

ONE HUNDRED NINETEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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December 5, 2025

The Honorable Laura V. Swett
Chairman
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: Interconnection of Large Loads to the Interstate Transmission System, Docket No. RM26-4

Dear Chairman Swett:

We write to urge you to prioritize holding American families harmless from the costs imposed upon the nation's grid by large loads, including data centers, as you consider the advanced notice of proposed rulemaking (ANOPR) submitted to the Federal Energy Regulatory Commission (FERC) by the Department of Energy (DOE).¹

The affordability of electricity in America is under threat. Residential retail electricity prices have risen 13 percent since the start of the year, tripling the rate of general inflation.² And power demand from data centers is set to increase dramatically, potentially further jeopardizing consumer bills. Data centers could represent anywhere between 7 to 12 percent of American electricity demand by 2028, and one aggregate of utility forecasts showed an expected increase in peak demand of 120 gigawatts (GW) by 2029, or nearly 15 percent.³ Concerningly, studies have indicated that residential power bills are already subsidizing data center buildouts.⁴ Recent reporting regarding the intense secrecy surrounding data center development also raises concerns about whether regulators have enough information about data center loads to ensure an equitable allocation of costs.⁵ Data centers and the artificial intelligence tools they power may prove to be

¹ Letter from Chris Wright, Secretary, Department of Energy, to David Rosner, Chairman, Federal Energy Regulatory Commission (Oct. 23, 2025).

² U.S. Energy Information Administration, *Electric Power Monthly* (Nov. 25, 2025).

³ Lawrence Berkeley National Laboratory, *2024 United States Data Center Energy Usage Report* (Dec. 2024) (LBNL-2001637); GridStrategies, *Strategic Industries Surging* (Apr. 2025).

⁴ Harvard Law School Environmental and Energy Law Program, *Extracting Profits from the Public: How Utility Ratepayers Are Paying for Big Tech's Power* (Mar. 5, 2025); Union of Concerned Scientists, *Connection Costs: Loophole Costs Customers Over \$4 Billion to Connect Data Centers to Power Grid* (Sept. 29, 2025).

⁵ *How NDAs Keep AI Data Center Details Hidden from Americans*, NBC News (Oct. 28, 2025).

incredible economic assets, but they must pay their fair share. They cannot be built out on the backs of the power bills of American families across the country.

Ensuring that the buildout of a 21st century grid is fundamentally fair will take many stakeholders: Congress, the federal government, and state regulators. But we appreciate the need for expeditious FERC action in this case, which could help prevent a “race to the bottom” where data center developers would be incentivized to build in jurisdictions with the weakest regulations, and not in the best places to minimize the costs they impose upon the grid. To that end, we ask that FERC keep the following five principles in mind as it considers its options pursuant to the ANOPR and individual tariff filings dealing with large data center loads that may arise before the Commission:

1. **FERC should aim to ensure that grid facilities and upgrades are only developed for loads that are certain to be built and ensure that those large load customers fully bear the cost of their interconnection facilities and network upgrades. FERC should also demand transparency mechanisms so it and other appropriate regulators can verify that these conditions are being met.** As the ANOPR notes, in Order 2023, FERC implemented a number of reforms to its generator interconnection procedures, in part to drive down the number of speculative generation interconnection requests, and decrease the time it took for “real” generation interconnection requests to be studied.⁶ We strongly support introducing a parallel version of some of these reforms, such as establishing a “first-ready, first served” process, imposing large study deposits, increasing financial commitments from load interconnection customers, and increasing financial penalties for withdrawn requests. Additionally, given the significant impacts that large data center loads can have on local grids, FERC should consider requiring large loads to sign take-or-pay commitments with transmission providers, with the largest customers being subject to the most stringent requirements. We also strongly support the ANOPR’s proposal that large load facilities should be responsible for *all* of the network upgrades assigned to them through the interconnection study process, but do not support offsetting those costs via a crediting mechanism.⁷ Furthermore, FERC should require sufficient transparency from grid operators so it can determine which specific large load facilities are responsible for specific grid upgrade needs. Finally, we support the ANOPR’s proposal that load interconnection customers who are not transmission owners be given the opportunity to build interconnection facilities, rather than needing the construction of the connecting facility to be handled by a utility.⁸
2. **FERC should require transmission providers to offer non-firm, curtailable service in exchange for a large load interconnection applicant being given an expedited pathway to connect to the grid.** Research this year has indicated that

⁶ See note 1 at P. 11.

⁷ See note 1 at P. 25.

⁸ See note 1 at P. 26.

allowing large loads to take flexible service and taking a “connect and manage” type approach to interested customers could allow the grid to serve a substantial amount of demand without needing to construct new transmission or generation facilities.⁹ We support the ANOPR’s proposal on this matter.¹⁰ We also encourage FERC to investigate other sources of load flexibility, such as increasing access to market-based demand response programs.

3. **FERC must protect open and non-discriminatory access to the power grid and not undermine the reforms made to generator interconnection queues in Order 2023.** Order 2023 instituted several vital changes to reforming our generator interconnection queues to get more power online quickly to serve the entire grid. Seeing these reforms implemented properly is vital to fixing our nation’s long-term issues in connecting power to the grid as quickly as possible. While FERC has allowed deviations from accepted interconnection processes, it has held deviations from approved tariffs to a *strict* standard and has required them to be narrow, one-time interventions.¹¹ FERC must not allow transmission providers to discriminate between generators based on resource type or if a generator is supporting a data center.
4. **FERC should provide clarity on jurisdictional boundaries between federal and state regulation of these issues.** FERC has recently recognized that this boundary is complex, but in any proceeding under this docket, it should aim to provide clarity so state regulators can act quickly to keep residential ratepayers protected under their own powers.¹² That said, if FERC asserts jurisdiction but declines to institute strong protections, such as requiring transmission providers to collect large security deposits from data center interconnection applicants or increasing other financial commitments from such applicants, it must not preempt states from imposing their own protections under their retail regulatory authorities.
5. **FERC must protect its independence throughout this proceeding and ensure that any outcome is just and reasonable, and not unduly discriminatory or preferential.** While DOE has authority under section 403 of the Department of Energy Organization Act to submit a proposal to FERC, the Commission has “exclusive jurisdiction with respect to any proposal made...” At the end of the day, FERC, not DOE or the White House, has the ultimate responsibility to ensure that its rules and the rates it approves meet the requirements of the Federal Power Act.¹³ Individual commissioners signing off on any final action must have complete

⁹ Duke University Nicholas Institute for Energy, Environment & Sustainability, *Rethinking Load Growth: Assessing the Potential for Integration of Large Flexible Loads in US Power Systems* (Feb. 2025).

¹⁰ See note 1 at P.24.

¹¹ *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,084 (February 11, 2025).

¹² *Tri-State Generation and Transmission Association, Inc.*, 193 FERC ¶ 61,070 (October 27, 2025).

¹³ Pub. L. No. 95-91 §403(b).

confidence that they have met their statutory burden without undue influence or pressure.

Finally, if FERC decides to proceed further with this rulemaking, we urge FERC to publish a notice of proposed rulemaking (NOPR) with a fully detailed rule and allow stakeholders a chance to comment and offer substantive feedback on that NOPR before any final action. While it is important for FERC to act expeditiously given the speed at which data centers are connecting to the grid, it is imperative that the Commission get any final action right. If FERC feels that it needs more time to ensure that its final action is robust and meets its statutory obligations under the Federal Power Act, it should feel comfortable requesting an extension from DOE, as it has before.¹⁴

If a final action can meet the criteria outlined above, then FERC will have granted American families a measure of protection from the costs imposed by data centers. If the Commission falls short, then American families will pay the price. We appreciate your consideration of our comments and stand ready to work with you to ensure American electricity is reliable and affordable.

Sincerely,



Frank Pallone, Jr.
Ranking Member



Kathy Castor
Ranking Member
Subcommittee on Energy

¹⁴ Letter from Kevin J. McIntyre, Chairman, Federal Energy Regulatory Commission, to Rick Perry, Secretary, Department of Energy (Dec. 7, 2017).

The Honorable Laura V. Swett

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cc: The Honorable David Rosner
 Commissioner
 Federal Energy Regulatory Commission

 The Honorable Lindsay S. See
 Commissioner
 Federal Energy Regulatory Commission

 The Honorable Judy W. Chang
 Commissioner
 Federal Energy Regulatory Commission

 The Honorable David A. LaCerte
 Commissioner
 Federal Energy Regulatory Commission