

The Cheap Energy Act

Section-by-Section Summary

Sec. 1. Short Title; Table of Contents.

Title I: Restoring Tax Credits for Cheap Energy.

Sec. 101. Repealing H.R. 1 Rollbacks of Cheap Energy Tax Credits. Restores the tax credits for cheap energy enacted in the Inflation Reduction Act (IRA) of 2022 by rescinding the provisions of the One Big Beautiful Bill Act of 2025 that rolled back the tax credits.

Title II: Cutting Energy Bills for American Families.

Sec. 201. Lowering household heating and cooling bills. Expands and modernizes the Low Income Home Energy Assistance Program (LIHEAP) to ensure year-round access to affordable and reliable heating and cooling for lower-income households who experience disproportionately high energy burdens.

- *Adapted from: Rep. Ansari's Heating and Cooling Relief Act of 2025 (H.R. 2486)*

Sec. 202. Home weatherization. Reauthorizes the Weatherization Assistance Program (WAP) and raises the statutory Average Cost Per Unit from \$6,500 to \$12,000, so that households can receive more assistance, and WAP implementers can pay competitive wages and retain their workforces. Authorizes the Weatherization Readiness Program to address structural, plumbing, roofing, and electrical issues that are unable to receive effective assistance from WAP.

- *Adapted from: Rep. Tonko's Weatherization Act of 2025 (H.R. 1355)*

Sec. 203. Reflective roofing. Establishes a rebate program for reflective roofing products to lower home temperatures and reduce energy consumption and costs.

- *Adapted from: Rep. Foushee's Cool Roof Rebate Act of 2025 (H.R. 2679)*

Sec. 204. Energy savings targets for utilities. Establishes a national energy efficiency resource standard that would be administered by each state. It would require retail electric and natural gas utilities to achieve energy savings of 22% and 14% respectively by 2039.

- *Adapted from: Rep. Castor's American Energy Efficiency Act of 2024 (H.R. 9467 in the 118th Congress)*

Sec. 205. Domestic natural gas price protection. Requires the Secretary of Energy to determine, before approving a new liquefied natural gas (LNG) export terminal, that the terminal would not likely materially increase energy prices or energy price volatility for US consumers, contribute significantly to climate change, or create a disproportionate health or environmental burden on rural, low-income, minority, and other vulnerable communities.

- *Adapted from: Rep. Casten's LNG Public Interest Determination Act of 2025 (H.R. 381)*

Title III: Unclogging the Cheap Energy Bottleneck.

- Sec. 301. Community solar. Requires the Department of Energy (DOE) to expand community solar options to individuals, businesses, nonprofit organizations, States, local government, and Tribal governments. Also requires DOE to expand the existing grant, loan and financing programs to include community solar projects.
- *Adapted from: Rep. Castor's Community Solar Consumer Choice Act of 2025 (H.R. 4162)*
- Sec. 302. Streamlining permitting of distributed energy. Incentivizes communities to adopt DOE's SolarApp model permitting system.
- *Adapted from: Rep. Susie Lee's SHINE Act of 2023 (H.R. 5997 in 118th Congress)*
- Sec. 303. Electricity transformers. Authorizes \$2.1 billion to address the shortage of electricity transformers and complementary grid security technologies through the Defense Production Act.
- Sec. 304. Expedited generator interconnection. Requires the Federal Energy Regulatory Commission (FERC) to address the ineffectiveness of existing procedures for processing interconnection requests, including by promoting the use of automation and standardized study criteria to help expedite interconnection studies.
- *Adapted from: Rep. Castor's Expediting Generator Interconnection Procedures Act of 2025 (H.R. 2986)*
- Sec. 305. Grid enhancing assets. Requires FERC to establish a shared savings incentive for grid-enhancing technologies (GETs), which would allow a developer to be reimbursed for the cost of a GETs project, plus some of the cost-savings generated by it. The rest of the savings would go to ratepayers.
- *Adapted from: Rep. Castor's Advancing GETs Act of 2025 (H.R. 2703)*
- Sec. 306. Renewable energy in U.S. territories. Creates a grant program for investments in renewable energy, energy efficiency, energy storage, smart grid and micro grid projects as well as training for local residents in U.S. territories.
- *Adapted from: Rep. Lieu's Renewable Energy for U.S. Territories Act of 2025 (H.R. 4339)*

Title IV: Building Out a 21st Century Electricity Grid.

Subtitle A—Amendments to the Federal Power Act

Sec. 401. Definitions.

- Sec. 402. Interregional electric transmission planning. Directs FERC to increase the effectiveness of the existing planning processes of Transmission Organizations in advancing interregional transmission projects that are efficient, cost-effective, and broadly beneficial. Directs FERC to publish an annual report on the progress of each Transmission Organization in advancing interregional transmission projects.
- *Adapted from: Rep. Casten's Interregional Transmission Planning Improvement Act of 2021 (H.R. 2678 in 117th Congress)*
- Sec. 403. Allocation of costs of interregional electric transmission facilities. Directs FERC to allocate the costs of any "transmission facility of national significance" to customers in a manner that is roughly commensurate with the reasonably

anticipated transmission benefits over the lifetime of the facility. Defines “transmission benefits” (in section 401) as the broad range of economic, operational, safety, resilience, public policy, environmental benefits, as identified by FERC. Defines “transmission facility of national significance” as (a) an interstate transmission line with more than 1000 megawatts of capacity, (b) an upgrade of an existing transmission line of more than 500 megawatts, or (c) an offshore transmission line.

- *Adapted from: Rep. Castor's Enhancing Electric Grid Resilience Act of 2023 (H.R. 2750 in 118th Congress)*

Sec. 404. Allocation of costs of electricity interconnection and network upgrades. Directs FERC to require transmission utilities to allocate the costs of interconnections and network upgrades in a manner roughly commensurate with the reasonably anticipated transmission benefits and not to allocate the costs solely to the requesting interconnection customer. Also allows an interconnection customer to voluntarily pay the upfront costs of an upgrade, to be refunded within 10 years of completion.

- *Adapted from: Rep. Castor's Efficient Grid Interconnection Act of 2023 (H.R. 2749 of the 118th Congress)*

Sec. 405. Minimum interregional transfer capability. Directs FERC to establish minimum levels of electricity transfer capabilities between each region, and to require each transmission planning region to coordinate with its neighbors to plan for the required interregional transmission. Proposes as minimum transfer levels 30% of a region's peak electricity demand (or 15% in the case of a transmission planning region that borders only one other transmission planning region), unless FERC finds, upon a showing by a transmission planning region, that a lower level can achieve the same or greater transmission benefits.

- *Adapted from: Rep. Casten's Reinforcing the Grid Against Extreme Weather Act of 2025 (H.R. 603)*

Sec. 406. Increased FERC transmission siting authority. Gives FERC exclusive siting authority for national interest transmission lines, defined as crossing two or more States and with a capacity that exceeds 1000 megawatts. Directs FERC to base its decision to exercise such authority on the extent to which a given transmission line will improve electricity reliability and resilience, enable the use of renewable energy, utilize existing facilities, and minimize the use of eminent domain.

- *Adapted from: Rep. Quigley's SITE Act of 2023 (H.R. 1766 in the 118th Congress)*

Subtitle B—Tax and grants

Sec. 411. Transmission investment tax credit. Establishes an investment tax credit to pay 30% of the cost of new electricity transmission lines, modified existing transmission lines, and related property. If new, the line must be used primarily to enhance resilience, address clearance concerns, facilitate electric interconnection, or address high load needs of over 2000 amperes; it must also either include an advanced transmission conductor of more than 100 kilovolts, a superconducting transmission line of more than 750 megawatts, or a superconducting transmission line collocated in the same right-of-way as another transmission with an aggregate

capacity of 1000 megawatts. If an existing transmission line, the project must increase the transmission capacity of the existing line by 500 megawatts. If a related property, the project may consist of interconnections, generator tie lines, grid enhancing technologies, or subcomponents.

- *Adapted from: Rep. Horsford's Grid Resiliency Tax Credit Act of 2023 (H.R. 5803 in the 118th Congress)*

Sec. 412. Reduced wildfire risks to the grid. Creates a grant program to support electric grid upgrades that prevent the risk of grid equipment starting wildfires and increase the ability of the grid to withstand wildfires. This will keep household energy bills down by reducing the amount of ratepayer dollars that have to go towards wildfire prevention and mitigation.

Subtitle C—Transmission governance reform

Sec. 421. FERC Office of Electricity Transmission. Establishes a FERC Office of Electricity Transmission to better internally coordinate on electricity transmission issues.

Sec. 422. FERC staffing. Gives the FERC chairman the authority to directly appoint employees with scientific, technical, engineering, mathematical, legal, or otherwise highly specialized expertise in the event as severe shortage of candidates or a critical hiring need. Also allows FERC to proceed with its new compensation plan if the Office of Personnel Management has taken no action on FERC's proposed plan within 120 days of its submission.

Sec. 423. FERC fee assessments. Directs FERC to reassess every five years whether its fees are sufficient to allow it to handle its workload in an expedient manner.

Sec. 424. Independent transmission monitors. Requires each Regional Transmission Operator (RTO) and Independent System Operator (ISO) to establish an independent transmission monitor to facilitate the transparent, efficient, and cost-effective deployment and operation of transmission facilities.

Sec. 425. Aggregator bidding into organized wholesale electric markets. Makes aggregated electricity demand response eligible to participate in all wholesale energy markets, regardless of the State in which they are located.

- *Adapted from: Rep. Casten's REDUCE Act of 2025 (H.R. 604)*

Sec. 426. RTO and ISO governance and participation. Requires FERC to reform the governance and stakeholder participation practices of RTOs and ISOs.

- *Adapted from: Rep. Casten's Empowering RTO Stakeholders Act of 2022 (H.R. 8302 in the 117th Congress)*

Sec. 427. Modernized grid data and analytics. Requires utilities to report information that researchers, operators, regulators, and decision-makers can use to understand how the electric grid performs, where it fails, how to build it up, and how much it costs.

- *Adapted from: Rep. Casten's Grid Research and Development Act of 2025 (to be introduced)*

Title V: Deploying Cheap Energy Responsibility on Public Lands and Waters.

Sec. 501. Prevention of administrative abuse of Federal permitting of clean energy. Ensures parity in energy permitting by prohibiting the Secretary of the Interior from

instating additional levels of review for renewable energy projects that are not required for fossil fuel projects, and ensuring that reviews are completed in a timely manner.

Subtitle A—Public land renewable energy development

Sec. 511. Public land renewable energy development. Balances clean energy development with conservation by responsibly incentivizing wind, solar, and geothermal energy development on public lands and directing the Department of the Interior to permit at least 60 gigawatts of renewable energy by 2030.

- *Adapted from: Rep. Levin's Public Land Renewable Energy Development Act (H.R. 2301 of the 119th Congress)*

Sec. 512. Geothermal cost recovery. Allow the Bureau of Land Management the flexibility to charge cost recovery for inspections, monitoring and related activities, and enable BLM to review permit applications.

- *Adapted from: Rep. Ocasio-Cortez's Geothermal Cost-Recovery Authority Act of 2025 (H.R. 398)*

Subtitle B—Offshore renewable deployment

Sec. 521. Responsible development of offshore renewable energy. Amends the Outer Continental Shelf Lands Act to provide greater certainty for offshore renewable energy development by codifying processes for the leasing and permitting of offshore wind projects. These provisions include increasing access to offshore renewable energy revenue for States, formalizing an offshore renewable energy leasing schedule, establishing a compensation fund for impacted ocean users, incorporating project labor agreements and domestic content requirements, clarifying the siting of transmission infrastructure in the National Marine Sanctuary System, and clarifying the judicial review process for such projects.

- *Adapted from: Rep. Tonko's Offshore Energy Modernization Act of 2025 (H.R. 3742)*

Sec. 522. Compensation for offshore renewable energy projects. Establishes the Offshore Renewable Energy Compensation Fund in the Bureau of Ocean Energy Management to compensate eligible ocean users for damages experienced as a result of the development of an offshore renewable energy project through a claims-based process and to provide grants to eligible recipients to mitigate future damages from such projects.

- *Adapted from: Rep. Tonko's Offshore Energy Modernization Act of 2025 (H.R. 3742)*

Sec. 523. Interoperability of offshore electric transmission infrastructure. Requires DOE to assess the need and establish a program to standardize interoperability of equipment for shared offshore transmission networks.

Title VI: Protecting Consumers in Electricity Regulation.

Sec. 601. Utility earnings tied to ratepayer benefits. Requires FERC to establish a shared savings program under which utilities are rewarded for providing real independently-verified cost savings to consumers.

- *Adapted from: Rep. Casten's SURGE (Shared Utility Rewards for Grid Efficiency) Act of 2025 (to be introduced)*
- Sec. 602. Ratepayer protection against uneconomic fossil plants. Amends section 202(c) of the Federal Power Act, which allows DOE to extend the lives of power plants past their planned expiration dates during “energy emergencies,” even at significant cost to ratepayers. These amendments would require DOE to publish cost estimates alongside 202(c) orders and require FERC to review DOE’s analysis. It would also prohibit DOE from retaining facilities for emergencies that occur more than one year in the future.
- Sec. 603. Consumer protection from energy market manipulation. Provides FERC additional tools to enforce existing law by allowing it to ban companies from trading in energy markets if they manipulate the electricity or natural gas markets or file false market information.
- *Adapted from: Rep. Schakowsky’s Energy Consumer Protection Act of 2023 (H.R. 3116 in the 118th Congress)*
- Sec. 604. Avoiding cost shifts onto families. Amends the Public Utility Regulatory Policies Act (PURPA) to direct states to consider adopting a standard to prevent households from paying for grid upgrades for energy intensive large load facilities. Also directs states to consider adopting a standard to prioritize demand-side interconnection requests for large load facilities that are powered with zero-emission electricity and employ energy saving measures.
- Sec. 605. True costs and value of energy for economic and public benefit. Updates the national energy accounting system to provide a more complete picture of the primary energy resources available to the United States, including as nuclear and renewable energy, and the economy’s efficiency at converting these resources into productive activity.
- *Adapted from: Rep. Casten's True Value of Energy Act of 2025 (to be introduced)*
- Sec. 606. Grid performance disclosure. Establishes a standardized, independently-verified reporting framework that requires all electricity transmission providers and grid operators to publish an annual scorecard on key outcomes.
- *Adapted from: Rep. Casten's Electricity Transmission Scorecard Act of 2025 (to be introduced)*

Title VII: Collaborating with Communities for Successful Deployment.

- Sec. 701. Expanding Federal permitting capacity. Directs agencies with permitting responsibilities to maintain appropriate personnel capacity to prepare environmental documents with community input. Provides for expediting hiring for staff to process permits if needed.
- Sec. 702. Interagency environmental data system. Directs the White House Council on Environmental Quality (CEQ), with support from the Environmental Protection Agency and the Office of Management and Budget, to establish linked interagency environmental data collection systems in order to standardize and facilitate the use of environmental data across agencies, project sponsors, and the public to support environmental reviews. Also directs CEQ to create an online

portal for permits that require NEPA review. Authorizes \$20 million annually for FY 2023-2028.

- Sec. 703. Timely public release of NEPA documentation. Requires a lead agency to post links to final environmental documents to enhance transparency.
- Sec. 704. Community benefits agreements. Prioritizes permitting reviews for projects that have entered into a community benefit agreement to share project benefits with local communities, such as job creation, or the mitigation of legacy harms or adverse project impacts.
- Sec. 705. Intervenor funding at FERC Office of Public Participation. Requires FERC to provide compensation to individuals or parties from disadvantaged communities seeking to intervene in FERC proceedings.
- Sec. 706. Senior community engagement officers and Tribal community engagement officers. Designates Senior Community Engagement Officers and Tribal Community Engagement Officers in each agency to oversee and improve community engagement, and Tribal community engagement and consultation, and assist in identifying and resolving conflicts.
- Sec. 707. Capacity grants for permitting and community engagement. Directs EPA to make grants to State, Tribal, and local agencies, to increase capacity for completing environmental reviews, facilitating the siting of renewable energy projects, and engaging with communities early on to mitigate potential conflicts. Authorizes \$500 million per year for grants.