

EL-1 Resolution Urging the Federal Energy Regulatory Commission to Preserve and Affirm State Retail Regulatory Jurisdiction in its Large Load Interconnection Proceeding

Whereas on October 23, 2025, the Secretary of Energy issued a letter pursuant to section 403 of the Department of Energy Organization Act directing the Federal Energy Regulatory Commission (FERC) to initiate rulemaking procedures and consider the proposed Advanced Notice of Proposed Rulemaking (ANOPR) presenting reforms to ensure the timely and orderly interconnection of large loads to the transmission system;

Whereas the states acknowledge the policy priorities expressed by the Secretary, and agree that ensuring efficient, timely, and non-discriminatory interconnection of large loads, including AI data centers, requires prompt and thoughtful consideration by regulators;

Whereas to ensure that any Final Rule resulting from the ANOPR process is durable, legal, and does not unintentionally lead to resource adequacy challenges or more delays to the large load interconnection process, it is particularly important that FERC give thoughtful consideration to the concerns of the States and other interested parties;

Whereas the ANOPR asserts FERC jurisdiction over the interconnection of large loads to the transmission system;

Whereas the ANOPR recognizes that section 201(b) of the Federal Power Act grants the States with exclusive jurisdiction “over facilities used for the generation of electric energy or over facilities used in local distribution or for the transmission of electric energy in intrastate commerce, or over facilities for the transmission of electric energy consumed wholly by the transmitter.” 16 U.S.C. § 824(b);

Whereas while the ANOPR disclaims any intention to assert jurisdiction over distribution interconnections, it is imperative that FERC, in any final rulemaking, make clear that it is affirmatively not asserting jurisdiction over end-use sales, which falls squarely within the exclusive jurisdiction of state retail energy regulatory authorities;

Whereas state utility commissions are responsible for ensuring resource adequacy and the reliability and affordability of electric service for retail customers;

Whereas states’ authority over integrated resource planning, where applicable, derives from their reserved jurisdiction under Federal Power Act section 201(b), enabling states to oversee utilities’ long-term forecasting of electricity demand and evaluation of supply- and demand-side resources to meet that demand in a cost-effective, reliable, and sustainable manner;

Whereas the North American Electric Reliability Corporation’s (NERC) 2024 Long-Term Reliability Assessment found that demand growth is now higher than at any point in the past two decades due to demand growth from large loads, with aggregated United States winter peak load forecasted to grow by 21.5 percent to 843 gigawatts by 2034;

Whereas in 2023 fifteen states accounted for 80 percent of the national data center load, reflecting the diverse landscape of regional opportunities and challenges presented by large load growth across the United States;

Whereas any large load interconnections without sufficient available generation capacity could threaten reliable power service to existing retail customers, as grid operators may lack the resources needed to maintain system stability during peak demand or extreme weather events;

Whereas the costs of large load interconnections, including necessary transmission upgrades and other infrastructure investments, may unfairly burden retail ratepayers if not properly allocated;

Whereas under the Federal Power Act, the states retain the ability to implement protective measures, such as large load tariffs and flexibility requirements, and the ability to incentivize large loads to invest in local communities, including through programs such as facilitating large loads to interconnect more rapidly while bringing direct economic benefits to the community in the form of funding virtual power plants, non-transmission alternatives or demand-side management programs;

Whereas at least 20 states have approved or have pending large load tariffs or similar measures, which may include financial commitments, curtailment protocols, and minimum contract terms to allow for the rapid interconnection of large loads without compromising grid reliability or unduly burdening existing retail customers;

Whereas state regulatory authorities have the expertise and authority to balance economic development associated with large loads with the protection of retail customers, and seek to ensure the ANOPR proceeding does not undermine these efforts, disrupt orderly grid planning, and lead to further resource adequacy and affordability challenges;

Whereas, for all of the reasons stated above, the states strongly encourage FERC to carefully consider the perspectives of state regulators and other stakeholders to ensure any rulemaking proceeding does not inadvertently create additional challenges to resource adequacy, reliability, and affordability for retail customers;

Whereas the states look forward to working with FERC and other interested parties to develop a durable and meaningful resolution to the ANOPR proceeding; now, therefore it be

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2025 Annual Meeting and Education Conference in Seattle, Washington urges the FERC to preserve and affirm states' retail regulatory authority under the Federal Power Act, ensure that large load interconnections do not compromise grid reliability or impose undue costs on retail customers, and respect state tools for promoting system flexibility and equitable cost allocation.

Passed by the Committee on Electricity on November 10, 2025.

Adopted by the NARUC Board of Directors on November 11, 2025.