

America's Electric Cooperatives Set a New Record for Renewable Additions in 2025

Key Findings

- Co-ops added more than 1,800 megawatts of new renewable capacity in 2025, including over 1,200 megawatts of solar – both new records.
- More than 4.4 gigawatts of additional renewable capacity are scheduled to come online from 2026 through 2030.
- Solar is the fastest growing resource, but there has been an uptick in planned wind capacity in the coming years as well.

Electric Cooperatives and Federal Hydropower – A Long History

Electric cooperatives¹ have relied upon federal hydropower since the very beginning, as the growth of rural electrification was intertwined with the growth in federal hydropower, both resulting from economic development “New Deal” programs of the 1930s. Federal hydropower was the primary source of electricity during the early days of rural electrification through the 1960s. Today, co-ops purchase the output from roughly 10 gigawatts of federal hydroelectric facilities sold by the four federal Power Marketing Administrations and the Tennessee Valley Authority.

Most of this power is purchased under the “preference principle,” wherein not-for-profit co-ops and public utilities are given first right of purchase at the lowest possible cost, which provided an early source of affordable power for rural electrification. Federal hydropower remains the primary source of power for electric cooperatives in the Pacific Northwest, and it is an important source of power for co-ops across the U.S.

Renewable Capacity Growth in 2025

Co-ops added a record 1,811 megawatts of new renewable capacity to their portfolios in 2025, exceeding the previous record of 1,714 megawatts added in 2020.² This is despite more than 650 megawatts of projects originally planned for 2025 being delayed by a year or more, and the cancelation of additional projects totaling nearly 270 megawatts.

¹ While “electric cooperatives” or “co-ops” will be used, these figures include NRECA’s rural public power, tribal, and mutual utility members as well.

² Data on cooperative renewable resources are based on NRECA analysis using a variety of public sources.

By the end of 2025, co-ops had more than 28.4 gigawatts of renewable capacity³ in their resource portfolios. This includes 10 gigawatts of preference purchases from federal hydro facilities, and nearly 18.4 gigawatts of other resources including wind, solar, biomass, and heat capture technologies, as well as other non-federal hydroelectric generation (see Figure 1).

Of those 18.4 gigawatts, more than 80 percent is owned or contracted for by generation and transmission (G&T) cooperatives,⁴ with the remainder owned or under contract by distribution cooperatives. Robust growth is set to continue, with more than 4.4 gigawatts total capacity at currently announced projects scheduled to come online between 2026 and 2030.⁵

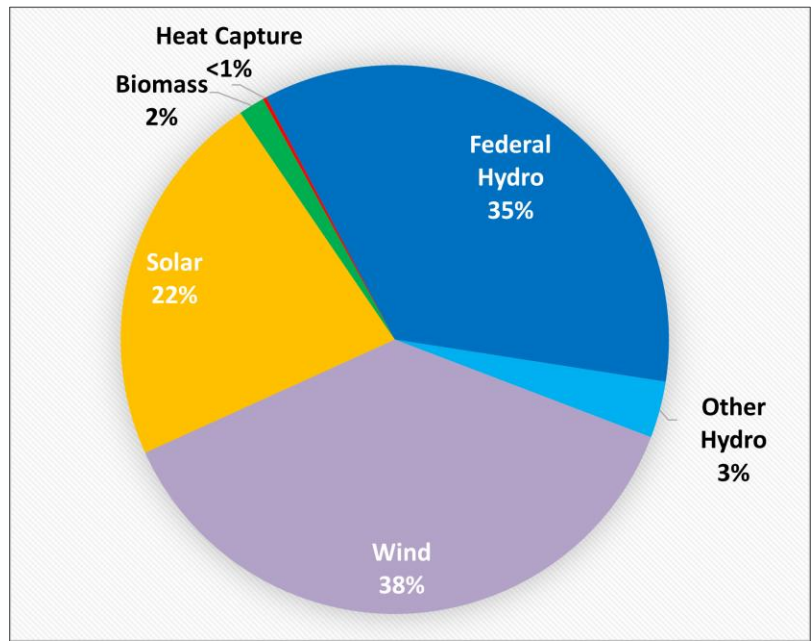


Figure 1: Co-op Renewable Portfolio (including federal hydro) ~28.4 gigawatts (2025)

Co-op Wind Growth Set to Pick Up, While Solar Growth Set New Record

Wind generation accounted for a large majority of co-op renewable additions over the last two decades, with more than 10.6 gigawatts of wind capacity online by the end of 2025. After no new wind capacity in 2024, 593 megawatts were added in 2025, and projects totaling more than 1,500 megawatts are scheduled to come online between 2026 and 2030. There has been an uptick in planned wind capacity, with projects timed to capture current federal tax credits before they are phased out. Co-op wind capacity is predominantly in the Midwest and Texas, where wind resources are most abundant.

Solar has been the fastest growing renewable technology for co-ops since 2021, and a record 1,218 megawatts was added in 2025, edging out the 1,150 megawatts added in 2024 and driving total capacity to over 6.3 gigawatts. With nearly 2,900 megawatts of new solar capacity planned to come online between 2026 and 2029, solar projects account for a majority of planned co-op renewable capacity (see Figures 2 and 3). Solar growth has accelerated in large part due to the increasing size of co-op solar projects. This trend began in the Southwest and the West, but co-op solar projects ranging from 50 to 250 megawatts have become increasingly common across the country.

³ Some co-ops sell the environmental attributes of power generated using renewable resources, and technologies are treated differently in varying states and markets.

⁴ Including Green Power EMC, a green power program that secures renewable resources on behalf of 38 Georgia EMCs.

⁵ This includes capacity from projects that have already come online in the first half of 2026.

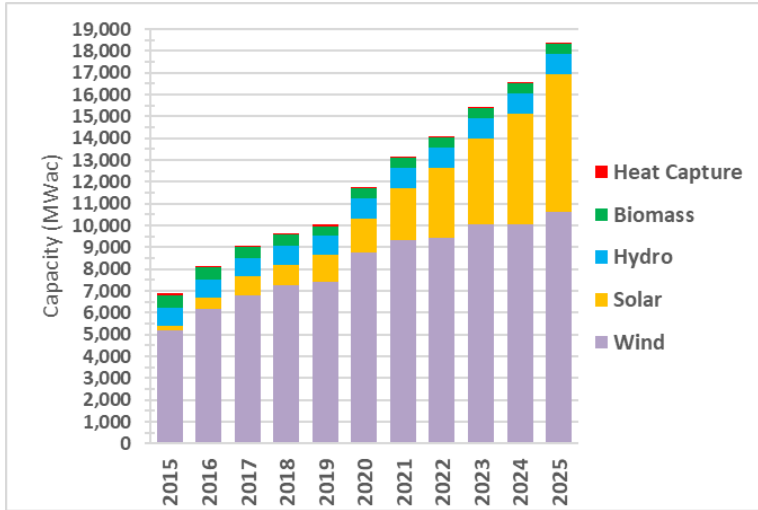


Figure 2: Cumulative Co-op Renewable Capacity Online (By Type, excluding federal hydro)

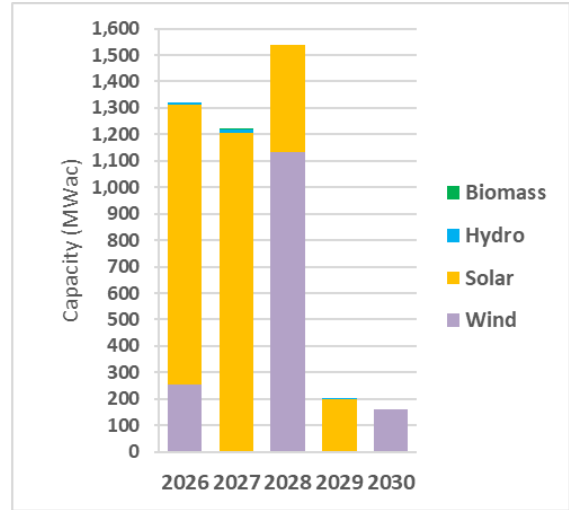


Figure 3: Planned Capacity by Year (By Type)

This shift from wind to solar follows national trends driven by solar price declines and the wider national resource footprint (e.g., in the Southeast where solar has grown but onshore wind potential is limited). Differences in federal tax credits between the technologies also played a role, though both are now being phased out. There is also a deliberate effort by grid planners in areas with significant wind adoption to add solar generation to balance wind generation daily (with solar producing during the day and wind producing more at night) and seasonally (with solar output higher in summer and wind output higher in cooler months). The complementarity of wind and solar production patterns means that deploying these resources together can ensure more predictable output from the combined portfolio of intermittent renewable generation.

Renewable hybrid projects with battery energy storage systems (BESS) are becoming increasingly common. BESS can provide a degree of dispatchability that can be used to smooth out intermittent generation, shift output to better align with demand, and generally to support grid reliability by increasing the capacity value of hybrid plants. While solar+battery hybrids are by far the most common for co-ops and nationally, BESS are now being added to more existing and planned wind plants as well. Unlike for renewables, federal tax credits for storage are being maintained, reducing the cost of adding batteries to hybrid renewable plants.

Most Growth has Come through Power Purchase Agreements

Most electric cooperatives are not-for-profit and exempt from federal taxes, which has historically made it difficult to directly access federal tax credits for renewable project development. For this and other reasons (e.g., risk management, lack of operating experience), co-ops have primarily utilized power purchase agreements (PPAs) to add new renewable resources, often sharing some of the benefits of the tax credits with the project owner through negotiated contract rates and provisions. Of the nearly 18.4 gigawatts of non-federal co-op renewable capacity, more than 16.2 gigawatts (89%) are under PPAs, and the ratio is similar for planned projects (see Figures 4 and 5).

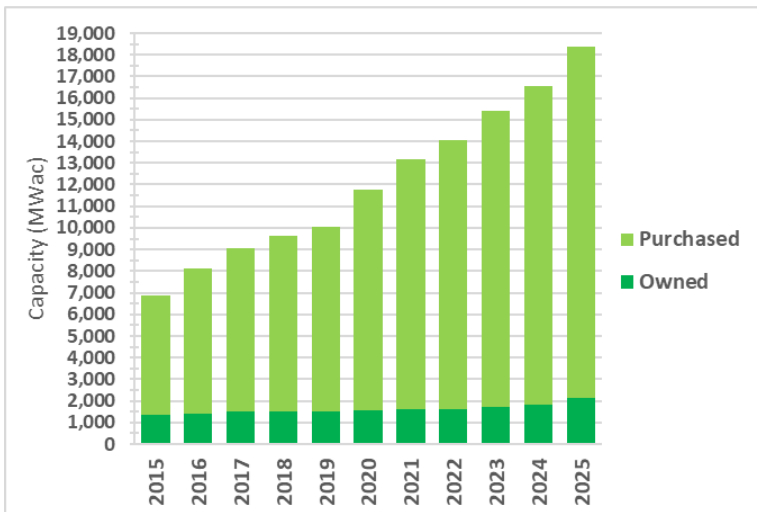


Figure 4: Cumulative Co-op Renewable Capacity Online (By Owned or Purchased through PPA, excluding federal hydro)

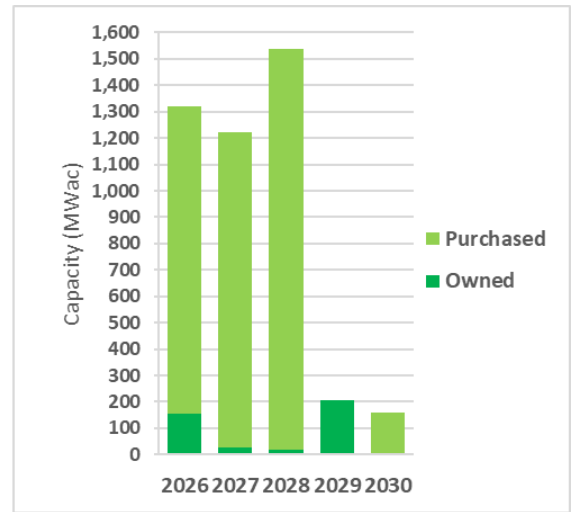


Figure 5: Planned Capacity by Year (By Owned or Purchased through PPA)

Contact for Questions

Michael Leitman

Director, Strategic Analysis

michael.leitman@nreca.coop