



October 1, 2026

SPECIAL WASHINGTON WIRE: Permitting Reform

Senate Permitting Reform Proposal Could Accelerate Grid Investment

A bipartisan group of senators has released the Bipartisan American Affordability and Jobs Act of 2026, a 417-page proposal intended to modernize federal environmental review and permitting processes for energy, infrastructure, and other major projects. The legislation was introduced by Senate Environment and Public Works Chair Shelley Moore Capito (R-WV), Ranking Member Sheldon Whitehouse (D-RI), Senate Energy and Natural Resources Chair Mike Lee (R-UT), and Ranking Member Martin Heinrich (D-NM).

The proposal responds to growing concerns that lengthy and uncertain permitting timelines are delaying infrastructure investment, increasing project costs, and making it more difficult to expand the electric grid to serve rising demand from data centers, advanced manufacturing, and other large electricity users. The Senate bill would establish clearer deadlines, improve coordination among federal agencies, limit certain legal challenges, and provide greater certainty for projects that have received federal authorization.

Several provisions could be particularly significant for NAED members.

The bill would streamline federal approval of qualifying interstate transmission facilities and require parallel state and federal processing for certain projects capable of transmitting at least 345 kilovolts. It would also assign the Federal Energy Regulatory Commission (FERC) a lead-agency role for covered projects and direct agencies to coordinate federal authorizations under a unified schedule.

The legislation would also encourage wider deployment of advanced transmission technologies. For covered projects, utilities would be required to consider and, where appropriate, deploy technologies such as high-performance conductors, dynamic line ratings, advanced power-flow controls, and transmission-topology optimization. The bill would establish a “best-available transmission conductor” standard based on commercially available carrying capacity, efficiency, and mechanical performance. These provisions could increase demand for advanced conductors, monitoring systems, grid-enhancing technologies, controls, switchgear, and related equipment.

Transmission reconductoring is another potentially important provision for NAED members, and the legislation creates a long-sought after categorical exclusion for reconductoring, voltage increases, circuit additions, advanced transmission technologies, energy storage located near covered facilities, and parallel circuits when undertaken within or adjacent to existing rights-of-way. The bill would also direct the Departments of the Interior and Agriculture to develop or adopt categorical exclusions for reconductoring and grid-enhancing technologies on existing rights-of-way or previously disturbed land.

By reducing the need for duplicative environmental reviews on existing corridors, these provisions could help utilities increase transmission capacity more quickly without constructing entirely new routes. The approach is consistent with NAED’s support for the REWIRE Act and other efforts to accelerate deployment of advanced transmission technologies.

The bill also addresses behind-the-meter energy resources. It would define qualifying behind-the-meter dispatchable energy systems to include energy storage, fuel cells, generators, and other resources capable of responding to a grid operator’s dispatch signal within 15 minutes. Qualifying aggregations would be permitted to participate in wholesale energy, capacity, and ancillary-services markets, subject to metering, telemetry, and customer-information protections.

This could create new market opportunities for batteries, fuel cells, generators, inverters, metering equipment, telemetry systems, controls, and aggregation technologies. The bill would also direct the Department of Energy to support voluntary streamlined permitting and inspection processes for qualifying distributed energy systems, creating an opportunity for manufacturers and trade associations to help shape implementation.

The proposal has attracted significant bipartisan support from energy, infrastructure, manufacturing, and business organizations. However, its prospects remain uncertain. According to numerous press reports, the legislation faces opposition in the House, where many Democrats are unlikely to support the Senate agreement as currently drafted. House Natural Resources Committee Ranking Member Jared Huffman (D-CO) has urged lawmakers to delay consideration until after the midterm elections, when House Democrats could have greater leverage in negotiations.

Senate action is expected after the election, however, the bill represents one of the strongest recent opportunities for bipartisan permitting reform, but significant negotiations remain before it could become law. NAED will continue evaluating the legislation and advocating for reforms that improve permitting certainty, accelerate grid modernization, and support investment in the electrical equipment supply chain.