

February 2026

Permitting Reform

Electricity demand across MRES' four-state footprint continues to rise, driven by population growth, industrial expansion, and economic development and electrification. This increasing demand is straining an aging transmission network and underscores the urgent need for investment in modern, resilient grid infrastructure.

Rising transmission construction costs and lengthy permitting processes pose significant challenges for municipal electric utilities seeking to expand infrastructure efficiently while keeping rates affordable for consumers. Legislative and regulatory reforms are needed to streamline these processes and balance reliability, cost, and environmental considerations. In the Midwest, effective permitting reform should focus on two key areas: environmental review and transmission development.

Environmental Reforms

Measured Reforms to the National Environmental Policy Act (NEPA)

Measured and sensible reforms to the National Environmental Policy Act (NEPA) will help public power utilities make cost-effective investments in energy infrastructure while upholding environmental stewardship. MRES supports the following reforms:

- **Focus reviews on direct impacts:** Limit the scope of agency reviews to the specific effects directly caused by the proposed project or action, rather than reviewing potential or nebulous “downstream” impacts.
- **Clarify federal funding triggers:** Specify that the provision of federal funds—whether through grants, loans, or other assistance—does not automatically constitute a “major federal action” under NEPA.
- **Strengthen categorical exclusions:** Ensure categorical exclusions (actions determined not to have significant environmental impact) remain valid without requiring separate agency-specific rulemaking and limit legal challenges to their establishment.
- **Refine “reasonably foreseeable” impacts:** Define the term to include only projects under an agency’s control or jurisdiction that have a close causal relationship to the proposed action.
- **Reduce litigation costs and delays:** Streamline legal processes to prevent unnecessary project slowdowns.

Among the proposals that would advance these goals is **H.R. 4776, the *Standardizing Permitting for Efficient and Effective Deployment (SPEED) Act***, introduced by Reps. Bruce Westerman (R-AR) and Jared Golden (D-ME). HR 4776 passed the House (221-196) in December and is pending before the Senate Committee on Environment and Public Works. MRES and its members support this legislation.

Clean Water Act Reforms

MRES relies on water to cool generation facilities (such as the Laramie River Station) and ensure reliable operations that meet growing energy demand. Streamlining the Clean Water Act (CWA) permitting process is essential to prevent delays, provide regulatory certainty, and support the timely construction and maintenance of energy infrastructure—all while protecting water quality.

MRES supports the following reforms:

- **Narrow the scope of Section 401 reviews:** Limit State Water Quality Certification reviews under Section 401 to direct discharges into navigable waterways.
- **Codify WOTUS exclusions:** Permanently exclude waste treatment systems from the definition of “Waters of the United States” (WOTUS).
- **Expand and modernize the Nationwide Permit Program:** Allow the U.S. Army Corps of Engineers to continue authorizing activities with minimal environmental impacts—such as utility line crossings—without requiring individual permits for each project and extend the duration of Nationwide Permits from five to ten years.
- **Reduce litigation delays:** Limit legal challenges and appeals related to CWA permits to ensure timely project delivery.

To advance these goals, MRES supports **H.R. 3898, the *Promoting Efficient Review for Modern Infrastructure (PERMIT) Act***, introduced by Rep. Mike Collins (R-GA). The PERMIT Act passed the House (221-205) in December and is currently pending before the Senate Committee on Environment and Public Works.

Transmission Reforms

MRES continues to invest in transmission infrastructure to ensure reliable and affordable power delivery to the communities it serves. One key effort is the *Big Stone South–Alexandria–Big Oaks Project*, a high-voltage transmission line beginning in South Dakota and running through Minnesota, improving transmission access and reliability. This regional collaboration among MRES, Great River Energy, Minnesota Power, Otter Tail Power Company, and Xcel Energy will relieve congestion, improve grid efficiency, and strengthen system reliability across the Upper Midwest. The project highlights how streamlined permitting and strong interregional cooperation are essential to meeting growing energy demand and ensuring long-term grid resilience. Congress can help advance transmission development by reducing federal permitting roadblocks, including reforms to NEPA. Specifically:

- **Accelerate federal permitting:** Congress can expedite transmission projects by streamlining federal review and approval processes.
- **Preserve local authority:** Congress should maintain, but not expand, FERC’s jurisdiction over non-jurisdictional utilities, including public power utilities, electric cooperatives, and federal power marketing administrations, which have long managed their own rates and governance.

- **Respect regional differences:** Each region should determine whether interregional transmission improves reliability and cost-effectiveness, rather than adopting uniform national requirements.
- **Reaffirm the beneficiary-pays principle:** Transmission costs should be allocated to those who directly benefit from the projects, ensuring public power customers are not unfairly burdened.

MRES urges Congress to support measures that encourage development and coordination between transmission developers and municipal electric utilities in planning and investing in regional transmission projects. When municipal utilities can invest directly in transmission infrastructure, it strengthens local control and ensures ratepayer benefits rather than dependence on larger transmission-owning entities.