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Committee:	House Science, Space & Technology Subcommittee on Investigations & Oversight
Event:	[Powering America's AI Future: Assessing Policy Options to Increase Data Center Infrastructure](#)
Date:	February 24, 2026

Executive Summary:

On Tuesday, February 24, 2026, the House Science, Space & Technology Subcommittee on Investigations & Oversight held a hearing, titled "Powering America's AI Future: Assessing Policy Options to Increase Data Center Infrastructure." The discussion centered on the growing energy demands driven by the rapid expansion of data centers and emphasized the need for permitting reform to meet this demand and maintain U.S. competitiveness in the artificial intelligence (AI) race against China.

- Republican members emphasized that permitting delays for generation and transmission infrastructure risk undermining U.S. leadership in AI. They supported comprehensive permitting reform, expanded federal transmission authority, and faster deployment of firm power sources to meet growing power demand from data centers.
- Democratic members highlighted concerns that large data center loads could increase electricity prices, strain local grids, and impose environmental and public health impacts on communities. They endorsed policies that require data centers to bear infrastructure costs and called for careful evaluation of tradeoffs alongside continued clean energy deployment.
- Bipartisan agreement emerged on the scale of AI-driven electricity demand but diverged on policy approach.

Member Toplines:

[*Full Committee Chair Brian Babin (R-TX-36)*](#)*:* Babin emphasized that U.S. leadership in AI will depend on our ability to build the energy and data center infrastructure needed to power AI development. He highlighted rapidly growing electricity demand from data centers and warned that permitting delays, regulatory uncertainty, and transmission constraints threaten America's competitiveness relative to China. Babin argued that scaling AI requires modernized energy infrastructure capable of supporting continuous, large-scale data centers.

[*Subcommittee Chair Rich McCormick (R-GA-07)*](#)*:* McCormick highlighted lengthy transmission permitting timelines, extended *National Environmental Policy Act* (NEPA) reviews, and litigation delays as key barriers slowing the deployment of energy infrastructure. He argued that while executive actions have helped prioritize data center permitting, statutory reforms may be necessary to modernize infrastructure approval processes designed decades ago.

Ranking Member Emilia Sykes (D-OH-13): Sykes emphasized that while data centers supporting AI can bring jobs and investment to local communities, their rapid expansion raises significant concerns related to electricity costs, environmental impacts, and public health. Sykes argued that policymakers must carefully balance economic competitiveness with community protections, rather than pursuing unchecked data center expansion.

Witness Toplines:

Paige Lambermont, Research Fellow, Competitive Enterprise Institute: Lambermont argued that rising electricity demand driven by data centers has exposed the problem of power scarcity, which she attributed to decades of policy decisions that constrained generation growth. She emphasized that comprehensive, technology-neutral permitting reform, extending beyond NEPA to include the *Clean Air Act*, *Clean Water Act*, and *Endangered Species Act,* is necessary to accelerate construction of reliable generation and maintain grid reliability.

Marsden Hanna, Head of Energy and Sustainability Policy, Global Affairs Team, Google, LLC: Hanna argued that fragmented grids, aging transmission systems, and an overly complex permitting framework have created significant barriers to expanding electricity capacity, with transmission projects often taking more than a decade to deploy. Hanna endorsed comprehensive permitting and transmission reform, including passage of the SPEED Act (H.R. 4776) and expanded federal authority to site nationally significant transmission lines, warning that China's faster infrastructure deployment presents a competitive advantage.

Eric Masanet, Professor and Mellichamp Chair in Sustainability Science for Emerging Technologies, Bren School of Environmental Science & Management, UC Santa Barbara: Masanet emphasized that policymakers currently lack sufficient transparent, timely, and standardized data to accurately assess the energy, water, and infrastructure impacts of AI data centers. He argued that limited disclosure from operators creates major analytical blind spots, complicating planning for electricity systems, transmission infrastructure, and community impacts.

Major Takeaways:

- Rep. **Pat Harrigan** (R-NC-10) asked how energy permitting delays advantage foreign adversaries in the global AI race and what the long-term costs of failing to enact permitting reform could be.
  - Hanna argued that maintaining U.S. leadership in AI will depend on modernizing energy infrastructure and reforming permitting systems. He characterized the current framework as an "overly bureaucratic process and legally uncertain" system that slows deployment of generation and transmission needed to power AI development.
- Harrigan agreed that data center development represents a major economic opportunity but warned that rapidly increasing electricity demand could drive higher power prices. He advocated for on-site natural gas generation at data centers, arguing that streamlined permitting could allow deployment in as little as eight weeks.

- Rep. **Nick Begich** (R-AK-AL) expressed support for the SPEED Act and announced plans to introduce a House companion to the DATA Act (S. 3585).
  - Hanna suggested a three-part permitting reform framework:
    - Reduce permitting bureaucracy and shorten project timelines;
    - Establish an effective federal transmission permitting framework, including reforms to authorities at the Federal Energy Regulatory Commission;
    - Create clear and predictable permitting procedures to provide certainty for new energy infrastructure investment.
- Sykes criticized Senate Republican leadership for failing to advance permitting reform legislation and asked witnesses how policymakers could simultaneously reduce electricity costs while expanding system capacity.
  - Lambermont discussed the role of regulated electricity markets and highlighted opportunities for large new electricity loads to operate partially off-grid or behind the meter, reducing strain on existing transmission systems.
  - Hanna cited an analysis showing that states experiencing the fastest electricity demand growth have, in some cases, seen declining prices, as fixed grid costs are spread across a larger customer base.
- Begich asked whether AI-supporting data centers should be classified as critical infrastructure eligible for expedited permitting, similar to national security facilities.
  - Both Lambermont and Hanna cautioned that project-specific expedited permitting frameworks would not address systemic delays. Instead, they argued that broad permitting reform across generation and transmission infrastructure is necessary to meaningfully accelerate deployment.
- Rep. **Zoe Lofgren** (D-CA-18) asked about Google's investments in energy technologies. Hanna highlighted the company's investments in emerging energy solutions, including fusion and geothermal energy. Hanna specifically identified co-location of energy resources and data centers as an important "speed-to-power" strategy but emphasized Google's preference for front-of-the-meter projects, which supply both data centers and the broader electric grid.
- Rep. **Jay Obernolte** (R-CA-23) questioned witnesses on transmission siting challenges and the impact of overlapping federal and state permitting requirements.
  - Hanna noted that co-located energy systems often require substantial backup capacity, increasing infrastructure needs.
  - Lambermont criticized the current NEPA process, arguing that duplicative federal reviews layered on top of state permitting requirements create unnecessary delays. She advocated for a more holistic and coordinated permitting framework.
- Rep. **Suzanne Bonamici** (D-OR-01) highlighted Oregon's *POWER Act*, which creates a new regulatory classification for large electricity users such as data centers. The policy requires such facilities to bear the costs of transmission, generation, and grid upgrades associated with their operations and mandates 10-year power contracts.
- Rep. **Bill Foster** (D-IL-11) emphasized the importance of scaling solar generation and battery storage to meet rising electricity demand driven by AI data center expansion.