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LEGISLATIVE BRIEF

More Clean Power, Lower Costs:

How the Bipartisan American Affordability and Jobs Act meets rising electricity demand & supports affordable power

The U.S. needs to build a modern grid but we are stymied by rules written for the last century. The **Bipartisan American Affordability and Jobs Act of 2026** (BAAJA) transforms how the country **plans, pays** for, **permits,** and **connects** the power lines and clean power it needs. It also makes new data centers pay for the grid upgrades they require, instead of households and businesses. The result is up to 249 GW of new clean power, household bills $50–78 a year lower in 2040, and a more reliable grid.

Plan, Pay, Permit, Connect: A New Rulebook for the Grid

Today the U.S. builds fewer than 500 miles of high-voltage transmission lines a year, against roughly 5,000 miles needed. More than 2,000 gigawatts of proposed electricity projects, mostly solar, wind, and batteries, sit waiting to connect. **This bill will accelerate the building of new grid infrastructure** and will facilitate more power from the grid we have. With BAAJA in place, we project new interregional transmission to be built 167–262% faster than over the past decade, reaching an average pace of 1.9–2.6 TW-miles a year through 2040. Upgrading existing lines with advanced conductors can double capacity at less than half the cost of a new line and skips environmental review entirely. And utilities must adopt advanced transmission technologies wherever the benefits exceed the costs. In addition, our preliminary estimates for increased private investment for select energy and infrastructure sectors (specifically pipelines, electric power (generation, transmission, distribution), oil and gas extraction, drilling support, mining, gas distribution, and petroleum refining) is $2.8 billion over the 2027-2036 period under BAAJA.

01

PLAN

CURRENT LAW
There is no requirement to plan transmission lines between neighboring regions.

UNDER BAAJA
For the first time, neighboring regions must conduct interregional transmission planning, using a common set of inputs, selection criteria, and timelines. Importantly, FERC's landmark Order No. 1920 is codified into law.

02

PAY

CURRENT LAW
Conflicts over who pays for transmission lines either delay or kill the construction of multistate lines.

UNDER BAAJA
The bill codifies a minimum set of economic and reliability benefits used for transmission planning. Customers who benefit pay, in proportion to the benefits they receive. Customers who don't benefit aren't charged.

03

PERMIT

CURRENT LAW
Any single state can block an interstate line. The federal backstop created in 2005 has never been used. Federal reviews average 4.5 years, and lawsuits can come years later.

UNDER BAAJA
The bill creates an applicant-driven process whereby FERC is required to approve construction permits for interstate transmission lines over 230 kV that are found to be in the public interest. Federal reviews run on a 2-year clock, and lawsuits must be filed within 150 days.

04

CONNECT

CURRENT LAW
Developers wait years for grid operators to conduct lengthy interconnection studies to determine network upgrade costs.

UNDER BAAJA
Regions must combine regional planning and interconnection queue processes to identify priority interconnection zones and provide developers with fixed, upfront, per-MW interconnection costs. Grid operators are also required to use AI and automation for interconnection queue studies.

More clean power, lower bills

Wind, solar, and storage are among the fastest and lowest-cost ways to add power. The best sites are often far from the cities and factories that need the electricity, so transmission is the missing link. About 85% of the capacity stuck in grid-connection queues today is renewable. Big power lines also face the heaviest permitting burden: a full federal review takes nearly four years for a transmission line, almost twice as long as for a gas pipeline. New modeling by Rhodium Group finds that fixing transmission planning, cost sharing, and permitting pays off relative to current policy:

IMPACT BY 2040	UNDER BAAJA
Additional wind, solar, and storage built	**Up to 249 GW more** (17–249 GW across scenarios)
Greenhouse gas emissions	**Up to 1.5 gigatons avoided** cumulatively through 2040
Interregional transmission built each year	**167–262% faster** than the past decade (1.9–2.6 TW-miles a year)
Household electricity prices	**$50–78 a year lower** per household in 2040, from cheaper power

New data centers pay their own way, protecting families and reliability

Data centers are the fastest growing source of electricity demand in the country. Without clear rules, the cost of the new power lines they need can end up on everyone else's bill. This bill **sets the first national standard that large new data centers pay the full cost of the grid upgrades they require,** so families and small businesses don't, making it one of the most important consumer protections in years.

The bill also extends FERC oversight over local transmission projects, which are one of the largest contributors to rising electricity bills.

A pathway to lower power sector emissions

Rhodium Group modeled what happens through 2040 when transmission and gas pipelines become easier to build under two market scenarios. Relative to no reform, power sector emissions fall 17% when conditions favor clean energy (high fuel prices, low clean technology costs) and stay flat when conditions favor fossil fuels. Economywide, the best-case cuts emissions by 4% and the worst case adds 1%, mostly from added gas production. **Overall, the potential climate gains are roughly five times larger than the potential risk.**

Cumulatively, the modeled BAAJA provisions cut greenhouse gas emissions by as much as 1.5 gigatons through 2040 beyond current policy. And if data center demand grows 60% faster than expected, transmission reform enables up to 103 GW more wind, solar, and storage. Meeting that additional data center demand with on-grid power results in 31–90% lower greenhouse gas emissions than off-grid gas.

Strengthened reliability and affordability measures for states

This gives states the tools to make sure data center growth doesn't come at the expense of families and businesses. When grid space is scarce, states can award it to the data centers that offer the most value to other customers, not simply whoever applied first. Any extra payments can go toward lowering everyone else's bills. States can also require data centers to bring their own new clean power supply, so they aren't competing with homes for the power already on the grid. And data centers that agree to cut back during peak demand pay less.

Unlocking geothermal: around-the-clock-power

About 90% of the country's best geothermal resources are on federal land, yet a single project can face up to six separate environmental reviews and take 7 to 10 years to develop. The bill provides a categorical exclusion for geothermal exploration activities on federal land, requires annual geothermal lease sales, imposes a 60-day deadline for drilling permits, creates a Geothermal Ombudsman and Permitting Task Force, and provides a categorical exclusion for geothermal development on previously disturbed lands, among other reforms.

The result is faster, cheaper geothermal development and more firm, homegrown power on the grid.