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BAAJA Sets a New Standard for Data Center Accountability



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Takeaways

- The Bipartisan American Affordability and Jobs Act (BAAJA) will preserve state-level control of data center buildout, unlock clean energy, and maintain key protections for federal lands and the environment.
- Most of the criticism of BAAJA and data centers focuses on how it unlocks more electricity to meet growing, broad demand, but fails to acknowledge the new standards of accountability it sets for data centers.
- This is a historic opportunity to fix federal permitting and can lead to more affordable electricity, protection for ratepayers, and accountability for the data center industry. It can fix our aging grid and the expensive, damaging status quo.

In a few weeks, the Senate will decide whether to pass the Bipartisan American Affordability and Jobs Act (BAAJA), and its success in that chamber will have a huge impact on its chances in the House. If passed, the bill would allow us to build the energy infrastructure America needs without placing an undue burden on everyday ratepayers.

It will unlock new electricity in the US and set standards for data center accountability. It will make energy affordable and create jobs. It will lead to new clean energy infrastructure and help the US fight climate change. And yes, it will protect ratepayers and hold data centers accountable.

The bill's opponents, however, mistakenly claim that BAAJA is a giveaway to data centers. **To be clear, it isn't.** Data centers are one of many industries facing long project timelines, political whiplash, and redundant reviews. But because of their unique strain on the energy system, **BAAJA would impose new, stronger ratepayer-protection rules on data centers.**

That's the balance lawmakers are trying to strike: meeting growing electricity demand without driving up costs for American families or undermining grid reliability. The answer cannot be to simply stop building.

As policymakers continue to review BAAJA, we wanted to highlight some of the most relevant issues around data center growth, ratepayer protections, and state control of energy infrastructure.

Data centers will be required to pay their fair share.

Overall, BAAJA has the strongest provisions we've seen from Congress to **make data centers pay their fair share**, and it's likely the best opportunity under the Trump administration to get meaningful protections for ratepayers. BAAJA would require data centers to pay for the upgrades they need, protect other customers from bearing the costs of a canceled project, and create options to reduce data center electricity use during peak hours.

BAAJA sets a national baseline on data center requirements. None of the provisions take away a state's ability to set its own rules. States could still require data centers to bring in their own power, set limits on how much electricity they can use, and determine when they can use it. BAAJA doesn't require states to implement stricter standards or take any of these steps, but it sets an important floor necessary to protect residential ratepayers across the country.

BAAJA will help clean energy and batteries displace projected natural gas growth.

Permitting reform is designed to provide predictable timelines, better-defined windows for judicial review, and clearer procedures that will have a huge impact on electricity

infrastructure – something crucial for energy users and households across the country. As electricity demand skyrockets and data centers place unique strain on the grid, natural gas and behind-the-meter generation have become go-to power solutions.

Passing BAAJA makes more clean generation available instead. 1,300 GW of new generation is waiting to join the grid, 75% of it solar and wind, alongside huge amounts of new energy storage. BAAJA will make it easier to expand and modernize the US grid and shorten interconnection queues, enabling data centers and other large electricity users to access power more easily.

BAAJA does offer some support for behind-the-meter resources, including natural gas, and streamlines permitting for certain natural gas pipelines. But those provisions are intended to give grid operators more flexibility, options, and access to fuel. They do not alter the Clean Air Act or alter quality standards for data center projects. They also apply to all kinds of qualifying generation, from batteries to gas generators. Ultimately, the transmission provisions in BAAJA make it easier to access clean energy while ensuring a diverse energy mix when needed.

BAAJA does not open federal land to data centers.

While most data centers are built with private funding on private land, the Trump administration is trying to permit 17 data center campuses on federal land. The proposals are on shaky legal ground, and BAAJA would not change that. BAAJA's certainty provisions and revamped judicial review provisions for statutes like NEPA, NHPA, and the Clean Water Act are meant to prevent lawful permits from getting unfairly canceled. Legal protections against unlawful permits, however, remain strong. Violating the Federal Land Policy and Management Act (FLPMA), for example, would still lead courts to issue injunctions and stop projects from proceeding.

BAAJA will fix the broken status quo.

BAAJA won't solve every challenge that comes with data center growth, but it gives us something we don't have today: a way to build the energy infrastructure we need while holding the companies driving half of our growing electricity demand accountable.

The status quo on permitting is not working. Through BAAJA, policymakers have a historic opportunity to fix it.



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