Policy*, dissect the 2026 National Defense Strategy and argue that excluding issues like climate change and the energy transition overlooks a growing source of strategic risk for the US.
- [Kate Yoder](#), in *Grist*, spotlights the Trump Administration's new mascot, 'Coalie,' and its broader strategy of rebranding fossil fuels while simultaneously rolling back environmental protections and mine cleanup policies.
- [Shayle Kann](#), on the *Catalyst* podcast, sits down with Dr. Katy Huff, former assistant secretary for nuclear energy at the Department of Energy, to discuss the next generation of nuclear reactors and what it will take to deploy them at scale.
