Julie Fedorchak
NORTH DAKOTA'S CONGRESSWOMAN

# Ending Intermittent Energy Subsidies Act

The ***Ending Intermittent Energy Subsidies Act***, led by Rep. Julie Fedorchak (R-ND), would responsibly phase out the "Inflation Reduction Act's" (IRA) production and investment tax credits for wind and solar over five years. These subsidies, once intended to jumpstart emerging energy technologies, now represent excessive, unnecessary federal spending that distorts energy markets and threatens grid reliability.

**BACKGROUND:**

Sections 45Y and 48E of the IRA offer tax credits for zero-emission energy sources like wind, solar, nuclear, hydropower, geothermal, and battery storage. While some of these technologies are still emerging and may need support, wind and solar have already received decades of federal subsidies.

Despite now enjoying lower costs, longer lifespans, and broad market adoption, wind and solar still benefit from generous taxpayer-funded subsidies. Instead of phasing these out, the IRA expanded them by:

- Allowing tax credits to be sold to third parties
- Tying the expiration of the credits to ambitious emissions goals that may never be met

The Cato Institute estimates that Sections 45Y and 48E could cost up to $901 billion over the next decade—nearly three times more than the Congressional Budget Office's latest projection.

**These subsidies are now causing serious market distortions, including:**

- **Electricity Market Disruption:** Continued subsidization of intermittent resources is undermining dispatchable, load-serving generation and disincentivizing investment in reliable baseload power.

- **Grid Reliability Concerns**: The North American Electric Reliability Corporation (NERC) warns that two-thirds of the United States is at elevated or high risk of blackouts due to increased intermittency. (Figure 1.)
- **Gap Between Installed and Accredited Capacity:** Due to oversupply of wind and solar and the compelled retirement of reliable thermal generators, the megawatts being added to the grid are becoming less dependable over time. (Figure 2.)

**THE SOLUTION:**

The ***Ending Intermittent Energy Subsidies Act*** will restore market signals that support investment in dependable, dispatchable generation by:

- Phasing out the Production Tax Credit (45Y) and Investment Tax Credit (48E) for wind and solar over five years
- Maintaining the credit for other qualified technologies

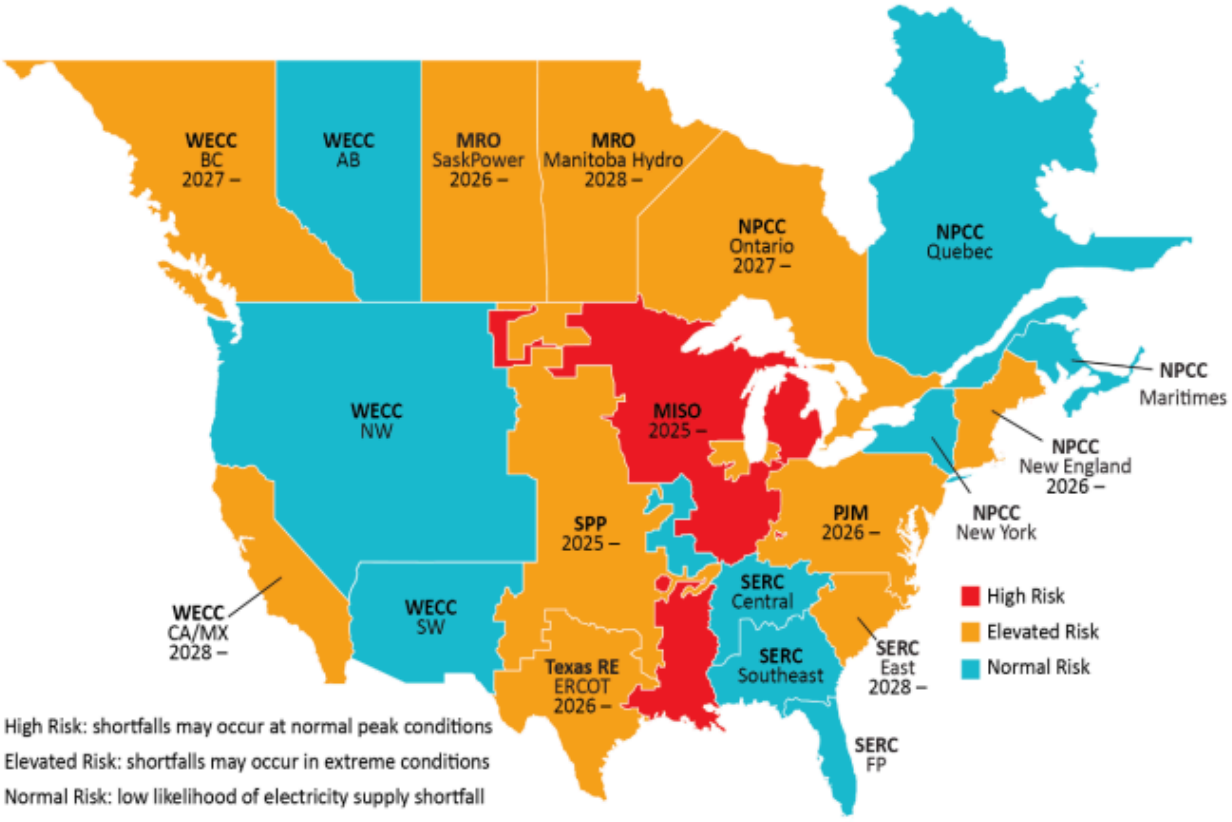
---

Rep. Fedorchak has 30 years of experience in business and public service, including 12 years as a state energy regulator where she regulated 5 multi state monopoly utilities and permitted more than $15 billion of energy infrastructure. She also served as president of the National Association of Regulatory Utility Commissioners (NARUC) in 2024, advocating for responsible energy development essential to economic growth and national security.

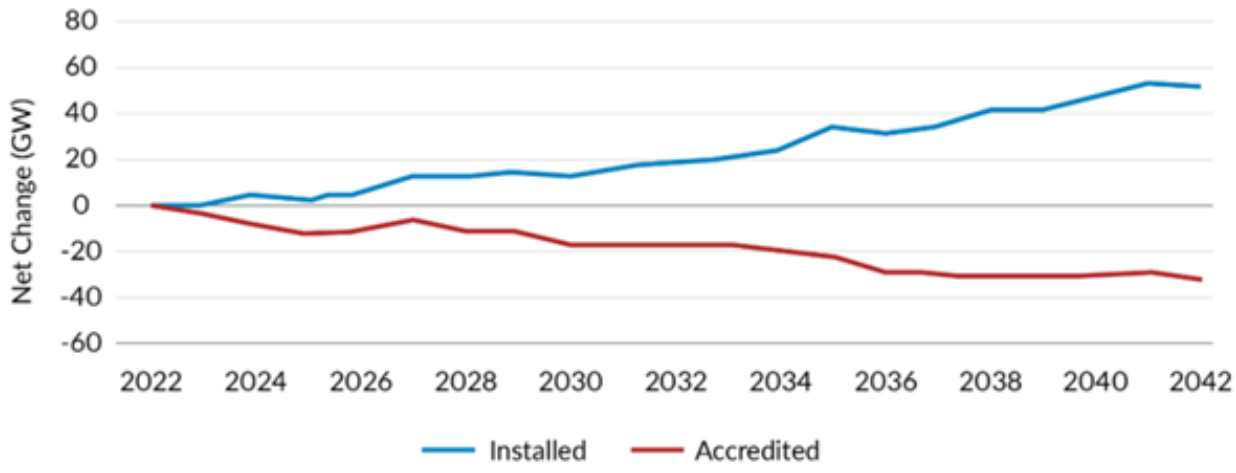
For questions about the legislation, please contact Talmage.Tyler@mail.house.gov.

Julie Fedorchak
NORTH DAKOTA'S CONGRESSWOMAN

## FIGURE 1: Risk Area Summary 2025-2029




## FIGURE 2: Projected Capacity Change Based on Existing and Member Planned Resources




Julie Fedorchak
NORTH DAKOTA'S CONGRESSWOMAN