



Energy Policy

Background:

The electrical contracting industry specifies, installs, and services products related to energy production and efficiency. Deployment of energy efficient technology and infrastructure has been slow due to marketplace, government, and economic barriers. NECA supports a comprehensive energy policy that increases all avenues of domestic production to meet the increased demand of mass electrification and ensure our Nation's economic competitiveness.

Key Points:

- Enact comprehensive permitting reform. The current National Environmental Policy Act (NEPA) and Clean Water Act (CWA) processes take an average of approximately seven years to receive approval. There are many projects that have been shovel-ready, having already secured adequate financing, but due to the length of the environmental review process, power purchase agreements have fallen apart, land use agreements have timed out, and other challenges prompt the full cancellation of the project. Federal permitting reform for energy, minerals, and infrastructure projects is imperative and would allow for projects to come online faster and provide much needed relief to NECA contractors performing this work. Reforming the NEPA and CWA permitting processes will make it less time-consuming, less costly, and more efficient for major infrastructure, energy, and critical mineral projects to come online and benefit all Americans.
- Support investment in electric transmission line and smart grid infrastructure. America relies on an aging electrical grid, some of which originated in the 1880s. Investment in power transmission has increased since 2005, but ongoing permitting issues, weather events, and limited maintenance have contributed to an increasing number of failures and power interruptions. According to a recent Department of Energy study, more 43,000 miles of new transmission lines are needed throughout the United States. Additionally, the U.S. is projected to need more than 47,300 gigawatt-miles of new transmission lines by 2040 – in some cases as soon as 2030. All three major components of the electric grid (generation, transmission, and distribution) have an investment gap. To meet the latest state-driven Renewable Portfolio Standards in generation infrastructure, the gap is projected to grow to a cumulative \$197 billion by 2029.
- Promote Development of Energy Storage Technologies. Congress should offer tax credits to incentivize energy storage technology as an integrated approach to modernizing the nation's electric grid. This investment would help usher a national transformation to a smarter and more reliable power grid.
- Nuclear Energy is Safe, Reliable, Efficient and Environmentally Sound. There are multiple reasons to support utilization of nuclear power as part of a comprehensive energy policy. The energy produced compared to the number of materials consumed is the highest available; the costs are competitive with other fossil fuels such as coal; the source material (uranium) is abundant; and the amount of waste reduced is the least of any major energy production process. In fact, recent technological improvements make nuclear power an environmentally friendly alternative. NECA supports the construction of nuclear plants and investments in Advanced Small Modular Reactors (SMRs) as viable means of meeting the nation's energy demands.
- Incentivize Clean and Renewable Energy Sources. Critical advancements have been made in clean and renewable energy sources, both environmentally friendly and efficient. Congress should create a long-term solution to promote alternative energy technology tax incentives, excluded from the 2021 omnibus legislation. Specifically for the investment tax credit (ITC) and renewable electricity production tax credit (PTC) under sections 48 and 45 of the Tax Code, labor standards attached to these tax credits ensure contractors use registered apprenticeship programs and prevailing wages.

NECA Asks:

Congress must enact a comprehensive energy policy that promotes development of all available energy resources, including upgrading and modernizing transmission lines, increasing domestic oil, expanding natural gas exploration, investing in nuclear power, and further investments in clean and renewable energy sources.