November 21, 2025

Submitted electronically via SpeedtoPowerRFI@hq.doe.gov

Office of Electricity
United States Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Re: Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action To Rapidly Expand Grid Capacity and Enable Electricity Demand Growth

To Whom It May Concern:

The American Public Power Association (APPA) appreciates the opportunity to comment on the Department of Energy's (DOE or Department) request for information (RFI) on accelerating speed to power and winning the artificial intelligence race.

Public power utilities across the nation are expanding their capacity to serve new data center loads by building grid infrastructure, creating innovative rate structures, and partnering with data center developers. Some public power utilities have been serving data center loads for decades, powering the internet as we know it today. And in public power communities that seek to serve new artificial intelligence data centers, data center developers see benefit in partnering with public power utilities because their not-for-profit business model and local governance structure allow public power utilities to be nimble in meeting the needs of new data centers.

But significant barriers continue to constrain the ability of public power utilities to expand their capacity to serve new loads while protecting their existing customers from undue costs and risks. APPA therefore appreciates and applauds the efforts of DOE to strengthen the federal role in accelerating critical projects to enable the growth in electricity demand.

About the American Public Power Association

APPA is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. Public power utilities are in every state except Hawaii. They collectively serve over 55 million people in 49 states and five U.S. territories, and account for 15 percent of all sales of electric energy (kilowatt-hours) to end-use consumers.

Public power utilities are load serving entities, with the primary goal of providing the communities they serve with safe, reliable electric service at the lowest reasonable cost, consistent with good environmental stewardship. This orientation aligns the interests of the utilities with the long-term interests of the residents and businesses in their communities.

Communications regarding these proceedings should be directed to:

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Large-Scale Generation and Transmission Projects to Enable Load Growth (RFI #1)

APPA conducted a survey of its members to identify generation and transmission projects in development and the barriers that are impeding the speed or increasing the cost of completing those projects. Dozens of public power utilities have projects in development, ranging from early-phase partnerships for developing small modular nuclear reactors to natural gas plant upgrades to novel new geothermal plants. Many individual projects are between 20 megawatts (MW) and 100 MW, while some larger public power utilities have portfolios of planned projects that would add several gigawatts of capacity to their systems.

APPA is committed to collaborating with DOE to identify public power projects that would benefit from federal support and facilitating meetings with public power utilities that are developing projects of interest to DOE.

High-Priority Geographic Areas for Targeted DOE Investment (RFI #2)

Public power communities are particularly well suited for targeted federal investment to enable grid expansion that supports new electricity demand growth. Because public power utilities are not-for-profit, any federal investment to support those utilities is certain to benefit the local communities. APPA has a long history of coordinating with DOE on delivering funding and technical assistance to public power utilities that not only strengthen grid resilience but also result in tangible community benefits.

Moreover, federal investment in public power utilities will facilitate speed to power. Because public power utilities are community-owned and locally governed, the support of local leaders for new data centers can alleviate local barriers to deployment. Data centers not only need to obtain power, but they also require water and other utility services, which many public power utilities also provide. And developers need to navigate local siting and permitting requirements. As instrumentalities of state and local governments, public power utilities can participate in whole-of-government efforts to enable data centers to successfully—and with all due speed—locate in communities that seek to attract such investment.

As noted above, APPA is committed to meeting with DOE to identify public power utilities that would benefit from federal assistance.

DOE Support for Large Scale Projects (RFI #3a, 3b)

APPA supports DOE's efforts to use existing statutory authority to help development and deployment of

generation and transmission projects. In the short term, financial assistance and technical assistance are critical to achieving speed to power. Additionally, DOE can play an important role in alleviating supply chain challenges and addressing workforce vulnerabilities. And, as discussed in greater detail in our response to Question 3g, DOE must coordinate with other federal agencies to reduce barriers for expanding grid capacity.

APPA urges DOE to consider the following principles as it evolves its programs to support speed to power and expansion of grid capacity to meet growing demand reliably:

Ensure financial and technical assistance is available to public power utilities. DOE should ensure that financial and technical assistance opportunities are available to all those willing – including public power utilities. Conditions on assistance opportunities that are inconsistent with a not-for-profit business model and requirements that conflict with or duplicate obligations that apply to instrumentalities of the state or local governments should be avoided. Congress recognized, for example, that public power utilities' tax-exempt status materially limited the ability of those utilities to benefit from certain tax incentives, and therefore added elective pay provisions to recent incentives that provide equal access to incentives for not-for-profit utilities. DOE should similarly be cognizant of rules that inadvertently prevent public power utilities from accessing assistance.

Enable joint action among communities. Many public power utilities form "joint action agencies" that allow multiple utilities to work together to build generation and transmission that would not be possible for any of the individual utilities. Such joint action agencies should be eligible to apply for grants on behalf of their member utilities, which are often located in smaller, rural communities. This would help ensure projects are built that benefit smaller public power utilities and allow them to work together to achieve economies of scale on building significant generation and transmission projects.

Improve certainty and reduce burdens. Applicants for technical and financial assistance have often described the application process as unduly complex or burdensome. Especially for small non-profit, community-owned public power utilities, application processes can be streamlined. For technical assistance, improved communication—such as a "one stop shop"—describing the range of programs available and eligibility requirements would allow for more utilities to make use of the programs. Furthermore, greater certainty around the durability of assistance programs will allow beneficiaries to more effectively plan and execute on projects that expand grid capability.

Interagency Coordination (RFI #3g)

Achieving speed to power requires all federal agencies to coordinate to reduce barriers to building new generation and transmission. The Environmental Protection Agency (EPA), Federal Energy Regulatory Commission (FERC), federal land management agencies, and internal revenue service (IRS) all play important roles in alleviating barriers, so DOE should coordinate closely with them to prioritize grid expansion to serve growing demand. The Department of Commerce can also play a role in addressing issues such as supply chain constraints. The National Energy Dominance Council has been—and should continue to be—an effective body for facilitating the interagency coordination that is need to accelerate speed to power.

Environmental Protection Agency. APPA supports continued collaboration with EPA on reliability issues. We

urge DOE to conduct analysis of proposed EPA rules to determine whether they will unduly affect grid reliability or harm resource adequacy. DOE and EPA should also designate points of contact for permitting issues and hold joint technical workshops with stakeholders to address roadblocks and share best practices.

Federal Energy Regulatory Commission. Natural gas remains a major source of electricity generation, and many APPA members are expanding their gas-fired power plants to serve growing demand, including new data centers. This often requires expansion of natural gas infrastructure. DOE should continue its coordination with FERC to ensure adequate gas supply for power plants, as well as ensuring effective coordination between the gas and electric systems.

Land Management Agencies. Wildfire risk is an impediment to building out the transmission grid, particularly in the West but throughout the country. Today, electric utilities encounter numerous federal hurdles and delays when undertaking wildfire mitigation, grid hardening, and wildfire recovery actions to protect their systems and the communities they serve. These operational challenges pose a barrier to utilities planning to build more transmission to serve growing demand. Statutory changes to the Federal Land Policy and Management Act of 1976 (FLPMA) and National Environmental Policy Act (NEPA) are certainly needed, but land management agencies can take action immediately to reduce burdens for utilities, including by: (1) further clarifying emergency hazard tree removal approval processes and have those policies consistent across regions and agencies; (2) clarifying regulations under the FLPMA that currently do not allow utilities to then remove the felled timber, slash, and other vegetation from the forest itself without undergoing a timber sale or donation process; and (3) expediting implementation of master service agreements combining multiple permits and updating expired with utilities that hold multiple operating and maintenance electric corridor permits.

Internal Revenue Service. IRS regulations can significantly impact whether a new infrastructure project gets built or not. Certainty and stability of those rules is critical to enabling new grid infrastructure. A tax issue that some public power utilities encounter is that the IRS limits "private use" of municipal bonds in ways that prevent public power from crafting innovative arrangements with data centers. A customized contract with a data center that lasts longer than three years and makes use of more than 10 percent of bond proceeds would, in the IRS's view, likely be considered private use. DOE should coordinate with the IRS about the importance of crafting tax rules in a way that enables—rather than hinders—public power to serve growing loads, including data centers. Like EPA and land management agencies, the IRS does not have the goal of ensuring reliable electricity service at the lowest reasonable cost; DOE should therefore ensure that the IRS is (at minimum) informed about electric reliability and affordability challenges associated with new or existing tax rules.

Public Private Partnerships (RFI #3h)

The RFI asks how DOE can leverage public-private partnerships to accelerate development of projects that address grid capacity and load growth. One type of public-private partnership with a proven track record is joint ownership of transmission.

Joint ownership allows for all load-serving entities in the relevant footprint—including public power utilities—to participate in the ownership and development of new transmission projects. Such ownership structures lead to a

collaborative and inclusive process for the planning, development, and financing of new transmission that results in a more efficient grid that can serve growing demand reliably. Joint ownership can eliminate weak spots, make it easier to garner support for transmission projects, and lay an important foundation for the prompt siting of new transmission lines. It may be the single most important factor in determining the success of a transmission project.

There are many structures for inclusive joint ownership of transmission. In some regions, investor-owned utilities have partnered with public power utilities and rural cooperatives to form transmission companies that can own and operate new transmission facilities. In other regions, public power transmission owners have partnered with investor-owned neighbors to plan and operate transmission facilities jointly, as a single-system, pursuant to a long-term arrangement.

Regardless of the structure, joint ownership arrangements have led to a collaborative and inclusive process for planning, developing, financing, and siting transmission. Including public power in the ownership of transmission lines has facilitated effective planning and has helped manage cost allocation issues because the project is able to demonstrate multiple benefits by meeting the needs of several utilities. Moreover, public power ownership of transmission lines—even in small percentages—can attract political support for state and local approval processes.

Given the significant benefits of the joint ownership model, DOE should consider all available tools to encourage and facilitate joint ownership as a proven model of public-private partnership.

Barriers to Expanding Infrastructure (RFI #5)

APPA's members report a range of barriers that are slowing down infrastructure development and increasing costs. Based on survey responses from members, major barriers include supply chain constraints, federal permitting, and regulatory uncertainty. We elaborate on these barriers below.

Supply Chain Constraints. Many APPA members that are developing new generation and transmission projects are experiencing challenges with procurement of major materials, notably circuit breakers, switchgear, transformers, and turbines. There are two main types of challenges: delays and price changes. Some suppliers have been informing APPA members that the equipment they ordered will be delayed by several months or even years, which has significant impacts on the overall project timeline. And other suppliers are increasing the cost of equipment: multiple APPA members reported cost increases in the range of 15-20 percent from the time of a preliminary quote to the time of the order; others have reported price increases even after orders are completed. Tariff uncertainty also poses a barrier to completing projects on time and on budget. DOE should coordinate within the administration to consider targeted tariff exemptions for critical electric equipment and materials. Such an exemption would reduce uncertainty and allow all utilities to progress more quickly on getting new infrastructure built.

Federal Permitting. Projects that require federal permits face extraordinary delays in getting built. It regularly takes multiple years—even absent litigation—to get through NEPA review and other federal permitting

requirements, even when the federal nexus is quite narrow (e.g., some amount of federal funding or an incidental take under the Endangered Species Act). Litigation, which is very common in NEPA assessments for electric infrastructure, adds more years. APPA has advocated pragmatic legislative changes that would streamline the permitting and siting process, provide clearer federal guidance, and produce timelier decisions. Specifically, reforms should enhance: (1) predictability, so utilities know what to expect and when; (2) efficiency, through better agency cooperation and fewer duplicative steps; (3) transparency, by tracking project milestones openly; and (4) meaningful stakeholder input at each stage. Sustained funding for federal agencies is also critical, as under-resourced offices are often a root cause of slow permitting.

To address federal permitting, APPA supports H.R. 4776, the Standardizing Permitting and Expediting Economic Development (SPEED) Act, including (1) a limitation that an agency's scope of review under NEPA be limited to major federal actions within the agency's authority and control; (2) confirmation that federal assistance does not automatically constitute a major federal action; (3) clarification that reasonably foreseeable federal actions are actions directly under the control of the agency and have a close casual relationship to the proposed agency action; and (4) limiting unnecessary litigation.

Conclusion

Public power utilities are committed to serving their communities with reliable, affordable power. In the face of unprecedented demand growth at an unprecedented pace, it is essential that the federal government reduce barriers to building new infrastructure. APPA looks forward to continuing to work with DOE on this initiative. Through further meetings with DOE, APPA can assist in identifying public power projects that would benefit from federal support and facilitating meetings with public power utilities that are developing projects of interest to DOE.