



September 28, 2026

NAED Calls on Congress to Restore 179D Deduction

NAED joined members of the Coalition for Energy Efficient Jobs & Investment (also known as the 179D coalition) urging Senate leaders to restore the Section 179D deduction for the Commercial Buildings Tax Deduction. The One Big Beautiful Bill Act set a June 30, 2026, deadline for projects to begin construction to claim the deduction, and that deadline has now passed. Without congressional action, a long-standing incentive for commercial building upgrades, including lighting, will no longer be available for new projects.

Section 179D has historically supported private investment in energy efficiency, helped reduce pressure on the electric grid and created work across construction, manufacturing, engineering and related sectors.

NAED would like to hear from members on whether your company has experienced slower sales associated with the revocation of the 179D deduction.

Grid Security Concerns Continue to Take Shape

The Federal Energy Regulatory Commission (FERC) has approved revised physical security standards for the bulk power system, responding to growing concerns over attacks on substations, transformers and other transmission infrastructure. The updated standard, developed by the North American Electric Reliability Corporation (NERC), is intended to strengthen how utilities identify critical facilities, assess the consequences of a potential attack and coordinate with neighboring transmission owners.

The action follows several high-profile incidents, including a 2013 rifle attack on PG&E's Metcalf substation in California and a more recent plot targeting transformers and substations in Maryland. Regulators also pointed to rising physical security incidents reported by NERC.

The FERC action comes as the administration has separately issued an executive order tasking the Department of Energy (DOE) and other agencies on securing bulk power equipment, components, software and services tied to foreign adversaries. NAED is working on feedback from members serving large utility projects during DOE's open Request for Information process.

House Passes Ratepayer Protection Act

Just before adjourning earlier this month, the U.S. House of Representatives passed the bipartisan Ratepayer Protection Act by a 417-3 vote, advancing legislation aimed at preventing data center-related grid and generation costs from being shifted to residential customers. The bill, led by Rep. Gabe Evans (R-CO) and Rep. Kathy Castor (D-FL), would require state utility regulators and unregulated utilities to consider standards for large-load data centers and hyperscalers with peak demand of 100 MW or more.

Those standards include requiring large-load customers to cover the full incremental cost of needed generation, transmission and distribution upgrades, while providing assurances that utilities do not overbuild infrastructure that later becomes stranded.

Data center growth has benefited many NAED members, thanks to the increased demand for grid infrastructure, electrical equipment, and utility planning. At the same time, concerns over rising utility bills have led some policymakers and communities to question whether data center development is unfairly shifting costs onto residential and small business customers. The bill seeks to preserve continued investment while ensuring large-load customers pay for the infrastructure upgrades needed to serve them.

ENERGY STAR Transition Plan Released

The U.S. Environmental Protection Agency (EPA) and DOE released its ENERGY STAR Program Transition Plan, outlining the process for transferring ownership of the ENERGY STAR trademark, program leadership and oversight of core operations. Historically, the program was shared by the two agencies but will be overseen simply by the DOE going forward. The transition will include the program's IT portfolio and associated databases, with a full transfer expected by July 2027.

For distributors and manufacturers, the key issue will be continuity. ENERGY STAR remains an important market signal for energy-efficient products, federal procurement, rebates and customer purchasing decisions. Any disruption to product listings, certification data, labeling rules or database access could create confusion across the supply chain.

NAED will monitor the transition and any changes that could affect members that sell, specify, or rely on ENERGY STAR-certified products. NAED members should flag any concerns related to product certification, database access or customer questions during the transition period.