



# The National Association of State Energy Officials' 2025 Bipartisan Energy Policy Recommendations:

America's Competitive Advantage – Affordable and Abundant Clean Energy

## **America's Competitive Advantage – Affordable and Abundant Clean Energy**

State-federal coordination is pivotal in addressing a variety of energy system challenges such as rising power demand, reliability concerns, evolving economic and workforce needs, equity, and increasing physical security and cybersecurity threats. State policies shape energy markets, support energy system security, reduce costs and emissions, accelerate innovation, and spur economic development. As governors and federal leaders grapple with an evolving energy sector, continued state energy policy leadership and coordination with federal actions and investments are crucial.

## **NASEO's 2025 Bipartisan Policy Recommendations are aimed at addressing these important issues:**

1. Support State-Federal Energy Policy and Program Coordination.
2. Advance Federal Permitting Reform.
3. Support Electric System Reliability and Security.
4. Modernize the Electric Grid.
5. Incentivize State Energy Office–Private Sector Energy Partnerships.
6. Create Opportunities for Underserved Communities.

# 1. Support State–Federal Energy Policy and Program Coordination

- a. Elevate the bipartisan-supported U.S. State Energy Program as the primary U.S. Department of Energy’s (DOE) state-federal partnership on energy security, grid modernization, and technology utilization across all energy sectors.
- b. Provide \$120 million in annual U.S. State Energy Program cost-match, formula funding to states in support of state-led energy security, electric grid and security planning, grid modernization and resilience, energy-related economic development, energy efficiency, renewable energy, clean transportation, and energy technology utilization; and to provide DOE with access to state-led energy opportunities that leverage private investment.
- c. Ensure State Energy Office engagement with the Office of the Secretary of Energy by establishing an appointee-level State Energy Office Ombudsman in the Secretary’s Office to ensure DOE-wide coordination with the states on priority energy matters and to improve consideration of state ideas; securing State Energy Office representation on the Secretary of Energy’s Advisory Board; and elevating the State Energy Advisory Board to report to the Deputy Secretary of Energy.
- d. Increase flexibility in delivery of federal energy funding by working with states in combining and co-investing funds and tax incentives to dramatically improve and promote holistic approaches to energy research, policy, and programs.
- e. Ensure DOE energy technology offices (Energy Efficiency and Renewable Energy, Nuclear, Fossil Energy and Carbon Management, Electricity) establish or enhance engagement, actions, and co-investments with State Energy Offices.
- f. Support DOE’s State and Community Energy Programs Office solutions-focused approach to assisting State Energy Offices.
- g. Enhance coordination (e.g., streamlined NEPA reviews) across federal agencies (DOE, EPA, DOI, USDA, HUD, DHS, DOT) and with State Energy Offices to reduce consumer and business energy costs and advance energy projects.

## 2. Advance Federal Permitting Reform, Streamline Processes, and Support State Actions

- a. Support bipartisan approaches to federal permitting reform, such as core elements of the *Energy Permitting Reform Act of 2024* (S. 4753), that would advance energy infrastructure projects.
- b. Support state-led streamlining of state and local permitting processes (e.g., DOE's R-STEP program).
- c. Establish significant DOE support for states in advancing energy projects that require coordinated state–federal energy permitting and siting actions (e.g., transmission, advanced nuclear early site permitting, utilization of existing right of ways, federal lands and waters, Class VI Primacy).

### 3. Support Electric System Reliability and Security

- a. Extend DOE's U.S. State Energy Program authorization and funding for transmission and distribution grid planning and state energy security planning through the bipartisan SECURE Grid Act (H.R. 9083) with clarification that states, not DOE, have final decision-making authority on the appropriateness of each state's energy security plan.
- b. Ensure DOE energy system security and cybersecurity activities benefit from Assistant Secretary-level leadership, are closely coordinated with DOE's electricity programs, and fully recognize State Energy Offices' leadership roles.
- c. Increase federal funding to support a robust distribution transformer supply chain and greater availability of transformers.
- d. Strengthen DOE energy security activities by emphasizing energy fuel source (e.g., electric-natural gas) and telecommunications interdependencies and ensure substantially greater integration of security, cybersecurity, and resilience among DOE offices and divisions and with State Energy Offices.
- e. Expand DOE's clean energy innovator fellowships to place professionals focused on energy security planning and risk mitigation in interested State Energy Offices to help strengthen the nation's energy security and energy workforce.
- f. Establish a state energy security certificate-based training program to build energy security workforce expertise and capacity.
- g. Expand the successful DOE Office of Energy Efficiency and Renewable Energy (EERE) Cybersecurity Advisory Team for State Solar (CATSS) to other distributed energy resources and to enhance existing solar cybersecurity actions.
- h. Ensure FEMA's Building Resilient Infrastructure and Communities program prioritizes high-impact, energy resilience projects.

## 4. Modernize the Electric Grid

- a. Support and fund DOE's Office of Electricity and Grid Deployment Office assistance for State Energy Offices on grid analysis and planning, grid telecommunications, state-industry regional transmission coordination, grid enhancing technologies utilization, and microgrid activities in recognition of the urgent need to strengthen America's electric system.
- b. Continue DOE's electric grid analysis to support state decision making on grid planning, regional markets development, policy analysis, and resource integration and fund state-industry demonstrations in such areas as grid-related telecommunications standardization, grid-enhancing technologies, regional markets, and grid resilience.
- c. Increase FERC engagement with State Energy Offices to ensure state policies, distinct from regulation, are fully considered by establishing a FERC-State Energy Office policy workshop series, sharing of data analysis, and task force.
- d. Establish a DOE-EERE–State–electric industry Grid Edge Automated Load Management Working Group to address historic electricity demand, aid in state development of automated load management programs, and advance utilization of automated load management technologies across storage, buildings, transportation, and manufacturing.

## 5. Incentivize Private Sector–State Energy Office–DOE Energy Partnerships

- a. Support existing federal energy tax incentives to maximize private and state investments across a wide range of technologies, markets, and supporting infrastructure in such areas as advanced nuclear, critical electric grid products and installations, carbon management, energy efficiency, wind, solar, hydropower, geothermal, electrification, buildings, biofuels, hydrogen, transportation, and manufacturing.
- b. Support public-private financing of such major clean energy projects as advanced nuclear, transmission, offshore and onshore wind, grid edge load management, sustainable aviation fuel, industrial energy efficiency and decarbonization, electric vehicle charging infrastructure, storage, hydropower, hydrogen, carbon utilization.
- c. Establish a DOE-state resilient energy infrastructure valuation initiative to provide analytical and investment decision-making support to State Energy Offices and energy industry partners.
- d. Support state-led advanced nuclear deployment, financial and supply chain risk reduction, and purchasing coordination through a DOE–State Energy Office–Industry “early mover” working group.
- e. Support DOE-state geothermal energy expansion (e.g., enhanced geothermal, geothermal loop systems).
- f. Support State offshore wind transmission and standardization development.
- g. Support DOE-state industrial and manufacturing energy efficiency and decarbonization partnerships.
- h. Expand State Energy Office-DOE partnerships in transportation electrification and hydrogen utilization.
- i. Support building energy efficiency, natural gas efficiency, beneficial electrification, and building energy codes.
- j. Continue DOE support for state-led solar energy partnerships such as the shared solar initiative.



## 6. Create Opportunities for Underserved Communities

- a. Ensure major energy policy and incentive programs deliver benefits to state- and federally-defined underserved communities.
- b. Expand and enhance DOE's Weatherization Assistance Program to lower utility bills and improve resident health and safety.
- c. Support energy workforce development, especially through vocational programs, apprenticeships, and community colleges.
- d. Continue support for the U.S. Department of Agriculture energy programs such as the Rural Energy for America Program, Rural Energy Savings Program, and Empowering Rural America (New ERA).