

October 28, 2025

Hon. Mike Lee, Chairman
Hon. Martin Heinrich, Ranking Member
Senate Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

Hon. Brett Guthrie, Chairman
Hon. Frank Pallone, Jr., Ranking Member
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Hon. Shelley Moore Capito, Chairman
Hon. Sheldon Whitehouse, Ranking Member
Senate Committee on Environment & Public Works
304 Dirksen Senate Office Building
Washington, DC 20510

Hon. Bruce Westerman, Chairman
Hon. Jared Huffman, Ranking Member
House Natural Resources Committee
1324 Longworth House Office Building
Washington, DC 20515

Hon. Sam Graves, Chairman
Hon. Rick Larsen, Ranking Member
House Committee on Transportation and
Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members,

We write to you as representatives of a bipartisan group of Governors to share our key priorities related to your efforts to improve federal permitting and regulatory processes. Governors have long agreed that these processes too often add costs and delays to critical energy projects. In 2023, a bipartisan group of Governors [released a vision](#) for federal permitting reform that was ultimately incorporated into the Fiscal Responsibility Act—a key step forward. We now write again with greater urgency, in the context of rising demand for electricity to serve computing, industrial, manufacturing, building, and transportation needs, to provide a set of commonsense compromises that we believe can meet the moment.

We further note that effective implementation of these compromises depends on federal agencies that have adequate staff and resources to speed up permitting processes as well as processes and final decisions that are technology-neutral, apolitical, and which can be relied upon with certainty by investors and developers. While members of the working group are pursuing various types of energy projects based on the resource mixes and priorities of each of our states, as a group we believe it is critical that federal permitting be administered in a technology-neutral and apolitical manner that allows energy projects of all types to move forward. Given the current demands on the grid, ensuring reliability and keeping costs low for consumers requires that a diverse mix of energy types be permitted and brought online to help meet our resource needs.

This list of items for your consideration is presented as a package and were discussed extensively by a bipartisan [working group](#). It draws from our experience as Governors and from the work that many non-partisan and governmental groups have undertaken in recent years to explore potential reforms to federal permitting systems. Some of the members of our working group may disagree with individual elements. However, we believe that, as a whole, this set of ideas represents areas of potential common ground and would reduce barriers to developing critical energy infrastructure at the pace needed to win the AI race, lower costs for consumers, and responsibly develop the advanced energy sources of the future.

We suggest the following reforms for consideration:

Cross-Cutting Reforms—

- **Streamlining Federal Agency Reviews:** Streamline federal agency reviews across the board by incorporating new technologies and best practices.
 - Require the adoption of common interagency digital systems, ePermitting, and common application fields/formats for digital submissions.
 - Require that AI tools be made available for applicants to identify common issues in applications prior to submission. More broadly, unlock the full suite of automation and AI tools for applicants and agency staff, subject to appropriate safeguards and human review requirements, to accelerate permit review.
 - Devolve review of permitting-related decisions, actions, consultations, and other undertakings to the staff level.
 - Ensure federal agency permitting staff have adequate personnel to make timely permit decisions.
 - Produce a Congressional report on federal agency budgets, including at EPA, DOI, DOE, NRC, and DOT, to ensure agencies have adequate staff and resources to perform permit review thoroughly, consistently, quickly, and in compliance with statutory obligations.
 - Codify a technology-neutral prohibition on retroactive permit or lease cancellation, amendment, or alteration.

Reforms to the National Environmental Policy Act (NEPA)

- **Lead Agency Adjustments:**
 - Require FERC to be designated the lead agency for federal transmission reviews.
 - Require an agency other than the Department of State to be designated the lead agency for cross-border energy projects.
- **Expanding Categorical Exclusions:** Allow categorical exclusions or class-based environmental reviews to apply, contingent on approval by the relevant state's Governor, for certain categories of responsible development on brownfields or previously disturbed lands.
 - These categories should include, at minimum: new transmission facilities within existing rights-of-way and new low-disturbance electricity transmission, generation, or storage facilities; grid enhancing technologies; vegetation management coincident with aforementioned projects; ecological restoration projects; carbon capture equipment additions to existing power plants or industrial facilities; geothermal resource exploration and pilot project energy production; geothermal lease reinstatement; energy storage projects co-located with existing energy generators; nuclear energy generation from "nth-of-a-kind" small modular reactors and microreactors, low-impact hydropower energy production; battery storage projects with non-combustive chemistries; hydrogen electrolyzer projects; and low-disturbance domestic manufacturing facilities producing critical energy-related components.
 - Require existing "Fast Track" programs like FAST-41 be made available for a broader range of energy-related infrastructure projects (for example, by lowering the total estimated investment threshold for FAST-41 projects from \$200 million to \$50 million).
 - Define major federal action to exclude minimal federal involvement and not automatically include projects receiving less than 50% of funding from the federal government.
 - Allow agencies to adopt categorical exclusions legislatively enacted by Congress with respect to other agencies.
 - Enable a single unified review for certain multi-stage projects (such as geothermal energy projects), where such projects currently require multiple overlapping or duplicative reviews. In general, seek to eliminate duplicative reviews.
- **Ensuring Timely Reviews:**
 - Enforce and seek to further reduce timelines codified by the Fiscal Responsibility Act for Environmental Assessments and Environmental Impact Statements (currently 1 year and 2 years, respectively).

- o Provide permit applicants with an expedited pathway to petition courts for a decision on a review that exceeds timelines codified in statute or set forth by the agency, and require a full refund of permit fees if these timelines are exceeded, unless the applicant causes significant and undue delay. A money-back-guarantee system, as implemented by several states, has led to significant improvements in state permitting.
- **Reducing Legal Uncertainty:**
 - o Reduce the statute of limitations for filing suit against an agency NEPA action from six years to one year or less.
 - o Direct courts to set a time limit for an agency to act on a remand of six months, and require courts to prioritize cases reviewing energy project permitting decisions for the next five years.

Reforms to Interstate Energy Transmission

- **Enhancing Electric Transmission:**
 - o Require FERC to create a National Interest Designation Process that allows an electric transmission facility to be declared in the national interest after the hearing and consideration of several factors and consultation with affected states.
 - o Allow groups of states to nominate National Interest Electric Lines.
 - o Require RTOs to prioritize the deployment of grid-enhancing technologies and other alternative transmission technologies in planning processes to maximize grid capacity, minimize costs, and enhance reliability.
 - o Allow FERC greater flexibility to allocate the costs of interstate and offshore transmission projects among all project beneficiaries.
- **Improving RTOs/ISOs:**
 - o Determine by law that it is not just and reasonable for an RTO/ISO to fail to provide states or state organizations with jump ball or complementary filing rights, and, more broadly, require RTOs/ISOs to improve interregional planning and more robustly consider state alternative planning options.
 - o Determine by law that it is not just and reasonable for an RTO/ISO to fail to fulfill an interconnection request for new generation and storage into the grid within six months of an initial complete application.
- **Additional Reforms:**
 - o Adopt the lead agency model for pipeline projects.
 - o Codify rules clarifying the extent to which consideration of the up- and downstream effects of projects is required.

Reforms to Nuclear Energy Regulation

- **Nuclear-Specific NEPA Reforms:**
 - o Create rulemakings to allow for Environmental Assessments instead of Environmental Impact Statements when appropriate.
 - o Finalize rulemakings creating a generic/programmatic EIS for the construction and operation of advanced nuclear reactors.
 - o Finalize rulemakings to expand categorical exclusions to include small research reactors, specific types of suitable brownfield sites, and repowering of existing or recently retired generation facilities.
- **Licensing Improvements:**
 - o Create a new expedited design licensing pathway for reactors using the same, unmodified design as an existing licensed reactor.
 - o Proactively certify likely variations on existing small modular reactor and microreactor designs likely to be produced at scale.
 - o Reform and clarify fee structure for new licensees and consider deferral of some licensing fees until the reactor's deployment, pending continuous progress towards placement in service.
 - o Simplify or end mandatory hearings on uncontested licensing issues.

- **Additional Reforms:**

- o Speed up permitting, testing, authorization and production of nuclear fuel facilities and nuclear fuels.
- o Streamline and centralize digital application submission, tracking, communications, and supporting information.
- o Allow NRC to certify states to perform parts of the siting review, with clear delineation of responsibilities and processes, in exchange for the state assuming responsibility for litigation arising out of siting decisions that are currently under NRC's jurisdiction.

Reforms to the Clean Water Act

- **Improved State-Federal Alignment:**

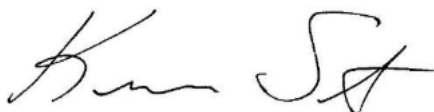
- o Provide states with an option to extend the duration of NPDES permits up to five additional years for certain projects unlikely to include significant changes in between permits, if the state determines that significant changes to the permit are not necessary.
- o Allow states to require additional data at the beginning of a permitting request and for states to receive permit applications and data concurrently with federal agencies.
- o Improve and codify processes for state primacy in Clean Air Act and Clean Water Act permitting. Expedite consideration of applications for primacy over Class VI wells.
- o Consider full or partial reimbursement for states with primacy or delegated responsibilities under the Clean Air Act, the Clean Water Act, and the Endangered Species Act.
- o Consider adoption and integration of existing state-built platforms for EPA databases.
- o Support states to achieve compliance if EPA maintains current PFAS Maximum Containment Levels.

- **Improved Procedures:**

- o Set timelines for application processing and allow for refunds if timelines are not met after a complete application has been submitted, unless the applicant causes significant and undue delay.
- o To the extent that public participation and consultation is required, ensure that engagement happens at the earliest possible stage of the project.
- o Codify statute of limitations for Clean Water Act challenges to Section 401 water quality certifications.
- o Clarify NPDES permitting requirements for publicly owned treatment works acquired by private entities, particularly regarding industrial pretreatment requirements and combined sewer overflows.

We are encouraged by recent discussions in Congress on federal permitting reform. We hope your committees will consider the proposals in this letter and continue to move bipartisan permitting reform efforts forward. Our teams stand ready to work with yours to advance this shared priority.

Sincerely,



Oklahoma Governor Kevin Stitt, NGA Chair and Working Group Co-Chair



Pennsylvania Governor Josh Shapiro, Working Group Co-Chair



Colorado Governor Jared Polis



Connecticut Governor Ned Lamont



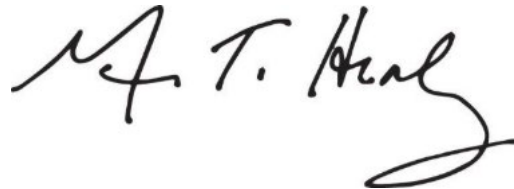
Indiana Governor Mike Braun



Louisiana Governor Jeff Landry



Maryland Governor Wes Moore, NGA Vice Chair



Massachusetts Governor Maura Healey



North Dakota Governor Kelly Armstrong



Rhode Island Governor Dan McKee



Tennessee Governor Bill Lee



Utah Governor Spencer Cox



Wyoming Governor Mark Gordon