NARUC
National Association of Regulatory Utility Commissioners

NARUC Virtual Roundtable for Utility Regulators: Large Load Forecasting

February 19, 2026

Commissioners and staff from approximately a dozen states participated in the members-only virtual roundtable on February 19, 2026, focused on large load forecasting methods and challenges. Participating states included Illinois, Louisiana, Maryland, Massachusetts, Montana, New Jersey, New Mexico, Ohio, and Texas. The discussion followed a presentation by Align Energy Advisors on a four-step framework for translating large load tariff provisions into load forecast inputs. Topics included forecasting methodologies, cross-jurisdictional coordination, queue management and commercial readiness criteria, self-generation requirements, load flexibility, resource planning and environmental policy, federal emergency authorities, and the fundamental question of what makes a load commitment credible in an industry driven by first-mover advantages. The summary below is organized into eight topics.

1. State Approaches to Large Load Forecasting

States represented a wide spectrum of forecasting maturity, from those with newly developed processes specifically for large loads to those still relying on traditional methods or *ad hoc* approaches. **Texas** has implemented a large load forecast rule requiring uniform criteria across all utilities (e.g., site control, financial commitments, phasing schedules, and backup generation plans) after discovering that different utilities were applying inconsistent standards. **Massachusetts** requires formal load letter submissions before including loads in forecasts and mandates 5-, 10-, and 25-year forecasts updated every five years. **Illinois** is implementing a new statewide IRP due in November 2026 while simultaneously managing multiple other planning processes, describing the situation as "building the plane while flying it."

Other states are at earlier stages or have taken different approaches. **Montana** is using an existing resource adequacy docket to dialogue with utilities about data center plans. **New Mexico** allows large loads to self-generate and permits utilities to "overbuild" by up to 10% if they can demonstrate sufficient load. **Louisiana** handles major projects through bespoke approval processes requiring customers to finance 100% of infrastructure, leveraging the state's constitutional independence from the legislature. The variety of approaches reflects both different stages of data center activity and different regulatory structures across states.

2. Cross-Jurisdictional Coordination Challenges

The same data center proposal often appears in interconnection queues in multiple states simultaneously, with developers maintaining optionality about where to ultimately build. If every state includes these duplicative requests in forecasts and builds infrastructure accordingly, the result will be massive overbuilding when the developer selects a single location. States described feeling "played off against each other" by developers who understand this dynamic and use it to negotiate better terms. One commissioner raised the question directly: how should states with aggressive filtering standards coordinate with neighbors that include everything in their queues, when both may be forecasting the same projects?

Another commissioner proposed establishing a confidential data clearinghouse, possibly at the RTO or FERC level, a “black box” room where all non-disclosure agreements (NDAs) could be broken in a way that allows someone to identify duplicative projects across jurisdictions without revealing proprietary information publicly. Some entity with comprehensive data access could filter duplicates and provide guidance back to states and RTOs about what load is actually coming. The suggestion of a federal-level clearinghouse emerged as a potential solution, though no one described this as currently being developed. Participants acknowledged that while cross-jurisdictional coordination remains challenging, individual states retain substantial control over what happens within their borders through tariff design and utility forecasting requirements.

3. Queue Management, Commercial Readiness, and Filtering Speculative Load

Determining what level of financial and commercial commitment should be required before including a load in forecasts is central to managing bloated interconnection queues. The framework presented by Align Energy Advisors proposed using both commercial readiness metrics—site control, interconnection progress, design completion, construction commencement—and increasingly stringent financial commitments as loads advance through development stages. The theory is that requiring customers to share risk by putting real money at stake both protects ratepayers and provides better information about which projects will actually be built. The **Ohio** experience provided validation: after AEP Ohio implemented its large load tariff with substantial financial requirements, the interconnection queue dropped from approximately 30 GW to 13 GW, suggesting more than half of requests were not serious once real financial obligations were attached.

Texas described a queue exceeding 200 GW with widespread acknowledgment that much is not real, prompting movement toward uniform commission-established criteria. One tension is that single, large discrete loads can be evaluated project-by-project with specific milestones, while distributed load growth from electrification requires different methods because it accumulates incrementally. Speed challenges compound the problem: cryptocurrency miners using containerized equipment can add 10 MW in 30 days, and communication gaps between small municipal utilities and their wholesale suppliers create operational risks. States emphasized that tracking queue attrition and project advancement rates over time is essential for developing discount factors that make forecasts more accurate without systematically over- or under-building.

4. Self-Generation and "Bring Your Own Power" Requirements

The extent to which large loads should provide their own generation, whether onsite or through direct investment in new power plants, was discussed as both a cost allocation mechanism and a forecasting simplification. **Texas** passed legislation in 2025 requiring new large loads to bring backup generation, which initially created customer concern, but which has since been accepted as preferable to waiting indefinitely for grid capacity. **New Mexico's** governor authorized at least one data center to create an off-grid microgrid using natural gas generation—an option unavailable to public utilities given the state's renewable portfolio standards—allowing the project to proceed without affecting utility forecasts or requiring utility infrastructure investment.

Louisiana's approach of requiring customers to finance 100% of associated infrastructure, including new generation, was described as feasible specifically because major data center operators are among the wealthiest companies in the world. The commissioner emphasized that **Louisiana** does not socialize R&D costs onto ratepayers and views data center infrastructure analogously: if a private company wants 500 MW for its own purposes, that company should pay rather than existing customers subsidizing it through rates. A participant asked whether requiring onsite generation reduces concerns about transmission and distribution upgrades, though participants noted that data centers typically still want grid interconnection for redundancy and renewable energy access.

5. Load Flexibility and Interruptibility

Data center developers are increasingly proposing flexibility as a way to interconnect faster, with loads that previously insisted on completely uninterruptible 24/7 power now offering controllable load status, backup generation, or slower ramp schedules. This shift suggests time-to-market pressures are forcing acceptance of terms previously rejected. A key distinction is who controls the "switch.” Data centers accept controllable load classification if they retain control over when and how they reduce consumption, but they resist utility-operated automatic load shedding. The language matters: "controllable load" is more palatable than "kill switch." There remains a question of accountability if data centers commit to reducing load during emergencies but fail to do so, with the answer of "a huge fine" acknowledged as somewhat unsatisfying when the alternative failure mode is grid collapse.

Illinois and **Texas** are implementing or considering preferential queue treatment for flexible loads, creating market-based incentives for load flexibility without mandating it through tariff terms. Loads willing to accept curtailment or time-of-use restrictions could move to the front of the line while those requiring firm service wait longer. The industry is also learning to differentiate between types of data center loads (e.g., cloud backup versus AI training versus real-time inference computing), each with different flexibility capabilities. One participant noted that Dominion has internally developed a five-category taxonomy for data centers based on operational characteristics and load profiles, suggesting movement toward more granular treatment of "data centers" as a heterogeneous class rather than a monolithic load type.

6. Resource Planning, Environmental Policy, and Timing Challenges

States are grappling with how to integrate large load forecasting into existing resource planning processes while managing environmental policy considerations and timing mismatches. **Illinois** is implementing a new statewide IRP that must be completed by November 2026 while managing multiple parallel planning processes from earlier legislation. **Montana** is using its IRP cycle to model data center scenarios. **New Jersey** lacks an IRP process entirely, relying on ongoing dialogue with utilities about queue developments. The variety reflects different regulatory structures and stages of planning maturity.

Environmental policies are shaping both interconnection terms and infrastructure investment decisions. **Massachusetts** anticipated strong advocacy for renewable energy and storage requirements if data center proposals come forward, while also flagging environmental justice concerns about proposed locations in low-income communities of color. **New Mexico** faces tension between zero-carbon standards requiring movement toward 100% renewable energy by 2045 and oil and gas electrification driving much current load growth. **Texas** described itself as "business friendly" with no current clean energy mandates. **Louisiana's** constitutional independence allows flexibility in balancing economic development and environmental concerns. A fundamental timing mismatch emerged: traditional IRP cycles operate on 2- to 3-year horizons to identify least-cost capacity additions, but data centers want capacity in 9 months to 2 years. **Louisiana's** ability to approve a major project in under 9 months was attributed to customer financing; when ratepayers are not bearing costs, commissions can move faster, creating a two-track system for utility-financed versus customer-financed generation.

7. Federal Authorities and the 202(c) Order Precedent

An emerging issue is the potential use of Federal Power Act Section 202(c) emergency orders to authorize operation of data center backup generation during grid emergencies. The U.S. Department of Energy traditionally used Section 202(c) sparingly, but the new administration has used it more frequently. During a recent winter storm, DOE issued orders allowing utilities to waive environmental restrictions and run generators that would otherwise be prohibited, then extended this concept to data center backup generation, bringing those resources within the scope of 202(c) orders during emergencies. Orders were amended repeatedly "in the middle of the night" as additional generators were identified.

This approach represents a federalization of data center backup generation operating outside State Utility Commission authority. When grid conditions become critical, DOE can order data centers to run backup generators regardless of state restrictions, effectively treating privately-owned backup systems as emergency grid resources. The long-term implications for planning, cost allocation, and the relationship between customer-owned backup generation and the broader grid remain unclear. Resources installed to serve an individual customer's reliability needs can now be called upon for broader grid reliability during emergencies, potentially without compensation beyond relief from environmental compliance requirements.

8. The "Firmness" Threshold Question and First-Mover Dynamics

A fundamental question underlying the discussion is what level of commitment should be required before a load is considered "firm" enough to trigger infrastructure investment. Related, participants asked whether any feasible threshold can truly filter speculative projects when potential returns for hyperscalers are measured in decades of market control and trillion-dollar opportunities. The challenge was framed starkly: hyperscale operators are not price sensitive in traditional ways, and even a $2 billion loss could be absorbed without major consequence. When capital is essentially unlimited and first-mover advantages are enormous, even very large financial commitments may not meaningfully signal project seriousness.

Texas reported that developers are "throwing everything" at utility regulators as potential solutions, including backup generation, controllable load commitments, slower ramps, and interruptibility. This approach suggests that they are desperate to capture first-mover position. One participant asked whether there is anything data centers are *not* willing to do, noting they offer money, tariff acceptance, curtailment, backup generation, and more. **Louisiana's** approach of requiring 100% customer financing was presented as the clearest bright line: if the customer wants infrastructure, the customer pays entirely, and if the project fails, no ratepayer dollars are at risk. Another commissioner noted that hyperscalers have stated they will pay "tens of billions" for new generation because the cost of not having power is exponentially larger. Participants acknowledged uncertainty about whether even robust tariff protections will adequately protect ratepayers over 10- to 15-year horizons, as no state has yet lived through a full large load contract cycle. The **Ohio** queue reduction example provides early evidence that threshold requirements have real effects, but this is only the first data point in a long learning process.