ACORE Update on Government Funding Action and Energy-Related Bills

Since returning from the August recess, much of Congress's focus has been on the annual government funding debate. This legislative update provides an overview of where that important debate stands, additional background, and analysis of some key appropriations legislation for the clean energy sector. It also summarizes several energy-related bills that received floor consideration in the House.

This update is focused on matters that have reached the level of floor consideration, and is not intended to be a global, comprehensive update on all legislative activity (hearings, introduced bills, permitting reform, etc.). Information on other policy matters is available through ACORE's relevant Advisory Councils (Finance & Tax, Trade & Supply Chain, Transmission & Markets, and Corporate Sustainability).

GOVERNMENT FUNDING

House Passes Continuing Resolution (CR), Bill Stalls in Senate

On September 16, House Republicans introduced the Continuing Appropriations and Extensions Act of 2026 (H.R. 5371), a "clean" continuing resolution (CR) that extends government funding until November 21. As such, it contains no substantial policy changes ("riders") and maintains current funding levels, allowing more time for lawmakers to continue negotiations on regular FY 2026 appropriations. Shortly thereafter, Congressional Democrats unveiled a competing framework, centered on maintaining certain Affordable Care Act (ACA) healthcare subsidies that are set to expire at the end of the year and constraining the President's authority to impound funds enacted by Congress, setting up a stalemate between the two parties that put the Republican CR on a path to failure in the Senate, falling short of the necessary 60 votes.

On Monday, September 29, congressional leaders met with President Trump – a vocal supporter of the clean CR—to resolve the ongoing impasse, but those talks failed to resolve "large differences" between the two parties.

On Tuesday, September 30, the Senate voted on the House-passed "clean" continuing resolution. The legislation needed 60 votes to move forward, and failed on a 55-45 vote with Senators John Fetterman (D-PA), Catherine Cortez Masto (D-

NV), and Angus King (I-ME), voting with most Republicans to advance the bill, and Senator Rand Paul (R-KY) voting with most Democrats to oppose advancing the bill.

Consequently, federal funding lapsed as of 12:01 AM, October 1. The Office of Management and Budget (OMB) Director Russ Vought issued a memo directing agencies to "undertake orderly shutdown activities." Federal agencies of particular interest to ACORE members that have released their lapse in appropriations plans include:

- Department of the Interior (link)
- Federal Energy Regulatory Commission (link)
- Department of Energy (link)
- Treasury/Internal Revenue Service (link)

The Senate currently plans to continue holding votes on the House-passed CR through at least Saturday (with a recess on Thursday in observance of Yom Kippur), while also undertaking procedural motions to move an *en bloc* package of executive nominees. The House is not scheduled to return to Washington, D.C. for legislative session until October 7.

Potential Impacts of a Government Shutdown

Government shutdowns are a fairly modern phenomenon. The first shutdown occurred in 1981, when President Ronald Reagan vetoed a funding bill in pursuit of major cuts to domestic programs, resulting in a standoff that lasted only four days. Shutdowns stretching longer than two weeks have since happened in 1995, 2013, and most recently, during the first Trump Administration in 2018, persisting for 35 days – the longest shutdown on record, costing $3 billion in reduced economic activity according to the Congressional Budget Office (CBO).

Unlike the partial shutdown that occurred in December 2018, when Congress had enacted five of the twelve bills that make up regular appropriations, none of the individual FY 2026 bills have successfully passed both chambers this year, rendering the effects of a potential full government shutdown more extensive on the overall economy.

A government shutdown can disrupt trade, delay loans and financing, and stall federal contracting. Businesses may also lose access to certain economic data and verification systems they rely on for hiring and planning decisions, as well as the ability to obtain federal permits and certifications, all of which may negatively affect private sector investment and economic activity. The Congressional Budget Office (CBO) released a letter providing some additional information on September 30.

In addition, if the current Administration proceeds with additional wide-scale layoffs outlined in a September 24 memo by OMB Director Vought, personnel that may be involved in these activities may be permanently eliminated and the backlog in providing such services caused by a shutdown will be exacerbated by having fewer employees to do the work once appropriations are approved.

Dynamics Concerning Impoundment

On July 24, 2025, President Trump signed into law the Rescissions Act of 2025, marking the first time since 1992 that a President successfully invoked the Impoundment Control Act of 1974 (ICA) to pass a rescission bill. In addition to the recissions process, senior Trump Administration officials have asserted that the President may use the ICA to slash federal funds when Congress does not enact a rescission bill – referred to as "pocket rescissions."

The scope of executive authority under the ICA to halt congressionally appropriated funds has been a source of ongoing debate. The nonpartisan Government Accountability Office (GAO) has issued a series of reports finding that the President's uses of impoundment authority this year are illegal. A case involving the President's impoundment of congressionally approved foreign aid is currently under review by the Supreme Court, which recently granted an administrative stay of a prior preliminary injunction from a lower court so it can adjudicate the matter. The Supreme Court's decision is still pending.

Democratic lawmakers have proposed several measures to limit the President's impoundment authority in both the context of the latest short-term CR proposals as well as regular FY 2026 appropriations bills, all of which have faced widespread Republican opposition, though members on both sides of the aisle have expressed concern about the current administration's willingness to spend less money than Congress appropriates, even as the scope and legality of executive impoundment remains a major unsettled question.

Status of Regular FY 2026 Appropriations

The twelve individual appropriations bills that normally fund the government provide funding for major areas such as national defense, energy and water improvements, and public lands maintenance. Congress seldom enacts appropriations bills on a one-by-one basis, instead it combines various bills into "mini-bus" or "omnibus" appropriations packages.

While Congress has made some progress on regular appropriations this year, lawmakers in both parties have signaled that more time is needed to continue negotiations on regular FY 2026 appropriations bills, several of which have yet to receive votes in either chamber (*see* Figure 1 below).

Figure 1. Status of FY 2026 Appropriations Bills

Appropriations Bill	House	Senate
Agriculture	Reported out of committee	Passed Senate (87-9)
Commerce, Justice, Science	Reported out of committee	Reported out of committee
Defense	Passed House (221-209)	Reported out of committee
Energy and Water Development	Passed House (214-213)	No action
Financial Services and General Government	Reported out of committee	No action
Homeland Security	Reported out of committee	No action
Interior, Environment	Reported out of committee	Reported out of committee
Labor, Health and Human Services, Education	Reported out of committee	Reported out of committee
Legislative Branch	Reported out of committee	Passed Senate (81-15)
Military Construction, Veterans Affairs	Passed House (218-206)	Passed Senate (87-9)
National Security, State	Reported out of committee	N/A
Transportation, Housing and Urban Development	Reported out of committee	Reported out of committee

FY 2026 Energy and Water Development Appropriations Bill

The most recent regular appropriations bill to pass either chamber of Congress was the House's FY 2026 Energy and Water Development Appropriations bill (H.R. 4553), which provides essential funding for the Department of Energy (DOE), U.S. Army Corps of Engineers, and other federal agencies. The House approved H.R. 4553 on September 4 by a narrow party-line vote of 214-213.

H.R. 4553 provides a total discretionary allocation of $57.3 billion for federal agencies such as DOE, which is $766.4 million, or approximately 1 percent, below the FY 2025 enacted level. At $24.1 billion, the non-defense portion of the allocation is roughly $675 million, or 2.7 percent, below the FY 2025 enacted level.

The bill appropriates a total of $48.8 billion for DOE, with funding for basic science research and applied energy programs set at $15.7 billion, roughly $400 million, or 2.3 percent, below the FY 2025 enacted level.

The bill's other treatment of key investments and DOE programs include:

- Infrastructure Investment and Jobs Act (IIJA) Funding: Revokes $5.1 billion of unobligated IIJA resources for DOE programs supporting clean hydrogen, direct air capture, carbon dioxide transportation infrastructure, battery recycling, and energy improvements in schools, with certain portions redirected to support nuclear energy activities. The President's budget request had called for the cancellation of over $15 billion in unobligated balances from IIJA, of which $6.5 billion are FY 2026 advanced appropriations.
- Office of Energy Efficiency and Renewable Energy (EERE): Provides $1.9 billion in funding for EERE, a decrease of $1.6 billion, or 47 percent, below the FY 2025 enacted level and roughly $1 billion above the President's budget request. Under the bill, the Solar Energy Technologies Office (SETO) and Wind Energy Technologies Office (WETO), zeroed out in the President's budget request, would receive $115 million and $55 million, respectively—totals that both represent close to 40 percent reductions over the fiscal year when enacted levels for SETO and WETO were last specified (FY 2024).
- Grid Deployment Office (GDO): Provides $25 million in funding for GDO, a decrease of $35 million, or roughly 60 percent, below the FY 2025 enacted level and $10 million above the President's budget request. The committee accompanying the bill encourages DOE "to coordinate with states, tribes, and federal permitting agencies to help facilitate the siting and permitting of interstate and interregional high-voltage transmission lines" and further directs the agency "to continue its work through the [Coordinated Interagency Transmission Authorization and Permits] CITAP Program to accelerate planning, permitting, and siting for transmission development."
- Office of Electricity (OE): Provides $225 million for OE, a decrease of $55 million, or 45 percent, below the FY 2025 enacted level and $32 million above the President's budget request.
- Manufacturing and Energy Supply Chains (MESC): Provides $15 million for MESC, a decrease of $4 million, or 21 percent, below the FY 2025 enacted level and in line with the President's budget request.
- Loan Programs Office (LPO): Provides roughly $54 million in gross administrative costs, a decrease of $20 million, or 27 percent, below the FY 2025 enacted level and $9 million above the President's budget request. The bill includes a measure to provide $150 million in additional credit subsidy for nuclear projects.

- Office of Clean Energy Demonstrations (OCED): Zeroes out funding for OCED, consistent with the President's budget request. The committee report specifies that project management activities and remaining funds will be managed by other applied energy technology offices within DOE.
- Adopted Amendments:
    - Before final passage of H.R. 4553, House lawmakers voted down a series of amendments on the floor, including one that would have defunded the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy.
    - In committee, on top of a manager's amendment containing minor technical changes, appropriators adopted an amendment that would reduce EERE funding by an additional $20 million to increase spending for regional commissions. An earlier draft of the amendment would have shifted $80 million from EERE's Solar Energy Technologies Office (SETO) but was revised following bipartisan opposition.

HOUSE FLOOR ACTION ON ENERGY-RELATED LEGISLATION

In parallel to government funding efforts, the House of Representatives passed a series of energy bills on largely party-line votes. This latest suite of measures is consistent with a handful of broader legislative themes under the heading of the second Trump Administration's priority to "unleash energy dominance," including efforts to fast-track "dispatchable" power plants, reassert congressional oversight of the federal regulatory process, and expand domestic fossil fuel production.

Details on the bills' supporters and contents are as follows:

Guaranteeing Reliability through the Interconnection of Dispatchable (GRID) Power Act (H.R. 1047)

Sponsor: Rep. Troy Balderson (R-OH)

Final Vote Count: 216-206 (Republican: 211-1 | Democratic: 5-205)

Brief Summary:

- The bill requires the Federal Energy Regulatory Commission (FERC) within 90 days to initiate a rulemaking to reform the interconnection queue process to facilitate the prioritization and approval of certain "dispatchable" power projects.
- The bill defines a dispatchable power project as "an electric energy generation resource capable of providing known and forecastable electric supply in time intervals necessary to ensure grid reliability." The bill does not clarify whether resources such as solar paired with battery storage fit this definition.
- The rulemaking would purportedly "address the inefficiencies and ineffectiveness of existing procedures for processing interconnection requests to ensure that new dispatchable power projects that improve grid reliability and resource adequacy can interconnect to the electric grid quickly, cost-effectively, and reliably."
- Specifically, it would "authorize transmission providers to submit proposals to [FERC] to adjust the interconnection queue of the transmission provider to prioritize new dispatchable power projects that will improve grid reliability and resource adequacy by reassigning [such] projects higher positions in the interconnection queue."
- Under the bill's requirements, transmission providers would have to include in their proposals a demonstration of need and how the prioritization would improve grid reliability or resilience.
- If enacted into law, the GRID Power Act would signal an expansion of similar recent efforts by regional grid operators to expedite their own interconnection processes, including PJM, SPP, and MISO.

- The bill does not instruct FERC to require such queue-jumping proposals, though its main practical effect appears to be allowing for more coal and nuclear projects to fit the legislation's "dispatchable" definition, which departs from the more conventional definition as a resource that can follow operator instructions by readily increasing or decreasing its output.
- A companion bill is co-sponsored in the Senate by Sens. John Hoeven (R-ND) and Todd Young (R-IN).

Promoting Cross-Border Energy Infrastructure Act (H.R. 3062)

Sponsor: Rep. Julie Fedorchak (R-ND)

Final Vote Count: 224-203 (Republican: 217-0 | Democratic: 7-203)

Brief Summary:

- The bill establishes a new process for approving or revoking permits for the construction and operation of energy infrastructure across an international border of the United States, including pipelines and electricity transmission.
- It requires a person to obtain a certificate of crossing before constructing, connecting, operating, or maintain a border-crossing facility.
- Certificates must be obtained from FERC for a facility consisting of oil or natural gas pipelines, and from DOE for an electric transmission facility.
- Both FERC and DOE must meet specific deadlines for issuing certificates and approving applications for oil, natural gas, and electricity imports and exports.
- The bill also requires the President to obtain congressional approval before revoking any previously issued permits under executive orders for constructing, connecting, operating, or maintaining an oil or natural gas pipeline, electric transmission facility, or related border-crossing facility.
- A companion bill is co-sponsored in the Senate by Sen. John Hoeven (R-ND).

National Coal Council Reestablishment Act (H.R. 3015)

Sponsor: Rep. Michael Rulli (R-OH)

Final Vote Count: 217-209 (Republican: 213-3 | Democratic: 4-206)

Brief Summary:

- The bill provides statutory authority for the National Coal Council and directs DOE to reestablish the council in accordance with the charter that was in effect on November 19, 2021.
- It also removes the requirement under the Federal Advisory Committee Act for the council to be re-chartered every two years.
- The legislation builds on President Trump's Executive Order in April 2025 to "reinvigorate America's beautiful clean coal industry."

- In June 2025, DOE announced that it would begin the process to select and vet prospective members of the National Coal Council.
- The National Coal Council was originally established in 1984 to make recommendations to DOE on matters relating to the coal industry.