

BCSE Priorities for Federal Permitting Reform

Energy projects currently face several obstacles to deployment, including a lengthy federal process to receive approval for necessary building permits, a lack of coordination among agencies, and delays due to lawsuits. Governors and state regulators must also be consulted in the permitting of energy projects.

At the same time, the United States needs more energy. The U.S. Department of Energy states in its July 2025 report on grid stability that there are significant risks to U.S. grid reliability from rising electricity demand – particularly driven by data centers and AI – and aging infrastructure, indicating a pressing need for additional energy generation. The report warns of a potential 100-fold increase in blackout hours by 2030 due to insufficient generation to meet growth in demand.

Without action, the U.S. is putting its leadership in AI, manufacturing, and economic prosperity in jeopardy. A durable legislative solution and potentially new tariff structures to allow data centers to implement energy efficiency measures or purchase clean energy directly are needed.

BCSE Policy Priorities

1 Expedite and Modernize Permitting

Lengthy energy project permitting processes threaten U.S. energy security, grid reliability, and economic competitiveness, necessitating reform. Better planning and coordination are critical. Measures such as simplifying and expediting the review process through a requirement for permit application page limits, faster review deadlines from agencies, or a “one stop shop” for permitting review activities should be considered.

2 Simplify and Expedite Review Processes Under the National Environment Policy Act, Clean Water Act, Endangered Species, Historic Preservation, Department of Defense, Federal Aviation Administration

Measures include policies to:

- Administer federal permitting in a technology-neutral and apolitical manner that allows energy projects of all types to move forward with processes and final decisions which can be relied upon with certainty by investors and developers.
- Consider limiting the scope of review and the level of detail for environmental impact statements (EISes) and environmental assessments (EAs) under the National Environmental Policy Act (NEPA) so deadlines are feasible for permit applicants.
- Expand the use of categorical exclusions for projects with minimal environmental impact.
- Expedite Endangered Species Act reviews.
- Use programmatic consultations for repeated project types.
- Limit states' ability to delay Clean Water Act permit applications by deeming them incomplete or considering effects with no or minimal relation to water quality.
- Implement digital tools to help identify potential impacts early in the planning process.
- Simplify historic preservation reviews and streamline procedures for military construction and infrastructure projects, especially for projects that promote energy efficiency and sustainability.
- Deploy standardized, modular assets – like battery energy storage systems (BESS), fuel cells, and microgrids – on federal lands to support schools, military bases, public buildings, and hospitals.
- Accelerate and streamline review of grid infrastructure projects and expedite wildfire mitigation activities on utility rights-of-way.

3 Consolidate Permitting Under a Single Agency or Allow Concurrent Reviews to Create a “One Stop Shop” for All Permitting Activities

Multiple agency reviews significantly slow down permitting approvals. A single agency should be responsible for permitting decisions or concurrent reviews should be required to create a “one stop shop” to reduce costs, eliminate delays, increase efficiency, and provide greater accountability.

4 Provide Funding to State/Local Governments for Staff Capacity as Well as Modeling and Other Tools

Federal funding is needed to address a lack of staff, technical expertise, and up-to-date tools—such as modeling and data analytics — facing states and local governments. These shortfalls create a significant barrier to effective governance, digital transformation, and disaster preparedness.

5 Adopt Market Rules and Provide Funding to Power to New Large Loads (Data Centers/Manufacturing)

Market rules and funding mechanisms to accommodate large new electricity loads, such as data centers and manufacturing plants, need to be updated. Economic development must be balanced with the need to protect existing customers from increased costs and grid instability.

Congress should consider policies that:

- Assess the economic costs of integrating new loads onto the electric grid and consider the impact on ratepayers and the need for energy affordability.
- Implement variable pricing and demand response programs to allow large loads to receive more favorable connection terms in exchange for being flexible with their power usage.

6 Provide Federal Funding to Support Transmission and/or Distribution Infrastructure Enhancements, Both in Front of the Meter and Behind the Meter

Federal funding is essential to provide adequate staffing at federal agencies involved in the permitting process. “Front of the meter” refers to the electrical infrastructure owned and operated by utilities and grid operators. Federal programs, such as the Grid Resilience and Innovation Partnerships (GRIP) program and the Transmission Facilitation Program (TFP), have helped to strengthen and expand this infrastructure.

“Behind the meter (BTM)” refers to the infrastructure on the customer’s side of the meter, including rooftop solar, backup batteries, and smart appliances. These distributed energy resources (DERs) are critical for reducing stress on the main grid and can defer infrastructure upgrades.

7 Proactive Transmission Planning Between Balancing Authority Areas

Proactive transmission planning is required among Balancing Authority Areas (BAAs) to create a more integrated, cost-effective, and reliable grid. A major obstacle to a more efficient grid is the “seams” that exist between neighboring transmission systems due to incompatible market rules and different planning procedures that inhibit the free flow of power across regions.

In addition, policies that encourage use of Grid Enhancing Technologies (hardware and software) and advanced conductors can help get the most out of the existing grid. Nevertheless, they should not be viewed as a substitute for the need to add new infrastructure

8 Expedite the Siting of Old Oil Wells for Enhanced Geothermal Energy Development

Repurposing old oil and gas wells for enhanced geothermal energy development would accelerate the transition to a cleaner energy grid. It would avoid the substantial cost of drilling new wells, reduce environmental impact by taking advantage of existing infrastructure, like roads and grid connections, help maintain employment in fossil fuel communities and could be used for energy storage (CAES). Congress should also consider a categorical exclusion for exploratory drilling, leasing frequency, and adequate staffing capacity at the Bureau of Land Management.