

IRA Implementation: Clean Energy and Permitting Reform



ACP supports common sense infrastructure permitting reform ideas to unlock clean energy, American investment, and jobs while protecting the environment.

Inflation Reduction Act Implementation and Clean Energy Permitting

The Inflation Reduction Act (IRA) has put America on a path to reducing economy-wide emissions 40 percent below 2005 levels by 2030 while creating 550,000 new clean energy jobs. The IRA is a critical part of creating America's clean energy future and keeps the U.S. within reach of President Biden's climate goals.

The once-in-a-generation opportunity to build out America's clean energy resources enabled by the IRA must be accompanied by efforts to expedite the permitting process to realize the full potential of the Act.

Congress should consider reasonable reforms to the permitting process that will help ensure it strikes the right balance of timely decisions for projects while preserving thorough environmental reviews.

Today, the average timeline for a project to obtain necessary environmental reviews is 4.5 years. Such long timelines for clean energy projects could serve as a roadblock to unlocking the full potential of the IRA, which will bring greater levels of clean, affordable, and reliable power to all Americans.

In order to meet science-based climate targets, the U.S. will need to increase wind and solar energy deployment by two to four times the most recent record levels of annual installations over the next two decades. Additionally, delivering this new clean power to consumers will require a 60 percent increase in transmission capacity.

U.S. could fall 100 GW short of the IRA's expected clean energy impact without common sense permitting reform

Failure to act on permitting reform puts an estimated 100 gigawatts (GW) of clean energy projects at risk of significant delay, including over 40 GW of projects reliant on the siting and permitting of new transmission lines.

These project delays would result in 550 million metric tons of additional carbon emissions this decade—equivalent to the annual emissions of 88 coal-fired power plants. Importantly, absent environmentally responsible permitting reform, \$100 billion less is expected to be invested in clean energy projects this decade, resulting in the failure to create 100,000 jobs.

The IRA will enhance grid reliability, strengthen the nation's energy security, and expand our domestic manufacturing base, injecting nearly half a trillion dollars into U.S. GDP over the next decade. Common sense permitting reform can help expedite project timelines while still providing for robust environmental review.

Failing to modernize our nation's permitting system could put the IRA's historic climate achievements at risk.

ACP's Permitting Reform Recommendations

Across wind, solar, storage and transmission projects, ACP recommends reforms to: establish presumptive time frames for the completion of environmental reviews; expand the use of categorical exclusions to accelerate projects that do not pose significant impacts to the environment; establish a lead agency to spearhead environmental reviews; and maximize the use of programmatic approaches to permitting and environmental reviews, as described further below:

Presumptive National Environmental Policy Act Action Time Limits: Congress should codify presumptive time limits of two years for all environmental impact statements (measured from the date of the issuance of the notice of intent to prepare an EIS to the date the record of decision is signed) and one year for an environmental assessment. Such milestones can help set boundaries that support the timely completion of environmental reviews.

Lead Agency/Cooperating Agency Roles: Project delays often occur due to a lack of coordination and communication between lead and participating/cooperating agencies. To address, Congress should require greater interagency coordination in NEPA reviews:

- Enhancing the designation of a lead agency to lead each multi-agency environmental reviews and have greater oversight in the process; and
- Tasking lead agencies to develop a single permit plan and permitting timetable for the necessary environmental review and approvals.

Utilizing Previous NEPA Reviews: Congress should codify a requirement for federal agencies to use previously completed Environmental Assessments and Environmental Impact Statements to satisfy the requirements of NEPA with respect to approving any proposed energy infrastructure project. This will help expedite the NEPA process by avoiding redundant reviews.

Programmatic NEPA Reviews: Congress should direct federal agencies to maximize the use of programmatic approaches to permitting and environmental reviews for onshore clean energy infrastructure projects across relevant federal agencies and require CEQ to provide guidance on when and how agencies can use such reviews. This will support federal agencies knowing when or how to optimally use programmatic EISs and efficiently tier to them in future projects.

Categorical Exclusion Process NEPA Reforms: Congress should direct CEQ to issue further guidance to federal agencies on establishing, applying, and revising categorical exclusions for clean energy infrastructure.

ACP's recommended reforms include:

- establishing presumptive time frames for the completion of environmental reviews
- expanding use of categorical exclusions to accelerate projects that do not pose significant impacts to the environment
- establishing a lead agency to spearhead environmental reviews
- maximizing the use of programmatic approaches to permitting and environmental reviews

