

Shapiro's Lights Out Agenda

Analysis of Governor Shapiro's Lightning Plan

SUMMARY

- In January, Gov. Josh Shapiro unveiled his [Lightning Plan](#), which he calls a “bold, all-of-the-above energy plan” to shift energy policy in the commonwealth toward more centralized planning and a regulatory regime that favors green energy projects.¹ In May, the state House of Representatives passed [parts of the plan](#)—the Community Energy Act and an expansion of the 2022 Pennsylvania Economic Development for a Growing Economy (PA EDGE) tax credit.²
- In practice, “[all-of-the-above](#)” energy strategies, such as the Lightning Plan, impose heavy-handed regulatory frameworks and subsidies for politically favored green energy sources, such as wind and solar, jeopardizing reliability and affordability.³ It is more advisable to take approaches to energy policy that prioritize reliability and affordability.
- The primary pillars of Shapiro's plan are the Pennsylvania Climate Emissions Reduction Act (PACER) and the Pennsylvania Reliable Energy Sustainability Standard (PRESS). Recent analysis shows that the combined economic impact of [PACER and PRESS](#) would result in \$157.2 billion in new electricity costs for Pennsylvanians through 2035, more than doubling household electricity bills.⁴
- The Lightning Plan undermines Pennsylvania's proven track record as an energy leader. It would drastically increase the cost of electricity by enacting new energy taxes, super-sizing handouts to government-selected projects, expanding regulation, and imposing new mandates to limit consumer choices and the commonwealth's competitive energy advantage.

PACER AND PRESS

- [PACER](#) is a carbon tax that places a price and cap on in-state emissions,⁵ similar to the [Regional Greenhouse Gas Initiative](#) (RGGI).⁶ PACER would increase operational costs for energy producers. These costs are typically passed on to consumers, leading to higher electricity rates. Additionally, such measures can prompt producers to relocate to states, leading to job losses within Pennsylvania.
- [PRESS](#), which recently [passed out of committee](#) in the PA House,⁷ would significantly expand Pennsylvania's mandates for electricity generated by wind, solar, battery storage, advanced nuclear power plants such as small modular reactors (SMRs), “clean” hydrogen, carbon capture and sequestration on coal or natural gas plants, biomass, geothermal, and more, by 2035. However, as recent analysis shows, PRESS is incredibly expensive due to a massive overbuild of intermittent sources, specifically wind and solar with battery storage.⁸

- The combination of PACER and PRESS would increase electricity prices across all sectors in Pennsylvania, resulting in \$157.2 billion in new energy costs: \$155 billion from PRESS compliance and \$2.2 billion from PACER.⁹

PA EDGE TAX CREDIT 2.0

- The Lightning Plan proposes an [expanded version](#) of the [PA EDGE tax credit program](#).¹⁰ It would offer significant subsidies to support energy projects, such as hydrogen production and sustainable aviation fuel (SAF), as well as other industries selected by bureaucrats rather than consumer demand or market forces.
 - Eligible projects could receive up to \$100 million per facility, \$49 million annually for clean hydrogen production, \$40 million for geothermal sites, and \$15 million per year for SAF production.
 - In its original form, the PA EDGE program was [never used](#), as companies struggled to qualify for the credits.¹¹
- Rather than removing corporate handouts and cutting red tape to attract economic investment, Shapiro's plan incentivizes government-chosen winners and losers.

RESET BOARD

- The proposed Reliable Energy Siting and Electric Transition ([RESET](#)) Board creates a new centralized state board to oversee and streamline approvals for large energy projects.¹² Reliable energy projects capable of producing more than 25 megawatt-hours are eligible.
 - While streamlining permitting processes and reforming regulations is a noble effort, the RESET Board creates further bureaucracy instead of addressing the root cause of delays.
 - Expediting permitting begins with scrutinizing existing regulations and setting a high standard for future regulations, which will incur a high compliance cost. Instead of RESET, Pennsylvania should enact the [TRAP Act](#) and a state version of the Regulations from the Executive in Need of Scrutiny ([REINS](#)) Act.
 - The Transparency, Reform, and Accountability for Pennsylvania (TRAP) Act establishes an office modeled after the federal Department of Government Efficiency (DOGE) to systematically review and recommend the repeal or reform of outdated, burdensome, or duplicative state regulations. This office will collect input from stakeholders across sectors and deliver actionable recommendations to reduce regulatory red tape, foster a more transparent environment with better regulatory certainty, and enhance government efficiency.
 - The RESET Board review offers no protection against the risk of overbuilding intermittent energy resources, which would increase costs and compromise reliability.
 - Any review process for major energy projects must ensure the changes improve the adequacy and reliability of the existing power grid at the least cost to ratepayers.
 - Lawmakers must establish clearly defined source-neutral reliability standards in law that account for intermittency and total system costs when adding new generation or removing generation.

“COMMUNITY ENERGY” AND ACT 129

- The “Community Energy” component of the Lightning Plan is a program that allows farmers, rural, and low-income communities to subscribe to shared renewable energy resources, such as methane digesters.¹³
 - While marketed as a benefit to low-income communities, the actual cost and scale of implementation remain unclear, and there is no guarantee of long-term savings or grid reliability.
- The plan also calls for reforms to Pennsylvania’s Act 129, a 2008 law that requires electric distribution companies (EDCs) to develop and implement energy efficiency and conservation (EE&C) programs. The Lightning Plan’s [reforms increase funding for rebates and incentives](#) to encourage residential and commercial energy efficiency upgrades, like new appliances and HVAC systems. It aims to reduce electricity demand and lower long-term utility bills.¹⁴
 - Act 129, in its current form and with the proposed reforms, fails to account for higher upfront costs to achieve efficiency mandates. It also limits consumer choices and is intended to avoid the costly infrastructure expansion costs required under the PRESS proposal.

CONCLUSION

- Independent Fiscal Office (IFO) data updates for 2024 and 2025 indicate that Pennsylvania is already **reducing emissions and increasing electricity generation** without the need for new mandates or carbon taxes that would drive up consumer costs.¹⁵ PACER and PRESS would jeopardize Pennsylvania’s [competitive edge](#) as the country’s top electricity-exporting state and the second-largest natural gas producer.¹⁶
- While carbon taxes and alternative energy mandates together create draconian regulatory expansions and higher consumer prices, the **compliance costs associated with PRESS’s expansion of the current Alternative Energy Portfolio Standard pose the most significant risk to the commonwealth’s economy in Shapiro’s Lightning Plan.**
- Rather than creating more government programs, increasing subsidies, expanding failing programs, and centralizing control over consumer choices, most of Shapiro’s end goals could be reached by cutting red tape for all industries and engaging in robust, meaningful regulatory and permitting reform to deliver the most reliable and affordable energy options for Pennsylvanians.
- Instead of opposing lawmakers in court over RGGI, Shapiro should fulfill his campaign promise to work with the General Assembly on a comprehensive [energy policy agenda](#) that prioritizes the needs of Pennsylvanians for reliable and affordable energy.

¹ Office of the Governor, “Governor Shapiro Unveils “Lightning Plan” to Strengthen Commonwealth’s Energy Leadership, Create Jobs, and Lower Costs for Consumers,” release, January 30, 2025, <https://www.pa.gov/governor/newsroom/2025-press-releases/gov-shapiro-s--lightning-plan--moves-forward-two-key-components-.html>.

² Office of the Governor, “Governor Shapiro’s “Lightning Plan” Moves Forward in General Assembly as Two Key Components Pass House of Representatives,” release, May 15, 2025, <https://www.pa.gov/governor/newsroom/2025-press-releases/gov-shapiro-s--lightning-plan--moves-forward-two-key-components-.html>.

³ André Béliveau, “An ‘All-of-the-above’ Energy Plan Is No Plan at All,” *National Review*, September 4, 2024, <https://www.nationalreview.com/2024/09/an-all-of-the-above-energy-plan-is-no-plan-at-all/>.

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- ⁴ Isaac Orr and Mitch Rolling, “Preventing Pennsylvania from Powering Down: Analysis of Governor Shapiro’s PACER and PRESS Proposals” (Harrisburg, PA: Commonwealth Foundation, May 27, 2025), 4, 6, 14, <https://commonwealthfoundation.org/research/pacer-press-report/>.
- ⁵ Rep. Aerion Abney, House Bill 503, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb503>.
- ⁶ André Béliveau, “State of RGGI: Past, Present, and Future,” Commonwealth Foundation, December 5, 2025, <https://commonwealthfoundation.org/research/rggi-pa-backgrounder/>.
- ⁷ Rep. Danielle Friel Otten, House Bill 501, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb501>; Commonwealth Foundation, “PRESS Passes Out of Committee, Threatening Another Hike in Electric Bills,” release, June 2, 2025, <https://commonwealthfoundation.org/2025/06/02/press-passes-out-of-committee-threatening-another-hike-in-electric-bills/>.
- ⁸ Orr and Rolling, “Preventing Pennsylvania from Powering Down,” 4, 24.
- ⁹ Orr and Rolling, “Preventing Pennsylvania from Powering Down,” 4, 6, 19, 23.
- ¹⁰ Rep. John Inglis III, House Bill 500, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb500>.
- ¹¹ Stephen Caruso and Kate Huangpu, “Nobody Is Using \$2.6B in Pa. Tax Credits. Gov. Josh Shapiro Wants a Rewrite to Boost Electricity Production.” *SpotlightPA*, October 14, 2024, <https://www.spotlightpa.org/news/2024/10/pennsylvania-josh-shapiro-tax-credit-electricity-semiconductor-fuel/>.
- ¹² Rep. Mandy Steele, House Bill 502, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb502>.
- ¹³ Rep. Peter Schweyer, House Bill 504, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb504>.
- ¹⁴ Rep. Kyle Donahue, House Bill 505, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/hb505>.
- ¹⁵ Jesse Bushman, “Pennsylvania Electricity Update” (2025), Pennsylvania Independent Fiscal Office, February 2025, http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/RB_2025_02_Electricity.pdf; Jesse Bushman, “Pennsylvania Electricity Update” (2024), Pennsylvania Independent Fiscal Office, March 7, 2024, http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/Electricity_Update_2024.pdf.
- ¹⁶ André Béliveau, “IFO Data Shows Pennsylvania’s Emissions Success Story,” Commonwealth Foundation, March 18, 2025, <https://commonwealthfoundation.org/research/pennsylvania-emissions-success-story/>.