November 2025 Demand Roundtable Summary
Held at NARUC Annual Meeting in Seattle, Washington

I. Series overview

The United States is facing a period of meaningful load growth, due to significant increases in electrification, re-shoring of domestic manufacturing, and rapid data center construction. The North American Electric Reliability Corporation (NERC) 2024 Long-Term Reliability Assessment estimates that the summer peak demand forecast is expected to rise by 15% (132 GW) for the 10-year period. As State Utility Regulators contend with growing demand for energy, considering how to best manage this growth period while balancing new energy needs with rising customer costs is critical to ensuring a smooth transition.

NARUC President Tricia Pridemore (GA PSC) convened the 2025 NARUC Demand Roundtable series as a response to increasing load growth forecasts. The goal of the Demand Roundtable was to bring together a rotating group of Public Utility Commissioners, large customers, and utility / regional transmission operators to discuss the critical issues surrounding increased energy demand over the next decade. These dialogues were part of the three national conferences convened by NARUC in 2025 (the February Winter Policy Summit, July Summer Policy Summit, and the Annual Meeting in November) with a goal of open, transparent discussion to foster dialogue that allows state commissioners to better understand energy demand associated with re-shoring, electrification, and data center growth, and what that will mean for individual states.

In preparation for the Demand Roundtables, a request for questions was shared with event registrants. Submitted questions were reviewed and refined for inclusion in the facilitated question and answer portion of the Roundtables.

The Demand Roundtables all followed a similar format.

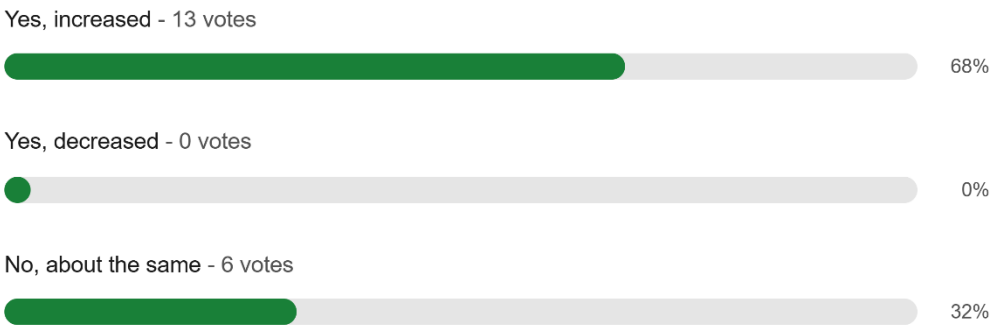
- Opening remarks by President Pridemore
- Opening remarks from one or more guest speakers
- Level-setting polling questions for the group
- Opening statements from participants
- Facilitator questions with participant responses
- Closing statements

II. Introductory Polling Questions

During the November Demand Roundtable, the 21 roundtable participants (listed on the last page of this document) responded to the following set of non-attributed, level-setting questions. Polling responses were displayed in the room for all attendees to view in preparation for the moderated discussion that followed.

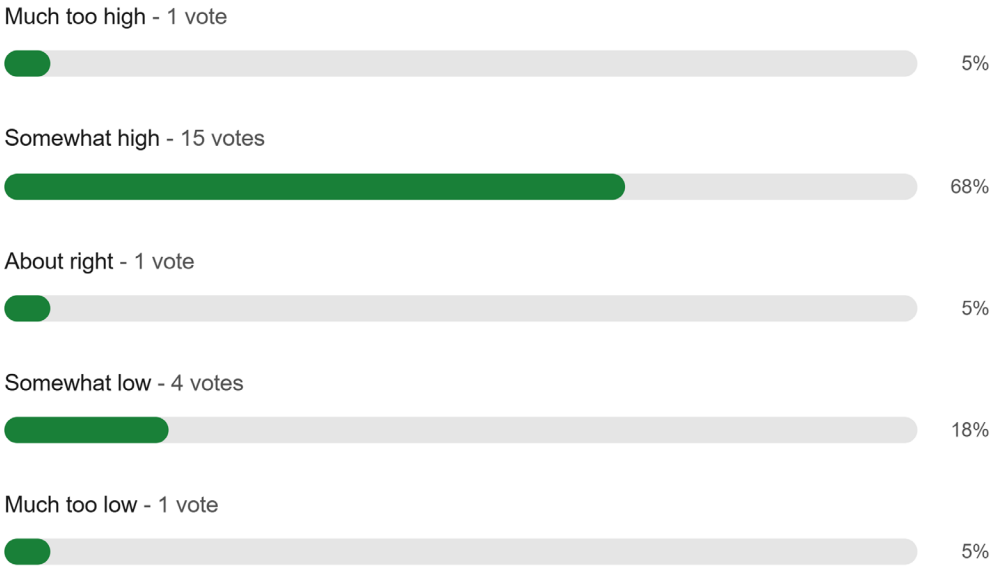
In the past four months, has your five-year forecast for electricity load growth changed?

Multiple Choice Poll | 19 votes | 19 participants



How accurate do you think utilities' and system operators' estimates of five-year load growth are?

Multiple Choice Poll | 22 votes | 22 participants



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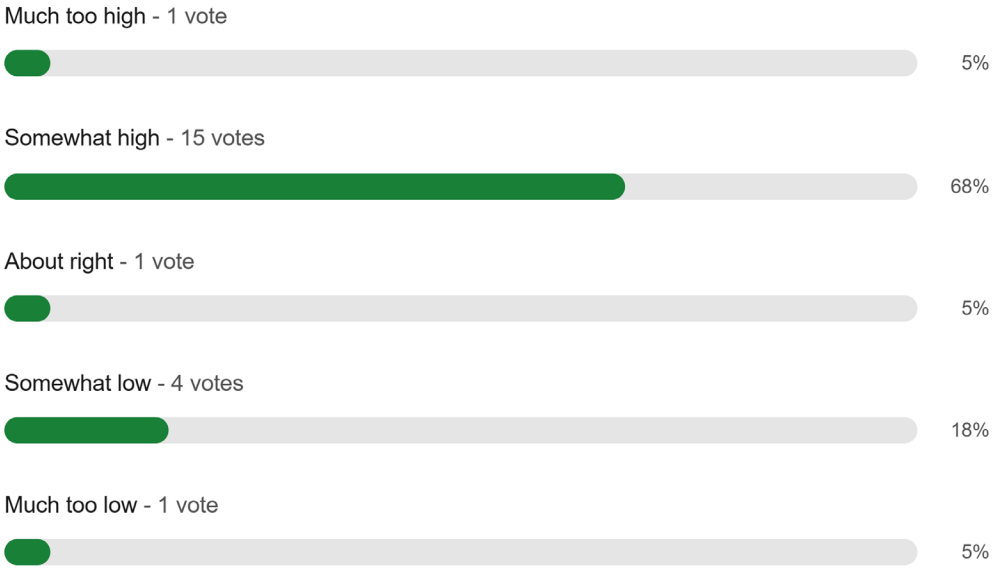
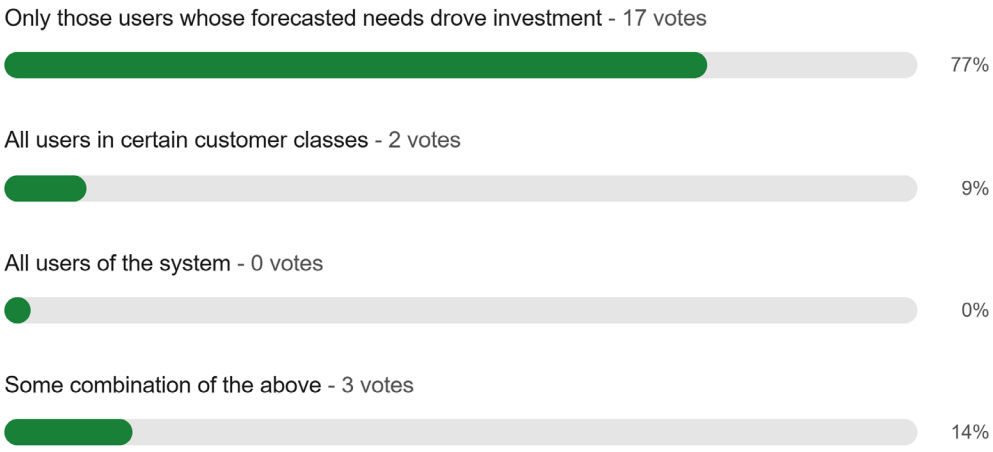


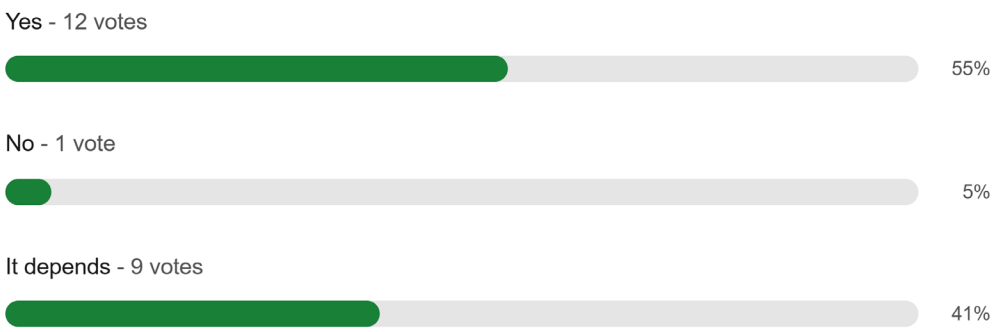
Who should bear the risk of stranded costs from investments made to support load growth that does not appear?

Multiple Choice Poll | 22 votes | 22 participants



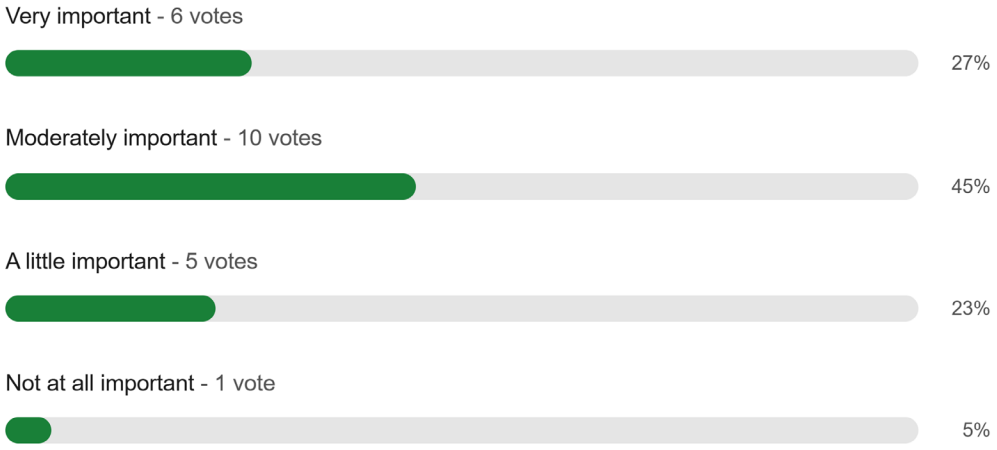
Should new large users be allowed to (or required to) pay a premium for capacity and energy in order to accelerate interconnection and ensure service?

Multiple Choice Poll 22 votes 22 participants

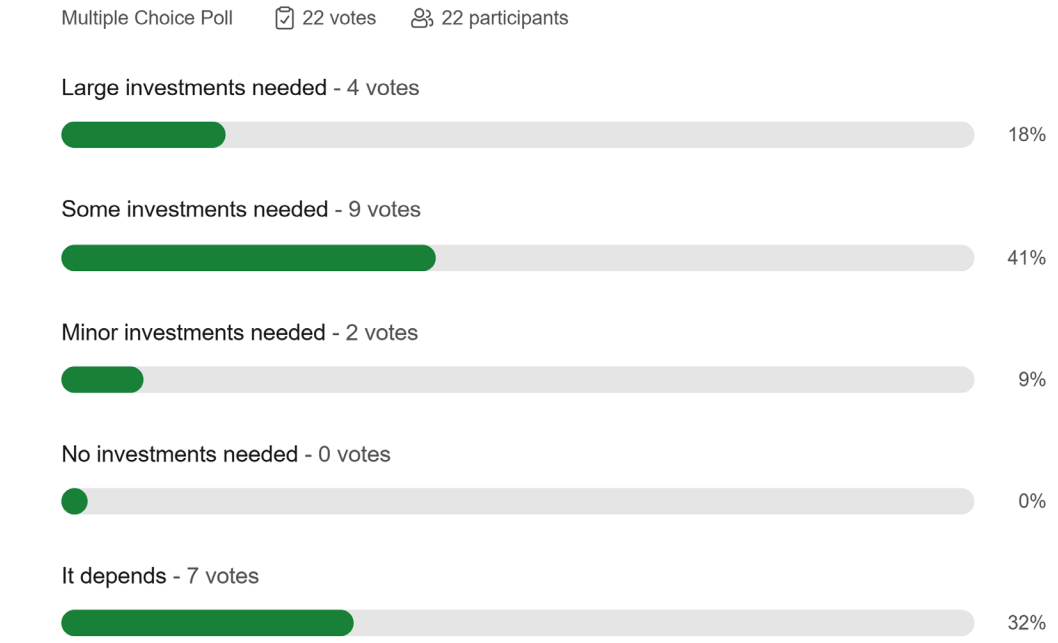


How important will co-locating new supply with new large loads be to resource adequacy?

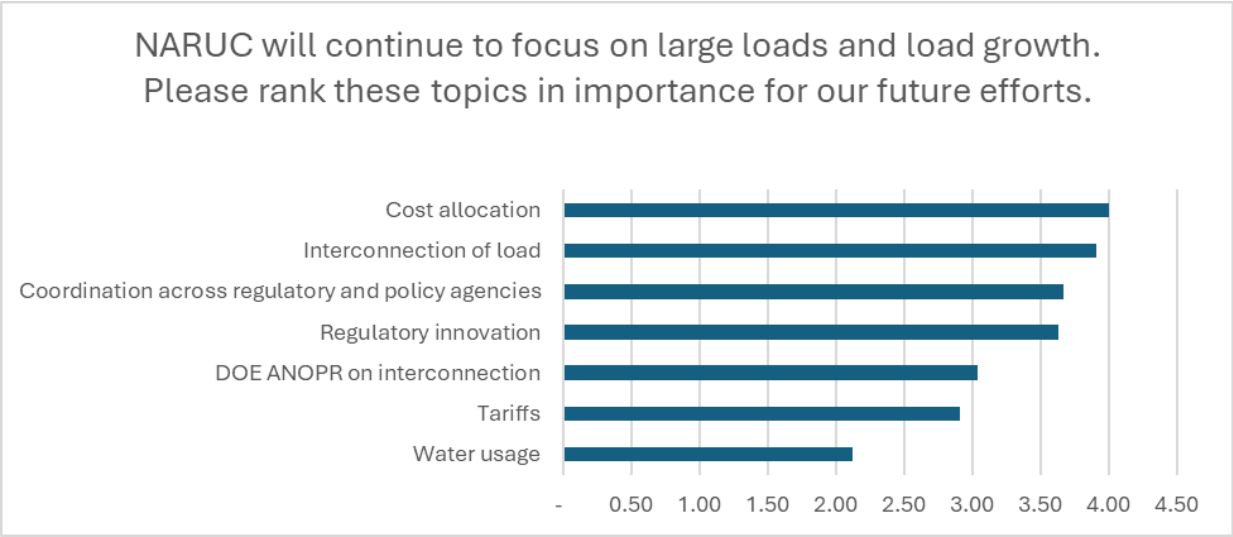
Multiple Choice Poll 22 votes 22 participants



To what extent are investments in water infrastructure needed to support large load growth?



NARUC will continue to focus on large loads and load growth. Please rank these topics in importance for our future efforts.



III. Introductory Remarks on Data Centers and Water Usage

Two representatives of water utilities were invited to provide opening remarks on data center water usage: Cheryl Norton, Chief Operating Officer for American Water and David Johns, Regional President for Veolia's regulated water operations in Idaho.

Cheryl focused her comments on issues of affordability, infrastructure capacity, and supply challenges in the water industry. She also noted the importance of early engagement with communities, developers, and regulators to ensure new large loads can be served: "Getting to the table early matters." Current infrastructure needs in the water sector across the US are significant even without growth from data centers and other new large users. In some cases, new alternative supply sources may be needed. If a developer sites a new facility in an area that is hard to serve, there could be significant costs to supply that customer, some of which could burden existing customers. She also noted how important it is to avoid creating stranded assets and costs if a new customer requests a large supply volume but then reduces their needs over time, whether from greater efficiency, alternative processes, or simple economic changes. "Take or pay" agreements are one policy tool that can reduce the risk to the water system and other customers from these outcomes. She concluded by emphasizing the importance of protecting consumers, which requires creative approaches and partnership to support communities.

"Getting to the table early matters."

"If [water utilities] are essential ingredients in national security and economic drivers of the country, we're not just supplying drinking water."

David's remarks focused more on some of the unique challenges in the water utility space. He noted that in many areas, only a small percentage of total water usage is for municipal supply. In Idaho, 98% of water usage is for agriculture and irrigation. Water is also central to hydropower. With the potential for large water volumes being used for industry and data centers, it becomes "an essential ingredient in national security and an economic driver of the country." And unlike energy generation where the conversation is about how to invest in new generation and do it affordably, "you can't create more water; it's a finite resource." He also highlighted the unique characteristics of water rights and water rights law, particularly in western states. This results in different considerations for new water users, where their access to water is subordinate to legacy users. Finally, he noted that water utilities engage with their regulators much less frequently than their electric utility counterparts. They typically file a rate case every two or three years with few proceedings in the interim, whereas electric utilities may have several ongoing dockets about a variety of individual topics or issues. As a result, there is much less regulatory experience dealing with rapid change. David concluded by proposing several solutions, such as public-private partnerships where industrial users invest in infrastructure that benefits all customers, not just their own needs. Water reuse solutions will likely be important in water constrained areas. For example, wastewater can be treated to sufficient standards for industrial use, displacing drinking water quality supplies. He also echoed Cheryl's comments by

"You can't really create more water; it's a finite resource."

saying that regulatory involvement and having the right stakeholders at the table to make decisions will be needed to move at the necessary speed to supply new large loads.

IV. Key themes

After responding to the set of level-setting questions and hearing introductory remarks, participants were asked to respond to a series of facilitated questions:

1. Briefly, what are your thoughts on the Oct. 25, 2025 letter from Energy Secretary Wright to FERC regarding Interconnection of Large Loads Pursuant to Section 403 of the Dept. of Energy Organization Act?
2. Water usage for data centers (for commissioners): How are state commissioners evaluating water usage for data centers in grid planning and interconnection analyses?
3. Interconnection (for all): Are you or other organizations or jurisdictions that you're aware of creating a load interconnection queue? What data sources could be used to collect this type of information (e.g., IRPs)? Would an annual data product on the load interconnection queue be useful to states, utilities, and other stakeholders?
4. Cost allocation (for commissioners and utilities): How are you considering allocating the incremental cost associated with new large loads? Are you using different approaches than you have in the past? Why or why not, and what have been the biggest challenges to adopting different approaches?
5. Speed to power (for all): Newer players in the energy landscape (e.g., data centers, elective vehicle manufacturers, consumer technology firms) are used to moving very quickly to develop and deploy new technologies, but utilities and regulators have traditionally been conservative in adopting change. How can the participants here today work together to accelerate speed of grid buildout to support new demand?
6. Innovation (for all): Where are innovations needed in the way states regulate utilities or the way that FERC regulates transmission? What notable examples of innovation have you seen in the past six to twelve months?

From these questions, several themes emerged that provide insights into participant considerations and ideas for how to support load growth without negatively impacting residential customer rates: the importance of state jurisdiction and authority in allowing for regulatory and operational flexibility in finding solutions, recognizing water as an important constraint on new large loads and data centers, the importance of early engagement and collaborative problem-solving among stakeholders, and a need for improvements in interconnection queues for large loads.

a. States' jurisdiction and authority

> *"Certainty helps me make decisions, especially when we're talking about deploying large volumes of capital."*

Most regulators expressed concern about Secretary Wright's letter requesting that FERC consider an Advanced Notice of Proposed Rulemaking (ANOPR) about large load interconnection. They noted the importance of flexibility for states to address their own specific requirements and needs. One regulator dissented, noting that the "status quo is not working" because China is far outdoing the US on expanding their grid. Some of the non-regulators also expressed at least moderate approval for the ANOPR because it may lead to greater certainty and clarity for deploying capital, although "the devil is in the details." Some thought it would also

prompt creative and collaborative solutions by highlighting the importance of interconnection and pushing states to make improvements.

b. Water as a constraint on new large loads and data centers

"Not all data centers are the same. We're as diverse as ice cream flavors, as restaurants. Some of us need a lot of water. Some of us need no water."

State approaches to addressing water usage by data centers vary widely. Some states with many gigawatts of data centers have a legislative directive to study the impacts of new facilities on the community, including on water resources. Other states responded that they have varying levels of control and authority when it comes to water resources, or that even within their state they have regions where water is scarcer than in others. There was strong consensus that water conservation must be considered early on, during site selection. Some of the data center developers emphasized that not all data centers are equal when it comes to water usage. Many newer designs consume very little water, but public perception is quite different, particularly in the western US. Water reuse was also discussed as a potential solution, but one expert noted that while there are many applications for water reuse, having a second distribution system for water treated to a different standard would be very expensive.

c. Interconnection of new loads and interconnection queues

In response to a question as to the existence of interconnection queues for new large loads, states noted a variety of approaches and situations. Some states and utilities have no formal load queue while others are still using a "first-in-first-out" system that developers feel needs improvement. There was general agreement that speculative interconnection requests are problematic; states are using various strategies to address this, including levying an interconnection fee early in the process and requiring evidence of site control, although one commenter noted that developers with "deep pockets" can still clog the system despite these requirements. Planning approaches were also offered, such as regional cluster studies being piloted in California or a new process in Texas to collect information from across the state and to understand the total needs across all transmission owners. In Texas, they are also adjusting to the large volume of load requests by setting up a process to assess projects in groups, where all projects submitted by a certain date will be studied together. A utility in a vertically-integrated state highlighted the success they have had working with customers to develop tailored solutions, although they also collect information and security deposits from developers at various stages. As a result, they are faster and more efficient in dealing with load interconnection requests. Finally, one regulator expressed concern about having to adjudicate complaints from customers about interconnection requests, noting the need for non-discriminatory treatment between similarly situated customers. More flexible approaches that recognize the differences between data centers can be valuable, but this must be weighed against the danger that utilities will simply pick which customers they want to do business with as opposed to those who are ready to move forward with a good project.

"If you can work with your partners to develop tailored [interconnection] solutions to meet their needs, the end effect is that you go faster, and you can serve this energy demand even more efficiently."

d. Cost allocation and large load tariffs

> *"I think that the regulated utility model is flexible enough to accommodate the dramatic change we're seeing."*

There was general agreement that traditional cost-of-service ratemaking is still the basis for how systems operate and that the general practices developed over the past 100 years are still useful, as long as the cost impacts of each customer class are carefully weighed against the benefits over the life of the project, which can be up to 20 years. But the cost-of-service model doesn't have to be upended to think about affordability. That said, there are nuances that need to be considered, such as the timing of when new load is coming on to the system and its expected lifetime. One regulator noted that while they have 10 GW of connected data center capacity in their state, those customers are currently using only 4.2 GW. This highlights the need to evolve some tariff structures, such as including longer contract periods and safeguards to protect other ratepayers (e.g., "take-or-pay" provisions or large collateral requirements).

e. Speed to power and innovation

> *"You have to start with cost of service. That's the foundation of everything that we do."*

Participants were asked to comment on the difference between the speed with which the tech sector moves (very fast) and the typically slow process of regulation, and whether regulation can be sped up to meet the needs of the sector. Data center developers noted that by the time new rules have been finalized, the market has moved forward, and therefore cited a need for flexibility, communication, and partnership to allow for economic development. One noted that they are starting to look at utilities and regulators as partners and encouraged the regulators to do so as well. Another specifically stated that they are committed to paying for the infrastructure that is built to serve their needs and that because their plans may change over time, contracts should be put in place to ensure that everyday ratepayers are not affected and that affordability is addressed. Reiterating a statement made earlier with respect to water usage, a data center customer noted that data centers are not all the same, which means that new large load tariffs need flexibility to allow for timely and creative solutions.

V. Demand Roundtable Participants at the NARUC Summer Policy Summit

Moderator: Shay Reed, Costco

Introductory Remarks: Cheryl Norton, Chief Operating Officer for American Water and David Johns, Regional President for Veolia's regulated water operations in Idaho.

Public Utility Commissions	**Utilities / Regional Transmission Organizations**	**Large Customers**
Dan Scripps, Michigan	Lon Huber, Xcel	Jeff Riles, Microsoft
Ann Rendahl, Washington	Tara Oglesby, Ameren	Nate Hill, Amazon Web Services
Kim David, Oklahoma	Dan Woodfin, ERCOT	Kevin Hughes, STACK
Kevin Thompson, Arizona	John McFarland, Portland General Electric	Clift Pompee, Compass Datacenters
Mike La Rosa, Florida	Clay Rikard, Southern Company	Jason Berry, TeraWatt
Ann McCabe, Illinois	Corynne Arnett, Dominion	Cy McGeady, Equinix
Jehmal Hudson, Virginia	Stacey Crowley, CAISO	Mary Throne, Prometheus Hyperscale