

November 21, 2025

Submitted electronically via SpeedtoPowerRFI@hq.doe.gov

Mr. David Parsons
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585
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Re: RFI Response – Accelerating Speed to Power

Dear Mr. Parsons:

The National Rural Electric Cooperative Association (NRECA) respectfully submits the following comments to the U.S. Department of Energy (DOE) in response to the agency’s Request for Information (RFI) on Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action to Rapidly Expand Grid Capacity and Enable Electricity Demand Growth (hereafter, DOE’s Speed to Power Initiative).

Introduction

NRECA is the national trade association representing nearly 900 not-for-profit electric cooperatives and other rural electric utilities. America’s electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry. NRECA’s member cooperatives include 64 generation and transmission (G&T) cooperatives and 830 distribution cooperatives.

Electric cooperatives provide power to one in eight Americans and serve as engines of economic development for 42 million people across 56% of the nation’s landmass. They own and maintain 2.7 million miles, or 42%, of the nation’s electric distribution lines and serve large expanses of the United States that are primarily residential and typically sparsely populated. Those characteristics make it comparatively more expensive for rural electric cooperatives to operate than the rest of the electric sector, which tends to serve more compact, industrialized, and densely populated areas.

Locally, cooperatives are focused on powering and empowering their communities. Nationally, electric cooperatives are focused on advocating for smart energy policy that keeps the lights on. This includes pressing for solutions to meet increasing energy demands at a cost local families and businesses can afford.

As our nation increasingly relies on electricity to power the economy, keeping the lights on has never been more important – or more challenging. In its most recent Long-Term Reliability Assessment, the North American Electric Reliability Corporation (“NERC”), the nation’s electric grid watchdog, found

that “most of the North American bulk power system faces resource adequacy challenges over the next ten years as surging demand growth continues and thermal generators announce plans for retirement.” Cooperatives are leading the way with locally led solutions that ensure energy reliability, embrace responsibility, and empower consumers with next-generation technologies. And with the growth of data centers in rural areas, they are balancing the need to meet increasing energy demand while ensuring that they keep the lights on at a cost their members can afford. Cooperatives’ ability to meet the demands associated with data centers is vital to ensuring America wins the race to be the world’s leader in artificial intelligence (AI).

Part of this long-term strategy is deploying a mix of power generation across all available sources. From state-of-the-art power plants and transmission lines to long-duration battery storage and microgrids, to carbon capture systems, to providing gigabit rural broadband, electric cooperatives are delivering more reliable services to their consumers, making our electric grid more resilient, and paving new pathways to prosperity for their communities.

We appreciate DOE’s focused attention to the Speed to Power Initiative to foster the policy environment requisite for cooperatives to serve new and growing loads in a timely and efficient manner while maintaining affordable, reliable and safe electricity for all consumers. Meeting America’s energy needs requires cooperatives to plan their investments years before the generating assets are connected to the grid. Cooperatives must be able to operate and build new always available generating resources that provide reliable, affordable energy to meet the new demands coming onto the system. They must be able to permit these projects in a timely and predictable manner and be able to secure the needed materials and equipment within reasonable timeframes. In short, the U.S. needs a whole-of-government approach to federal regulations, policies and incentives to ensure that cooperatives can bring “Speed to Power” as DOE has termed it.

Below, we respond to a few selected issues from the RFI to provide additional insights on cooperatives’ perspective on DOE’s “Speed to Power” Initiative.

Load Growth Trends

The United States has embarked on a new period of demand growth in the electric sector. Cooperatives and other utilities have successfully navigated increasing demand in the past, such as booming manufacturing following World War II and the widespread expansion of air conditioning loads in the 1980s. Today, the sector is growing due to the converging trends of increased manufacturing activity, electrification of other sectors of the economy¹, and importantly the buildout of data centers to enable the digital economy and U.S. dominance in AI. As such, the White House AI Action Plan appropriately recognizes the importance of building out grid infrastructure to enable the U.S. to win the global AI race.

The world adds a new data center every three days. Electricity is the key input that determines the profitability of these data centers, and the amount of energy AI requires is astounding. The rapid addition of domestic manufacturing facilities, including microchip and battery production, requires significant energy resources as well. The increasing emphasis on and demand for electric vehicles, and

¹ Electrifying other sectors of the economy could require a three-fold expansion of the transmission grid and up to 170% more electricity supply by 2050, according to the National Academies of Sciences.

the energy necessary to charge them, are other examples of factors contributing to the growing need for electricity.

From Georgia to Pennsylvania to Colorado to Texas, it should come as no surprise that electric cooperatives are at the heart of data center development: they offer access to affordable, reliable power; tracts of land sufficient to build large data centers and essential electric, water and fiber network infrastructures at prices far below suburban costs; and potentially less red tape to manage to develop projects.

Depending on a number of factors, cooperatives have varying opinions of large loads, especially data centers and whether or not these loads would be beneficial to the cooperative utilities' systems. The benefits of today's data centers include additional electric sales, high load factors, and in some instances grid infrastructure investments that may improve reliability and support community electric needs. Data centers also may increase local job opportunities and pay substantial business taxes, supporting community investments in public services such as schools and amenities.

At the same time, some cooperatives perceive challenges and uncertainties associated with serving large loads such as data centers. Growth for electric cooperatives has traditionally been linear and incremental, tied to changes in GDP, population, and DOE efficiency standards, such as those for HVAC, appliances, and lighting – ensuring reliability, affordability and security for cooperative members. That dynamic has completely changed. Forecasting these additional loads can be challenging because they are tied to multiple corporate decision-making criteria and technologies, such as AI, which are rapidly changing. Some cooperatives contend with distribution and transmission systems that have simply not been sized to serve an additional 500-1000 MW, which could create substantial capacity constraints on the system that must be addressed.

Today, large load customers want rapid responses while utilities must guard against stranding investments. The size, structure, and carbon-free requirements of many of these new projects raise concerns about the ability to successfully meet the requests. Additionally, the level of investment to meet such requests in rural/suburban areas can equate to tens of millions of dollars per project, thereby creating serious challenges when combined with the demands of prospects, site selectors and other stakeholders. To meet the aggressive timetables, utilities are being asked to take unsecured risks, putting native load ratepayers at risk of covering costs if the projects do not come to fruition.

For perspective, many G&T cooperatives serve an annual peak load of roughly 1,000 – 2,000 MW – with some closer to 500-800 MW. Now, cooperatives are being approached to serve and interconnect new loads that range from 500 MW – 1,000 MW each, with some fielding multiple such requests. The scale and speed of such a prospective change for a cooperative cannot be understated, and pose significant risks that must be carefully navigated.

As not-for-profit utilities, electric cooperatives' long-standing business model is to invest in resources and infrastructure to meet their obligations to serve electricity to end-use consumers. As such, NRECA members have adopted policies that allow them to take on new large loads while limiting risk to end-of-line consumer-members. For example, some G&Ts have developed large load rate schedules to address reliability and resource adequacy, but also to protect against defaults that would cause distribution cooperatives who receive service from the same G&T, to subsidize large loads. The significant risks

associated with large loads may ultimately be borne by existing cooperative consumer-members if the large loads do not come to fruition, or do not take the anticipated volume or duration of service.

Grid Infrastructure Constraints – Regulatory and Policy Uncertainty Loom Large for Co-ops

Cooperatives face pervasive challenges in bringing new generation and transmission projects online in a timely and predictable manner. Most regions are experiencing unprecedented and expedited load growth, while at the same time facing challenges including generation retirements, generation interconnection queue backlogs, lack of new resources that will improve resource adequacy, and ever-changing federal and state policies. Time intensive and costly permitting reviews and supply chain challenges both contribute to and exacerbate these challenges. Cooperatives urge a whole-of-government approach to improve the multiple fronts of regulatory and policy uncertainty they are facing as they try to navigate how to meet the increasing demands on their systems from large loads as well as other sources of demand growth.

EPA Rules

NRECA is heartened by the recent proposals under the Trump administration by the Environmental Protection Agency (EPA) to repeal greenhouse gas emissions standards for the power sector under Section 111 of the Clean Air Act (Section 111 Rule), to repeal amendments to the Mercury and Air Toxics Standards (MATs Rule) that threatened to force premature retirement of coal-fired generation and limit how often new natural gas plants can run, to reconsider the effluent limitations and guidelines for coal-powered plants that rely on technologies that are neither available nor economically achievable (Steam Electric ELG Rule), and reconsider the recent decision – made as part of EPA’s regulation of coal combustion residuals (CCR) management units and legacy impoundments (Legacy CCR Rule) – to retroactively reclassify previously exempt beneficial uses of CCR as regulated units thereby imposing onerous burdens on numerous plants whether or not they currently burn coal. Once in effect, EPA’s repeals of these unworkable and unacceptable rules should curb generation retirements and thereby improve resource adequacy. However, at this juncture those proposed rulemakings are at an early stage, subject to change, and with uncertainty about how they will be finalized.

During the pendency of the repeal rulemaking process, the Section 111 Rule, MATs Rule, and Steam Electric ELG Rule remain in effect; and the need for greater resource adequacy is now. Even if the repeal of these environmental regulations curbs the retirement of existing baseload resources and removes some of the constraints on new baseload resources, some NRECA members still face resource adequacy challenges that threaten not only reliability, but also affordability.

Permitting

Electric cooperatives require federal environmental reviews and permits for countless activities as they maintain and build systems necessary to provide affordable, reliable and safe electricity. These federal approvals are required by numerous agencies, regulations, and laws – including procedural statutes such as the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) and substantive environmental statutes such as the Clean Water Act, Clean Air Act, and Endangered Species Act (ESA). The federal permitting process has continually expanded over the last four decades, resulting in delays and regulatory uncertainty and added costs for electric co-op infrastructure projects.

In general, these laws should be reformed to eliminate duplication and create more predictable and streamlined processes, including clear parameters for actions that do or do not require federal approvals. There should be firm time limits for reviews and permitting processes that are actually adhered to by federal agencies. And there should be reasonable limits on legal challenges, which often drive excessive costs and needlessly delay or kill projects.

NEPA Reviews: In response to President Trump’s “Unleashing American Energy” Executive Order, federal agencies have begun issuing overhauled NEPA procedures to streamline federal permitting that are consistent with the bipartisan statutory amendments to NEPA and the Supreme Court’s *Seven County Infrastructure Coalition* decision. Those agencies include USDA, Commerce, Interior, Energy and FERC. NRECA appreciates the Trump administration’s early actions to accelerate NEPA, ESA, and NHPA reviews and other steps that have been taken to speed permitting of electric infrastructure projects. Too often, electric cooperatives have experienced the frustration and uncertainty from overly inclusive and inefficient environmental reviews delaying new electric generation, transmission, distribution and broadband projects as well as routine activities and projects such as vegetation management and resilience projects that are critical for safe and reliable electricity and mitigation of wildfire risk.

The reforms being implemented by federal agencies will help expedite infrastructure development and cut project costs by implementing deadlines and page limits for environmental assessments (one year and 75 pages) and environmental impact statements (two years and 150 pages); clarifying that NEPA does not apply to all federal actions; and simplifying the creation and sharing of categorical exclusions among agencies. When fully implemented, using categorical exclusions, programmatic NEPA, and other authorities to expedite permitting and approvals for vegetation management, right-of-way access, wildfire mitigation, and grid hardening and expansion projects, these reforms will modernize federal permitting processes to increase electric infrastructure project development in a manner that strengthens our economy while maintaining environmental stewardship.

Cooperatives also frequently encounter inconsistent implementation of permitting and approval procedures across agency jurisdictions and regions. To help ensure greater regulatory and operational certainty, the Departments of the Interior, Agriculture, and Energy should work to make permitting procedures for routine utility operations and wildfire mitigation consistent within each agency’s regions, and between the Departments themselves.

Clean Water Act Permitting: Electric cooperatives often must obtain a permit under Clean Water Act section 404 when they build new electric infrastructure whether for a transformer station, distribution or transmission line, or even a new power plant. Electric cooperatives often must also obtain such a permit when they perform maintenance on these projects. However, for decades there has been significant confusion and uncertainty about exactly where such permits are needed through the definition of the Waters of the United States (WOTUS). The EPA and Department of Army – which share authority over section 404 – are currently working on a revised definition of WOTUS which we hope will be more aligned with the letter of the law and intent of the Supreme Court in their recent decision in *Sackett v. EPA*.² A clear and appropriate definition of WOTUS that is consistent with the law will go a long way

² 598 U.S. 651 (2023).

towards providing electric cooperatives with important clarity and facilitate the more efficient siting and construction of new infrastructure.

Similarly, the Army Corps of Engineers is in the process of reauthorizing its Nationwide Permit Program which provides a streamlined permitting process for certain projects requiring a section 404 permit that have no more than a minimal environmental impact. This program is critical not only to electric cooperatives – which use it most often when siting new and maintaining existing transmission and distribution lines - but to the success of the entire economy, as President Trump recognized in his Executive Order on Declaring a National Energy Emergency.³ It is imperative that the Corps prioritize reauthorizing the program before it lapses in March 2026 to ensure that electric cooperatives can continue to meet the growing energy demands of their customer-members.

Supply Chain Constraints

Cooperatives need a robust and efficient supply chain to build the generation and transmission needed to serve the new loads coming onto the grid. Unfortunately, cooperatives are experiencing unprecedented lead times and significant price escalations for equipment and material. In general, these challenges are due to increasing demand and supply chains that are at capacity. These challenges must be addressed in order to meet the demands for Speed to Power as DOE and the Trump administration envision to win the AI race.

The lead times for essential equipment have increased significantly since just a few years ago – impacting cooperatives’ ability to bring new power supply online in a predictable and reasonable manner. Cooperatives are waiting years rather than months for the material and equipment. Costs are also increasing substantially.

- High voltage circuit breakers of all sizes have become one of the longest lead time items on new generation projects, rising from less than a year to commonly two years with some cooperatives reporting even longer timelines.
- Current lead times for generation step up (GSU) transformers range from three to four years, up from roughly 20 months in 2022. Multiple suppliers would not provide quotes for 2026 delivery.
- Lead times for new gas turbines range from three to six years and costs have increased by roughly 25% annually, on average, over the past few years.
- Lead times for turbine generators range from two to four years.
- Current lead times for transmission transformers range from three to four years.

Beyond the challenges in getting equipment from manufacturers, the limited number of Engineering, Procurement and Construction (EPC) firms capable of designing and building power plants is exacerbating these problems – leading to higher prices and difficulty in securing their availability, which ultimately put smaller cooperatives at a disadvantage as compared to larger utilities.

³ 90 FR 8433 (Jan. 29, 2025).

Transmission Planning

In addition to sufficient generation resources, serving the growing loads seeking access to the grid will require prudent investments in transmission. FERC's recent Order 1920 on Regional Transmission Planning and Cost Allocation Reform, is, overall, a missed opportunity. Transmission planning and cost allocation should focus on the transmission needs of load-serving entities and the consumers they are obligated to serve. Transmission policy, whether it's in flux or established, must be accomplished through a just and reasonable approach that is resource-neutral and which ensures the availability of affordable, reliable electricity to every community - including the rural communities and the 92 percent of persistent-poverty counties that electric cooperatives serve. Additional transmission is sorely needed; however, the costs of these investments should not be placed on the backs of communities, including marginalized rural communities, that will not enjoy commensurate benefits.

These are the principles of long-standing transmission policy and while Order 1920 claims to be in concert with them, in fact it is not. Under Order 1920, transmission planning is reformed in a way that favors long-term facilities intended to support renewable generation, regardless of the impact on reliability, and ignores evaluating whether or not consumers ultimately will benefit from facilities they are obligated to pay for under this new transmission regime. In sum, the focus on load-serving entities and their consumers is virtually non-existent.

Federal Emergency Management Agency (FEMA) Public Assistance Program

Cooperatives need policy certainty not only when preparing the grid for new loads but also to support grid recovery when disaster strikes. Electric cooperatives operate at cost and have no shareholders, so disaster related expenses are passed directly to end of line consumer-members. Unlike investor-owned utilities, cooperatives cannot claim tax breaks for storm expenses, nor create interest earning balance sheet accounts to draw down later for storm expenses. To prevent substantial rate increases after disasters, electric cooperatives rely on the FEMA Public Assistance (PA) Program.

The future of FEMA's PA program is currently uncertain; however, it is essential for maintaining reliable, affordable energy and supports communities before, during, and after disasters. Restricting access to these resources would hinder power restoration, compromise reliability, raise electricity costs, and ultimately stall progress toward maximizing America's energy capabilities.

Use of DOE Funding, Financing, and Technical Assistance

While mandatory regulation can be an impediment to progress, voluntary federal incentives can be thoughtfully directed to unleash American Energy. Cooperatives have shown an enormous appetite to innovate and invest for the future to meet the growing demand on their systems, in recent years bolstered through federal grant, loan and, tax incentives for electric infrastructure. Energy tax credits play a pivotal role in enabling America's electric cooperatives to add generation to their power supply portfolios at the scale and pace required to meet today's skyrocketing electricity demand. Until recently, cooperatives have traditionally not been able to utilize the tax credits that taxable entities in the energy sector have been able to leverage. In 2022, America's electric cooperatives finally gained access to a level playing field on energy tax credits through "elective pay." NRECA members are busy constructing and planning a variety of generation projects through the available investment and production tax credits

where it makes most sense for them. The tax credits help to make projects possible for electric cooperatives that would otherwise not pencil out or would result in steep rate hikes for their consumer-members.

But cooperatives' approach to federal programs is likely going to look different from other entities given their unique financing circumstances. And persisting uncertainty about federal incentive programs and their associated rules can make them less attractive when compared to other financing sources particularly when they are striving to meet the increasing volume of new load requests while maintaining reliability on the grid.

As not-for-profit entities, electric cooperatives are unique in the way they are financed. Cooperatives have no equity shareholders who can bear the costs of stranded generation assets, investment in new or alternative generation resources, or extensive upgrades to networks and systems. Cooperatives do not have a rate of return on equity as do investor-owned utilities. All costs are passed through directly to each cooperative's consumer-members via increased electric rates.

Because of their not-for-profit nature, cooperatives maintain only marginal cash reserves for anticipated operating expenses and unforeseen events. For that reason, financing the significant capital investment required for new generation, transmission, and other infrastructure projects necessarily requires reliance on debt sourced from entities such as the U.S. Department of Agriculture's Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation, and CoBank. The debt is ultimately paid back through rates paid by their members.

Simply put, cooperatives do not profit when they build generation, transmission, and distribution assets, and they build only what is necessary to meet their members' energy needs. Because cooperatives are dependent on debt financing, they must have access to these debt markets by maintaining sufficient credit ratings in order to fund capital expenditures.

It is critical for cooperatives to have access to a broad menu of federal incentives that they can voluntarily use to meet the unique needs of the communities they serve. Whether it be grants, loans, loan guarantees or tax incentives - the ability for cooperatives to use these tools either independently or together (i.e. stacking a grant with a tax incentive) - is critical for not-for-profit cooperatives.

For example, cooperatives might utilize a grant from DOE and finance their share of the project costs through a traditional electric loan provided by RUS. Notably, the RUS loan program continues to operate at a negative subsidy rate, with interest payments generating a surplus for the government each year. While RUS loans are a prudent use of federal funding and can be attractive to cooperatives because of lower interest rates, RUS financing is not without challenges. These challenges include loan restrictions, lengthier and uncertain approval processes (including NEPA reviews), and the significant amount of capital required. Nonetheless, the ability to couple these federal financing tools is very important to electric cooperatives. Close coordination between DOE and USDA is important in these cases, particularly in avoiding duplicative environmental reviews for the same project.

Again, these financial tools make investments possible for cooperatives that would otherwise sit on the sidelines or would lead to rate increases for their members at the end of the line. At DOE, programs such as Energy Improvements in Rural and Remote Areas and Grid Resilience and Innovation Partnerships

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have been vital tools to our members in making reliability and resilience investments that will shore up the grid to support new loads coming onto the system. The newly broadened scope for DOE loan guarantee financing, as provided in the One Big Beautiful Bill Act for Energy Dominance Financing, also provides additional flexibility necessary for cooperatives as they seek different ways to meet the growing loads coming to their service territories with always available generating resources.

Conclusion

NRECA appreciates DOE's attention to addressing the critical pieces within the federal government's purview to support cooperatives in their mission of serving affordable, reliable electricity to all of their consumer-members at the end of the line and to meet this moment with "Speed to Power." We urge a whole-of-government approach to ensure that federal regulations, policies and incentives are aligned to enable cooperatives and other utilities to make the investments needed to not only serve large loads at the scale and pace required for the U.S. to win the AI race, but to also protect affordability and reliability on the grid for all Americans.

Thank you for considering our comments. Please contact me at 703-907-5732 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Crawford". The script is cursive and fluid.

Stephanie Crawford
Regulatory Affairs Director
National Rural Electric Cooperative Association