NATIONAL COUNCIL ON ELECTRICITY POLICY

NCEP Framework for State Agency Collaboration on Load Growth

National Council on Electricity Policy

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About NCEP

The National Council on Electricity Policy (NCEP) is a member-driven collaborative forum for state-level electricity decision-makers to share perspectives and learn from one another. NCEP focuses on the impact of pressing energy system issues on electricity policy and electricity customers, how different state decision-makers' roles influence their approaches, and how federal policies, regulations, and priorities affect state actions. All state officials and staff with roles that impact the energy system are considered members of NCEP, including representatives from state utility commissions, state energy offices, consumer advocate offices, state legislatures, governors' offices, air quality agencies, and others.

NCEP is administered by the National Association of Regulatory Utility Commissioners (NARUC). National organizations directly supporting NCEP include the National Association of Clean Air Agencies (NACAA), NARUC, the National Association of State Energy Officials (NASEO), the National Association of State Utility Consumer Advocates (NASUCA), the National Conference of State Legislatures (NCSL), and the National Governors Association (NGA).

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Acknowledgments and Disclaimers

This framework would not have been possible without the NCEP Executive Committee members that provided guidance during its development. With gratitude, they are listed with their title and organizational affiliation at the time of their participation.

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The contents of this framework are the result of a four-part webinar series in fall 2025 and an in-person workshop in spring 2026 and reflect the contributions of participants in all these events. Development of the NCEP framework was led by Deborah Reynolds, Senior Regulatory Policy Specialist in the NARUC Center for Partnerships & Innovation. She offers grateful thanks to the staff members of the national organizations participating in NCEP who contributed to and reviewed previous versions of the framework:

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INTRODUCTION

States across the country are experiencing a rapid increase in electricity demand driven by new large loads. This growth offers potential benefits while also presenting a wide variety of challenges. Issues around infrastructure planning, cost allocation, system reliability, permitting, and broader public trust are now emerging. National Council on Electricity Policy (NCEP) members represent a broad variety of government entities with common and overlapping interest in overcoming these challenges. Ultimately, NCEP members and other stakeholders seek to develop public policy that ensures the public interest is served and the benefits of this growth are realized. Through an NCEP-sponsored webinar series, and refined through an in-person workshop, members have developed a framework and practical approaches for navigating these challenges in a coordinated and strategic manner that can be applied to any state.

THE FRAMEWORK

This framework helps states shift decision-making from a reactive project-by-project process to a proactive, system-level strategy for managing large load growth. While the discussions to develop the framework focused on load growth driven by large and concentrated loads, NCEP members believe many of these approaches could be used to address future drivers of new load.

NCEP members suggest that there are three main themes to focus on for most effectively responding to load growth: how state agencies **coordinate** among themselves and across regions, how they share information and ensure it is based on solid **data and analysis**, and how they consider economic **risks and benefits** as they implement tools like large load tariffs. These themes can be operationalized in meaningful and actionable ways through the six approaches members identified in this framework (see **Table 1**).

Table 1. Summary of Framework Themes and Approaches

Six Key Approaches	Themes		
	Coordination	Data and analysis	Risks and benefits
1. Early Interagency Coordination	X		
2. Shared Economic Development Goals	X		X
3. Shared Information Portals	X	X	
4. State-Level Load Forecasting	X	X	
5. Interconnection Policies for Large Loads		X	X
6. Large Load Tariffs		X	X

The Framework Themes

Coordination. Members highlight the need to clarify roles, authorities, and decision-making processes across agencies, utilities, and external stakeholders. Early interagency coordination, shared economic development goals, shared information portals, and state-level load forecasting approaches all function as governance mechanisms that reduce information asymmetry and establish predictable processes for resolving tradeoffs. In particular, the first approach of engaging agencies early—before key project decisions are locked in—reflects a recognition that timing and transparency are as important as formal authority in shaping outcomes. Effective governance in this context depends not only on formal rules, but also on trust, shared accountability, and clearly defined channels for collaboration.

Data and analysis. Members identified state-level load forecasting, shared information portals, interconnection policies for large loads, and large load tariffs as approaches relying on consistent, high-quality data and transparent methodologies. Shared technical baselines enable effective coordination around infrastructure planning, permitting, rate setting, and economic development efforts that deliver timely projects and aligned investments.

Risks and benefits. Members note that shared economic development goals, interconnection policies for large loads, and large load tariff approaches all address the question of who bears the costs and captures the benefits of rapid and concentrated load growth. These approaches

operationalize principles such as cost causation, risk mitigation, and equitable distribution of harms and benefits, helping to ensure that new loads pay for the system costs they cause and contribute their fair share towards other system investments that benefit them, to create a net effect of downward pressure on rates while advancing broader state policy objectives.

The Framework Approaches

Early Interagency Coordination – State agencies, utilities, local governments, and other stakeholders engage early in the project lifecycle to share information, identify risks, and align priorities before key decisions are finalized. Early coordination helps avoid delays, stranded investments, and conflicts while improving transparency and public trust.

Shared Economic Development Goals – State entities work together to define common economic development objectives and evaluate large load projects against consistent criteria such as jobs, tax revenue, affordability, reliability, and community impacts. Shared goals help states prioritize projects, manage tradeoffs, and align energy and economic policies.

Shared Information Portals – A centralized information platform allows agencies, utilities, and other authorized users to access consistent data about large load projects, infrastructure needs, timelines, and project status. By reducing information silos, these portals can improve planning, coordination, and decision-making across organizations.

State-Level Load Forecasting – States develop independent forecasts that combine utility data, economic development information, and project pipelines to create a common view of future electricity demand. These forecasts support coordinated planning, improve transparency, and help distinguish committed demand from speculative growth.

Interconnection Policies for Large Loads – Clear rules and processes govern how large electricity users connect to the grid, including cost responsibilities, timelines, and system impact assessments. Well-designed interconnection policies reduce uncertainty, support reliable grid planning, and ensure costs are assigned according to cost-causation principles.

Large Load Tariffs – Specialized tariff structures require large customers to bear the costs and risks associated with their electricity demand through mechanisms such as financial commitments, minimum usage requirements, and exit fees. These tariffs help protect existing customers from stranded costs while providing greater certainty for both utilities and developers.

How to Use the Framework

Taken together, the themes and approaches provide a flexible but structured framework that states can adapt to their particular policy and regulatory environments, market structures, and state goals and priorities. Some states may need legislative action before they can implement some of these approaches; other states may only choose to implement a subset of these tools.

NCEP members also provided resources that state agencies and others may find useful in responding to large loads. See the resources section at the end of this document.

Regardless of the starting point, the greatest value emerges when these approaches are implemented in a coordinated manner, with each reinforcing the others. By integrating technical rigor, effective governance, and sound economic principles, states can better position themselves to capture the benefits of large load growth while protecting reliability, affordability, and public interest.

Approaches for State Agency Collaboration

Recognizing the unique and complementary roles that all NCEP members play in their states, members identified six specific approaches that they think would help a state seeking greater collaboration on load growth. Each approach includes:

- a brief **recap** of member discussions about the approach;
- the **key features** of the approach to support a state that chooses to implement it;
- cross-agency **benefits** that state agencies can realize if they implement this approach; and
- **questions** state agencies can use to aid implementation.

Approaches were initially gathered from the NCEP webinar series, "How States Are Approaching Load Growth," held in fall 2025 (available at: https://www.naruc.org/ncep/webinars/). Key features of each approach were discussed and refined at the NCEP 2026 Annual Meeting collaborative workshop in Charleston, South Carolina.

1. Early Interagency Coordination

Impact of Early Coordination Among Agencies
Early coordination among agencies emerged as perhaps the strongest and most consistent approach that NCEP members would like to see adopted in their states. NCEP members repeatedly warned that once large load projects are treated as "done deals," agencies lose meaningful options to shape their impact and risks increase dramatically. Early coordination—before incentives are finalized, sites are locked in, or utility investments are committed—allows states to shape outcomes rather than react to them. This coordination can be on a project-by-project basis or through a proactive process before a project is even proposed.

Examples from Oklahoma (see text box on page xx) and Colorado demonstrated that early sharing of projected load profiles, timelines, and constraints enabled phased infrastructure investment, avoided stranded assets, and accelerated permitting. Conversely, late engagement often left utility regulators, consumer advocates, and environmental agencies responding under compressed timelines with limited leverage.

Mark Silberg, Policy Advisor to Colorado Governor Jared Polis, described how Colorado launched a coordinated state effort in 2024 after utilities reported increasing interest from large new electric customers and concerns that existing planning and utility regulatory frameworks were not designed for rapid load growth. The governor directed the Colorado Energy Office, Colorado Public Utilities Commission, and other agencies to align load-growth planning with the state's energy,

climate, electrification, and economic development goals, while maximizing benefits through demand flexibility, smart siting, and innovative tariffs. The Colorado Public Utilities Commission has led efforts to improve load forecasting and regulatory tools, while collaboration across agencies and direct customer engagement help ensure fair cost allocation, support economic growth, and maintain grid reliability. Governor's letter, Recording State Agency Collaboration Webinar

Effective early interagency coordination brings all relevant agency voices to the table: governor's offices, State Energy Offices, economic development agencies, utilities, utility regulators, environmental agencies, and local governments. It reduces information asymmetry, aligns expectations, and supports transparent tradeoffs among speed, cost, and public engagement. Importantly, participants emphasized that early coordination does not slow projects; instead, it prevents mistrust, rework, and backlash that ultimately cause delays. As load growth accelerates, early coordination is essential to maintaining both legitimacy and resilience in state decision making. This section recognizes that a firm foundation in community engagement is part of the work of state and local agencies.

Key Features of Early Interagency Coordination

Participants realized there were two different stages from which a state might be starting: responding to a specific project **or** developing a proactive approach that addresses concerns before the developer arrives. Both are reflected below, and some features are repeated.

- The state's **project-by-project** approach, at first customer inquiry, should:
    - provide a clear first point of contact and coordination for potential projects, encouraging early customer inquiry and centralized capture of that information (recognizing that utilities are often the first point of contact for a developer which requires open lines of communication among state and local governments and utilities);
    - identify a lead agency to serve as convener;
    - invite broad stakeholder representation, including economic development organizations, energy offices, utilities, utility regulators, environmental agencies, and local governments;
    - develop shared timelines, assumptions, and risk-allocation principles;
    - incorporate energy efficiency and environmental compliance issues; and
    - provide accurate information about impacts to communities.
- The state's **proactive** approach, before a developer's inquiry or proposed project, should:
    - identify a lead agency to serve as a convener;
    - include all the necessary state agencies, stakeholders, and community members;
    - identify, as a state, what benefits would be required to say yes to a developer's proposal;
    - include a positive, community tabletop/visioning exercise with the broad spectrum of stakeholders; invite the press; identify what types of benefits a community would need in order to say "yes;"
    - identify benefits to the broader community, along with what negative impacts would not be acceptable; and

- align relevant planning efforts across the community, city, county, state, and other levels.

Cross-Agency Benefits from Successfully Realizing this Approach

- Prevents rushed decisions, overbuilding, and late-stage conflict;
- enables more efficient processes;
- avoids reputational risk (a positive experience avoids an adversarial approach);
- avoids regulatory delay of various kinds;
- increases positive public perception; and
- allows for statewide alignment.

Questions for Implementers of Early Interagency Coordination

The following section provides a series of questions for state agencies to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Timing of Coordination

- At what point should agencies engage: prior to a project proposal, after a project is selected, or later?
- Who initiates coordination, and who has authority to align priorities?
- Are there agencies that cannot participate because of due process considerations? How does this affect the elements of timing that should be considered?
- Where does coordination meaningfully change outcomes versus just changing the sequence of approvals?
- What is the legislative or regulatory role in approvals for state entities versus local governments and others?

➢ If a project is already publicly announced, how much flexibility remains?

B. Information Sharing and Visibility of Constraints

- How does information quickly flow from developers, local governments, and utilities to state agencies?
- What conditions and protections are necessary to protect sensitive business information?
- Do agencies share a common understanding of power availability, new energy infrastructure timelines for transmission or generation, and site constraints?
- How early and often are local communities meaningfully engaged in the process of learning about a proposed project and given opportunities to share feedback?
- How often do permitting or infrastructure issues surface too late to influence siting decisions?
- Does your approach to coordination enhance a project's ability to economically and efficiently respond to, plan for and incorporate changes?

➢ How many recent delays or conflicts could have been avoided with earlier coordination and information sharing?

C. Speed versus Deliberation

- Does early coordination reduce the overall timeline by slowing projects down at the beginning but avoiding later delays and conflicts?
- How do states balance developer demand for speed with local community concerns, infrastructure and workforce realities?
- Are fast-track processes available only to certain project types?

➢ Does your coordination model favor projects that are easiest to approve rather than most valuable long-term?

D. Role of Local Governments and Utilities

- What lines of communication are needed to enable local governments and utilities to keep state agencies informed?
- When and how are local governments and utilities brought into coordination efforts?
- Are utilities treated as strategic partners or downstream implementers?
- How does misalignment between state and local priorities get resolved?

➢ What happens when local priorities directly conflict with state priorities?

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2. Shared Economic Development Goals

Articulating Shared Goals

Shared economic development goals at the state level can be effective in resolving tensions between attracting large customers and protecting affordability, reliability, and community interests. NCEP members highlighted that not all large loads deliver the same benefits: data centers, manufacturers, and mixed-use developments differ significantly in job creation, land use, tax revenue, customer energy bill impacts, and infrastructure demands. Without a shared understanding of the state-level goals of economic development, agencies, local partners, and utilities risk working at cross-purposes. This approach likely requires legislative action in most states as well as a very high level of buy-in from agencies.

Effective coordination begins with explicit agreement on what the state seeks to gain from a proposed project—such as jobs, tax revenues, community investment, infrastructure partnerships, lower electricity bills for all customers, or strategic industry development—and how those benefits are measured. Several states noted growing competition between data centers and manufacturing for limited power and sites, underscoring the need for prioritization rather than default encouragement of all load.

States can better assess the inherent tradeoffs if they align their economic development objectives with energy, environmental, public health, and consumer protection priorities. Shared goals also support more credible negotiations with developers, clearer communication with communities, and more defensible regulatory and policy outcomes. If a state has shared goals, economic development is no longer separate from how states respond to load growth: it can become a central driver of how risks and benefits should be allocated.

Key Features of Shared State-level Economic Development Goals

- Clear process to develop state-level shared economic development goals and metrics with timelines for publishing, community input opportunity, and leadership buy-in.
- Statewide agreement on types of loads to prioritize over what timeframe (e.g., three, five, 10 years).
- Document and explain the agreement - this can lead to creativity and flexibility after shared goals are published and help with buy-in.
- Explicit evaluation and demonstration of key metrics by new entrants, such as jobs, tax revenue, land use, community impacts, electric rate affordability, pollution, water, housing, etc.
- Recognition of tradeoffs among speed, cost, long-term benefits, local versus statewide benefits, and include processes to mitigate impacts with benefits commitments and engagement.

Cross-Agency Benefits from Successfully Realizing this Approach

- Being more competitive and responsive with developers leads to being more successful with development; can accelerate speed to power.
- All relevant agencies are better able to meet statutory goals for the public good and improve staff efficiency.
- Greater ease in understanding concerns, validating significant concerns, and dispelling concerns that are not well-founded.
- Supports different agencies in asking for benefits and getting value from developers on behalf of the public, creating durable community benefit agreements.

Questions for Implementers of Shared Economic Development Goals

The following section provides a series of questions for states to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Defining "Economic Development Success"

- How do states and local governments currently define success when evaluating large load projects—tax revenue, jobs, wages, speed to market, strategic value?
- Are these goals explicit, consistent, and shared across agencies?
- Where do data centers and manufacturers diverge in how they score against these goals?
- Do the goals clearly consider electric rate impacts on existing customers as part of successful economic development?

➢ What happens when success metrics conflict (i.e., high tax revenue with low employment)?

B. Prioritization Under Scarcity

- When industrial sites or energy availability are constrained, who decides which projects go first?
- Are there formal prioritization frameworks, or do decisions default to speed and readiness?
- How do states balance "first-mover advantage" with higher priority uses like employment or tax revenue?

- Would your current system produce a different outcome if two projects arrived in reverse order?

C. Flexibility and Long-Term Optionality

- How durable are economic development goals across political cycles?
- Do current policies allow states to reserve or protect sites for strategic uses?
- How often do short-term wins limit longer-term economic optionality?

- Once a site or substation is committed, how reversible is the decision?

D. Accountability and Transparency

- Are tradeoffs clearly communicated to local governments and communities?
- Have local communities had a meaningful opportunity to engage in the process?
- How has input from the local community informed the project/process?
- Who is accountable when outcomes diverge from stated goals?
- What data is missing that would improve decision-making?

- Are there scenarios under which confidentiality may require limiting transparency?

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3. Shared Information Portals

Establishing Shared Information Portals

Shared information portals are designed to address one of the most persistent challenges identified by NCEP members: fragmented, siloed knowledge about large load projects. Different agencies and other stakeholders such as utilities hold different pieces of critical information. Economic development agencies provide incentives, utilities control interconnection data, utility commissions oversee rates and reliability, and environmental agencies manage permitting. Often, local governments may be the first to know of a prospective project because they are often responsible for the siting decisions. Without a mechanism to consolidate and share this information, coordination breaks down.

NCEP members described shared portals as trusted, standardized platforms where both state and local agencies and utilities can access consistent data on projected load, project status, infrastructure needs, expected timelines, and cost responsibilities. Such portals can help distinguish speculative inquiries from serious commitments, track verified milestones, and reduce duplicative requests for information.

Commission Chair Kim David described an Oklahoma collaboration on a major industrial development project requiring more than 200 megawatts of power and significant future expansion. The Oklahoma Department of Commerce led coordination among the Oklahoma Corporation Commission, Municipal Power Authority, Southwest Power Pool, local governments, and utilities to address planning, transmission, permitting, zoning, and infrastructure needs. By sharing load forecasts and development timelines early, partners aligned economic development and utility planning, accelerated permitting, reduced uncertainty, and avoided overbuilding and stranded assets. Recording State Agency Collaboration Webinar

Importantly, NCEP members stressed that transparency enables speed rather than slowing it down. While confidentiality constraints remain, shared portals can be structured with appropriate access controls while still improving visibility across local and state agencies. By creating a single source of truth, information portals support early coordination, realistic planning, and informed decision-making—helping states respond to load growth without sacrificing accountability or public trust.

Key Features of State-level Shared Information Portals

- Secure, standardized platform shared by multiple agencies and utilities.
- Tracks large load projects from inquiry through operation.
- At a minimum, displays project status, size, location, timelines, and infrastructure needs; could include additional data fields depending on state goals and needs.
- Includes confidentiality controls with input from entities whose data will be included.
- Relies on established policies and mechanisms to control access to information in the portal.
- Receives updated data on a regular basis from multiple sources following validation process; data reporting must be standardized and machine-readable.
- Must be developed and launched quickly: the need for information is especially critical now.
- A widely trusted entity must be at the core of the information portal.

Cross-Agency Benefits from Successfully Realizing this Approach

- A complete and accessible source of information increases trust with all stakeholders.
- Easier to site large load customers including data centers, and balance resources which can accelerate construction and permitting, increasing speed to power.
- A better understanding of which projects are most likely to be built reduces the risk of double counting and reduces the likelihood of overbuilding.
- Better scheduling of workforce for permitting, construction, commissioning, other.
- If done well, agencies and large load customers like data centers could benefit reputationally from their involvement.

Questions for Implementers of Shared Information Portals

The following section provides a series of questions for states to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Scope and Standardization

- What data are most critical for coordination and least consistently shared today (e.g., aggregate load volumes, timing assumptions, confidence or “commitment” status, water and environmental impacts)?
- How will data definitions be standardized across agencies?
- How are assumptions documented and challenged?

- In the absence of a national portal (e.g., housed by EIA, EPRI, a National Lab, or FERC), how is a state portal helpful?
- Consider whether public access to the data can be provided.

➢ If agencies rely on different datasets, how often do decisions diverge?

B. Access, Confidentiality, and Trust

- Who has access to shared data (e.g., public, restricted, regulator-only), and should there be different levels of access (e.g., viewing versus contributing rights)?
- Is there value in including regional organizations in the development of the portal?
- How are commercially-sensitive or security-sensitive data handled?
- What level of aggregation protects confidentiality without undermining usefulness (e.g., regional v. nodal or project-specific v. categorical)?

➢ Does lack of trust limit data quality or sharing? Does lack of transparency, completeness, or accuracy limit data usefulness? Can increased data sharing increase trust?

C. Timeliness and Data Relevance

- How current are shared data relative to decision timelines?
- How frequently must the data be updated to maintain relevance and credibility?
- Who provides the data? Who is responsible for ensuring updates and verification?
- Is participation mandatory, voluntary with incentives, or fully voluntary? Are there consequences for stale or incorrect information?
- Does data support forward-looking decisions, or primarily backward-looking analysis?
- Should the same timelines and standards be applied to both data and analysis?

➢ When real-world conditions change quickly, does shared data keep up?

D. Resourcing and Maintenance

- Who is best positioned to own and maintain the shared portal?
- Is the "owner" also responsible for controlling access and updating data?
- Who is responsible for funding the portal?
- What motivation would there be for entities independent from the state – e.g., large load developers, non-regulated municipal or cooperative utilities–to participate?
- What governance structure, rules, or legislative requirements are necessary to ensure participation by large load customers and/or utilities?

➢ What happens when agencies, legislators, communities, and regulators rely on data they do not control?

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4. State-level Load Forecasting

Developing State-level Forecasts

State-level load forecasting can be a foundational tool for managing rapid and uncertain load growth, particularly from large, concentrated customers such as data centers. NCEP members consistently identified forecast uncertainty as one of the greatest drivers of cost, reliability, and policy risk. State-led forecasts—independent of utilities and regional transmission organizations—can reduce information asymmetry, improve credibility, and create a shared

baseline for decision-making across agencies. These forecasts should aggregate economic development pipelines, interconnection data, and utility forecasts.

While forecasting accuracy remains inherently limited because the future is affected by uncertainty, unpredictable events, imperfect data, and the limitations of forecasting models, state-level forecasting efforts can improve realism, discipline, and coordination. When used as a shared reference point, rather than a precise prediction, state forecasts help align infrastructure investment, cost-allocation decisions, and policy tradeoffs—reducing reactive decision-making and increasing confidence in long-term planning.

State-level forecasts aim to distinguish speculative proposals from committed demand and test assumptions about timing, scale, and geographic concentration. Members emphasize the value of common assumptions, standardized metrics, and transparent methodologies that allow economic development agencies, utility commissions, consumer advocates, and environmental agencies to "speak the same language." Several states highlighted the need to align forecasts with verified customer milestones based on utility tariffs and interconnection processes to avoid overbuilding infrastructure that may later become stranded.

Key Features of State-level Load Forecasting

- Led by a state entity (e.g., Governor's Office or State Energy Office), includes coordination with utilities.
- Uses shared assumptions, uncertainty ranges, and milestone-based phasing.
- Process and timeline for regular updates to reflect changing project pipelines (e.g., as often as every 6 months).
- Needs both short- and long-term macro-level data.

Cross-Agency Benefits from Successfully Realizing this Approach

- Better availability of data for agencies and the public, which can support policy decisions and budgets, increasing accountability and public trust.
- Supports resource adequacy at a broader level than just the utility.
- Provides a common understanding and support of state level goals with a broader vision of the future.
- Reduces risk of state-level decision making based on aggregated individual utility forecasts that use inconsistent methodologies.

Questions for Implementers of State-level Load Forecasting

The following section provides a series of questions for states to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Value of State-level Forecast

- What unique value would a state-level forecast provide? (e.g., Reconciliation across utilities? Economic development insight? Explicit treatment of speculative load?)

- What must be included in the forecast so that it is useful to different utilities, agencies, communities, and decision-makers?
- Should the forecast be created to be useful for a specific audience or for all potential audiences (i.e., is it intended only for facility siting, or can it be used for economic development, policy development, environmental compliance, etc.)?
- What is the value of a state-level forecast in a state with vertically integrated utilities (non-RTO)?
- What are the budget impacts of a state-level forecast? Do agencies need additional staff?

➢ Does including all the information needed to make the forecast useful to different agencies reduce its overall usefulness/value?

B. Uncertainty

- How should uncertainty be shown? Should it be smoothed over? (i.e., using scenarios, confidence tiers, attrition assumptions tied to commitment signals?)
- What are the relative benefits of different ways of showing uncertainty?
- Who decides how to display uncertainty in the forecast?

➢ What happens when the various entities require different levels of certainty to proceed?

C. Scope and Constraints

- Should the forecasts be used to inform, but not mandate? Is there value in using the forecast to mandate actions?
- Should the forecasts only be used to trigger a review of a project if problems arise rather than be used as the basis of decisions going forward? How might the forecast inform a prudence review?

➢ What happens to individual agency jurisdiction and oversight if the forecast is used to dictate actions across multiple agencies?

D. Data Accessibility for State-level Forecasting

- Does the state already have statutes about how energy data can be used (e.g., not for commercial purposes, only at certain level of aggregation, subject to privacy protection, requiring permission of end-use customer) that prevent or enable state-level forecasting?
- Is legislation needed to identify the specific datasets that must be shared (e.g., individual utility load forecasts, interconnection queue status, large load requests, system constraints) to enable state-level forecasting?
    - Which entities are obligated to provide data, and which are authorized to access it (i.e., consider confidentiality, security, critical infrastructure)?
    - What standards should govern data format, definitions, and interoperability to ensure consistency across contributors?
    - What requirements should be set for timing, accuracy and frequency of updates to ensure data remains decision-useful?
    - What enforcement mechanisms are needed to ensure compliance and data quality?

➢ Do mandated sharing requirements enhance transparency and coordination, or do they create burdens or constraints that discourage full and timely participation?

E. Increased Regional Coordination

- How can regional decision makers have access to consistent, reliable, and appropriately protected information about state-level forecasts?
- What governance structures and processes are needed to resolve conflicts and ensure accountable interregional decision-making?

➢ Will the state-level forecast be useful if the region uses a different forecast based on different assumptions?

5. Interconnection Policies for Large Loads

Developing State Interconnection Policies

Interconnection policies have historically applied to the connection of new generation supply to the grid. As very large load customers have emerged, interconnection policies addressing end-use customers with large energy demands will play a critical role in managing load growth by shaping how, when, and under what conditions these large load customers connect to the electric system. NCEP members emphasized that utilities control interconnection processes and customer relationships, giving them disproportionate influence over timelines and information flows. Clear, standardized interconnection policies can reduce uncertainty and help align economic development expectations with physical grid constraints. They can also enhance the likelihood of large loads contributing to otherwise needed costs and providing downward pressure on rates.

Effective interconnection policies require early disclosure of system impacts, realistic timelines for upgrades, and transparency about transmission and distribution limitations. Several NCEP members highlighted the risks of customers advancing projects without a full understanding of interconnection costs or feasibility, leading to frustration, delays, or pressure for rushed approvals. States are increasingly exploring rules for projects of regional significance that require earlier and more coordinated evaluation of interconnection impacts.

Interconnection policy can also reinforce cost-causation principles by clearly assigning responsibility for network upgrades triggered by large loads. When integrated with forecasting, tariffs, and interagency coordination, interconnection policies help ensure that infrastructure investments are paced to verified demand rather than speculative growth. In this way, interconnection rules can become not just technical requirements, but governance tools for managing risk, reliability, and fairness as load growth accelerates.

Key Features of Interconnection Policies for Large Loads

- Clear rules for queue entry, milestones, and system impact disclosure.
- Clear jurisdictional separation where necessary (state/federal).
- Early identification of transmission and distribution constraints.
- Standardized timelines and expectations for large loads.
- Coordination with transmission planning and regional processes.
- Interconnection policies that are clearly connected to economic development goals and other goals.
- Explicit assignment of upgrade costs based on cost causation (complex).

- Keep it simple; start by reviewing interconnection checklists in existing tariffs.
- Clear enforcement responsibilities that explain what gets enforced and who is responsible for compliance - both enforcer and enforcee.
- Considers contribution to system of supporting upgrades.
- Could include front-of-line provisions – first ready, first served.

Cross-Agency Benefits from Successfully Realizing this Approach

- Encourages development;
- improves market certainty;
- supports public interest;
- supports resource adequacy; and
- enables efficient agency and utility work.

Questions for Implementers of Interconnection Policies for Large Loads

The following section provides a series of questions for states to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Upfront Collateral & Financial Security

- Is the upfront financial security requirement (collateral, etc.) sized to cover the *full* cost of failed or delayed projects, including downstream network impacts?
- Should collateral levels increase automatically as system commitment grow?
- How often is collateral returned before risk has truly dissipated?

➢ If a project exits after partial construction, is the utility—and its customers—fully protected?

B. Queue Management & Speculation

- Do current queue entry requirements sufficiently screen speculative projects?
- Are project milestones appropriately spaced and sized?
- Do queue entry requirements encourage optimal results?
- How do withdrawals, restudies, and reprioritization shift costs directly or indirectly to other customers?
- Are load interconnections treated with the same rigor as generation—and should they be?

➢ What happens when a speculative large load blocks upgrades needed by smaller, more certain customers?

C. Timing & Planning Alignment

- How well are interconnection decisions aligned with integrated resource planning and long-term transmission planning?
- Are utilities at risk of over-building based on early-stage load signals from their interconnection requests? How transparent are these risks to regulators and the public?
- How well are interconnection standards and policies aligned across relevant jurisdictions? Is there a jurisdictional divide that must be clearly described?
- Would an ombudsperson be helpful in coordinating this approach?

➢ If a large load never materializes, where does the excess capacity - and its cost - land?

D. Withdrawal & Change-in-scope Rules

- Should withdrawal penalties escalate over time or investment commitment? How should interconnection policies incorporate a balance of financial security and penalties?
- How do scope changes reopen risks that were thought to be resolved?
- What triggers a full restudy versus incremental cost responsibility?

What happens if companies are not sufficiently motivated by withdrawal penalties (e.g., the cost of penalties do not present an obstacle for a company)?

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6. Large Load Tariffs

Use of Large Load Tariffs

Large load tariffs are one of the most frequently cited tools for managing the financial risks of rapid load growth. NCEP members repeatedly emphasized that new, concentrated loads should bear the costs and risks they create rather than shifting them to existing ratepayers. Large load tariffs operationalize this principle through targeted rate structures, contractual commitments, and performance requirements tailored to the characteristics and issues associated with large loads.

Elements of the tariffs discussed included treating data centers or other large loads as a distinct customer class, requiring upfront financial guarantees, take-or-pay provisions, exit fees, and financial security to protect existing customers against stranded assets if projected demand fails to materialize.

Ohio's experience demonstrated how tariffs with minimum billing commitments, ramp-up requirements, and exit fees can reduce speculative proposals and lead to downward revisions of load forecasts once customers are required to reaffirm commitments. News From The States, Feb. 20, 2026

Beyond cost protection, large load tariffs can also create a framework for negotiation and transparency between utilities, Public Utility Commissions (PUCs), and customers. They provide PUCs with guardrails while allowing flexibility to accommodate economic development goals. When aligned with forecasting and infrastructure planning, tariffs help phase investments to actual load, strengthen accountability, increase public trust, and reduce conflict over who pays for investments to support growth – including when growth does not occur as planned. Clear expectations may also increase certainty for developers, leading to increasing economic development.

Key Features of Large Load Tariffs

- Separate rate structures for very large customers;
- upfront financial commitments tied to actual load realization;
- take-or-pay provisions, exit fees, and/or financial security requirements;
- clear definitions of the specific infrastructure and costs included in the tariff, plus cost-allocation; and

- Length of agreement in years.

Cross-Agency Benefits from Successfully Realizing this Approach

- Manages speculative large loads;
- provides more clarity to local/state budgets, and more sense of what is paid for;
- Minimizes risk;
- improves coordination of state/local economic benefits as it is easier to sell projects if tariffs are known and confidence is increased (to achieve this, clear terms and conditions in tariffs are needed);
- Drives community benefits; and
- Considers interdependencies with other sectors (water, air, land, and electricity nexus).

Questions for Implementers of Large Load Tariffs

The following section provides a series of questions for states to use as they consider this approach. It includes questions to help decide whether to implement the approach, and flags individual areas of risk or benefit that states may want to evaluate as they move forward.

A. Applicability & Thresholds

- How well do current thresholds like interconnection capacity and others capture *risk* rather than just size?
- Could multiple "medium-large" loads collectively create the same risks as a single mega-load without triggering protections?
- What behaviors do these thresholds incentivize or discourage?

➢ What happens if a project is intentionally segmented or staged to avoid tariff applicability?

B. Minimum Demand Charges & Take-or-Pay Provisions

- Are minimum demand levels tied to the utility's irreversible fixed costs, or negotiated downward over time?
- Do these provisions still protect customers if load ramps slower than expected?
- How enforceable are these commitments during prolonged economic downturns?

➢ If several large loads underperform simultaneously, do minimum demand charges meaningfully reduce stranded cost risk or just soften it?

C. Exit Fees & Contract Duration

- Are exit fees and financial security requirements calibrated to actual unrecovered system costs, or limited by legal and regulatory concerns?
- How do exit fees function in bankruptcy or corporate restructuring scenarios?
- Are exit fees high enough to discourage speculative entry—or simply treated as an acceptable business cost? What is the right balance of financial security and penalties?
- How can financial commitments for ratepayer affordability protections be incorporated without reducing success in attracting desired economic development?

➢ If utility regulators or others later find exit fees unreasonable, who ultimately bears the exposure?

D. Milestone-Based Phasing

- Which milestones truly reduce risk (financial close, equipment delivery, site readiness), and which are largely procedural?
- At what point does the system become effectively "committed," even if off-ramps exist on paper?

➢ Does milestone-based phasing delay risk or reduce it?

E. Incorporating other goals

- Could the tariff include incentives for benefits that align with state goals (e.g., community benefits, load/demand flexibility, carve outs for industrial co-location)?
- Could the tariff be used to develop a statewide or regional (for use by a Regional Transmission Organization) set of common criteria?
- Would an ombudsperson be helpful in coordinating this approach?

➢ Does the tariff align with and tangibly advance state and regional goals?

RESOURCES

In addition to the material above, NCEP members and meeting participants offer the following resources to assist state decision makers in responding to the challenges of load growth.

NCEP member resources

Colorado Data Center FAQ 2026

A resource for local governments from the Colorado Office of Economic Development & International Trade. As demand for digital infrastructure grows, many communities are being approached by developers interested in building data centers. This FAQ is designed for local leaders including elected officials, planners, and economic development professionals. It provides information on what data centers are, how they operate, and the types of requirements and considerations they typically involve.

NARUC Load Growth Resources for Regulators 2026

This webpage is a centralized hub to help state utility regulators understand and manage rising electricity demand, particularly from large users such as data centers. It brings together a range of materials—including reports, technical papers, training resources, and other educational content—while also providing links to federal policy activities, regulatory filings, and external tools.

NARUC Grid Data Sharing Framework 2023

The NARUC Grid Data Framework helps utility commissions and interested parties effectively address questions related to grid data sharing and provides a structure for engagement and

decision making. The framework is composed of seven topics with a series of questions that can support collecting, examining, and documenting inputs to inform grid data sharing decisions. It is an information collection template, not a process. The framework is detailed throughout the NARUC Grid Data Sharing Factsheet and Playbook.

NASEO **Energy Load Webpage**
As the U.S. economy grows due to the expansion of data centers, electrification, and onshoring of manufacturing and industrial processes, electric and natural gas load is increasing across the nation. Many State Energy Offices are working alongside their utilities, economic development agencies, governors, and legislatures to identify innovative ways to address energy demand, advance practical energy policies, inform regulatory processes, enhance physical and cyber energy security, and support economic development. Current NASEO activities found here include the Powering Up Data Centers Webinar Series.

NCSL **State Energy Legislation Database**
This database includes energy-related state legislation covering utility regulation and grid development; coal, oil and gas; renewable energy and electric vehicles; and more. The database includes all introduced legislation from 2026 through the present and is updated weekly. It also includes an archive of past legislation.

NGA **Governor Strategies to Align Economic Development and Energy Planning** 2025
This webpage and downloadable report shares key solutions that Governors can take action on under these categories: Design an Energy System that Attracts Business; Ensure Reliability and Affordability Under Growing Load; Coordinate Energy and Economic Development Planning; and Alleviate Workforce and Supply Constraints to Facilitate Energy Build-Out.

Resources featured at the workshop

NERC **Large Loads Action Plan**
The North American Electric Reliability Corporation (NERC) action plan is aimed at understanding and addressing the reliability risks of emerging large loads. This site includes white papers on Assessment of Gaps in Existing Practices, Requirements, and Reliability Standards for Emerging Large Loads and Characteristics and Risks of Emerging Large Loads. This plan was featured at the workshop.

SEPA **Database of Emerging Large-Load Tariffs (DELTa)** 2026
This database is a product of the Smart Electric Power Alliance (SEPA) and the NC Clean Energy Technology Center (NCCETC) and was developed as a public, user-friendly database of contemporary utility tariffs and service rules for large loads. At the time of publication, DELTa

included over 100 tariffs and service rules. NCCETC and SEPA track regulatory activity regularly and update the catalog quarterly. This resource was featured at the workshop.

Resources suggested by workshop attendees

LBNL Large Load Literature Review 2026
This literature review by Lawrence Berkeley National Lab (LBNL) summarizes recent publications focused on large loads, grouping the documents and resources thematically into 11 categories. LBNL updates the literature review approximately monthly. For prior report summaries, see the 2025 literature review which summarizes more than 90 resources.

LBNL Large Load Flexibility 2025
This presentation and recording was presented by LBNL to NASUCA to explain large load flexibility approaches in utility planning. It covered tariffs, special contracts, interconnection, programs and pilots, and load forecasting. It also explained opportunities for flexibility in data center facilities.

LBNL Large Loads: Evolving Practices and Opportunities 2025
This presentation by LBNL at the NASUCA mid-year meeting covered large load growth in the U.S., large load forecasting and interconnection, tariff design, actions states are taking, and suggested resources.

NERC Reliability Guideline: Risk Mitigation for Emerging Large Loads
This reliability guideline recommends actions for traditional utilities and grid operators, and the companies behind these emerging large loads including equipment manufacturers. The goal is to ensure that as more industrial-scale consumers connect to the grid, they actively participate in practices that protect grid stability. These steps highlight that proactive planning and participation can enable even more of these facilities to come online reliably and quickly. Although non-binding, NERC strongly urges all relevant entities to adopt the recommended risk mitigation strategies outlined in the Reliability Guideline.

SERC Reliability Corporation Regional Risk Report 2024-2026
This report is updated every two years by the SERC Reliability Risk Working Group and highlights the top ten risks to the bulk power system facing the 16 states in the southeastern and central footprint (all or portions of Florida, Georgia, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Missouri, Iowa, Illinois, Kentucky, Tennessee, Virginia, North Carolina, and South Carolina). *Rapid Nontraditional Load Growth* is number 6: Rapid load growth from new data centers and AI is challenging the planning and operation of the bulk power system.

Series of papers on **data center impacts** recommended by a workshop attendee

Turning the data center boom into long-term, local prosperity. Presents concepts that communities could use when envisioning how to leverage data center development for regional economic prosperity beyond jobs impacts. Brookings (2026)

New evidence on data center employment effects. Analyzes employment in counties with and without data center development (2008-2024), finding positive job growth, with effects varying across several development factors. Brookings (2026)

Why community benefit agreements are necessary for data centers. Explains how AI companies can work more closely with local leaders to establish viable community benefit agreements (CBAs) to address public concerns. Brookings (2026)

FAST-41 Program was suggested by an attendee as an example of a federal program that does not change existing environmental laws or guarantee project approvals, but instead provides structured timelines, enhanced interagency coordination, and support to reduce uncertainty in the permitting process. While this program applies to transportation projects, this model may be useful in addressing procedural delays for large load electric customers at more than one level.