



NARUC

National Association of
Regulatory Utility Commissioners

FERC's Large Load ANOPR
Docket No. RM26-4



Secretary Wright's letter to FERC

On October 23, 2025, the Secretary of Energy, acting under section 403 of the Department of Energy Organization Act, directed the Federal Energy Regulatory Commission (FERC) to consider an Advance Notice of Proposed Rulemaking (ANOPR) focused on the timely and orderly interconnection of large loads to the interstate transmission system.

The ANOPR seeks public input on potential reforms related to how large loads — generally defined as electricity demand greater than 20 megawatts (MW) — interconnect to the transmission system. The letter outlined a set of principles for FERC to consider when issuing the ANOPR.



Secretary Wright's letter to FERC

A few examples of the 14 principles outlined in the letter are:

- The Commission's jurisdiction should be limited to interconnections directly to transmission facilities, consistent with the Commission's seven-factor test
- Where practicable, load and hybrid facilities should be studied together with generating facilities for efficient siting and minimize network upgrades.
- Like generating facilities, load and hybrid facilities should be subject to standardized study deposits, readiness requirements, and withdrawal penalties.
- Large loads that agree to be curtailable and hybrid facilities that agree to be curtailable and dispatchable should be expedited.



FERC is seeking input on the following topics

- Whether large loads and co-located facilities that agree to be flexible and curtail usage should be able to move through interconnection studies faster, how that process should work, and whether studies could be completed within 60 days.
- Whether large loads and co-located facilities should pay the full cost of any grid upgrades needed for their interconnection, and whether those costs should be credited back over time, and if so, over what period.
- How grid reliability should be evaluated when an existing power plant wants to partially shut down to serve a new large customer at the same location, including whether future load growth should be considered and whether required grid upgrades must be completed first.
- How to implement these proposed changes, including how to treat large load interconnection requests that are already under review when any new requirements take effect.



In other words, the ANOPR may focus on

- **Standardized Procedures:** Create a uniform interconnection policy for large loads, similar to the existing processes for Large Generator Interconnection.
- **Cost Responsibility:** Proposes a 100% participant funding model, requiring large loads to pay for all network upgrades their projects trigger.
- **"Hybrid" Facilities:** New rules would apply to co-located generation and load (e.g., a data center next to a power plant), studying them together to potentially reduce upgrade needs.
- **Expedited Interconnection:** Offers faster tracks for "curtailable" loads that agree to be powered down during grid stress.
- **Reliability Standards:** Asks NERC to determine if new reliability standards are necessary for these emerging large-scale demands.



Timeline for FERC to Act

- October 23, 2025: Secretary of Energy issued the 403 Large Loads Letter. Requested FERC to act by April 2026.
- November 21, 2025: Initial comments were due.
- December 5, 2025: Reply Comments were due.
- June 2026: FERC expects to take further action on the proceeding as stated in the order issued at the Open Meeting in April, 2025.

NARUC's Initial Filing – Jurisdictional Argument



- Under the FPA, the jurisdictional line between the federal and state governments over utility services is a bright one. Section 201(b)(1) of the FPA states, “[t]he provisions of this Part shall apply to the transmission of electric energy in interstate commerce and to the sale of electric energy at wholesale in interstate commerce but...shall not apply to any other sale of electric energy. The statute clearly preserves state authority over retail sales.
- In addition, FPA section 212(h) prohibits FERC from directing the provision of transmission directly to end users (retail wheeling). The FPA’s encompassing reservation to states of jurisdiction over retail rates and services includes retail load interconnection.



NARUC's Initial Filing

- Aside from the fundamental jurisdictional issue, from a policy perspective, the states are well positioned to make decisions on load interconnections necessary to support the best interests of their citizens.
- Retail load interconnections are an important part of these state interests. Thus, the venue for a retail end-use customer who is directly affected by the services provided by the electric supplier is a state commission.

NARUC's Reply Filing: Summarizing others comments



- 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.
- The nineteen state PUCs that filed comments expressed concern that FERC asserting jurisdiction over large load interconnection would or could impinge on the states' exclusive authority over retail rates and services.
- 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.



NARUC's Supplemental Comments

- **Proof of State Efficacy:** NARUC showcased that state commissions already possess the regulatory tools and expertise to manage large load interconnections.
- **No Regulatory Gap:** NARUC clarified that states have the full authority to allocate transmission costs, including network upgrades, to large load end-use customers, ensuring existing ratepayers are not unfairly burdened.



NARUC's Supplemental Comments

- Significant activity that has taken place within the states addressing large load interconnection since FERC issued the ANOPR.
- These six examples showcase the kinds of best practices that are rapidly evolving in front of state commissions, including, but not limited to: minimum term of service and exit fees, minimum billing demand, also known as take or pay terms, financial assurance requirements, capacity reassignment clauses, as well large load cost allocation terms.
- It is beneficial to all interested parties to allow the state commissions to continue creating these best practices that fit within their particular region and regulatory construct.

FERC'S April Open Meeting



- FERC issued an order with the intent to act in June.
- Chair Swett stated, “I personally am committed to delivering bold action and working with my colleagues to do just that.”
- Comm. Rosner encouraged utilities to examine FERC orders involving PJM, SPP and other utility tariffs to accommodate large loads. FERC stands ready to process FPA Section 205 filings and welcomes those involving generation sited close to large loads to minimize grid study requirements.