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After OBBBA: What's Next for Energy M&A and PPAs?

Over the past two years, sweeping shifts in policy, load growth expectations, supply chain constraints, and geopolitical risk have combined to create deep uncertainty in U.S. power markets. For energy mergers and acquisitions (M&A), the market evolved from a 'growth-first' landscape in 2021–2022, in which platform acquisitions and large-scale portfolio transactions were fueled by low interest rates and global capital inflows, to a low-price, low-volatility environment in 2024–25, driven by higher interest rates, interconnection costs, and regional overbuilds. Meanwhile, the elimination of investment tax credits (ITC) and production tax credits (PTC) in the One Big Beautiful Bill Act (OBBBA) had pronounced impacts on solar and wind PPA prices. As the post-OBBBA dust begins to settle, however, a clearer path forward is emerging as investors repricing opportunity and adjust risk appetites.

In a recent webinar, Dr. Michael Fisher, Director of Valuation Services at Ascend Analytics, joined Rahm Orenstein, Managing Director of Ascend Energy Exchange, and Dr. Brandon Mauch, Senior Managing Director of Operations & Strategy, to discuss where to expect M&A activity, PPA price trends, development fees across U.S. energy markets, and more.

Key Takeaways

- Interest in renewables and storage M&A is recovering strongly. M&A activity rebounded in Q1 2026, and a significant percentage of developers and IPPs surveyed by Ascend expect higher transaction levels in 2026 compared to 2025.
- The OBBBA has introduced the most significant near-term pricing shock to solar PPAs in recent years, driving a 24% price increase in CAISO alone. Storage pricing has remained comparatively resilient.
- Not all clean energy projects are created equal: buyers are still searching primarily for de-risked assets, in favorable locations and a path to offtake, widening the gap between seller expectations and actual market valuations.
- In an M&A environment where buyers are increasingly disciplined while sellers face both a time crunch and the need to recycle capital, the ability to communicate a project's value clearly and credibly is more important than ever. Leveraging a resource such as the Ascend Energy Exchange, which connects a deep pool of sellers and buyers, while leveraging neutral and bankable asset valuations, can save time and significantly improve outcomes.
- Development fee premiums for late-stage projects vary significantly by region, with CAISO commanding the highest premiums and ERCOT among the lowest, driven by very different supply and demand dynamics.

- OBBBA pressured solar projects to come online by 2029 to claim tax credits. Post-OBBBA, prices for solar offers increased significantly for all commercial operating dates (CODs).
- The full webinar provides detailed data and actionable insights for developing strategies to maximize a successful PPA strategy and M&A risk-adjusted returns.

Is the Clean Energy M&A Market Recovering?

The energy M&A market appears to be recovering. Q1 2026 data tracked by Ascend shows a significant jump in BESS and hybrid asset M&A activity, as seen in **Figure 1**. Key drivers include greater policy clarity as the post-OBBBA dust settles, a wave of capital realignment as companies restructure portfolios, and data center-driven load growth.

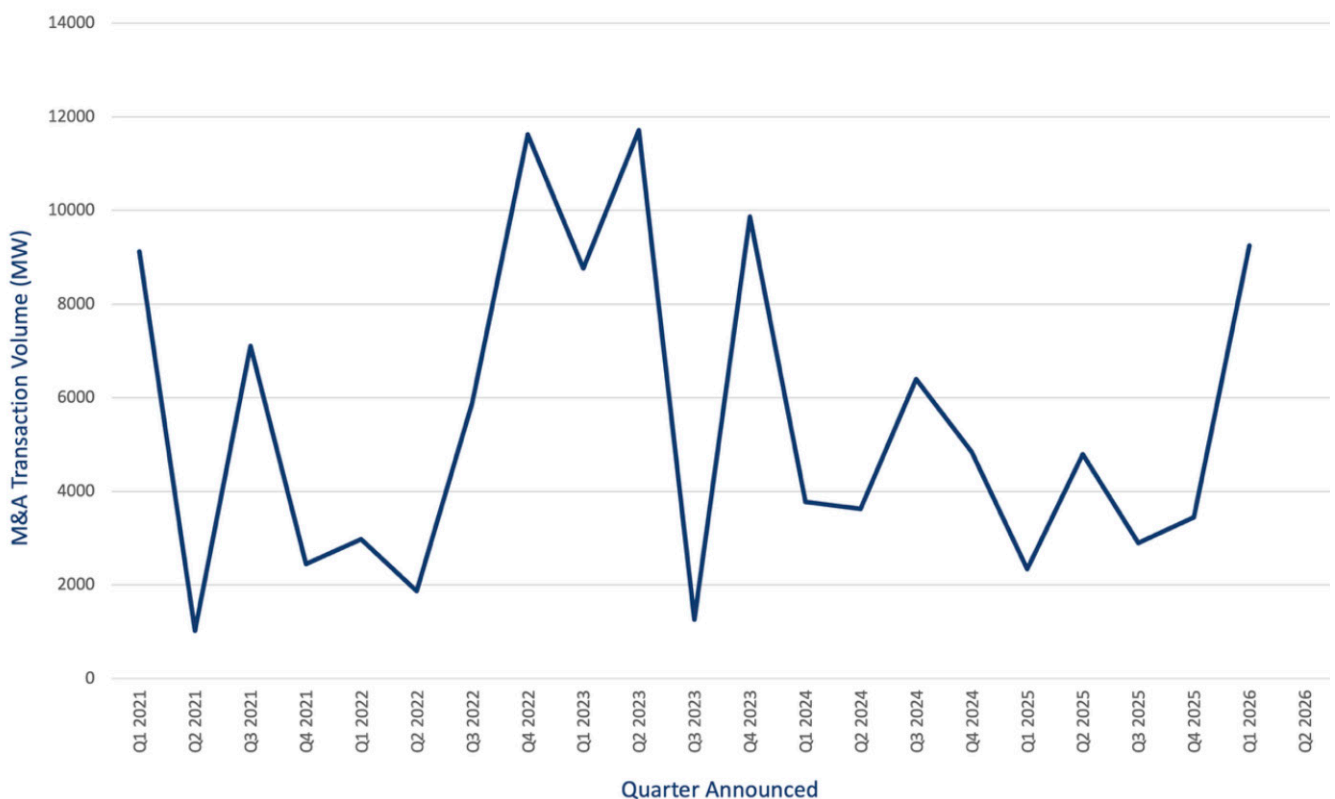


Figure 1. BESS and PV+BESS M&A Transaction Volume (MW)

Results from Ascend’s own annual M&A survey, conducted across 87 different developers and independent power producers (IPPs), align with this trend. 40% of buyers and 44% of sellers expect higher volumes of transactions in 2026, with many companies that did not transact in 2025 planning to do so in 2026. Ascend’s survey also noted that large portfolio sales above 500 MW have more sellers than buyers, suggesting a need to sell multiple projects at smaller deal sizes to a set of buyers.

What Do Energy Project M&A Buyers Want Right Now?

Across asset types, battery energy storage systems (BESS) generate the highest level of buyer interest. Solar + storage hybrids and standalone solar follow closely, while wind lags behind, which likely reflects both development challenges and an unfavorable federal policy environment.

Project quality continues to be a critical consideration, and not all projects are created equal. Buyers are scrutinizing locational value, interconnection costs, permit status, FEOC exposure, tariff risks, and the path to viable offtake opportunities. Sellers, meanwhile, are absorbing higher development costs and longer timelines, creating a growing valuation gap that can be a source of friction with potential buyers. Development fee expectations also differ by market and project maturity.

How Has the OBBBA Changed PPA Pricing?

In CAISO, solar PPA prices had already climbed 13% year-over-year before the bill's passage. Post-OBBBA, prices jumped an additional 24%, driven by the accelerated tax credit phaseout timeline and persistent tariff uncertainty around equipment supply chains, as seen in **Figure 2**.

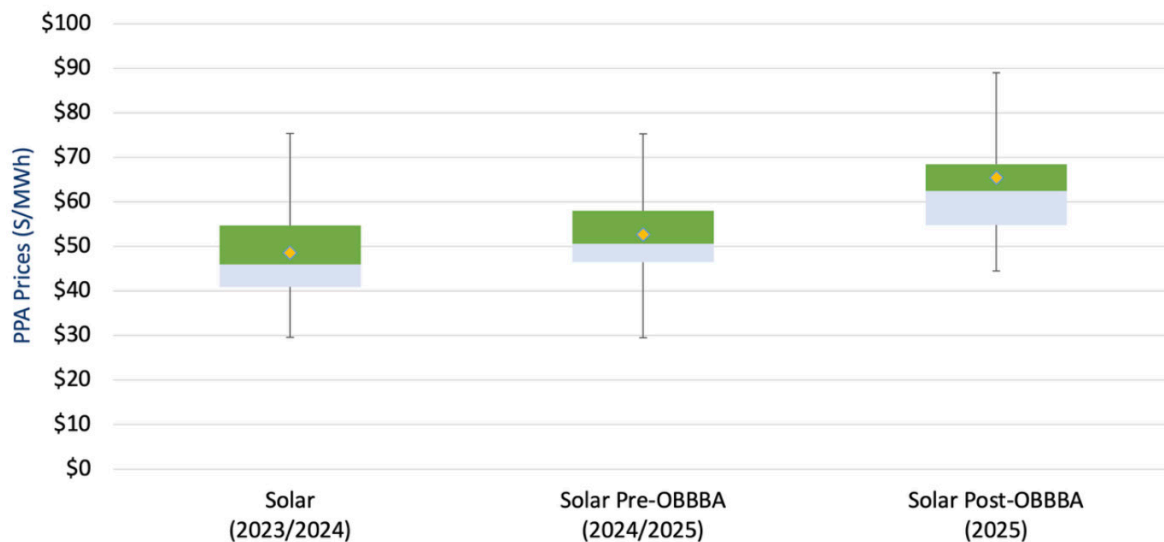


Figure 2. Solar generation PPA prices, CAISO (\$/MWh)

Pre-OBBBA, solar offers were distributed fairly evenly across 2027–2030 CODs. Post-OBBBA, nearly half of all CAISO solar bids are now clustering around 2029, which is the last year projects can still qualify for the full ITC and PTC, with near-term COD premiums reflecting the combined burden of FEOC compliance risk and tariff exposure.

The post-OBBBA effect on storage price levels appears modest. Overall, prices for standalone storage show no signs of significant change due to the OBBBA. However, levels are slightly higher in general for nearer term CODs and slightly lower in general for later CODs. Storage pricing post-OBBBA reflects the continuation of the ITC for storage resources, tempered by FEOC concerns as well as tariff uncertainties.

Interested in Learning More?

The Ascend Energy Exchange (AEX™) platform, an exchange for renewable and storage projects, allows buyers to receive access to carefully vetted assets and portfolios, supported by Ascend's full suite of market-level and project-level valuation, risk assessment, and unique off-take/hedge solutions.

Ascend Power Procurement (APP™) enables energy buyers to meet climate and reliability goals by conducting automated and highly competitive power procurement processes, totaling more than the U.S. data center load each year. Designed for utilities, community choice aggregators, and corporate renewable energy buyers, APP facilitates the process of executing PPAs by providing an RFP hosting service, shortening the processing time of bids, and evaluating offers with advanced modeling tools and analytics to capture project risks and true economic value. Contact us to learn more.

Ascend Analytics is the leading provider of market intelligence and analytics solutions for the power industry.

The company's offerings enable decision makers in power development and supply procurement to maximize the value of planning, operating, and managing risk for renewable, storage, and other assets. From real-time to 30-year horizons, their forecasts and insights are at the foundation of over \$50 billion in project financing assessments.

Ascend provides energy market stakeholders with the clarity and confidence to successfully navigate the rapidly shifting energy landscape. Visit us at ascendanalytics.com