

Nov. 30, 2022

The Honorable Brenda Mallory
Chair
Council on Environmental Quality
730 Jackson Place NW
Washington, D.C. 20503

Dear Chair Mallory,

We write to request an update on the Council on Environmental Quality (CEQ)'s forthcoming National Environmental Policy Act (NEPA) Phase 2 Implementing Regulations Revisions (Phase 2 regulations). As the agency principally responsible for overseeing the implementation of NEPA, CEQ plays a pivotal role in implementing the landmark climate and energy security laws enacted by the 117th Congress. Both the content and timely issuance of the Phase 2 regulations are critical for the U.S. energy industry and its ability to supply Americans with reliable, clean, and affordable energy over the coming years and decades.

The Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) together invest well over \$400 billion into clean energy, energy security, and climate resilience. These two statutes constitute an unprecedented investment in our nation's energy future. They have the potential to reduce U.S. greenhouse gas emissions over 40% below 2005 levels while lowering energy prices and creating jobs.¹

Our investment-driven energy strategy hinges on the broad set of environmental; energy; land-use; and other laws, rules, and regulations that govern the federal decision-making process around energy infrastructure projects. For our energy industry to build projects on reasonable timelines and at low cost, America needs a twenty-first century permitting regime which ensures protection for our shared environment while placing a renewed focus on the speed with which projects can move forward.

Nowhere are permitting reforms more important than for long, linear energy infrastructure projects such as pipelines and transmission lines. The nature of these projects often requires them to cross many jurisdictions.

Without the ability to efficiently construct pipelines, our ability to affordably deliver natural gas to Americans and to ship it abroad to our allies in Europe will be jeopardized. A new generation of pipelines transporting carbon dioxide and clean hydrogen will also be necessary for reaching net-zero emissions.

Transmission lines are essential to a resilient, reliable, and affordable power system. But in the last decade, America has all but stopped building the very largest lines most important to an efficient grid.² If we fail to accelerate large-scale transmission development, we risk not achieving over 80% of the IRA's projected emissions reductions³ and face billions of dollars in avoidable energy system costs.⁴ Moreover, a shortage of transmission will ultimately cause an excess of energy generation, increasing the very environmental impacts from which NEPA seeks to protect communities.

¹ https://repeatproject.org/docs/REPEAT_IRA_Preliminary_Report_2022-08-12.pdf

² <https://cleanenergygrid.org/wp-content/uploads/2020/11/Macro-Grids-in-the-Mainstream-1.pdf>

³ https://repeatproject.org/docs/REPEAT_IRA_Transmission_2022-09-22.pdf

⁴ <https://acore.org/transmission-makes-the-power-system-resilient-to-extreme-weather>

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The forthcoming Phase 2 NEPA regulations are essential for our nation's energy security. We urge you to prioritize regulatory revisions which seek at every step of the permitting process to promptly provide certainty and clarity to energy project developers. Even for projects that cannot go forward, a timely decision can make a meaningful difference, allowing developers and investors to reallocate resources.

Finally, we ask that you release your forthcoming Phase 2 regulations as soon as possible. Doing so will provide industry the certainty it needs to move forward on energy infrastructure projects, while also informing Congress, which has expressed strong, bipartisan and bicameral interest in permitting reform legislation.

Thank you for your attention to this matter. We look forward to continuing to work with you to address permitting barriers to American energy development.

Sincerely,



John Hickenlooper
United States Senator