

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Interconnection of Large Loads to the)
Interstate Transmission System) **Docket No. RM26-4-000**

**REPLY COMMENTS OF THE
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS**

The National Association of Regulatory Utility Commissioners (“NARUC”), respectfully submits these reply comments¹ in response to select issues raised in initial comments on the Advance Notice of Proposed Rulemaking (“ANOPR”) issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) in the above-captioned docket.² Given the abbreviated schedule for reply, NARUC does not respond to each of the numerous issues raised in the roughly 175 initial comments filed in this proceeding. Rather, NARUC limits its reply to:

- (i) highlighting the consensus by other commenters that align with NARUC’s position regarding jurisdictional concerns;
- (ii) proposing a path forward to obtain more clarity of opinions and potentially arrive at a legally durable consensus;
- (iii) providing recommendations if this proceeding evolves into a Notice of Proposed Rulemaking. (“NOPR”).

¹ NARUC submitted initial comments on November 21, 2025, in this proceeding (“NARUC’s Initial Comments”).

² Advanced Notice of Proposed Rulemaking, *Ensuring the Timely and Orderly Interconnection of Large Loads* (2025) (“ANOPR”).

OVERVIEW

As evidenced by the sheer volume of initial comments submitted, ensuring that large loads are interconnected in a timely, nondiscriminatory manner while protecting affordable, reliable, and secure electric service to all customers is a shared goal by all in this rulemaking. A review of the comments indicates that there are a multitude of ideas on how to meet this challenge. The Commission may feel a sense of urgency to issue a NOPR and a Final Rule by April 2026, as requested by Secretary Wright. Instead of issuing a rule that attempts to address all issues raised in the initial comments, NARUC urges the Commission to move quickly to schedule a technical conference. This technical conference should include state regulators and commenters who have suggested alternative paths, including a consensus-based approach that incorporates the concept of cooperative federalism. NARUC reiterates that reliability, affordability, and respect for regional and state differences and state jurisdiction should be core principles and the basis for further Commission action. If the Commission proposes reforms, the reforms should permit flexibility and should address the real challenges currently facing the interconnection of large load without unnecessarily upsetting the federal-state jurisdictional divide maintained for close to a century.

1. NARUC Questions FERC's Jurisdiction over Large Load Interconnections.

NARUC appreciates FERC's long history of outreach and cooperation with State commissions across a range of issues. However, it seems that many of the commenters agree with NARUC that FERC's proposed ANOPR impermissibly treads into the realm of state jurisdiction, or at the very least, raises significant uncertainties that may lead to protracted legal disputes. Working together on a consensus-based approach to avoid jurisdictional confusion would more expeditiously reach shared goals. In reviewing the comments by NARUC's membership, every single state public utility commission ("PUC") of the nineteen state PUCs that filed comments

expressed concern that FERC asserting jurisdiction over load interconnection would or could impinge on the states' exclusive authority over retail rates and services.³ The state PUCs stressed that Congress through the Federal Power Act created a bright-line jurisdictional divide between FERC and that the Commission must respect and honor that jurisdictional bright-line in any rule it issues.

Many other commenters also expressed concern regarding the legal durability of any type of assertion of jurisdiction by FERC over large load interconnections or at the very least cautioned against initial overreach. A few representational examples are:

- a. The United States Congressional Committee, Committee on Energy and Natural Resources, stated “[t]he Federal Power Act distinguishes between federal and state jurisdiction over electricity, and we strongly encourage the Commission to continue to honor this distinction when taking any future actions addressing large load interconnections.”⁴
- b. The Large Public Power Council declared “jurisdiction under the FPA for the Commission to control the terms of large load interconnection is far from clear. A declaration that the Commission has jurisdiction over the transmission component of bundled retail sales is a questionable matter, and would have the likely unintended

³ Arkansas Public Service Commission, California Public Utilities Commission, Georgia Public Service Commission, Kansas Corporation Commission, Louisiana and Mississippi Public Service Commissions, Maryland Public Service Commission, Public Service Commission of the State of Missouri, Nebraska Power Review Board, New Mexico Public Regulation Commission, New York State Public Service Commission, North Carolina Utilities Commission, North Dakota Public Service Commission, Oklahoma Corporation Commission, Pennsylvania Public Utility Commission, Public Utilities Commission of Ohio, South Dakota Public Utilities Commission, Virginia State Corporation Commission, Washington Utilities and Transportation Commission.

⁴ Committee on Energy and Natural Resources letter at 1 (Nov. 18, 2025).

- consequence of the Commission taking charge of the transmission cost component of retail sales rates, meaningfully diminishing state-based authority over retail rates.”⁵
- c. The National Association of State Utility Consumer Advocates expressed “[t]he ANOPR contends that ‘the proposal does not impinge on States’ authority over retail electricity sales by asserting jurisdiction over the interconnection of large loads to the transmission system.’ Nothing in the ANOPR supports that conclusion.”⁶
 - d. Talen Energy Corporation declared “[t]he ANOPR will lead to unnecessary legal disputes and litigation between the Commission and states, which will delay the Commission’s ability to provide regulatory certainty about these important issues and hinder timely development of new generation . . . [Thus,] [t]he ANOPR process is not the right forum to move in an expedited manner.”⁷
 - e. Chevron U.S.A., Inc. asserted “the Commission [should] focus on developing large load interconnection standards that do not stretch jurisdictional boundaries. As a practical matter, it would maximize near-term benefits to avoid jurisdictional disputes that would threaten to delay the implementation, and the legal durability, of the Commission’s directives in this proceeding.”⁸
 - f. “[Edison Electric Institute] describes some of the jurisdictional concerns implicated by the ANOPR below with the aim of aiding the Commission in adopting a durable Final Rule that avoids unnecessary cost and delay.” [Further,] “the Commission can advance meaningful reforms without wading into the most sensitive jurisdictional

⁵ Large Public Power Council at 2.

⁶ National Association of State Consumer Advocates at 7.

⁷ Talen Energy Corp. at 5.

⁸ Chevron USA, Inc. at 7-8.

issues. Recent action from the ISO/RTOs, states, and individual utilities illustrates there can be a clear and quick path for the Commission to have an impact.”⁹

- g. Meta Platforms, Inc. expressed “[t]he Commission, however, should not rush to impose a one-size-fits-all regulatory solution nationwide. Some regions of the country are just beginning to bring data centers online, while others have already interconnected substantial large data center loads and are working quickly to add more. Keeping this momentum going is imperative. Issuing a detailed, standard rule that fails to account for the diversity in the economic landscape could slow down successful interconnection processes and undermine the Commission’s goal of bringing more data centers online faster and in a more orderly manner. [] Meta therefore recommends that the Commission develop guidance, best practices, and, where appropriate, minimum standards as the starting point for improving nationwide interconnection processes for large loads. [P]romulgating binding rules that standardize large load interconnection . . . too soon may risk hindering the ongoing private-sector innovation occurring to interconnect large loads and bogging down the efficient interconnection processes that some utilities already use.”¹⁰
- h. Equinix, Inc. stated “[w]e recognize that long-standing jurisdictional issues between the federal, state and local governments are implicated by the Proposed ANOPR. While we do not opine as to appropriate jurisdictions to address energy interconnections of large loads, as an organizing principle we suggest that these issues are too important, too urgent and too interrelated for jurisdictions to act in an uncoordinated fashion.”¹¹

⁹ Edison Electric Institute at 4, 22.

¹⁰ Meta Platforms, Inc. at 3-4.

¹¹ Equinix, Inc. at 4.

- i. The Data Center Coalition stated “[a]s the Commission evaluates whether and how to exercise its authority, DCC respectfully urges a measured approach that recognizes the historic balance of federal and state roles embedded in the Federal Power Act. States remain indispensable partners in regulating retail service, overseeing siting and permitting, and supporting local and regional economic priorities. Their engagement and support will be critical to the success of any final framework.”¹²

Due to significant concerns raised in the comments over the permissibility of FERC’s legal authority regarding certain traditional state jurisdiction matters (e.g., retail sales and local distribution), NARUC requests that the Commission work closely with state PUCs on these issues.

2. NARUC Proposes FERC Schedule a Technical Conference in January 2026

As stated in our Initial Comments, NARUC pledges to engage with regulated entities and other stakeholders to explore consensus solutions for FERC’s consideration that will help meet national goals for large load interconnection, while avoiding disputes over jurisdiction that would unduly impede attaining this goal. Again, working together, under the concept of cooperative federalism, will lead to optimal solutions.

Accordingly, NARUC respectfully requests that the Commission schedule a two-day technical conference in January 2026, to explore viable solutions with key stakeholders. During these two days, Commissioners will have the opportunity to seek clarification from various commenters that have specific ideas regarding a consensus-based solution. A few examples of suggestions on potential paths forward are outlined in the comments provided by the Virginia State Corporation Commission, Large Public Power Council, Chevron U.S.A., Inc., Meta Platforms, Inc. Edison Electric Institute, New England States Committee on Electricity, the Organization of

¹² The Data Center Coalition at 4.

PJM States, and the Organization of MISO States. A technical conference will provide relevant entities with the opportunity to provide insights to the Commission as well as the opportunity to exchange ideas with each other and coalesce regarding solutions.

3. If FERC Proceeds to a Notice of Proposed Rulemaking, FERC Should Take Certain Actions

If FERC proceeds to a Notice of Proposed Rulemaking, FERC should engage in a deep and significant collaboration with state regulators to ensure that the states' and other parties' significant, valid concerns regarding the preservation of traditional state jurisdictional authority over matters such as retail sales, resource adequacy, and local distribution, are addressed. This collaboration should be a top priority. The state PUCs, regional entities, and other commenters explained that they are already addressing large load interconnections and that FERC should not take any action that would derail the successful efforts of state regulators and regional entities to address large load interconnections. Any rule should provide for flexibility and should account for regional diversity and market structure diversity. Some commenters stress that any future rule should only apply to participants involved in a regional transmission organization or independent system operator.¹³

Any rule must also ensure that all large load interconnections comply with NERC reliability standards and Open Access Transmission Tariff provisions, including technical requirements for system protection facilities for hybrid projects and potential penalties for unauthorized power injections or withdrawals. Any proposed rule should specify that large load

¹³ Georgia Public Service Commission at 2-3; Duke Energy Corporation at 7.

customers are responsible for 100% of the upgrade costs consistent with the cost causation principle. Further, any rule must ensure that the seven-factor test is applied properly.¹⁴

CONCLUSION

NARUC respectfully requests that the Commission bring federal and state regulators together, along with other important stakeholders, for a detailed examination of challenges, opportunities, and goals. Through this process, NARUC believes that a solution can be developed to achieve the Administration's and FERC's goals, to avoid unintended consequences for consumers, and to adhere to the parameters of the FPA.

Respectfully submitted,

/s/ Kimberly W. Duffley

James Bradford Ramsay
GENERAL COUNSEL
Kimberly W. Duffley
SENIOR DIRECTOR OF ENERGY POLICY
AND LEGAL COUNSEL
National Association of Regulatory
Utility Commissioners
1101 Vermont Avenue, Suite 401
Washington, DC 20005
kduffley@naruc.org
202.898.1350

Dated: December 5, 2025

¹⁴ North Dakota Public Service Commission at 2-4; Pennsylvania Public Service Commission at 4-7; North Carolina Utilities Commission at 2.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC: December 5, 2025

Respectfully submitted,

/s/ Kimberly W. Duffley

Kimberly W. Duffley
SENIOR DIRECTOR OF ENERGY POLICY
AND LEGAL COUNSEL
National Association of Regulatory
Utility Commissioners
1101 Vermont Avenue, Suite 401
Washington, DC 20005
kduffley@naruc.org
202.898.1350