

The Role of Categorical Exclusions in Achieving Net-Zero by 2050

Categorical exclusions (CE) are a critical tool for accelerating infrastructure delivery and decreasing project costs and timelines. CEs allow certain projects that have been determined to not significantly impact the environment to avoid additional, lengthy environmental reviews under NEPA. CEs are an important form of NEPA compliance, and maximizing their use, where appropriate, will free up agency staff to focus on reducing lengthy permitting reviews for more complicated projects.

We propose four recommendations that would increase the utilization and effectiveness of categorical exclusions for clean energy and carbon management projects:

EXTEND

EXTEND existing CEs to other agencies. CEs that have been reviewed and approved for one agency should be extended for use by other agencies. For example, these existing CEs utilized by one agency should be extended to other relevant agencies:

Electric Vehicles

DOE CE for charging infrastructure deployment to DOT

Transmission

DOE CE for transmission upgrade & maintenance to DOT, FERC, & BLM

Offshore Wind

FWS CE for minor habitat impact to NOAA for offshore wind projects

Semiconductors

DOE CE for manufacturing equipment to DOD & DOC for semiconductors

Retrofitting

DOE CE for energy efficiency building retrofits to all agencies

Wind Monitoring

DOE CE for installing wind energy monitoring equipment to all agencies

Waste Methane

DOE CE for installing & operating waste methane system to USDA & EPA

Federal Financing

Rural Utility Service CE for routine financing actions to all federal agencies

CREATE

CREATE new CEs. Agencies should identify new CEs for actions that do not have a significant environmental impact – and would speed up achieving climate benefits. Decarbonization technologies that could benefit include:

Direct Air Capture (DAC)

With IJIA funding for four DAC hubs, DOE should consider a CE for adding additional DAC facilities to an operational DAC hub.

Geothermal Energy

DOI should consider a CE for geothermal exploration that would facilitate investment in geothermal energy

SEEK OUT

SEEK OUT suggestions on new and improved CEs. Agencies should issue Requests For Information seeking recommendations on improving and expanding use of CEs. RFIs with input from stakeholders could help agencies develop CEs targeted to achieve maximum time and cost savings for categories of projects with the greatest climate benefits.

FUND

FUND agencies to review, designate, and utilize CEs. Congress should provide agencies, including, CEQ with additional resources to retain sufficient staff to effectively utilize CEs, including expanding existing CEs and creating new CEs for projects with climate benefits.

