



Real Estate's Role in Unleashing America's Energy Dominance

Energy

Summary

President Trump's executive order on "[Unleashing American Energy](#)" and priorities announced by U.S. Environmental Protection Agency ([EPA](#)) Administrator Lee Zeldin and Department of Energy ([DOE](#)) Secretary Chris Wright emphasize the same principles: cutting energy costs, pursuing an "all of the above" strategy for American energy abundance, strengthening the nation's electric grid, streamlining federal permitting processes, and fostering innovation in artificial intelligence (AI).

The [House Bipartisan Task Force on AI](#) released a December 2024 report underscoring that America's economic and national security depend heavily on a robust and modernized power grid. Our nation needs enough energy to meet growing electricity demands driven by AI, advanced manufacturing, electric vehicle adoption—and to power our buildings. US-DOE [projects](#) that data centers will consume up to 12 percent of U.S. electricity by 2028, primarily to meet AI and cloud computing needs.

The U.S. commercial real estate industry has a central role to play in achieving the country's energy and economic goals. With energy demand surging, real estate is a critical partner to support energy investments, increase energy efficiency, and deliver energy savings across the economy.

Key Takeaways

- Avoided energy use—or "nega-watts"—represents the **most cost-efficient strategy** for strengthening U.S. energy security. Building upgrades that reduce power demand save consumers money, support grid reliability, and free up energy use for more energy-intensive facilities like AI data centers and manufacturing.
 - **Grid reliability is essential.** With surging electricity demand from AI and other key sectors, it is crucial to expand grid capacity and invest in long-distance transmission. Federal permitting reform is critical to speed up energy infrastructure projects.
 - **RER supports a national "all of the above" energy strategy** that invests in building efficiency, grid modernization, faster permitting, and innovation across all energy sources.
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Background

U.S. Energy Demand, Grid Reliability, and Real Estate's Role

- A [2024 assessment](#) authorized by Congress to assess grid capacity highlighted the "critical reliability challenges" needed to satisfy "escalating energy growth," as retiring power plants age out of service. The report also noted the need to accelerate construction of transmission projects to bring electricity to the nation's cities and suburbs.
- Patchwork efforts in states and localities across the country to [mandate building performance standards](#) (BPS) have also raised concerns about electricity availability, as requirements for greater electrification further increase power demand.
- In President Trump's address to a joint session of Congress in March 2025, he [emphasized](#) the administration's focus on reducing energy costs: "A major focus of our fight to defeat inflation is rapidly reducing the cost of energy... That's why, on my first day in office, I declared a national energy emergency... It's called 'drill, baby, drill.'"
- A recent [report](#) from the Center for Strategic & International Studies warns that while AI is digital, its biggest hurdle is physical infrastructure. The report explores using President Trump's energy "emergency" declaration to fast-track permitting and urges a stronger DOE role in accelerating nuclear projects.



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The Real Estate Roundtable

- North America's data center sector doubled its construction supply in 2024 to a record 6,350.1 megawatts (MW), underscoring the increasing power demands of AI-driven computing, according to CBRE's latest [North American Data Center Trend Report](#).
- Buildings account for nearly 40 percent of U.S. energy consumption and over 70 percent of electricity use, making the real estate sector an important stakeholder in grid modernization and energy efficiency investments.
- In April 2025, the Trump administration [released](#) an executive order titled, "Strengthening the Reliability and Security of the U.S. Electric Grid" in response to the unprecedented surge in electricity demand.

Recommendations

Strengthen Grid Reliability and Expansion: Electricity demand is surging. Lawmakers must encourage investments to support quick, cost-effective, and reliable power.

- The real estate industry—with appropriate policy support—can help bring stability to the grid by investing in power purchase agreements and market-based measures like renewable energy certificates (RECs) that help finance energy infrastructure.

Invest in Building Efficiency: Reducing energy use in buildings—"nega-watts"—is the lowest-cost pathway to achieving U.S. energy dominance.

- Federal tax incentives, voluntary standards, and public-private programs should prioritize scalable commercial energy retrofits.
- Policies encouraging building efficiency will save families and businesses money on utility bills, create jobs, and attract investors seeking to park capital in well-managed and profitable real estate assets.
- Congress and DOE should support power purchase agreements to finance upgrades to existing building stock.

Embrace "All of the Above" Energy Creation: America must lead across all energy technologies to unleash our country's energy dominance.

- Congress and DOE should expand R&D and commercialization pathways for natural gas, nuclear, geothermal, hydropower, battery storage, solar, wind, hydrogen, and carbon capture and storage (CCS). The U.S. cannot afford to cede leadership in developing any of these technologies to China or other competitors.
- Energy tax credits (e.g., 179D, 45L, 48, and 45X) and direct pay/transfer provisions under the Inflation Reduction Act (IRA) must be implemented in ways that work for REITs and real estate partnerships.

Streamline Permitting Reform: Federal policy can help modernize and speed up the lengthy, burdensome permitting process for new energy projects.

- Federal laws like the National Environmental Policy Act (NEPA), and orders from the Federal Energy Regulatory Commission (FERC), must emphasize streamlined approvals for energy generation projects.
- Policies must also support creation of long-distance, high-speed transmission lines to carry electricity over long distances and across state lines to our nation's population centers.