To: BEL Members
From: Keith Dennis
Date: July 7, 2025
Subject: Updates on NEPA Revisions and What it Means for USDA & DOE-Funded Utility Projects

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Background
Last week, Congress passed the Big Beautiful Bill (BBB). The law revised Section 112 of NEPA with the goal is to speed the project review and delivery time.

Specifically, it introduces a formal fast-track mechanism for NEPA reviews run by the Council on Environmental Quality (CEQ) that seeks cost control and clear timelines for the NEPA process, specifically the development of Environmental Assessments (EA) and Environmental Impact Statements (EIS) – at least for those that can afford the fee.

This memo outlines:

A. Key changes to NEPA under BBB include preparation of Environmental Assessments (EA) and Environmental Impact Statements (EIS)
B. How agencies are responding to NEPA changes
C. Actions at USDA and DOE – including possible impacts for New ERA
D. Considerations for Cooperatives

The situation is evolving with respect to NEPA, with federal Agencies rescinding or revising rules. Table 1, below, outlines suggested impacts for cooperative projects. Nothing in this memo is to be considered legal advice.

A. Key statutory changes to NEPA

Following the Supreme Court decision earlier this year[1] and the passage of BBB on July 4th, below are some known and some unknowns.

Known: Under BBB, a project manager called a sponsor) can provide CEQ with advance notice that a project plans to prepare an EA or EIS. Key items to be aware of:

- Many federal agencies – including USDA and DOE – have now issued rulemakings revising their prior NEPA regulations or issuing new regulations.

[1] The Supreme Court's Seven County Infrastructure decision. DOE's Interim Rule procedures discuss the Supreme Court's recent decision in *Seven County Infrastructure Coalition v. Eagle County* and conclude that the agency need only consider effects that "have a reasonably close causal relationship to the proposed agency action and alternatives." This ruling effectively told agencies to limit the scope of an EA or EIS to within project bounds.

- CEQ will suggest a fee ($) that the sponsor can pay for the completion of a "streamlined" EA (180 days) or EIS (1 year). The fee will be 125% of the estimated cost.
- Certain requirements persist such as the need to issue a Notice of Intent for a NEPA process, which starts the NEPA "clock", so to speak.

Unknown:

- Agencies are still responsible for implementation and management. Since staffing at federal agencies is down it may require a shift in roles and retraining.
- Questions also persist in terms of the role of CEQ, how it will manage and staff the NEPA, handle the fast-track payment, and navigate extension requests.

B. Federal Agency Actions

President Trump's executive order on *Unleashing American Energy* led in part to CEQ rescinding NEPA implementing regulations. As a result, Agencies are adopting changes to the NEPA process in accordance with the EO and other changes. They include:

Known:

- Updates Agency guidelines for NEPA documents that require:
    - An EA if the proposed action is "not likely to have reasonably foreseeable significant effects"
    - Adoption of an EIS if the proposed action is "likely to have reasonably foreseeable significant effects".
- Guidance on written deliverables that must:
    - Clearly state that EAs and the EISs will: (1) focus on whether the environmental effects of the proposed action are significant, and (2) identify the scope of consideration of any environmental effects that extend outside the geographical territory.
- Comply with page limitations (with some exceptions for complex projects) to:
    - Ensure an EA is 75 pages and an EIS is 150 pages.

Unknown:

- Each agency is still defining procedures where emergency circumstances exist, the agency is expected to consult with CEQ about alternative compliance with NEPA.
- Categorical exclusions (CE) for projects with limited human and environmental impacts are encouraged but details on this are evolving. In June, the White House issued a CE tracker to help sponsors and agencies share and use CEs.

C. Actions at USDA and DOE

Most agencies are adoption changes to NEPA, including U.S. Department of Agriculture (USDA) and the U.S. Department of Energy (DOE).

USDA

On **June 30, 2025**, USDA Secretary Rollins announced a rollback of what the Department called "overly burdensome" NEPA requirements for infrastructure projects, particularly those in rural and underserved areas. The new interim rules aim to:

- **Accelerate the NEPA process** by allowing more projects to qualify for Categorical Exclusions (CEs), making project documentation easier and faster, using more
- **Clarify statutory timeframes** for review of NEPA documents, and
- **Leverage federal agency efforts** by adopting other agency CEs

Notable: USDA has released updated CEs focused on rural infrastructure, broadband, energy, and water investments. The updates support streamlined approvals especially for projects co-located with existing infrastructure or within developed areas.

See Press Release: Secretary Rollins Rolls Back Overly Burdensome Environmental Regulations to Unleash American Innovation | Home

DOE

In late June, DOE issued NEPA implementing procedures and is moving NEPA guidance out of statute (10 CFR Part 1021) and into a separate procedure to give the Agency flexibility. Goals for these efforts focus on improved project review and greater transparency. Outcomes are expected to expand the use of categorical exclusions, emergency provisions, expedited project review and improved tribal coordination.

Notable: DOE's 2025 NEPA interim final rule added new CEs for clean energy and grid infrastructure (like battery storage, substations, and microgrids), which *may* benefit New ERA, GRIP, and similar programs if USDA adopts DOE's final rule.

Source: DOE NEPA Implementing Procedures June 30 2025
Proposed Final Rule: Notice of Interim Final Rule (2025) | Department of Energy (open for comment)

D. Considerations for Cooperative Utilities

As cooperatives navigate changes, some considerations and opportunities include ways to:

- **Accelerate Projects where possible**: Coops planning upgrades or applying for Agency funding should consult with BEL to understand the updated **CEQ**, **USDA**, and **DOE** NEPA procedures and determine if reviews can be waived or accelerated.

- **Engage with USDA and DOE early**: Early coordination can help cooperatives secure funding and NEPA clearance more efficiently. BEL can assist with these efforts.

- **Reassess Project Pipelines**: Projects previously facing challenges with NEPA timelines might be worth revisiting under the (evolving) Agency rules.

- **Track Program Guidance**: New program-specific guidance (e.g., for **New ERA**, **GRIP**, **40101(d)**) may be forthcoming from USDA and DOE in the coming months.

DOE's 2025 NEPA interim final rule added new **CEs for clean energy and grid infrastructure** (like battery storage, substations, and microgrids), many of which benefit **New ERA**, **GRIP**, and similar programs. **New ERA Awardees** may benefit from reduced NEPA review burdens for many standard upgrades—but **site-specific** factors still apply.

Sources

USDA Announcement (June 30, 2025):
https://www.usda.gov/about-usda/news/press-releases/2025/06/30/secretary-rollins-rolls-back-overly-burdensome-environmental-regulations-unleash-american-innovation

DOE NEPA Procedures Rule (June 2025):
https://www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-june-2025