National Association of State Energy Officials

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July 13, 2026

The Honorable Russell Vought
Director, Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: Regulation for Federal Financial Assistance, Docket: OMB-2026-0034
Submitted via regulations.gov

Dear Director Vought:

The National Association of State Energy Officials (NASEO) represents the governor-designated State and Territory Energy Offices from each of the 56 states, territories, and the District of Columbia. State Energy Offices lead the development of a wide range of energy policies and programs across all energy sectors and are engaged in energy sector development and modernization in partnership with the private sector, as well as other state, local, and federal authorities. NASEO appreciates the opportunity to provide the following comments on the Office of Management and Budget's proposed rule under docket OMB-2026-0034:

Section 200.202 – The proposed change to 200.202 would encourage multi-year awards, which is positive and would support state initiative and partnerships.

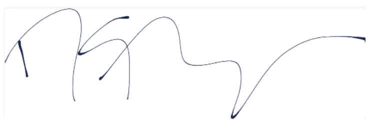
Section 200.204 – This section suggests that program designs align with "Administration policies and priorities," but provides no specificity for legally authorized programs, which may have statutory requirements. Dramatic shifts at the federal level could further complicate state and private energy investment planning where there is a need to balance critical energy needs, economic development, and protection for consumers and businesses.

Section 200.322 – The proposed Build America, Buy America requirements could make the conditions of federal grant awards even more difficult to understand and expensive to comply with. The proposed changes to 200.322 do not recognize the need for flexibility in procurements for domestic preferences. The State Energy Offices strive, on a continuing basis, to procure products domestically; these efforts are sometimes limited by supply chain constraints and the urgent need for additional electric grid resources. Including the proposed language in the terms and conditions of awards, rather than utilizing the existing "greatest extent practicable and consistent with law" language would increase rather than decrease the burdens and may inhibit the shared goal of expanding U.S. manufacturing. This provision could be especially challenging for small population and rural states, as well as smaller private companies.

Section 200.340 – This section, which governs terminations of awards, would allow wider agency discretion. This, in turn, could produce greater financial uncertainty and discourage applications for awards, thus reducing competition and failing to attract the best projects. States make considerable efforts to bring the private sector into project development and often focus on high-impact, multi-year projects. The uncertainty this proposal introduces would reduce private sector interest and co-investment in energy projects.

NASEO stands ready to serve as a key partner and appreciates the opportunity to provide these comments.

Best regards,



David Terry
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