Energy

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 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. NECA strongly supports the bipartisan Standardizing Permitting and Expediting Economic Development (SPEED) Act, which passed the House in late 2025. This legislation would modernize NEPA by setting firm deadlines for environmental reviews, expanding categorical exclusions, and limiting judicial delays that often lead to the full cancellation of "shovel-ready" projects. Reforming these processes is imperative to allow energy, minerals, and infrastructure projects to come online faster and provide much-needed relief to NECA contractors performing this work.

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 than 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 2030.

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. As of 2026, energy storage is a primary driver of grid reliability, and NECA supports the continued availability of the Investment Tax Credit (ITC) for standalone storage to help usher a national transformation to a smarter and more reliable power grid.

Nuclear energy is safe, reliable, efficient and environmentally sound. The energy produced by nuclear powered compared to the number of materials consumed is the highest available, the source material (uranium) is abundant, and the amount of waste reduced is the least of any major energy production process. Recent technological improvements make nuclear power an environmentally friendly alternative. We specifically applaud the launch of the Nuclear Reactor Pilot Program, which aims to have at least three advanced reactors achieve criticality by July 4, 2026, and the recent $800 million in federal awards to accelerate Generation III+ SMR deployments.

Incentivize clean and renewable energy sources. Critical advancements have been made in clean and renewable energy sources that are both environmentally friendly and efficient. The investment tax credit (ITC) and renewable electricity production tax credit (PTC) under sections 48E and 45Y of the Tax Code include labor standards that ensure contractors use registered apprenticeship programs and prevailing wages to lock in the full credit value.

While the One Big Beautiful Bill Act (OBBBA) introduced cutoffs for certain energy efficiency incentives, such as the June 30, 2026, deadline for Sections 45L and 179D, Congress should create long-term solutions to promote alternative energy technology tax incentives. These solutions must support the clean energy transition while maintaining strong labor standards and navigating new 2026 requirements regarding Foreign Entity of Concern (FEOC) sourcing rules. NECA continues to advocate for policy certainty that allows our members to plan multiyear projects without the risk of sudden incentive sunsets.

NECA ASKS

Congress must enact a comprehensive energy policy that promotes the development of all available resources. We urge immediate action to modernize the electrical grid and resolve the interconnection backlog to meet the surging power demands of the AI and manufacturing sectors. Congress should support the national goal of quadrupling commercial nuclear capacity by 2050 through streamlined regulations and expedited Small Modular Reactor (SMR) deployment.

Furthermore, we call for the permanent passage of the SPEED Act to reform permitting and the preservation of prevailing wage and apprenticeship standards within the Sections 45Y and 48E tax credits. Federal policy must continue to incentivize domestic oil, natural gas, and renewable energy to ensure American energy dominance and economic competitiveness.