



GOVERNORS COALITION FOR ENERGY SECURITY

Cover Page

Governors Coalition for Energy Security

Policy Issues and Solutions



GOVERNORS COALITION FOR ENERGY SECURITY

Executive Summary

The United States' energy sector stands at a critical juncture. Growing electricity demand, driven by load growth, *e.g.*, AI and advanced manufacturing, and legacy generation approaching end of economic life, requires unprecedented investment in energy infrastructure. Regulatory uncertainty continues to discourage long-term investment planning and international competition threatens American energy dominance. To discuss a way forward, government officials and industry leaders joined for three intensive workshop sessions to develop practical solutions that will secure America's energy future while supporting manufacturing competitiveness and job creation.

The series of sessions convened federal agencies, staff of Coalition members, and industry stakeholders to address upstream and midstream production challenges, low-carbon manufacturing demands, and electric reliability needs. Participants produced recommendations across multiple policy areas, from permitting reform to workforce development, creating a comprehensive path forward for American energy.

About Us

In response to the impact rising energy costs has had on Americans and projections of unprecedented growth in consumer demand for energy, Governor Jeff Landry and Governor Chris Sununu founded the Governors Coalition for Energy Security (GCES) in 2024 to advocate for affordable, reliable, and cleaner energy options for their citizens. The coalition believes that states should have the flexibility to pursue energy policies that work best for their unique needs. By focusing on preserving all energy options, the coalition aims to foster innovation, reduce regulatory barriers, and attract business investment, ultimately benefiting residents and the economy. In addition to Governor Landry, the Coalition includes 10 of his colleagues, including Governor Ayotte (NH), Governor Ivey (AL), Governor Kemp (GA), Governor Lee (TN), Governor Gordon (WY), Governor Huckabee Sanders (AR), Governor Reeves (MS), Governor Stitt (OK), Governor Youngkin (VA), Governor Rhoden (SD) as well as Canadian Provincial leaders including Premier Danielle Smith (Alberta), Premier Scott Moe (Saskatchewan), and Premier Douglas Ford (Ontario), enabling a trans-national conversation from state leaders on global energy security.

As the world faces exponential growth in energy demand in the coming years, the members of the GCES believe we are at an inflexion point where jurisdictions that build more affordable, reliable energy systems will yield the greatest socio-economic success. The members of the GCES believe we have a significant opportunity to realize global energy leadership, benefitting our states and citizens. Below are policy recommendations the members of the Coalition urge policymakers to consider.



GOVERNORS COALITION FOR ENERGY SECURITY

Legislative Policy Actions

National Environmental Policy Act (NEPA) Reform

- Judicial reform to clarify litigation timelines, standing, and repeated challenges to the same projects or permits.
- To help facilitate informed and timely decision-making, agencies should treat NEPA Environmental Impact Statements (EIS) as practical decision-support tools rather than procedural formalities.
-

Other Permitting Reforms

- Codify Clean Water Act (CWA) Sec. 404 Nationwide Permit (NWP) program into law.
- Limit and clarify CWA Sec. 401 review scope and timetable.

Certainty in U.S. Tax Structure

- Retain 21% corporate tax rate and provisions that support infrastructure investment.
- Extend tax provisions for domestic infrastructure investment.
- Support Carbon Capture Sequestration (CCS) through maintained 45Q tax credits and Department of Energy (DOE) research programs.
- Support favorable tax treatments of alternative fuels.

Endangered Species Act (ESA) Reforms

- Require transparency in listing decisions based related to ESA on sound science.
- Limit litigation based on perceived rather than actual harm to endangered species. (Birmingham Darter example)
- Expand state authority in ESA designations.

Electric Transmission and Regional Transmission Organization (RTO) and Independent System Operators (ISO) Governance

- Pass legislation requiring that RTOs and ISOs rule on an interconnection request for new power generation and/or storage within six months of a completed application. Determine by law that it is not just and reasonable for a Regional Transmission Organization or an Independent System Operator to fail to fulfill an interconnection request for new generation and storage into the grid *within six months* of an initial complete application.



GOVERNORS COALITION FOR ENERGY SECURITY

Administrative Policy Actions

- Require RTOs/ISOs to improve interregional planning and to provide “jump ball” or complementary filing rights to states, along with other more robust consideration of state alternative planning options; for example, by determining by law that it is not just and reasonable to fail to provide these filing rights.
-
- Require the Federal Energy Regulatory Commission (FERC) to provide additional clarity to the states regarding its cost-allocation methodologies on multi-jurisdictional electric transmission projects.
- Require FERC to consider why a state has delayed or rejected an electric transmission project before FERC can designate a National Interest Electric Transmission Corridor (NIETC) in that state.
- Ask FERC to ensure that states have “jump-ball” authority that includes state-specific proposals under section 205 tariff filings of the Federal Power Act.

NEPA Process

- Require FERC to be designated the lead agency for federal transmission reviews.
- Maximize use of Environmental Assessments (EAs) vs. EIS when appropriate.
- Consider advancing programmatic EIS for the construction of critical energy infrastructure such as advanced nuclear reactors.
- Expand the use of categorical exclusions for critical energy infrastructure such as small research reactors, and repowering retired infrastructure.
- Require an agency other than the State Department to be designated the lead agency for cross-border energy projects.
-

Upstream Energy Access

- Eliminate unilateral presidential authority to remove acreage or provide balanced powers that also allow presidents to add acreage to proposed lease sales based on changing circumstances or new information.
- Require public comment processes for monument designations to consider local economic impacts.
- Remove the Bureau of Land Management’s restrictive Conservation and Landscape Health Rule.

Support Expedited Build out of Energy Infrastructure for Increased Global Energy Security

- Reinstate public interest presumptions for Liquefied Natural Gas (LNG) exports to non-free trade agreement (FTA) countries.
- Codify fast-tracked review timelines.
- Eliminate authority for unilateral export moratoriums.



GOVERNORS COALITION FOR ENERGY SECURITY

- Limit states' abilities to block interstate energy projects: federal preemption for cross-border infrastructure, override mechanisms for nationally significant projects, and regional cooperation.
- Expedite permitting and processes, and financial incentives to support onshoring of American manufacturing of electricity infrastructure, and, until American manufacturing can support demand, exempt critical electricity infrastructure from foreign import fees, similar to such exemptions as electronics and technology products and energy and critical minerals, such as certain petroleum products and copper.

Advance Baseload Nuclear Power

Many of this group's recommended reforms related to Nuclear Power focused on NEPA, including the following:

- Create rulemakings to allow for Environmental Assessments instead of Environmental Impact Statements when appropriate.
- Finalize rulemakings creating a generic/programmatic EIS for the construction and operation of advanced nuclear reactors.
- 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.

Strengthen American Refinery Capacity

- Speed permitting on fuel storage tanks and pipelines.
- Streamline required Environmental Protection Agency (EPA) air permits.
- Improve small refinery exemption process under the Renewable Fuel Standard (RFS) program at the EPA.
- Support building of new American refineries.

Low Carbon Manufacturing

- Promote voluntary emissions reduction programs over mandates to meet global low carbon demand.
- Preserve Subpart RR (Geologic Sequestration of Carbon Dioxide) due to its essential role in supporting the 45Q tax credit's integrity.
- Support the Treasury to maintain CCS investments' legal certainty through beginning of construction (BOC) guidance to eliminate uncertainty and encourage investment.
- Allocate adequate resources to the EPA for personnel to review and approve permits for CO2 utilization and storage in efforts to meet 24-month review timelines.

Support Onshoring Energy Workforce to Meet Energy Demand

- Increase funding for technical and community colleges.



GOVERNORS COALITION FOR ENERGY SECURITY

- Request the administration host an energy workforce development summit to connect emerging energy employers with technical colleges.

A Comprehensive Energy Strategy



GOVERNORS COALITION FOR ENERGY SECURITY

Add nuclear language

Based on market developments such as restarting the Three Mile Island nuclear facility and policy changes including President Trump’s Executive Orders supporting the advancement and continued revival of nuclear energy in the United States, there is clearly a robust appetite for this baseload energy source. In addition to the specific actions taken by the Administration to support and augment this revival, GCES recommends several specific policy reforms, many centered around speeding regulatory approvals through the NEPA process. These reforms will allow the US to meet baseload demands for electricity associated with the data center and AI space.

The foundation of America’s energy future rests on restoring predictability and certainty to energy development while supporting the rapid infrastructure expansion necessary to meet unprecedented demand growth. For the first time in decades, electricity demand is experiencing sustained growth with projections of 1.7% annual increases through 2026 and potential 25% growth by 2030. This shift, driven primarily by AI data centers that currently consume 3.7% of national power generation and are expected to triple usage by 2030, requires coordinated action across every aspect of the energy system (U.S. Energy Information Administration, “After More Than...”).

The deep integration across the U.S. and Canadian energy markets is supported by extensive cross-border pipeline and investments, reinforcing a continental system that is unmatched in scale and reliability. This partnership underpins both energy security and economic growth, ensuring industries and households across the U.S. and Canada continue to benefit from affordable and dependable energy, are protected against global volatility, and maintain long-term industrial competitiveness. As future United States-Mexico-Canada Agreement (USMCA) reviews take place, it will be critical to safeguard this integrated energy relationship by limiting tariffs on energy, and production related inputs – ensuring that the shared U.S.–Canada relationship continues to drive North American energy dominance.

The North American Electric Reliability Corporation (NERC) has repeatedly warned of reliability risks to the country’s electricity grid. While anticipated load growth certainly contributes to those concerns so too does scheduled retirements of dispatchable resources, which will need to be replaced just to meet current electricity demand¹. Siting and permitting new (and more efficient) dispatchable generation in a timely manner that avoids regulatory lag that can chill capital investment, permitting delays and dilatory interventions from anti-energy entities, will be paramount to keeping the lights on for families and machines running for businesses.

Central to this approach is comprehensive NEPA reform, which remains one of the Coalition’s top priorities. The reform agenda focuses on three critical areas that will fundamentally reshape energy project development. Clarifying NEPA’s reach eliminates

¹ <https://www.power-eng.com/business/policy-and-regulation/nerc-warns-of-summer-grid-strain-amid-load-growth-and-heat-risks/>



GOVERNORS COALITION FOR ENERGY SECURITY

ambiguity that has historically created project delays, while defining when NEPA requirements apply provides clear guidance for developers and regulators alike. Streamlining the judicial review process reduces the potential for prolonged legal challenges that can extend project timelines by years.

Recent Supreme Court rulings have already begun transforming NEPA implementation in ways that will accelerate energy infrastructure development. The *Seven County Infrastructure Coalition* decision² established that agencies need only consider direct and proximate environmental impacts within their jurisdiction, eliminating requirements to account for effects from related projects outside their scope. Courts must now defer to agency rulings rather than ordering consideration of issues outside agency jurisdiction, providing greater certainty for project developers about the scope and timeline of environmental review processes (Loyola).

American Energy Production

The energy industry has faced significant challenges due to regulatory uncertainty and inconsistent permitting timelines, but new legislative changes are addressing these concerns. The return to quarterly lease sales restores predictability to the energy leasing process, while the restoration of pre-IRA royalty rates aims to incentivize production across multiple energy sources (Schroder).

These reforms extend across both onshore and offshore development. Geothermal lease frequency enhancements and reduced coal royalty rates for both new and existing operations signal broader support for domestic resource extraction. Offshore development receives particular attention through increased lease sales coupled with boosted revenue sharing under the Gulf of Mexico Energy Security Act (GOMESA), demonstrating commitment to offshore development while ensuring coastal states benefit from federal waters production. The regulatory framework also encompasses renewable energy development on federal lands. This balanced approach recognizes the importance of diverse energy sources while ensuring federal lands contribute to overall energy security. Industry representatives and Coalition Members have engaged directly with the acting director at the Bureau of Ocean Energy Management (BOEM), and while the agency remains understaffed, it is making progress on critical offshore initiatives (Bureau of Ocean Energy Management, “BOEM Proposes Oil...”).

The lack of predictability in leasing and permitting processes has discouraged long-term investment planning. This has created uncertainty that extends project development cycles while increasing costs. The uncertainty impacts smaller companies which may lack the resources with which to navigate complex regulatory environments. The effects ripple through the entire energy supply chain (Boland et. Al).

Manufacturing and Carbon



GOVERNORS COALITION FOR ENERGY SECURITY

The evolving landscape of energy demand, particularly the growing need for low-carbon fuels and advanced manufacturing materials, presents both significant challenges and tremendous opportunities. The EPA has outlined comprehensive reforms across multiple regulatory programs that will reshape how environmental compliance integrates with industrial development.

For Renewable Fuel Standards (RFS), the administration has reviewed hardship exemptions and ensured that small refineries receive fair consideration while maintaining environmental goals and supporting rural communities dependent on ethanol production (U.S. Environmental Protection Agency, “EPA Announces Action...”). This approach recognizes the diverse needs of America's refining sector across different regional markets and operational scales. No refineries have been built in the U.S. since the 1970s. Permitting for new refineries should be a top priority and expedited.

CCS infrastructure has emerged as a practical approach to emissions reduction that maintains American industrial competitiveness. The technology offers manufacturers a viable pathway to reduce environmental impact while preserving jobs and maintaining operational efficiency. The United States already possesses 5,000 miles of CO₂ pipeline infrastructure with demonstrated safety records superior to crude oil and refined products transportation, providing a foundation for expansion with established regulatory frameworks and operational experience (Thomley).

Class VI permitting for CCS projects receives particular emphasis, with EPA targeting two-year approval timelines representing significant improvement over previous lengthy processes that discouraged investment. Seven additional states have expressed interest in obtaining Class VI primacy authority, demonstrating widespread support for these technologies and indicating strong regional commitment to carbon management strategies (Environmental Energy Brief, “EPA Advances State...”). It is vital for the advancement of CCS that government and industry remain vocal about the importance of its role in the advancement of our energy industry.

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is building upon existing regulations for hydrocarbon infrastructure, requiring pipeline operators to conduct proactive inspections, implement preventative maintenance programs, and use high-grade steel to prevent corrosion (Parfomak). Louisiana's experience with over 20,000 miles of pipeline infrastructure provides valuable lessons for developing appropriate standards for CO₂ pipelines, particularly regarding eminent domain and expropriation procedures that balance private property rights with public infrastructure needs. Safety rule updates for CO₂ pipelines should support performance-based standards and focus on the modernization of repair criteria.

Significant changes to Clean Water Act (CWA) Sections 404 and 401 permitting aim to restore original statutory authorities, consistent with the recent Sackett Supreme Court decision (Bowers; Oyez, “Sackett v. Environmental...”). These reforms specifically limit state and tribal



GOVERNORS COALITION FOR ENERGY SECURITY

authority to water quality issues rather than allowing project shutdowns based on broader environmental or policy concerns, providing much needed certainty for energy infrastructure developers while ensuring legitimate water quality concerns receive appropriate attention. Codifying the U.S. Army Corps Nationwide Permitting (NWP) program into law will provide further certainty for linear infrastructure operators to build and maintain critical infrastructure such as oil pipelines without the threat of substantial changes from future administration changes.

Infrastructure Development

The unprecedented growth in electricity demand and the projected retirements of dispatchable resources requires rapid infrastructure improvements and expansions across generation, transmission, distribution, and natural gas systems. The Department of Energy's Grid Deployment Office (GDO) has developed a comprehensive approach to address grid reliability challenges while supporting economic growth, recognizing that meeting demand growth requires balancing power generation and transmission needs while removing regulatory obstacles that slow project progress. (U.S. Department of Energy, "About the Grid...").

One of the office's key initiatives addresses what officials described as a "chicken and the egg" problem in American energy infrastructure. The nation faces substantial electricity demand growth but confronts supply chain constraints that require foreign suppliers for critical infrastructure components (Zadeh). This dependency creates both economic vulnerabilities and national security concerns requiring coordinated federal response.

Access to critical electricity infrastructure is a matter of national security. As the pace and scale of American manufacturing of critical infrastructure improves, the federal government should consider exempting critical electricity infrastructure products from any additional tariffs, consistent with other exemptions such as electronics and technology products like smart phones, laptops, pharmaceuticals, energy and critical minerals, such as certain petroleum products and copper.

GDO is actively working to support American manufacturing capabilities that can reduce dependency on foreign suppliers for transformers, substations, gas turbines, and other essential grid infrastructure. This initiative recognizes that energy security requires not just adequate generation and transmission capacity, but also domestic manufacturing capabilities that can support ongoing infrastructure maintenance and expansion without relying on potentially unreliable foreign supply chains (U.S. Department of Energy, "Large Power Transformer...").

Successful grid modernization requires strong federal-state partnerships that leverage the unique capabilities and authorities of different levels of government. The office provides technical assistance and specialized planning support to help states develop comprehensive grid modernization strategies that align with federal infrastructure priorities. This collaborative approach



GOVERNORS COALITION FOR ENERGY SECURITY

ensures that grid investments maximize benefits across regional boundaries while respecting state authorities over electricity regulation.

The interconnected nature of infrastructure needs means that delays or bottlenecks in any single area can constrain the entire system's ability to meet growing demand while maintaining reliability standards. Beyond NEPA reform, state permits, Clean Air Act compliance, and other regulatory regimes continue to pose construction challenges requiring comprehensive solutions that address the full spectrum of regulatory barriers.

Workforce Development and Industrial Competitiveness

The growing low carbon industrial sector is creating demand for skilled technical workers, presenting opportunities for high-paying career paths that do not require traditional four-year degrees. This workforce transformation represents a significant opportunity to revitalize American manufacturing while providing economic mobility for workers across different educational backgrounds.

Increased funding for technical and community colleges, along with expanded trade programs in public universities, will ensure American workers are prepared for the energy jobs of the future. These investments not only keep well-paying jobs in local communities but also support American industrial competitiveness in global markets (The White House, “Preparing Americans for...”). The energy sector’s evolution creates opportunities for displaced workers from other industries to move into stable, well-paying careers in emerging technology fields.

Programs such as Louisiana’s FastStart or the Department of Energy’s CarbonSAFE demonstrate the value of federal research support for emerging technologies, providing evidence of development that enables private sector investment in commercial-scale (Louisiana Economic Development, “Setting the Standard...”; National Energy Technology Laboratory, “CarbonSafe Initiative”). Federal agencies can support development through technical assistance, research and development funding, and coordination between different levels of government. Programs like these support America’s growing workforce.

It is through targeted training programs and educational partnerships that workers can fill critical gaps while building better futures for themselves and their families. The ripple effects of this workforce development extend beyond individual economic benefits to strengthen entire communities and regional economies dependent on energy sector employment.

Conclusion

The regulatory reforms, infrastructure investments, and workforce development initiatives provide a comprehensive framework for supporting energy sector success in the coming decades. Success requires balancing environmental stewardship with economic



GOVERNORS COALITION FOR ENERGY SECURITY

development, regulatory certainty with innovation incentives, and federal authority with state rights. This balance is achievable through smart policy design that recognizes the interconnected nature of environmental protection, economic growth, and energy security.

The energy evolution ahead represents both significant challenges and tremendous opportunities for American workers, communities, and industries. From restoring predictability to upstream energy development through comprehensive NEPA reform, to building the advanced manufacturing capabilities and grid generation, transmission and distribution infrastructure necessary to meet unprecedented demand growth, the policy framework addresses every aspect of America's energy future.

Collaboration between industry stakeholders and government offices at all levels remains essential for implementing the comprehensive changes necessary to meet growing energy demands. With smart policies, strategic investments, and continued partnership between public and private sectors, America can meet growing energy demands while maintaining environmental stewardship, supporting good-paying jobs, and strengthening national security. The roadmap developed through these collaborative workshops provides a practical framework for achieving these ambitious but attainable goals, demonstrating that comprehensive energy policy can serve multiple objectives simultaneously when designed and implemented thoughtfully.



GOVERNORS COALITION FOR ENERGY SECURITY

Works Cited

"About the Grid Deployment Office." *U.S. Department of Energy*, 2022, www.energy.gov/gdo/about-grid-deployment-office.

"About Us." *The Governors Coalition for Energy Security*, 2025, govsenergycoalition.org/about-us/.

"After More Than a Decade of Little Change, U.S. Electricity Consumption Is Rising Again." *U.S. Energy Information Administration*, 13 May 2025, www.eia.gov/todayinenergy/detail.php?id=65264.

"BOEM Proposes Oil and Gas Lease Sale in the Gulf of America." *Bureau of Ocean Energy Management*, 25 June 2025, www.boem.gov/newsroom/press-releases/boem-proposes-oil-and-gas-lease-sale-gulf-america.

Boland, Brodie et al. "Unlocking US Federal Permitting: A Sustainable Growth Imperative." *McKinsey & Company*, 28 July 2025, www.mckinsey.com/industries/public-sector/our-insights/unlocking-us-federal-permitting-a-sustainable-growth-imperative.

Bowers, Kate R. et. Al. U.S. Congressional Research Service. *The National Environmental Policy Act (NEPA): Background and Implementation*. R46615, Congress.Gov, 7 February 2025, www.congress.gov/crs-product/R46615.

"CarbonSAFE Initiative." *National Energy Technology Laboratory*, <https://www.netl.doe.gov/carbon-management/carbon-storage/carbonsafe>

"EPA Advances State Primacy for Underground Injection Control Class VI Well Programs: Key Updates for Carbon Sequestration Efforts." *Environmental Energy Brief*, Sidley Austin LLP, 21 May 2025, environmentalenergybrief.sidley.com/2025/05/21/epa-advances-state-primacy-for-underground-injection-control-class-vi-well-programs-key-updates-for-carbon-sequestration-efforts/.

"EPA Announces Action on Small Refinery Exemptions, Continues Work to Get Renewable Fuel Standard Program Back on Track." *U.S. Environmental Protection Agency*, 22 August 2025, www.epa.gov/newsreleases/epa-announces-action-small-refinery-exemptions-continues-work-get-renewable-fuel.

Hodge, Tyler, and Mark Schipper. "After More Than a Decade of Little Change, U.S. Electricity Consumption Is Rising Again." *U.S. Energy Information Administration*, 13 May 2025, www.eia.gov/todayinenergy/detail.php?id=65264.

Loyola, Mario. "Supreme Court Unanimous Ruling in Seven County Infrastructure Coalition v. Eagle County Might Be a Game Changer for Infrastructure." *The Federalist Society*, 13 June 2025, fedsoc.org/commentary/fedsoc-blog/supreme-court-unanimous-ruling-in-seven-county-infrastructure-coalition-v-eagle-county-might-be-a-game-changer-for-infrastructure.



GOVERNORS COALITION FOR ENERGY SECURITY

"Preparing Americans for High-Paying, Skilled Trade Jobs of the Future." Executive Order. *The White House*, 23 Apr. 2025, www.whitehouse.gov/presidential-actions/2025/04/preparing-americans-for-high-paying-skilled-trade-jobs-of-the-future/.

Parfomak, Paul W. U.S. Congressional Research Service. *Federal Land Policy and Management Act: An Overview*. R44201, Congress.gov, 7 May 2025, www.congress.gov/crs-product/R44201.

"Sackett v. Environmental Protection Agency." *Oyez*, 2023, <https://www.oyez.org/cases/2022/21-454>

Schroder, Kathleen. "Legislative Changes to Federal Onshore Oil and Gas Leasing and Development."

Mondaq, 30 July 2025, www.mondaq.com/unitedstates/oil-gas-electricity/1657960/legislative-changes-to-federal-onshore-oil-and-gas-leasing-and-development

"Setting the Standard – LED FastStart." *Louisiana Economic Development*,

<https://www.opportunitylouisiana.gov/incentive/led-faststart>.

Thomley, Emma. "Carbon Dioxide Transport 101." *Better Energy*, 14 February 2023, betterenergy.org/blog/carbon-dioxide-transport-101/#:~:text=CO2%20transport%20infrastructure%20will,by%20utilizing%20industry%20best%20practices.

U.S. Department of Energy. *Large Power Transformer Resilience Report*, July 2024, www.energy.gov/sites/default/files/2024-10/EXEC-2022-001242%20-%20Large%20Power%20Transformer%20Resilience%20Report%20signed%20by%20Secretary%20Granholm%20on%207-10-24.pdf.

"Unleashing American Energy." Executive Order. *The White House*, 20 Jan. 2025, www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/.

Zadeh, John. "Rebuilding American Supply Chain Independence in Critical Minerals." *Discovery Alert*, 11 July 2025, discoveryalert.com.au/news/critical-minerals-rare-earth-elements-america-2025/.