DORSEY
DORSEY + WHITNEY LLP

Energy Law: Month in Review

February 14, 2026 – Dorsey Law & Policy Notebook
by Law & Policy Notebook

Dorsey's full **Energy Law: Month in Review** for January 2026 can be found here. Below we've posted some of the policy related highlights.

DOE Revokes $1.8-billion Clean-Energy Loan Commitment to Arizona Public Service
 On January 29, 2026, the DOE confirmed that it cancelled a $1.8-billion clean-energy loan commitment it had made on January 7, 2025, to Arizona Public Service ("APS"). APS's goal is to retire all coal-fired generation by 2031 and to supply 100% carbon-free electricity to customers by 2050. At the time DOE announced its loan commitment, it stated that the loan would help finance the utility's "new or upgraded transmission projects, renewable power generation, and grid-integrated energy-storage systems." According to the DOE, the loan cancellation followed "an exhaustive first-year review" of the Biden Administration's loan commitments.

Appropriations Bill Funds DOE's Wind and Solar Programs
 Despite proposing zero funding to DOE's wind and solar programs, Donald Trump signed an appropriations bill ("Appropriation") providing $3.1 billion to the DOE's Office of Energy Efficiency and Renewable Energy ("EERE"), including $320 million to wind and solar programs. The $3.1 billion is an overall decrease from the $3.46 billion it received in 2025. But the Appropriation increases EERE's budget for solar projects from $41.9 million to $220 million and its wind projects from $29.8 million to $100 million.

Illinois Sets 3-GW Energy-Storage Target and Requires Utilities to Develop Virtual Power Plants
 On January 8, 2026, Illinois Governor J.B. Pritzker signed into law the Clean and Reliable Grid Affordability Act, which aims to combat rising electricity costs through development of battery storage and virtual power plants, new planning processes,

Related Capabilities

- Mergers & Acquisitions
- Securities & Financial Services Litigation & Enforcement
- Government Enforcement & Corporate Investigations

energy-efficient investments, residential solar, and other initiatives. The law directs Illinois utilities to install 3 GW of grid-scale energy storage by 2030 and to develop programs to pay customers to use resources like batteries, smart thermostats, and EV chargers. It also lifts a moratorium on large nuclear-reactors. The law will double the allowed size of community solar projects to 10 MW. It also extends clean-energy siting reforms to storage projects, allows the Illinois Commerce Commission to accelerate renewables projects before federal tax credits expire, establishes a solar bill of rights for consumers, and ties the state’s Renewable Portfolio Standard budget cap to inflation to avoid disruptions to clean-energy procurement.