January, 2026

We Need Your Help! Tax Testimonials and Site Visits

NAED recently received a request from Congresswoman Lisa McClain (R-MI), who serves as the Conference Chair which is responsible for communications and messaging for House Republicans. She requested testimonials from our members on how tax provisions in the recently passed reconciliation bill, dubbed the “One Big Beautiful Bill,” are having a positive impact on our businesses.

Some examples of provisions that may benefit your company include:

- 199A – Qualified Business Income (QBI) deduction for S-Corporations
- 100% expensing for new factories
- 100% expensing (bonus depreciation)
- Estate tax extension and expansion

Once received, NAED will share these stories with the Congresswoman, who will encourage other GOP lawmakers to attend public-facing site visits to electrical distributors. This kind of outreach will go a long way in helping tell the NAED story and create new relationships with lawmakers across the country.

To learn more, please contact Bud DeFlaviis at bud@naed.org.

Congress Clears First Hurdle of Permitting Reform/Pipelines

Just before the close of the first session of the 119th Congress, the US House of Representatives passed the GOP-led SPEED Act in a 221–196 vote, advancing a bipartisan effort to overhaul federal permitting rules to speed construction of energy and infrastructure projects amid rising power demand and electricity prices.

The bill would revise the National Environmental Policy Act (NEPA) by narrowing the scope of environmental reviews and limiting legal challenges; changes supporters argue are necessary to cut red tape slowing both traditional and renewable energy projects. Eleven Democrats joined Republicans in supporting the measure.

However, late changes to the bill exposed divisions within the GOP and strained bipartisan support. To attract Democratic backing, sponsors added language to make it harder for future presidents to cancel approved energy permits, responding to concerns about politically motivated reversals. But hard-line Republicans opposed that provision, arguing it would undermine efforts to block offshore wind projects, prompting GOP leaders to weaken the language.

Attention now shifts to the Senate, where broader bipartisan support will be required to overcome the upper chamber's 60 vote filibuster threshold. Initially, Senators from both parties signaled that negotiations would likely expand beyond NEPA to include Clean Water Act changes sought by Republicans to help facilitate pipeline deployment. Democrats are keen on facilitating the development of more interstate transmission lines which support clean energy deployment.

However, at the beginning of the new year, the White House, through the Department of the Interior, paused leases for five major East Coast offshore wind projects, citing national security risks identified by the Department of War, claiming turbines create radar clutter, obscure targets, and pose vulnerabilities near population centers.

NAED supported the SPEED Act since any meaningful reform would reduce delays on utility-scale infrastructure and energy storage projects, transmission upgrades, manufacturing facilities, data centers, and public-sector construction. Faster environmental reviews have the potential to smooth out revenue cycles, accelerate project starts, and increase predictability for product demand across numerous product categories.

Electric Equipment Supply Chain Act Passes House

The Electric Supply Chain Act (H.R. 3638) passed the House on December 11 as part of a broader Energy and Commerce package aimed at strengthening grid reliability and lowering electricity costs, with supporters urging the Senate to take it up.

The legislation directs the Department of Energy (DOE) to play a stronger role in monitoring and securing U.S. electric supply chains. As passed, it requires DOE to conduct regular assessments of supply chains for electricity generation, transmission, and critical grid components, identifying risks, vulnerabilities, and opportunities to strengthen domestic capacity. Added floor provisions also require DOE to examine advanced transmission deployment and to assess whether foreign actors are exploiting electric-sector supply disruptions to undermine U.S. competitiveness in artificial intelligence and other strategic technologies.

AI Legislative Concerns – State and Federal Trends

Federal and state policymakers are increasingly at odds on the workforce impacts of AI, particularly job displacement. On November 5, Sen. Josh Hawley (R-MO) introduced bipartisan federal legislation that would require companies to publicly report AI-related job losses and worker displacement. The bill would mandate quarterly reports to the Department of Labor and Congress, reflecting growing concern in Washington about the lack of clear data on how AI is reshaping employment.

Supporters argue the reporting requirement would provide policymakers with a clearer picture of where jobs are being eliminated, how workers are being retrained, and where new opportunities are emerging. Sen. Hawley emphasized the need for transparency to ensure AI benefits workers, while co-sponsor Sen. Mark Warner (D-VA) framed the legislation as a tool to better understand workforce transitions driven by automation.

These federal efforts build on momentum already underway at the state level, where lawmakers have introduced a wide range of AI-related bills addressing job displacement, reporting requirements, limits on automation, privacy protections, and investments in workforce development (see example below). In 2026, we expect AI policy to remain a major area of concern and legislative activity across both statehouses and Congress.

State Update – New Jersey and AI

New Jersey lawmakers introduced a package of self-described "worker-protection" bills aimed at addressing the impacts of artificial intelligence, worker classification, and access to earned wages. The proposals reflect growing concern that AI deployment could accelerate job displacement and weaken existing employee safeguards if left unregulated.

The centerpiece, S4867, would impose new requirements on employers and AI infrastructure entities that deploy artificial intelligence in the state. The bill creates an AI Horizon Fund, financed in part by a 5% assessment on the gross revenue of AI infrastructure entities, to support workforce retraining, apprenticeships, and job placement for workers affected by AI-related layoffs.

The legislation would require employers with 100 or more employees to disclose AI-related impacts and make supplemental contributions to the fund if AI systems lead to layoffs. Displaced workers would qualify for enhanced unemployment benefits and targeted job placement assistance, signaling a state-level effort to pair AI innovation with stronger worker protections.

The measure was introduced at the end of the 221st session of the legislature, so advancement would require reintroduction in the new session of the legislature. We expect opponents to push back against new mandates on businesses, and the potential to create confusion between state and federal AI regulatory efforts.