



# NARUC

National Association of Regulatory Utility Commissioners

March 18, 2026

The Honorable Edward Markey  
255 Dirksen Senate Office Bldg.  
Washington, DC 20510

The Honorable Richard Blumenthal  
503 Hart Senate Office Bldg.  
Washington, DC 20510

The Honorable Chris Van Hollen  
730 Hart Senate Office Bldg.  
Washington, DC 20510

The Honorable Cory Booker  
306 Hart Senate Office Bldg.  
Washington, DC 20510

Dear Senators Markey, Blumenthal, Van Hollen, and Booker:

Thank you for your letter expressing concern regarding the growing impact of artificial intelligence (AI) and large-load data center development on electricity demand, grid infrastructure, and ratepayer affordability. The National Association of Regulatory Utility Commissioners (NARUC) shares your commitment to ensuring that energy rates remain just and reasonable, and that households and small businesses are not burdened by the costs of serving new, large loads.

State regulators recognize that AI and data center investments are becoming an increasing part of our nation's economic, security, and technological landscape. State public utility commissions play a central role in evaluating utility proposals, setting rates, and approving infrastructure investments to ensure cost responsibility aligns with those who create the demand. This tenet of appropriately allocating costs to "cost causers" is a core principle and responsibility of state commissions and is essential to protecting residential and small commercial consumers from inappropriately bearing costs caused by others, such as large load customers.

We are confident that state commissions are well-equipped to manage these challenges as the energy landscape evolves. To that end, it is critical that states retain their jurisdictional authority over these loads. NARUC remains constructively engaged in public policy discussions that could affect state retail ratemaking authority or the ability of commissions to protect consumers while supporting system reliability.

Consequently, NARUC is dedicated to helping our members develop the regulatory tools necessary for equitable cost allocation as these new loads interconnect with the grid. As the national organization representing state utility regulators, NARUC provides the education, technical assistance, and collaborative forums necessary for informed, independent decision-making. While NARUC members within their respective states make individual regulatory

decisions, including cost allocation and tariff design, we support these efforts by sharing best practices and providing professional development for commissioners and staff.

In recent years, NARUC has convened several discussions on large-load integration, including demand-growth roundtables and collaborative engagements with federal partners. Specifically, in November 2024, NARUC instituted demand roundtable discussions during each of its three meetings in 2025 bringing together seven utilities/RTOs, seven large load customers and seven Public Utility Commissioners to work through issues raised by these emerging trends. NARUC is also providing an online professional development course entitled Data Centers and Grid Impacts for State Regulators.<sup>1</sup>

During 2026, NARUC has initiated a series of three virtual Commissioner-only roundtable discussions on load growth and large loads during the first quarter of this year. NARUC has an open RFP seeking to engage a consultant to support NARUC in writing a report on how energy efficiency, demand response, and demand flexibility (collectively, demand-side management or DSM) can be leveraged as verifiable resources to respond to accelerating load growth.<sup>2</sup>

In addition, NARUC's standing committees on Electricity and Energy Resources and the Environment recently addressed equitable rate design, integrated resource planning, and improved load forecasting during our 2025 Annual Meeting and 2026 Winter Policy Summit, and plan to continue these sessions for the Summer Policy Summit. Although NARUC does not issue binding guidance to our members, we facilitate peer exchanges that highlight innovative regulatory approaches. Much like previous industry shifts, our members are learning from "early mover" states, such as Georgia, Virginia, Arizona, Indiana, Nevada, Ohio, and Louisiana, that are already implementing data center tariffs or best practices and creating a body of precedent for others to model.<sup>3</sup>

Furthermore, NARUC maintains active coordination with federal and regional institutions, including the Federal Energy Regulatory Commission (FERC), the Department of Energy (DOE), and regional transmission organizations (RTOs/ISOs), and other state agencies to promote planning transparency and consistent cost allocation principles. NARUC filed comments and reply comments with FERC in response to its ANOPR on large load interconnection.<sup>4</sup> Our ongoing work through the Federal-State Current Issues Collaborative continues to address several matters referenced in your letter. The FERC and NARUC Federal-State Current Issues Collaborative was established by FERC's order issued on March

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1 [HTTPS://WWW.NARUC.ORG/EVENTS/ALL-EVENTS/DATA-CENTERS-AND-GRID-IMPACTS-FOR-STATE-REGULATORS/](https://www.naruc.org/events/all-events/data-centers-and-grid-impacts-for-state-regulators/)

2 [HTTPS://WWW.NARUC.ORG/NARUC-RFPS/](https://www.naruc.org/naruc-rfps/)

3 [HTTPS://PSC.GA.GOV/SEARCH/FACTS-DOCUMENT/?DOCUMENTID=224772;](https://psc.ga.gov/search/facts-document/?documentid=224772;)

[HTTPS://WWW.SCC.VIRGINIA.GOV/DOCKETSEARCH/DOCS/89G601!.PDF;](https://www.scc.virginia.gov/docketsearch/docs/89g601!.pdf;)

[HTTPS://EDOCKET.AZCC.GOV/SEARCH/DOCKET-SEARCH/ITEM-DETAIL/29640;](https://edocket.azcc.gov/search/docket-search/item-detail/29640;)

[HTTPS://IURC.PORTAL.IN.GOV/\\_ENTITY/SHAREPOINTDOCUMENTLOCATION/2B48CF93-D9EE-EF11-BE20-001DD80B8C52/BB9C6BBA-FD52-45AD-8E64-A444AEF13C39?FILE=ORD\\_46097\\_021925.PDF;](https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/2b48cf93-d9ee-ef11-be20-001dd80b8c52/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=ord_46097_021925.pdf;)

[HTTPS://PUC-ONBASE.NV.GOV/ \(DOCKET NO. 24-05022 AND 24-05023\);](https://puc-onbase.nv.gov/)

[HTTPS://DIS.PUC.STATE.OH.US/DOCUMENTRECORD.ASPX?DOCID=BADAB793-E041-4173-9B6D-436E51F80E5C;](https://dis.puc.state.oh.us/documentrecord.aspx?docid=badab793-e041-4173-9b6d-436e51f80e5c;)

[HTTPS://LPSCPUBVALENCE.LPSC.LOUISIANA.GOV/PORTAL/PSC/DOCKETDETAILS?DOCKETID=32146](https://lpscpubvalence.lpsc.louisiana.gov/portal/psc/docketdetails?docketid=32146)

4 [HTTPS://ELIBRARY.FERC.GOV/ELIBRARY/FILEDOWNLOAD?FILEID=66237EE5-0E89-C7E5-A421-9AA71EB00000;](https://elibrary.ferc.gov/elibrary/filedownload?fileid=66237EE5-0E89-C7E5-A421-9AA71EB00000;)

[HTTPS://ELIBRARY.FERC.GOV/ELIBRARY/FILEDOWNLOAD?FILEID=6FF6035A-06FD-C522-A556-9AEF9CF00000](https://elibrary.ferc.gov/elibrary/filedownload?fileid=6FF6035A-06FD-C522-A556-9AEF9CF00000)

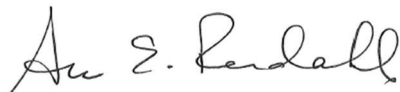
21, 2024. The Collaborative focuses on electricity sector issues of common interest to FERC and NARUC and provides a venue for federal and state regulators to share perspectives, increase understanding, and, where appropriate, identify potential solutions regarding challenges and coordination on a broad range of matters that impact specific state and federal regulatory jurisdiction. Currently, the Collaborative is discussing affordability issues and large loads.<sup>5</sup> Additionally, the National Council on Energy Policy (NCEP), an initiative of NARUC sponsored by the U.S. Department of Energy, facilitated a “How States are Approaching Load Growth” series from September through December 2025. In this series, the group explored the role of state agencies, tools and strategies for managing risks and benefits associated with load growth, how states are gathering input from stakeholders, and examples of collaboration across state agencies.<sup>6</sup> NARUC is gathering the innovative steps that states are taking to address the issue and will be providing our members examples of best practices as well as developing a webpage to reflect resources for members.

Finally, in any discussion about data centers and the impacts of new large loads on the electricity grid, we believe it is important to recognize that there are many drivers of electricity costs that fall outside the direct authority of state regulators. Factors such as general inflationary pressures, supply chain constraints, wholesale energy and capacity market costs, legislative mandates, tax law changes, federal permitting, and interstate transmission rates all influence the final bill for end-use customers. While NARUC members work diligently to mitigate these impacts, they are often tasked with allocating costs originating from factors beyond their control. Within the limits of their legal authority, state regulators strive to maintain the careful balance required to ensure both system reliability and affordable rates.

We appreciate your recognition of the vital role state commissions play in protecting consumers while supporting the nation’s critical infrastructure. NARUC’s members remain committed to their statutory obligations to ensure just and reasonable rates and a reliable electric system. We stand ready to serve as a technical resource to Congress as you continue examining the implications of AI and large-load growth and are willing to meet with you and/or your staff on these issues.

Thank you again for reaching out on this important issue.

Sincerely,



Hon. Ann Rendahl  
NARUC President  
Commissioner, Washington Utilities &  
Transportation Commission



Tony Clark  
Executive Director

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<sup>5</sup> [HTTPS://FERC.GOV/FEDERAL-STATE-CURRENT-ISSUES-COLLABORATIVE](https://ferc.gov/federal-state-current-issues-collaborative)

<sup>6</sup> [HTTPS://WWW.NARUC.ORG/NCEP/WEBINARS/](https://www.naruc.org/ncep/webinars/)