

NEWSLETTER *Published October 9, 2026 · 7 minute read*

On the Grid: PERMIT Me to Celebrate

Mary Sagatelova



ON THE GRID



Hi Friend!

Welcome back to *On the Grid*, Third Way's bi-weekly newsletter, where we'll recap how we're working to deploy every clean energy technology as quickly and affordably as possible.

We're excited to have you join us!



After years of negotiations, false starts, and near misses, Congress finally has [a bipartisan permitting deal](#) on the table. Many in the climate and environmental communities have come out in favor of the Bipartisan American Affordability and Jobs Act (BAAJA), including the [Citizens Climate Lobby](#), [C2ES](#), [E2](#), [Evergreen Action](#), and [Grid Strategies](#). Some voices, however, remain intransigent. That reaction misses a huge part of what's actually in the bill and just how much clean energy stands to gain from its passage.

BAAJA *blasts* through three of the biggest obstacles to building the more affordable and cleaner energy system America needs: how we permit infrastructure, how we plan and build transmission, and how we connect new generation and large loads to the grid. There are many reasons to like this bill. You can read [our larger breakdown](#), but here are a few things we're hyped about.

- **We Get to Build a Bigger, Better Grid:** The transmission provisions are among the most consequential parts of the deal. BAAJA would make it easier to permit major power lines and upgrade the grid we already have, require utilities to plan for transmission across regions and over a longer time horizon, overhaul how new generation connects to the grid, and push utilities to deploy technologies that can squeeze more capacity out of existing infrastructure. It also establishes clearer rules for who pays for new transmission and requires data centers to pay their fair share of the grid investments needed to accommodate them, rather than shifting those costs onto existing customers. Building more transmission means we'll be able to move

more, cleaner electricity from where it's generated to where people actually need it, keeping the lights on and costs low. And the economic payoff could be massive—preliminary analysis suggests that the transmission provisions alone could support more than 434,000 jobs nationwide and generate \$97 billion in economic activity.

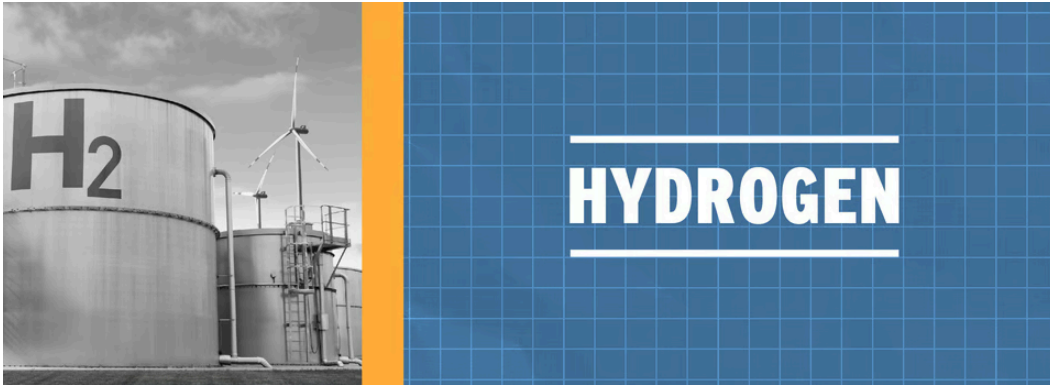
- **All Projects Get More Certainty:** The bill makes it much harder for an administration to block or revoke permits for projects – like offshore wind projects on the East Coast—that have already cleared the permitting process, while preserving exemptions for issues such as permit violations, fraud, court orders, and urgent safety threats. It also creates consequences when an administration systematically slow-walks or discriminates against a particular type of energy project. That gives developers greater confidence that once they spend years getting a project approved, a change in political leadership won't suddenly send them back to square one.
- **Data Centers Pay Their Fair Share:** Americans are deeply concerned about what the data center boom could mean for their electricity bills, and they're skeptical that utilities and tech companies will protect them from higher costs. BAAJA takes that concern head-on. It would require large electricity users, including data centers, to pay for the grid infrastructure needed to serve them and their fair share of existing grid costs, rather than passing those expenses onto households.

Our Take on the Bill: We support BAAJA and applaud Senators Heinrich, Whitehouse, Capito, and Lee for putting together a package that tackles some of the biggest barriers to building clean energy. Some groups that were quick to condemn the bill made it clear they're more interested in killing it outright than in negotiating improvements. Rejecting BAAJA means sticking with what we've got: a permitting system that has made it harder to build the very clean energy projects we need and that environmental groups theoretically support. As Josh Freed, Senior Vice President for Third Way's Climate and Energy Program, pointed out this week, "*preserving the status quo in permitting isn't acceptable if you actually care about deploying clean energy and reducing emissions.*"

Our Pathways to Accelerating Clean Energy (PACE) research and analysis found that 83% of transmission experts and 66% of solar experts identified federal permitting as their biggest permitting hurdle. BAAJA takes direct aim at those barriers, delivering major transmission and interconnection reforms, faster, more predictable permitting, stronger protections for projects already approved, and a much better shot at building the clean energy infrastructure we need.

What Comes Next: We're hopeful Congress can get this deal across the finish line after the midterm elections. In the meantime, we'll continue working with lawmakers and stakeholders across the political spectrum to build support for the deal. And if Congress gets this done, the work doesn't stop there. We'll need to make sure these reforms actually

translate into more projects getting built and tackle the other barriers that legislation alone won't solve. That includes bigger questions about whether our electricity markets and institutions are equipped to handle rapidly growing demand. BAAJA clears some major hurdles, but there's plenty more work ahead.



Hydrogen has been touted as a critical tool for cleaning up some of our hardest-to-decarbonize industries, from fertilizer production to sustainable aviation fuel to steelmaking and aluminum manufacturing. Today, most hydrogen is produced from fossil fuels. Cleaner alternatives exist, but they are expensive, making it difficult to scale production and compete with their dirtier counterparts. As long as clean hydrogen remains more expensive, convincing manufacturers to make the switch will be an uphill battle. That's where geologic hydrogen can come in.

What Is Geologic Hydrogen? Unlike conventional hydrogen, which must be produced using fossil fuels or electricity, geologic hydrogen can form through stimulating chemical reactions underground. Much like oil and gas, hydrogen can also accumulate in underground reservoirs where it can be extracted, refined, and put to use. Early estimates suggest production costs could range from 50 cents to \$1.50 per kilogram, making it competitive with conventional hydrogen. But getting there will require answering big questions about where recoverable resources exist, how to extract them safely, and how to pencil out the economics.

How Do We Get There? The good news is that we don't need to start from scratch. Our new memo lays out three concrete steps that federal policymakers can take:

1. Use existing federal dollars and programs to support research, exploration, and demonstration projects, including tapping into remaining hydrogen funding.

2. Make better use of the data we already have by pulling together decades of geological records from federal agencies, states, and private companies to identify promising resources.
3. Clear up the regulatory uncertainty so companies can have a predictable pathway to explore and develop geologic hydrogen while protecting public safety and the environment.

What We're Doing: Geologic hydrogen is still in its infancy, and there's a lot we don't know about what it will take to turn this promising resource into a commercially viable industry. But getting there will require federal support for research, development, and demonstration (RD&D) to better understand where these resources exist and how to extract them efficiently. This week, our team brought that work to Capitol Hill, bringing together geologists, industry leaders, and bipartisan congressional staff for a briefing on the technology's potential and what it will take to unlock it. That includes efforts led by Rep. Haley Stevens to advance federal RD&D that could help move geologic hydrogen closer to commercialization. We'll continue making the case for the federal investments needed to get it off the ground.



The clean energy policy conversation is expanding...and so are we! The Climate and Energy Program is looking for people with talent and a passion for climate solutions to fill three new roles on our team.

- [Director, Communications](#)
- [Philanthropy Manager](#)
- [Senior Policy Advisor, Fusion Energy](#)



- [Jonathan Lane, Francesca Hsie, and Nicholas Yoon](#), in *The Hill*, outline ways in which states can counter rising energy costs by protecting ratepayers from data center expenses, streamlining new energy development, and investing in innovation.
 - [Matt Yglesias](#), in *Slowboring*, makes the case for passing permitting reform, arguing that climate progress depends on building more clean energy, not just blocking fossil fuels.
 - [Matthew Zeitlin](#), on *Heatmap's Shift Key* podcast, talks with New Jersey Governor Mikie Sherrill about what an affordability-first clean energy agenda looks like in practice.
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