

1 RPTR MOLNAR

2 EDTR ZAMORA

3

4

5 OVERSIGHT OF FERC: ADVANCING AFFORDABLE

6 AND RELIABLE ENERGY FOR ALL AMERICANS

7 TUESDAY, FEBRUARY 3, 2026

8 House of Representatives,

9 Subcommittee on Energy,

10 Committee on Energy and Commerce,

11 Washington, D.C.

12

13

14

15 The subcommittee met, pursuant to call, at 10:16 a.m., in Room 2123, Rayburn House Office
16 Building, Hon. Robert E. Latta [chairman of the subcommittee] presiding.

17 Present: Representatives Latta, Weber, Palmer, Allen, Balderson, Pfluger, Harshbarger,
18 Miller-Meeks, Bentz, Fry, Lee, Langworthy, Rulli, Evans, Goldman, Fedorchak, Guthrie (ex officio),
19 Castor, Peters, Menendez, Mullin, McClellan, DeGette, Matsui, Tonko, Veasey, Schrier, Fletcher,
20 Ocasio-Cortez, Auchincloss, and Pallone (ex officio).

21 Also Present: Representative Joyce, Dingell, and Landsman.

22 Staff Present: Byron Brown, Chief Counsel; Clara Cargile, Professional Staff Member, Energy;
23 Jessica Donlon, General Counsel; Andrew Furman, Professional Staff Member, Energy; Sydney
24 Greene, Director, Finance and Logistics; Calvin Huggins, Clerk, Energy; Megan Jackson, Staff Director;
25 AT Johnson, Special Advisor; Sophie Khanahmadi, Deputy Staff Director; Mary Martin, Chief Counsel,

26 Energy; Sarah Meier, Counsel and Parliamentarian; Joel Miller, Chief Counsel; Lillian Noland, Staff
27 Assistant; Seth Ricketts, Special Assistant; Chris Sarley, Member Services/Stakeholder Director;
28 Timothy Trimble, Staff Assistant; Matt VanHyfte, Communications Director; Jane Vickers, Press
29 Assistant; Giancarlo Ceja, Minority Staff Assistant; Ava Digre, Minority Intern; Waverly Gordon,
30 Minority Deputy Staff Director and General Counsel; Tiffany Guarascio, Minority Staff Director;
31 Jackson Hall, Minority Intern; Kristopher Pittard, Minority Professional Staff Member; Emma Roehrig,
32 Minority Staff Assistant; Kylea Rogers, Minority Policy Analyst; Kyle Wolf, Minority Press Intern; Tuley
33 Wright, Minority Staff Director, Energy.

34

35 Mr. Latta. Well, good morning. The Subcommittee on Energy will now come to order.

36 The chair recognizes himself for 5 minutes for an opening statement.

37 Again, good morning, and welcome to today's Energy Subcommittee hearing with all five
38 commissioners of the Federal Energy Regulatory Commission. Again, welcome.

39 We welcome Chairman Swett and Commissioner LaCerte for their first appearance before our
40 subcommittee, and welcome back Commissioners Rosner, See, and Chang.

41 FERC was established in 1970 by Congress as an economic regulator to ensure that electricity,
42 natural gas, and oil is delivered to the American people safely, securely, and reasonably priced.

43 Now, as our Nation stands at the precipice of substantial change in the global economy, it is
44 imperative for FERC to remain steadfastly focused on their core mission in order to fuel technological
45 advancements and stabilize the bulk power system to keep the lights on.

46 And they just came on.

47 It is no secret that our grid is under extreme stress. The head of the North American Electric
48 Reliability Corporation, or NERC, called the reliability crisis a five-alarm fire.

49 Average utility bills rose by 11 percent in 2025 after increasing by 29 percent in the 4 years
50 prior and substantially higher across our Nation's bluest States.

51 Grid operators are flashing red alarms about the mismatch between growing demands and
52 dwindling baseload resources. In fact, the Department of Energy found that the current pace of
53 baseload retirements and low growth raise the risk of blackouts by 100 times by the year 2030. And
54 across the country, a growing number of Americans are concerned about the potential for data
55 center development to raise their utility bills.

56 How did we get here? Decades of poor policy decisions from Federal and State
57 governments steered utilities away from reliability centric investments and toward one intended to
58 meet renewable energy goals.

59 Even while fuel generation costs have plummeted since the shale revolution, utility spending
60 has been buoyed by costly investments on transmission and distribution to connect variable remote
61 resources like wind and solar.

62 Across the country, retail rate filing cases at State commissions have highlighted several
63 reasons for upward price pressures -- transmission development for State energy policies, interest
64 rates, wildfire and disaster mitigation, among others.

65 In our wholesale market States, higher prices should act as a signal for new entrants.
66 Unfortunately, permitting delays, excessive litigation, and blue State policies to prevent pipeline
67 construction are preventing market forces from responding appropriately. The current situation is
68 untenable and also unsustainable.

69 It is important to remind everyone about what is at stake in the AI race. Ask yourself, do
70 you want your family's personal banking or health information stored in communist China? But
71 winning the AI race, reshoring manufacturing jobs, and lowering costs are not mutually exclusive.
72 When done properly, research continues to show that the growth of large energy users like data
73 centers and manufacturing facilities can help stabilize the grid and make electricity more affordable.

74 To achieve this reality, we need FERC to remain laser focused on its core mission as an
75 economic regulator.

76 Along with the Trump administration, the Commission is righting the ship towards a more
77 secure and prosperous future for all Americans.

78 Throughout 2025, FERC returned to a methodical approach to permitting interstate natural
79 gas lines and LNG facilities. They are working to streamline the process for licensing hydropower
80 facilities to maintain and grow vital baseload resources.

81 The Commission has also made substantial progress on addressing jurisdictional lines
82 between Federal and State authority over co-location and flexible power arrangements.

83 FERC, along with the administration and States, are ensuring that costs associated with the

84 development of data centers are not falling on the backs of ratepayers.

85 And importantly, the Commission has continued working through the National Association of
86 Regulatory Utility Commissioners Collaborative to establish meaningful, productive, and effective
87 dialogue between Federal and State partners to tackle challenges facing our Nation's energy systems.

88 While substantial progress has been made to reaffirm American energy dominance, more
89 work remains. Today's hearing is a pivotal opportunity for the committee to better understand
90 how FERC can best serve the interests of the American people.

91 I look forward to today's discussion, and I yield back the balance of my time. And the chair
92 recognizes the gentlelady from Florida's 14th District, the subcommittee ranker, for an opening
93 statement for 5 minutes.

94 [The prepared statement of Mr. Latta follows:]

95

96 ***** COMMITTEE INSERT *****

97

98 Ms. Castor. Well, thank you, Chairman Latta, and welcome to our FERC commissioners.

99 Thank you very much for being here.

100 Today's hearing comes at a time when hardworking Americans are being crushed by a higher
101 cost of living, and it comes at a time when the U.S. electric grid is facing a new level of crisis driven by
102 data center load growth, extreme weather, and aging infrastructure. And as policymakers, it is our
103 responsibility to help ensure that America's energy system can provide reliable and affordable service
104 to our neighbors back home.

105 Last week, NERC's long-term reliability assessment highlighted the multiple risks that
106 America's electric grid faces over the next 10 years, as peak electricity demand is expected to
107 increase by more than 20 percent over the next 10 years. And we are seeing this play out in real
108 time.

109 More than a million people lost power during the latest winter storm that they call Fern,
110 particularly in the Southeast. The main challenges were toppled utility poles, iced-over substations,
111 and downed transmission lines.

112 The storm knocked out more than two dozen transmission lines owned by the Tennessee
113 Valley Authority, cutting off power from utilities across Mississippi, Tennessee, and Louisiana. And
114 our hearts go out to the people for the struggles they went through. They shouldn't have to go
115 through those kind of struggles.

116 In energy service territory across the Southeast, at least 30 transmission lines, 860 poles, and
117 60 substations went out of service.

118 PJM reported nearly 21 gigawatts of generation was offline during hours of peak demand,
119 including gas, coal, and oil. In comparison, wind, solar, and batteries were helping to make up the
120 difference.

121 NERC's report highlights key opportunities for us to respond to the reliability crisis. First, we

122 need to leverage load flexibility during times of grid stress, especially for emerging large loads such as
123 data centers. Second, we need to streamline siting and permitting, particularly for transmission.
124 And, finally, we need to adapt grid planning to ensure that new resources can support essential
125 reliability services, such as voltage, frequency, ramping, and dispatchability.

126 That is why Democrats and power providers have been calling out the Trump administration's
127 actions over the past year that have made our grid less reliable and more expensive.

128 Secretary Burgum has required every wind and solar project on Federal lands to get his
129 personal signoff. So last year, only one got permission to build. Meanwhile, Secretary Wright has
130 canceled funding for more than 300 energy projects across the United States, including a \$1.8 billion
131 loan to the Arizona Public Service to build out new transmission.

132 That just doesn't make sense. This sabotage is making our grid less reliable, and it makes it
133 harder for regulators and grid operators to do their job.

134 But I have to say for FERC, at least for the moment, you all stand in stark contrast. I want to
135 commend the Commission for its recent bipartisan actions, including the development of co-location
136 pathways in PJM.

137 The Commission worked quickly to bring new energy onto the grid, including through
138 automation and artificial intelligence tools to improve interconnection. However, we need to pair
139 these efforts with effective grid upgrades and transmission planning. So I hope my Republican
140 colleagues can finally get serious about working to upgrade America's transmission infrastructure.

141 And we need to make sure that developers of all energy types have permitting certainty and
142 that the Federal Government can be a trustworthy partner.

143 The U.S. grid is underutilized, on average using less than half of the existing grid capacity.
144 We can build a smarter, more modern grid that adds load and lowers prices, but we need the right
145 policy and we need your regulatory support.

146 The United States added over 18 gigawatts of energy storage in 2025, more than gas and

147 wind combined. We already have 40 gigawatts of virtual power plant capacity deployed today, and
148 we could reach 160 gigawatts by 2030, and that would be enough to meet 20 percent of peak
149 demand.

150 So I am glad to see a number of our commissioners highlight grid-enhancing technologies in
151 their written testimonies, which could quickly increase the grid capacity by 15 to 20 percent.

152 This is not your grandparents' electric system or era. There are incredible modern tools and
153 efficiencies that can lower costs and provide the reliable power that we need in the years ahead.

154 So let's tackle this together. There is a lot we can do together to deliver more energy and
155 lower costs for neighbors. I looking forward to hearing your ideas.

156 Thank you, and I yield back.

157 [The prepared statement of Ms. Castor follows:]

158

159 ***** COMMITTEE INSERT *****

160

161 Mr. Latta. Thank you very much. The gentlelady yields back.

162 And the chair now recognizes the gentleman from Kentucky, the chairman of the full
163 committee, for 5 minutes for an opening statement.

164 The Chair. Thank you. Thank you, Mr. Chair.

165 Thank you for all being here. I would like to welcome you all, and two of
166 you -- Chairman Swett and Commissioner LaCerte -- this is your first appearance before us. We are
167 happy to have all five of you here testifying.

168 The massive storms and deep freeze across the Nation this past week reminded a hundred
169 million Americans why energy and power is vital for the Nation.

170 The ability for our utilities to provide reliable, affordable power has been a continuing focus
171 of this committee this year and over the past several Congresses.

172 Since we last heard from the Commission in June of 2024, the affordability and reliability
173 issues surrounding the electric grid have become even more pressing.

174 The need to preserve and expand generation and electric infrastructure to keep the lights on
175 during peak demand remains as urgent as ever.

176 Reliability Authority just last week reported again that over half the Nation has increased risks
177 of blackouts when power demand spikes.

178 Now we also must confront the unprecedented demand and national security imperative of
179 building AI in a growing economy. Growing affordability concerns add to challenges, as years of the
180 energy transition climate agenda have started appearing in household bills.

181 The positive news is that some State and Federal officials appear to be rising to meet the
182 challenges, finding way to preserve and bring on more dispatchable generation, connecting the most
183 reliable generation faster, and finding ways to reconnect data centers and other loads faster as well.

184 The Trump administration should be commended for using its statutory tools to drive change.

185 Whether by keeping power available during energy emergencies or by various speed to take power
186 initiatives, including those requesting FERC to take decisive action.

187 Testimony we received in previous hearings and national laboratory reports and research
188 indicate that data centers, connected responsibly, can mitigate if not lower consumer bills.

189 Today I would like to hear how the commissioners approach affordability while meeting
190 demand for growth.

191 And we must not forget States are essential for siting and permitting the generation,
192 transmission, and new loads in a way that maximizes economic benefits and protects consumer bills.

193 I am looking forward to this hearing and how FERC works with the States and how those
194 relationships are going. Thank you for being here today.

195 I would also like to note, before I yield back, that we have Clara Cargile, who is sitting in the
196 counselor's seat. She has chosen to go work with the leader's office in his energy capacity. So we
197 have a strong ally and friend in the leader's office from this committee, and we are really pleased for
198 your hard work.

199 And I know that we were able to find you and bring you to this committee from your heart in
200 Texas, with the Texan of all Texans -- there is a few Texans in here -- but maybe the Texan of all
201 Texans, Mr. Pfluger, and I will yield to Mr. Pfluger.

202 Mr. Pfluger. Thank you, Mr. Chairman.

203 Clara Cargile has done a great job on this committee. She is from my hometown, and, you
204 know, one of the many things that she would do on this committee, also in a personal capacity in my
205 office, is use fact to address any of the situations which I think this hearing today will be great at.
206 And I would ask her, what is the composition of the Texas electric grid right now, and she would get
207 back to me, as always, with the facts.

208 And by the way, natural gas was the backbone of the grid last week when we had the cold
209 snap.

210 Clara, you work in such a great manner with professionalism, integrity, and character. You
211 have made our hometown very proud and you have made this committee very proud.

212 Mr. Chairman, thanks for allowing me a couple minutes to speak.

213 The Chair. Thank you, and thanks for your service to this committee, and look forward to
214 working with you in your role in the leader's office. So we look forward to continuing.

215 Mr. Latta. Mr. Chair, if I may?

216 The Chair. Yeah, I will yield to my --

217 Mr. Latta. May I ask you to yield?

218 I also want to thank you for all your hard work because, you know, when you are sitting right
219 next to someone and you see all the work that you do during, especially very long subcommittees,
220 we really appreciate it.

221 And you have been, you have been always right there when we have our office meetings
222 every week. You have the information we have to have, and so the subcommittee is going to miss
223 you.

224 So, Mr. Chairman, we are going to have to do something about keeping people from going to
225 the Speaker's office, but -- got to keep people right here. But I yield back. Thank you,
226 Mr. Chairman.

227 The Chair. Well, thanks, and I did say Texan of all Texans. We do have, I know, four on our
228 side. I think at least two, maybe more, on the other side of the aisle. So we have some great
229 Texans on the committee.

230 But I think you are the only one that has a town named after you -- Pflugerville. There is a
231 Pflugerville, Texas.

232 So I will to yield back, Mr. Chair.

233 [The prepared statement of Chair Guthrie follows:]

234

235 ***** COMMITTEE INSERT *****

236

237 Mr. Latta. Thank you. The chair yields back.

238 And the chair now recognizes the ranking member of the full committee, the gentleman from
239 New Jersey, for 5 minutes for an opening statement.

240 Mr. Pallone. Thank you, Chairman Latta.

241 I would like to welcome all five commissioners to today's hearing. You have a difficult job
242 ahead of you.

243 Our Nation's electric grid is in the middle of an affordability and reliability crisis.
244 New Jerseyans are paying 15 percent more for power and 12 percent more for natural gas than they
245 were a year ago.

246 And one of FERC's most important responsibilities is to ensure, quote, just and reasonable
247 prices. It is not working. And President Trump is making the electricity affordability crisis even
248 worse.

249 And this is not just a problem in New Jersey. Power prices have spiked across the country,
250 and Trump's campaign promise to cut them in half has proven to be just another broken promise.

251 Last year, utilities requested a record \$31 billion in rate increases, double the pace of 2024,
252 and prices nationwide are up 13 percent since Trump's inauguration.

253 The reasons are clear. Our Nation's grid operators have proven themselves simply incapable
254 of hooking up power to the grid fast enough, in no small part because the plans to expand the power
255 grid are completely unfit for this day and age.

256 I have made clear over the past year my displeasure at PJM, New Jersey's grid operator, but
257 while they are one of the worst offenders, they are not the only ones who have been, quote, asleep
258 at the wheel.

259 When new sources of cleaner and cheaper power are ready to hook up to the grid,
260 President Trump has blocked them for bogus reasons. Trump's war against clean energy defies

261 logic, particularly at a time when data centers powering artificial intelligence tools are adding power
262 demand at a pace we have not seen in over a generation.

263 And I want to be clear. AI tools cannot be built upon the backs of American families' power
264 bills. Data centers should be able to hook up to the grid, but they have to pay their fair share and
265 ensure that they are not going to cause the grid to collapse.

266 FERC's role must be to establish rules of the road to make that happen. FERC must be the
267 cop on the beat to ensure that Big Tech isn't fleecing the average American to fuel their ambitions.

268 And FERC has the authority and the expertise to make this happen, but it is going to require
269 the Commission to stand up to a White House that is bending over backwards for companies that are
270 interested in building data centers to the detriment of America families' monthly power bills.

271 It is going to mean not discriminating against clean energy, no matter how much the
272 White House may be pressuring you to do just that, and it is going to mean acting transparently,
273 quickly, and decisively.

274 In the long term, the only way to deal with increased demand, no matter if it is from data
275 centers, electric vehicles, or electrified home heating, is to build out the grid, and that is simply
276 impossible while the White House wages a war on clean energy.

277 Now, offshore wind projects that were on the verge of delivering power to the grid have seen
278 their permits illegally canceled. Hundreds of projects receiving funding from the Department of
279 Energy had their funding illegally revoked, many simply because they were being built in a
280 Democratic-run State.

281 And potentially, clean energy projects on Federal lands may never get off the ground because
282 the White House has created an impossible bureaucratic nightmare for any company trying to build.

283 These actions are an embarrassment to our Nation -- they truly are -- but they are also a
284 threat to the pocketbooks and to the safety of American families across the country.

285 So just last week, the North American Electric Reliability Corporation warned that a huge

286 swath of the Nation's grid would be at high risk for blackouts by the end of this decade. The winter
287 storm that blasted New Jersey and much of the East Coast just over a week ago pushed us right to
288 the brink. If Republicans have their way, the next winter storm might push us over the edge
289 instead.

290 And we just have to stop this madness. It truly is madness coming from the White House.

291 I hope to hear how FERC is working to ensure that Americans have affordable electricity and a
292 reliable electric grid in the face of skyrocketing demand.

293 But again, I will just repeat, we are not going to have any progress here unless you, as
294 independent commissioners and as an independent agency, stand up to the madness that is coming
295 from President Trump. And I just hope that we can see you do that. Otherwise, our prices will
296 continue to go up, our blackouts will cont- -- will be worse.

297 I just don't know where we are going here. I mean, the public does not find any of this
298 acceptable. They want reliable power. They don't want prices to keep going up.

299 This was a major issue in New Jersey in the last election, and fortunately, we have a governor
300 now who has decided to freeze prices. And I think one of the reasons that people admire her so
301 much is because of that, because they are just so concerned about these electricity prices they just
302 can't afford.

303 So with that, Mr. Chairman, I will yield back.

304 [The prepared statement of Mr. Pallone follows:]

305

306 ***** COMMITTEE INSERT *****

307

308 Mr. Latta. Well, thank you very much. The gentleman yields back the balance of his time.

309 This concludes member opening statements, and the chair reminds members that, pursuant
310 to the committee rules, all members' opening statements will be made part of the record.

311 Again, we want to thank all of our witnesses for appearing before us today to testify. Each
312 witness will have the opportunity to give an opening statement, followed by a round of questions
313 from our committee members.

314 Our five witnesses joining us from the Federal Energy Regulatory Commission are Chairman
315 Laura Swett, Commissioner David Rosner, Commissioner Linda See, Commissioner Judy Chang, and
316 Commissioner David LaCerte.

317 And before we get started, just quick housekeeping. When you pull up that mike real close,
318 we would appreciate it. And also you will see the lights. You will have 5 minutes. It will be
319 green for 4. They will go yellow for the last minute, and we hope that when you hit that red, that
320 you can finish up.

321 So, again, we appreciate you all for being here today. And at this time now I recognize the
322 chair of FERC, Chair Swett, for your 5 minutes for an opening statement. Thank you.

323
324 **STATEMENTS OF THE HONORABLE LAURA V. SWETT, CHAIRMAN, FERC; THE HONORABLE DAVID**
325 **ROSNER, COMMISSIONER, FERC; THE HONORABLE LINDSAY S. SEE, COMMISSIONER, FERC; THE**
326 **HONORABLE JUDY W. CHANG, COMMISSIONER, FERC; AND THE HONORABLE DAVID A. LACERTE,**
327 **COMMISSIONER, FERC**

328

329 **STATEMENT OF LAURA V. SWETT**

330

331 Ms. Swett. Thank you very much.

332 Chairman Guthrie, Ranking Member Pallone, Chairman Latta, Ranking Member Castor, and
333 members of the subcommittee, thank you for inviting us to testify about our critical energy mission
334 on behalf of the American people.

335 As many of you acknowledged this morning, FERC works for all Americans and across all party
336 lines. My colleagues and I come from very diverse perspectives, but we are unified in the mission
337 that Congress gave us to ensure reliable and affordable energy.

338 Before I get started today, I would like to acknowledge and thank the emergency crews, grid
339 operators, utility workers, linemen, and first responders for their hard work throughout the winter
340 storms and for their ongoing efforts to keep Americans safe.

341 I am honored to appear before you for the first time as chairman, leading a full five-member
342 bipartisan commission. I would like to take this opportunity to share with you the three main
343 principles that drive me as a leader.

344 First, I am driven by gratitude to be an American. I am thankful every single day for the
345 benefits that this country has provided my family. As I shared at my Senate confirmation hearing
346 last fall, I grew up the daughter of a Vietnamese refugee who left everything behind for the promise
347 of a better life. My father was a civil servant who grew up in low-income housing in Brooklyn and

348 dedicated over 40 years to the Department of War.

349 I learned from my parents at a very young age to not take for granted anything that we have
350 in the United States, including reliable and affordable energy.

351 American ingenuity, hard work, and the dedication of tens of thousands of Americans in our
352 energy workforce make our light, warmth, and innovation possible.

353 Second, I have been a FERC lawyer for 15 years. This is my third tenure at FERC. This
354 means that I personally know the importance of maintaining and growing FERC's professional staff.

355 Thanks to our partners in the administration, we are again hiring at FERC. And I will plug on
356 this very public platform that we really want people to apply. Please apply and join our mission at
357 FERC.

358 I also want to emphasize that, having spent my career litigating FERC cases, every single thing
359 that I do is with legal durability top of mind to give ratepayers and investors certainty in what FERC is
360 doing.

361 I want to reduce the years and millions of dollars spent litigating FERC decisions with an eye
362 towards ensuring, as much as we can, that we all have regulatory certainty, cost reduction, and
363 infrastructure development.

364 Third, I want all Americans to prosper. Energy is the foundation of our civil society, our
365 national security, and our economic prosperity.

366 FERC stands at a critical juncture in history. This is domestically and in the world. We are
367 in a global energy arms race created by the rise of technology, its tremendous load growth, and our
368 push to onshore manufacturing and jobs. I want the United States to lead that race and our citizens
369 to benefit from it. This is the moment to cement America's energy leadership.

370 As chairman, I am committed to guiding FERC through the monumental growth opportunity
371 before us. We are already working to streamline FERC processes, cut down connection times, and
372 ensure efficient, durable infrastructure development and maintenance.

373 I have been chairman for only a few months, but I am proud of the strides this full bipartisan
374 Commission has made. We are continuing to explore whether we can simplify and optimize
375 permitting by expanding our successful natural gas blanket authorization program to hydroelectric
376 and liquefied natural gas facilities.

377 And in December, as several of you mentioned, we directed the Nation's largest grid operator
378 to establish transparent rules to serve AI data centers and other large loads that are co-located with
379 generation. These rules will safeguard reliability and protect consumers across the mid-Atlantic,
380 impacting over 67 million Americans.

381 A big part of the prosperity I want for America is affordability, which is very personal to me.
382 Growing up, I watched my parents struggle to pay the bills as they piled up. That experience drives
383 my commitment to ensure that progress does not come at consumer expense. I know that
384 everyone at this table shares my commitment.

385 I look forward to your continued support and partnership as we meet these challenges
386 together. Thank you, and I welcome your questions.

387 [The prepared statement of Ms. Swett follows:]

388

389 ***** COMMITTEE INSERT *****

390

391 Mr. Latta. Well, thank you very much.

392 Commissioner Rosner, you are recognized for 5 minutes for your statement.

393

394 **STATEMENT OF DAVID ROSNER**

395

396 Mr. Rosner. Well, good morning, Chairman Latta, Ranking Member Castor,
397 Chairman Guthrie, and Ranking Member Pallone, as well as members of the subcommittee.

398 It is an honor to appear before you today alongside my colleagues to discuss FERC's work to
399 deliver affordable and reliable energy for all Americans and our commitment to upholding Congress'
400 vision for a bipartisan, independent, resource-neutral regulator. That is our mission.

401 While it is simple to articulate, it is increasingly complex to execute. Energy demand is
402 growing at a pace not seen in a generation. Energy technologies continue to evolve, and innovation
403 across our economy is reshaping how energy infrastructure is planned, built, and used by consumers.

404 Furthermore, our energy systems face these pressures at a time when families and small
405 businesses have been struggling with high prices, including their utility bills.

406 While meeting this moment presents challenges, it also creates opportunities for us to
407 modernize America's energy infrastructure. Upgrading our energy system is necessary to ensure
408 that every family and business receives the reliable and affordable power that they depend on, and
409 doing so is essential for our country's economic competitiveness and national security.

410 Over the past week, winter storms Fern and Gianna reminded us of the importance of this
411 work. Thanks to the line workers, pipeliners, rate workers, and the rest of our energy sector
412 workforce, the bulk electric and natural gas transmission networks performed well.

413 But many systems were stressed near the limit. So let me now share some of the specific
414 actions FERC is taking to realize the opportunities and address the challenges before us.

415 First, we are accelerating new electric generation of all kinds. Building the energy resources
416 needed to meet growing demand and reduce consumer reports was my top focus in 2025. We
417 implemented FERC's landmark Order No. 2023, generator interconnection reforms, and fast-tracked
418 more than 50 gigawatts of shovel-ready power plants.

419 Looking forward, I am encouraging grid operators to deploy automation and artificial
420 intelligence tools that have been shown to accelerate steps in the interconnection study process
421 from years to weeks.

422 Second, we are deploying forward-looking grid planning, centered around reliability,
423 affordability, and economic growth. This year, FERC will be positioned to act on electric
424 transmission providers' proposals to implement FERC Order No. 1920, which modernized the
425 long-term transmission planning process.

426 When I arrived as a commissioner, this rule divided the Commission along party lines. My
427 proudest accomplishment was working with colleagues to make the final version bipartisan and
428 unanimous, by incorporating more input from our State partners.

429 Third, we are emphasizing predictability, speed, and legal durability for our infrastructure
430 permitting. Since I last testified before this committee, FERC has issued 97 permits for hydropower
431 and natural gas projects. In many instances, we are moving from NEPA review to permit issuance
432 more than 30 percent faster than was typical during the last decade, and this is without
433 compromising quality.

434 FERC's permits have routinely been upheld in court in recent years, and we continue to weigh
435 the views of all parties in our order.

436 Fourth, we are embracing innovative pathways to power data centers and other large loads
437 while protecting consumers. The Commission took significant actions in December and January,
438 implementing programs in PJM and SBP, to pair new large loads with new generation. This pairing
439 reduces how much these projects lean on the grid, it minimizes the need to construct additional

440 costly transmission upgrades, it promotes flexible operations, and helps ensure that new loads pay
441 their fair share.

442 Put simply, the goal is lowering costs, protecting grid reliability, and helping new customers
443 and power plants get online faster.

444 Fifth, we continue to enhance grid security and reliability through modernization and
445 flexibility. It is essential that we continue to deploy 21st century reliability solutions, including
446 advanced demand response, dynamic line ratings, predictive artificial intelligence, and emerging
447 cybersecurity technologies.

448 Last year, for example, FERC and NERC implemented enhanced power plant performance
449 standards for extreme cold weather that have already proved essential in keeping the lights on
450 during winter storms.

451 Sixth, we are staying laser-focused on affordability. In addition to the examples I have
452 already mentioned, over the last 2 years, FERC has approved expanded competitive electric markets
453 in the West and the Southeast, which will enable customers to access lower-cost power. And in
454 PJM, we approved a temporary price cap that saved consumers more than \$12 billion. It is my
455 priority to deliver more examples like this in 2026.

456 Finally, I will conclude my remarks by highlighting the value of our current Commission's
457 consensus-driven mindset. I am immensely proud that the vast majority of orders I voted on have
458 been bipartisan and unanimous, including every single energy project permit. This consensus
459 creates regulatory predictability and legal durability, and our work is stronger because it benefits
460 from five sets of perspectives and experiences.

461 I thank my colleagues for their collaboration, which I am very confident will continue to
462 deliver for our country. Thank you again for the opportunity to be here, and I look forward to your
463 questions.

464 [The prepared statement of Mr. Rosner follows:]

465

466 ***** COMMITTEE INSERT *****

467

468 Mr. Latta. Thank you.

469 Commissioner See, you are recognized for 5 minutes for your opening statement.

470

471 **STATEMENT OF LINDSAY S. SEE**

472

473 Ms. See. Chair Guthrie, Ranking Member Pallone, Chair Latta, Ranking Member Castor, and
474 members of the subcommittee, thank you for inviting me and my fellow commissioners here today.

475 While the five of us are here now, please let me also thank the hundreds of FERC staff who
476 make the agency's work possible. They bring their talent and integrity to work every day, and their
477 dedication furthers America's energy resilience.

478 It is especially poignant being here on the heels of Winter Storm Fern. With deep respect
479 for the hardships so many went through and still are, I am grateful that we saw the bulk power
480 system largely hold.

481 On a more personal note, over 1 million homes and businesses lost power during the storm's
482 peak, and I was in one of those homes. In a region with significant ice build up, we heard crashes
483 for hours as heavy limbs fell all around the house and neighborhood.

484 I was so impressed by the restoration efforts as thousands of line workers worked extended
485 hours in dangerous conditions to bring the region back online. Thank you to my local utilities, AEP
486 and Appalachian Power, and to those in so many other States, for your tireless efforts.

487 When the heat and the lights go out during extreme cold, you focus quick on the practical
488 details to keep your loved ones safe. Yet while I was waiting on power restoration, it wasn't lost on
489 the energy regulator in me that these real-world concerns are why we strive to get the policy right,
490 ensuring reliable and affordable energy.

491 Reliability: Keeping the lights on means heat, comfort, medical care. It also means

492 economic growth and enhancing national security. And affordability means focusing on the real
493 people paying the bills.

494 These principles take on new urgency as stressors like Winter Storm Fern come on top of
495 existing challenges from unprecedented load growth, aging and insufficient infrastructure, and how
496 to get and keep key generators online.

497 Growing electricity demand from AI, manufacturing, and other strategic sectors is a national
498 opportunity. It is only a crisis if we don't rise to meet it. Addressing today's issues and building for
499 the future call for innovation, expertise, legal strength, respecting the States' and different regions'
500 needs, and price accountability to the customers we serve.

501 For reliability, energy infrastructure must match America's growing power needs. That
502 means new generation, supporting our State partners, and strengthening investment signals through
503 our market regulator role. It also means more pipes and wires to get our Nation's abundant energy
504 supplies to the people and businesses that need them. The Commission must approve gas capacity,
505 remove pipeline development barriers, and streamline the certificate process. Building out the
506 electricity grid likewise requires new ways to get resources built and connected fast.

507 The Commission is focused on potential solutions like co-located arrangements, BYO
508 generation, and new methods to study large loads and the generators that serve them. Deployed
509 well, these strategies can be both consumer-forward and help meet our national imperative of speed
510 to power and winning the AI race.

511 My goal when I assess novel approaches is to encourage as much flexibility as responsibly
512 possible to harness new value adds.

513 On affordability, I think especially of recent conversations with people and business owners
514 very grateful for power during a historic storm, but also nervously waiting for the utility bills.
515 Building the power systems our people and economy depend on is necessarily expensive, but we
516 cannot neglect the customers who rely on dependable power and foot the bill.

517 So we should focus more on grid-enhancing technologies that help get the most out of
518 existing systems and make new investments smarter. We must protect customers in our
519 rate-making and related areas. And we need to pay close attention to the electricity markets.
520 Over time, well-functioning, competitive markets have delivered billions of dollars a year in customer
521 value through sharing resources across broader geographic areas, prioritizing lower-cost power, and
522 enhancing grid stability.

523 At the same time, electricity markets were not designed for the scale and speed of today's
524 large load growth. So here too we need innovative and legally strong solutions to allocate costs
525 fairly and address near-term challenges while ensuring our long-term frameworks are strong.

526 Lastly, my pre-FERC experience as an appellate litigator and State lawyer means I always focus
527 on how to send the legally durable investment signals that get steel in the ground. My mantra is
528 striking the right balance between faster processes and doing our best work so our orders stand up in
529 court. A couple examples.

530 Last fall, the Commission ended a policy that had tacked
531 months-long delay between when we issue certificates under the Natural Gas Act and when pipeline
532 construction can start.

533 We are also streamlining our processes to advance liquefied natural gas infrastructure. I am
534 optimistic that after considering all public input, the Commission will speed reviews for certain LNG
535 projects in a way that honors our statutes, strengthens America's global energy leadership, and gives
536 regulatory certainty to deliver reliable, affordable energy at home and abroad.

537 This is an exciting and sobering time. As a commissioner, I respect FERC's twin duties not to
538 go beyond the authority Congress gave us and not to hesitate in using the power we do have in a
539 time that demands decisive action.

540 Thank you for the opportunity to testify, and I look forward to our discussion.

541 [The prepared statement of Ms. See follows:]

542

543 ***** COMMITTEE INSERT *****

544

545 Mr. Latta. Well, thank you very much for your opening statement.

546 And, Commissioner Chang, you are recognized for 5 minutes for your opening statement.

547

548 **STATEMENT OF JUDY W. CHANG**

549

550 Ms. Chang. Chair Latta, Ranking Member Castor, Chair Guthrie, and Ranking
551 Member Pallone, and the members of this subcommittee, thank you so much for inviting me and my
552 fellow commissioners to testify today.

553 The country's energy sector is in the midst of a dramatic shift. After years of relatively flat
554 demand, we are witnessing rapid growth, primarily driven by data centers, which, in turn, is driving
555 major transmission investments and generation investments.

556 While integrating and serving large loads is creating new challenges and exacerbating existing
557 problems on the electric grid, it also presents an opportunity to modernize an aging system in a
558 manner that can simultaneously improve reliability and increase efficiency.

559 To date, the system build-out has contributed to high prices to customers whose utility rates
560 have already increased in recent years due to other factors. Thus, as regulators, the Commission
561 has a responsibility to guide the industry's effort toward cost-effective and durable solutions that
562 address these pressing challenges while protecting customers from adverse reliability and cost
563 impacts.

564 In assessing approaches to meet the needs of the current moment, I focus on three priorities.
565 First, it is critical that we keep consumer protection at the forefront of our decision-making.

566 Residents and small businesses across the country rely on the grid, and traditionally they are
567 the captive ratepayers who bear the cost of system expansions or upgrades to deliver the necessary
568 energy services. However, given that much of the new grid investments are driven by large loads,

569 regulators, policymakers, and other stakeholders are raising legitimate concerns regarding the fair
570 allocation of these costs among different customers.

571 Our State regulator colleagues have been at the forefront of addressing these consumer
572 protection issues, and we must also act at the Federal level to ensure that new large loads pay their
573 fair share and do not shift costs to other customers.

574 We have seen an increased trend toward requiring new loads to pay for the incremental
575 generation and transmission investments they trigger. This basic principle -- new large loads must
576 cover their costs -- should inform customer protection efforts and the Commission. And I am
577 committed to making progress on that effort.

578 Beyond cost distribution, I continue to focus on other regulatory tools that could protect
579 consumers, including increasing data transparency for transmission projects and expanding the use
580 of advanced transmission technologies, which could make better use of our infrastructure.

581 Second, the Commission, State regulators, and policymakers should prioritize addressing the
582 persistent bottlenecks that interfere with the timely construction of new electric infrastructure. Of
583 these bottlenecks, the Commission plays a particular role in addressing the pervasive uncertainty
584 faced by generators seeking to interconnect.

585 In recent years, the Commission has actively worked to get new resources online, including
586 expanding front-end processes to enable interconnection of new generation. However, these
587 efforts have been frustrated by the lack of available transmission capabilities, which create cost
588 uncertainties and financing difficulties for these projects. This constraint perpetuates the scarcity
589 condition that keeps prices high for customers and hold up our ability to serve new loads.

590 Thus, it is imperative that we address this and other bottlenecks to ensure that the system
591 can accommodate new loads and generation, which, in turn, will provide the regulatory certainty
592 needed to support economic growth.

593 Third, to the greatest extent possible, we need to advance durable solution instead of

594 temporary fixes. The pace and volume of load growth are straining our existing regulatory
595 processes. This is most visible in the PJM footprint, but it exists in various parts of the Nation.

596 The Commission and regional transmission organizations have taken initial steps to alleviate
597 some of the pressure on market rules and interconnection processes with some success.

598 While some of these short-term fixes respond to the immediate needs, I am concerned that
599 we will not meet the longer-term challenges of this moment with only a series of temporary
600 emergency fixes.

601 Fortunately, we see great innovation coming from various regions of the country, including
602 some filings that have already been approved by the Commission. These solutions are tailored to
603 the industry's needs over the long term and developed through robust stakeholder processes.

604 The Commission also has acted, including the PJM, what we call the co-location proceeding,
605 to initiate reforms where we see long-term solutions for a problem we face.

606 Going forward, I am optimistic that the Commission, working collaboratively with States and
607 stakeholders, will implement durable reforms that responsibly adapt to the dynamics of the
608 marketplace.

609 It remains my great privilege to serve on this Commission, and I reiterate my commitment to
610 serving the best interests of the American people. Thank you for the opportunity to testify, and I
611 am happy to answer any questions. Thank you.

612 [The prepared statement of Ms. Chang follows:]

613

614 ***** COMMITTEE INSERT *****

615

616 Mr. Latta. Well, thank you for your opening statement.

617 And, Commissioner LaCerte, you are recognized for 5 minutes for your statement.

618

619 **STATEMENT OF DAVID A. LACERTE**

620

621 Mr. LaCerte. Chairman Latta, Ranking Member Castor, and members of the subcommittee,
622 thank you for the privilege of appearing in my first hearing as a commissioner on the Federal Energy
623 Regulatory Commission.

624 It is my honor to serve the American people by implementing FERC's statutory mandate to
625 ensure just and reasonable rates for reliable electricity, site natural gas pipeline infrastructure and
626 LNG facilities, and license non-Federal hydropower facilities.

627 Since this is my first time here as a commissioner, I would like to share some of who I am so
628 you can better understand my guiding principles while I am at FERC.

629 I was born and raised in south Louisiana, along Bayou Terrebonne. My father worked
630 offshore in oil and gas exploration and production, and my mom worked as a secretary at a pipe yard.

631 I know firsthand impacts of the decisions here in the legislative branch, the decisions at FERC,
632 and the executive branch, and what they have on the Americans in their daily lives.

633 I grew up in the outdoors, hunting and fishing in our wetlands and inlands. I know these
634 resources are a gift and that we are charged with protecting and conserving our wildlife and the
635 environment for our children and for future generations to come.

636 I have spent most of my professional life in public service. I answered the Nation's call when
637 I volunteered to serve in the Marine Corps infantry, serving the invasion and occupation of
638 Afghanistan.

639 I served as a State cabinet secretary in my home State of Louisiana. I have held leadership

640 roles in small and large Federal agencies, including with the U.S. Chemical Safety Board, leading
641 outgoing transition at OPM from Trump to Biden and then once again incoming transition from Biden
642 to Trump.

643 My experience in a private practice in Houston in one of our Nation's oldest law firms placed
644 me in many of the production and transmission facilities that are impacted by our decisions at FERC
645 and here on the Hill. I have spent many sunrises and sunsets at refineries, plants, and transmission
646 facilities which power American homes, businesses, and lives. I have worked with industry and
647 special interests groups on both sides of the aisle to make our Nation a better place to live, to work,
648 and to raise a family.

649 Our American energy workers have never failed to inspire me to be a better advocate and
650 partner for better outcomes, and it has been a pleasure to work alongside them and be their trusted
651 counsel.

652 And now, in our first 90 days at FERC, my fellow commissioners and I have approved over 200
653 orders, ranging from tariff changes related to various RTOs and utilities, siting natural gas and
654 non-Federal hydropower infrastructure, and enforcement actions.

655 For example, we have already voted to approve 12 major infrastructure projects, bringing
656 more than 3.3 million dekatherms per day of natural gas transportation capacity to power
657 generators, residential consumers, and industrial customers.

658 To put that number in perspective, that is roughly enough natural gas to meet the electrical
659 demand of 10 to 14 million average American homes. To give further perspective, this is two to
660 three times this household population of the State of Ohio, all in the first 90 days.

661 As today is my first appearance in front of the House of Representatives, I would like to
662 present you my priorities as commissioner. These priorities include ensuring a reliable grid at
663 affordable rates, setting up America to win the artificial intelligence race, and ensuring our
664 permitting decisions are completed swiftly and that they are legally defensible.

665 For more detail on my priorities, please see my written testimony that I provided before the
666 hearing.

667 I look forward to answering your questions in this important moment for America and for the
668 energy sector. Thank you.

669 [The prepared statement of Mr. LaCerte follows:]

670

671 ***** COMMITTEE INSERT *****

672

673 Mr. Latta. Well, thank you very much. I appreciate it, and thank you too for your service
674 for our country.

675 This will conclude our witnesses' opening statements, and we now move into our question
676 and answer portion from our members, and I will begin.

677 This is probably going to be the easiest question that you are going to have to answer from
678 anyone. Ask everybody the same question.

679 Do we have to have more or less energy produced in this country? Commissioner Chang?

680 Ms. Chang. More.

681 Ms. See. More.

682 Ms. Swett. More.

683 Mr. Rosner. More.

684 Mr. LaCerte. More.

685 Mr. Latta. Well, thank you very much.

686 Chairwoman, if I could start, something you mentioned in your statement as you were
687 presenting about having reliable and affordable energy in this country. And one of the things that
688 you brought up and you mentioned was to attain regulatory certainty. And one of the things, when
689 I am out across my district or talking to people across this country, the word "certainty" always
690 comes up.

691 How do you attain that regulatory certainty so, not only do the agencies know what they are
692 doing, but really the people that have to implement them out there in the companies, so they have
693 that certainty so they can go forward? Since we have to have more energy out there, how do we
694 do that?

695 Ms. Swett. Thank you for the question. That certainty is core to everything that we are
696 doing, and it is something I thought about before even having the honor of assuming this position.

697 And it is an answer on every level of what FERC does.

698 We are taking a hard, holistic look at the open items at FERC, first of all. I shut down quite a
699 few lingering dockets in my first meeting with the help of my colleagues here. That is one way to
700 eliminate uncertainty that has come from past administrations.

701 Another way is to end the flip-flopping of FERC's regulatory paradigm and the uncertainty that
702 is created by increasing regulation that has built up over the years that far exceeds what FERC's
703 mission is under the law.

704 So with that in mind, the entire agency now is looking at ways that we can clean up our
705 regulations to provide more clarity to the people who we want to invest millions and billions of
706 dollars into our power grid, into our pipelines.

707 And probably the best example of that now is our looking to expand our very successful
708 blanket program over natural gas pipelines to see if there are certain actions that we can take to
709 make it much easier for our LNG facilities, for our hydropower projects, and for our pipelines to make
710 the changes that they need without consuming a lot of resources at FERC and in external litigation.
711 And we are taking a hard look now at very meaningful comments filed by the industry to see what we
712 can do to provide more certainty in that way.

713 Mr. Latta. Well, thank you very much.

714 Commissioner Rosner, you mentioned in your statement about moving along with 97 permits
715 faster, safely. What is going on out there? Why is it all of a sudden you can do things -- I think
716 from what the chair was just mentioning -- but all of a sudden now, because we have always heard
717 about roadblocks that have been put in place that couldn't move forward. What has happened?

718 Mr. Rosner. Thank you for the question, Chairman. You know, I will say a couple things.
719 First of all, I am a huge believer in bipartisanship and consensus-driven decision-making. And my
720 commissioners and I, you know, I think we have been really executing on that and -- first of all, all of
721 our permit decisions, since I have been there, have been bipartisan and unanimous.

722 And so you asked about predictability. You know, bipartisan, unanimous decisions doesn't
723 give anybody, you know, legal toeholds, things to ask a judge about. It really makes the answer
724 better.

725 You know, the other thing I would say on the speed is we have been doing the NEPA reviews
726 consistent with the Fiscal Responsibility Act, 1 year for a shorter environmental assessment, 2 years
727 for the environmental impact statement. We have been following that and, in fact, beating it in
728 many cases.

729 And then what we have been doing is --

730 Mr. Latta. Can I ask you, you said you have been beating that, and I only got about 42
731 seconds left, but how is it all of a sudden you are able to beat that and move things along?

732 Mr. Rosner. Again, I think, you know, the staff is looking for clear consensus from the
733 Commission. The Commission is looking at -- you know, I am looking at the statutes that Congress
734 has entrusted us with and we are giving clear direction to staff.

735 We have had a lot of legal back-and-forth over the last decade, but the courts have given us
736 some information about how to proceed on NEPA reviews where we are following the statute, we
737 are looking at direct impacts.

738 And then, we save time by telling staff, start writing the order while you are writing the
739 environmental document. And, you know, if there are comments in the record, we will make
740 changes, but, you know, it is not rocket science.

741 You know, if you have consensus and the Commission finds these projects in the public
742 interest and agrees on it, that is how we move it forward.

743 Mr. Latta. Well, thank you very much. My time is expired, and I have about five more
744 pages of questions that I will submit.

745 The chair recognizes the ranking member of the subcommittee, the gentlelady from Florida,
746 for 5 minutes for questions.

747 Ms. Castor. Thank you, Mr. Chairman, and thanks again for your testimony. It is good to
748 hear you talk about affordability now, because it is obviously getting to you all, even though you are
749 kind of a step away from elected officials. But it is good to hear that you understand that people
750 are really undergoing a squeeze right now.

751 Commissioner Chang, last July, FERC approved MISO's short-term, one-time ERAS proposal to
752 allow expedited generation interconnection planning.

753 You talk about the bottlenecks. I think one of the ways that we could lower prices and
754 ensure reliability is to speed all of the resources that are just waiting in these bottlenecks onto the
755 grid.

756 In your concurrence, you noted the importance of guardrails to ensure projects are needed,
757 supported by State entities, and sufficiently commercially viable to actually be constructed. Can
758 you elaborate on the importance of the interconnection queue reforms required by FERC Order
759 2023?

760 Ms. Chang. Thank you very much, Ranking Member, and thank you for that question.

761 It is absolutely right, it is critical that FERC has been working with its stakeholders to create all
762 the reforms necessary in the interconnection process. And this is multiple years' worth of work,
763 making sure that we advance resources that are what we call first ready, first served, and we have
764 articulated in the Order 2023, which accelerates the process and streamlines -- or tries to streamline
765 the process of interconnecting generators.

766 And in that, we have also asked to use the cluster studies and increase the payment up front
767 to make sure that the resources that are well prepared and ready to go, to be able to interconnect to
768 the system.

769 Ms. Castor. And you are seeing progress?

770 Ms. Chang. We have, in the midst of implementation and definitely have seen progress, and
771 that is what I consider as long-term solutions. You know, we have made the progress and make the

772 necessary changes and reforms in the process.

773 But no matter how fast we can study the projects, the generation interconnection process,
774 one of the bottlenecks I talked about in my opening statement is the transmission system. So if the
775 transmission system is not ready or if it is inadequate for interconnecting the generation and the
776 load, that becomes the bottleneck.

777 So I think it is time for the industry to turn its attention to make sure that we have a system
778 that is ready for connecting both the large loads and the generators that is necessary to serve the
779 load.

780 Ms. Castor. This isn't your testimony, but this is my editorial comment. Then it makes no
781 sense in the world for the administration to be sabotaging grid modernization across the country,
782 withholding grants and loans and things like that.

783 Commissioner Rosner, you have also been focused on efficiencies. You have encouraged
784 grid operators to deploy automation and AI tools to accelerate interconnection. Can you elaborate
785 on this, and what can the Congress do to help?

786 Mr. Rosner. Thanks for the question, Congresswoman. So I am very passionate about this
787 topic. So, interconnection, to do it safely, we do this study -- or the grid operator does the study to
788 make sure these electrons -- they don't really follow regular rules. They follow these physical rules.
789 We got to make sure they are going in the right place so a power plant can connect safely and not
790 cause problems.

791 The old way of doing that is, it was basically by hand. You know, it is an engineer, and they
792 are running a model.

793 About a year ago, one of our regions, MISO, in the Midwest, adopted this new software,
794 written by a company, who, as far as I know, it was a Ph.D. student from Pittsburgh that came up
795 with this idea, what if these power flow studies could be faster. And so they adopted that. It is all
796 open and transparent on MISO's Interconnection Working Group website, for all the geeks probably

797 sitting behind me who want to check it out.

798 But the details are complex, but the results are simple. What used to take MISO 686 days to
799 process one of these clusters of all the requests of new generators to connect to the system, the new
800 way, less than 10 days.

801 And they have done extensive public benchmarking. The results are accurate, you know.
802 It is within, you know, 0.01 percent or so when you look across the cluster. And I just think it is
803 great. It is --

804 Ms. Castor. And Congress should do more to make sure that all RTOs and all planners have
805 these tools?

806 Mr. Rosner. You know, I think I would say very respectfully, anything Congress can do to
807 help industry move faster would be appreciated, because we need electrons right now. And if this
808 is something the Congress thinks is important, then, you know, I would be excited to implement it.

809 I also would -- you know, when I talk -- I go and meet all the boards and the CEOs of the grid
810 operators and tell them about this. Why don't you adopt this? You don't need a FERC, you know,
811 6-year rulemaking to do it. You could do it right now.

812 Ms. Castor. Thank you very much. I yield back.

813 Mr. Rosner. Thank you.

814 Mr. Latta. Thank you very much. The gentlelady yields back.

815 The chair now recognizes the gentleman from Kentucky, the chair of the full committee, for 5
816 minutes for questions.

817 The Chair. Thank you very much. I am going to try to get each of you into a question, so I
818 will try to go quick.

819 So, Chairman Swett, the tech industry wants power connections to the grid and they want it
820 fast. Do you think FERC and its stakeholders can provide timely solutions to help meet this
821 demand?

822 Ms. Swett. Absolutely. Thank you for the question. That is my number one priority to
823 ensure that we can provide what the data centers need to connect so that we can protect American
824 data.

825 The Chair. Yeah. What is the best thing -- I know we got just a few minutes -- like the
826 single thing you think would be the biggest impact?

827 Ms. Swett. Within FERC's jurisdiction, we can do everything in our power to make the
828 markets and the transmission owners have clear rules for large loads and potentially associative
829 generation to connect to the grid as quickly as possible.

830 The Chair. Okay. Thank you, and I will move on.

831 So, Mr. LaCerte and Mr. Rosner -- I will let Mr. LaCerte go first since you haven't answered a
832 question yet, and I know we are early in this anyway -- but the administration has requested that
833 FERC connect -- take large loads and address affordability -- or to connect large loads and address
834 affordability.

835 Are there innovative solutions or approaches you are thinking about that will ensure both in
836 this very dynamic environment? Large loads and affordability, what are you thinking about?

837 Mr. LaCerte. Absolutely. I think this is a matter that is pending before us, but I can speak
838 generally about my core principles. I think that we need to provide as much as we can in flexibility
839 to the States, to the RTOs, and to the generators and to the loads themselves so that we can come up
840 with innovative solutions that work for them.

841 And I think that you can see a step in that direction with our December PJM order, which
842 allowed co-location. We gave some flexibilities, but we made sure there were some consumer
843 protection safeguards within there.

844 We want to give these powers, but with these new flexibilities, comes great responsibility,
845 from the generators, from the loads themselves, from the RTOs.

846 And I think the President bringing the people together with a bipartisan panel of governors

847 over the past couple of weeks is a step in the right direction. I think more people at the table, that
848 we can separate our differences and focus on what we agree on, I think that is going to move the
849 needle.

850 And also acknowledging that every region is different. Every region has a different balance
851 of power. They have a different generation mix. And acknowledging that, and dealing with the
852 delicacies of State rights is going to be paramount. We look forward to dealing with this in the early
853 part of year.

854 The Chair. Okay. So, Mr. Rosner, just kind of a brief answer on -- that was a good answer,
855 but I want to get to another -- just to kind of follow up on that or --

856 Mr. Rosner. Yeah, thank you, Chairman. So first of all, agree with the colleagues here. I
857 mean, I think a lot of our work has been focused on putting all the options on the table and making
858 them legal so that industry has choices. And what that has meant, the new innovation here at a
859 very high level, has been, what are ways to get new generation paired with new loads on the grid
860 faster.

861 And so we made co-location, which is, you know, when you plug a power plant right into a
862 data center, there is fewer transmission wires and substations and all the other things that take a
863 long time and a lot of money to build. And that kind of arrangement can minimize the impact on
864 regular homeowners. They are just not on the grid, so they don't charge people.

865 RPTR HNATT

866 EDTR ZAMORA

867 [11:16 a.m.]

868 The Chair. Thanks. I am probably going to have to get to my next part, so I appreciate
869 that.

870 So, Ms. See and Ms. Chang, so Mr. LaCerte talked about States and States' rights. So Ms.
871 See first and then Ms. Chang. Would each of you talk about the experience and expertise States
872 bring to the table to ensure power systems meet demand and provide affordable, reliable power?
873 So the role of the States in this.

874 Ms. See. Thank you, Congressman. I love that question. As a former State lawyer, I think
875 it is critical to remember the important and complementary roles that the States play. They bring a
876 lot of expertise into their region. They understand what is necessary to respond to the particular
877 dynamics in their States. They have frontline responsibility for resource adequacy, for determining
878 the composition of the power generators within their region. We have great respect for what they
879 do.

880 And I think it is important we are doing our role to make sure that we are respecting that, that
881 we are working cooperatively with the States, that we are a forum to bring them together to discuss
882 best practices. Their role is so important, and we cannot do our role well without being strong
883 partners with our State partners.

884 The Chair. Thank you. Ms. Chang?

885 Ms. Chang. Thank you for that question. Yes, as a former energy policy person at the State
886 level, I completely concur. The States play a significant role, and this is the moment we absolutely
887 at the Commission have to work with our State counterparts to meet the challenge of the day.

888 The States bring a lot of -- the States are already at the forefront of solving some of these
889 problems. They are already leading the efforts in making sure that the utility bills are affordable for

890 consumers. And they are also dealing -- many of the States are already dealing with
891 interconnecting large loads and the processes associated with that.

892 So I think it is time, again, that we collaborate with our State partners in solving the problem.
893 Thank you.

894 The Chair. Thank you. I don't have enough time for another question, so I will yield back 5
895 seconds.

896 Mr. Latta. Well, thank you very much, Mr. Chairman.

897 And the chair now recognizes the gentleman from New Jersey, the ranking member of the full
898 committee, for 5 minutes of questions.

899 And, also, the members have probably heard the bells have gone off, and so the first vote of
900 the day is occurring. If I could just say real briefly what we are going to do, we are going to take a
901 brief recess after the gentleman asks his questions, and we will reconvene 10 minutes after the
902 second vote is called.

903 So the gentleman from New Jersey is recognized.

904 Mr. Pallone. Thank you, Chairman.

905 FERC currently has a proposal before it that would create Federal rules of the road for data
906 centers or any other large concentrated sources of electricity demand wanting to connect to the
907 power grid.

908 Back in December, Ranking Member Castor and I wrote to the Commission demanding that,
909 as you develop a framework to allow data centers to hook up to the grid, that you ensure that they
910 do not unfairly impose costs upon American families and small businesses.

911 So I just wanted to ask each of you, just yes or no, if you will, will you commit to prioritizing
912 energy affordability in all your decisions this year? And I will start with the chairwoman.

913 Ms. Swett. Yes, sir.

914 Mr. Pallone. Thank you. Commissioner Rosner?

915 Mr. Rosner. Yes.

916 Mr. Pallone. Commissioner See.

917 Ms. See. Yes.

918 Mr. Pallone. Commissioner Chang.

919 Ms. Chang. Yes.

920 Mr. Pallone. And Commissioner LaCerte.

921 Mr. LaCerte. Absolutely.

922 Mr. Pallone. Thank you. Obviously, I am going to be watching and holding you to the
923 standard.

924 Commissioner Rosner, let me ask you a question. At the start of the year, you laid out a
925 number of your 2026 priorities, including accelerating generator interconnection via new
926 technologies, implementing regional transmission planning reforms, and improving load forecasting.
927 So my question is, can you explain briefly how these priorities will help keep electricity affordable
928 and reliable, if you will?

929 Mr. Rosner. Thank you, Ranking Member Pallone. So it is really simple. In many of the
930 parts of the country, we have a scarce-need supply, and that is showing up as high prices. And what
931 we need to do to lower those prices is we need to build. And as we are doing that -- we have had a
932 number of tech companies come and testify back at FERC's hearing room, and they have said we
933 would like to go fast and we would like to pay for it. And so my view is we should let them.

934 And at the same time, you know, while many of the permitting decisions on where to build
935 and the permits for the power plants are State decisions, what we can do at FERC is make sure our
936 processes under the Federal Power Act go as fast as possible. And so that means, when we are
937 looking at safely connecting new generation to the grid, let's use automation and AI to actually speed
938 that up and help get those power plants studied and connected faster. Let's make sure we are
939 planning for the right transmission system so you can connect new generation to the grid.

940 Just this past year, we got some results back from a fast track of a new natural gas plant in
941 PJM that got an upgrade cost of over a billion dollars to connect that plant to the grid in PJM. And
942 what that cost was really all about was a lack of transmission. It was like over 100 miles of 345,000
943 volt transmission lines that were needed to get a natural gas plant on the grid.

944 And it wasn't just gas. It was batteries too. It was all sorts of dispatchable generation that,
945 while not all of them got billion dollar costs, they have got many, many, over a hundred million
946 dollars. And what that says to me is the grid is really congested. We need to invest in the grid.

947 The other place where I think there is a huge opportunity is on the low forecasting side
948 where -- I don't say that as a skeptic. I think in some cases our forecast might be too low. But
949 what we need to do to unlock action is make sure that people believe in the forecast so that we can
950 start planning. And so anything, either a point too high, too low, if we get the forecast better, that
951 is going to unlock new investments.

952 And so, for me, you know, I am really committed to work with colleagues here to use the
953 authorities that Congress has entrusted the Commission through the Federal Power Act to make sure
954 we are doing everything we can to get new generation connected to the grid, that we are working
955 with our State partners to make sure that the costs go to the right people.

956 Thank you for the question.

957 Mr. Pallone. I guess I -- thank you. I guess I have a minute. Let me ask Commissioner
958 Chang, whatever time is left. You mentioned in your opening statement the importance of making
959 sure we are creating long-term solutions rather than ad hoc fixes. Can you just talk briefly about
960 the importance of addressing issues like interconnection timelines in a way that works for everyone
961 and not just a small subset of generation resources or types of customers? I only got 45 seconds,
962 so --

963 Ms. Chang. Yes. I think that is fine. The fundamental principle of FERC's work is
964 nondiscriminatory access to the transmission system. So I think, you know, with all of the work we

965 are doing on the interconnection processes and improvements and that, and the regional
966 transmission planning process, we uphold that principle, and that means it is open access for all
967 resources to participate in the wholesale market. Thank you.

968 Mr. Pallone. Thank you. I don't want to hold up Chairman Latta's attendance record. I
969 have heard about your attendance record. I yield back, Mr. Chairman.

970 Mr. Latta. The gentleman yields back.

971 And as mentioned by the chair, we will take a brief recess, and we will reconvene 10 minutes
972 after the last vote is called.

973 [Recess.]

974 RPTR HNATT

975 EDTR ZAMORA

976 [11:56 a.m.]

977 Mr. Latta. Well, good morning again. The subcommittee will come back to order.

978 And at this time I am going to recognize the vice chair of the subcommittee, the gentleman
979 from Texas, for 5 minutes for questions.

980 [Pause.]

981 Mr. Latta. Thank you very much. The chair now recognizes the gentleman from Texas, the
982 vice chair of the subcommittee, for 5 minutes for questions.

983 Mr. Weber. Thank you, Mr. Chairman.

984 Commissioner See, I am going to come to you. I was pleased to see your September
985 statement calling for the need to modernize the review process of LNG facilities, in which I have
986 three in my district, under the Commission section 3 authorities. In my opinion, case-specific
987 authorizations for routine adjustments to existing facilities is kind of unnecessary and probably could
988 be improved.

989 The Commission recently issued a notice of inquiry on authorizations for certain activities at
990 liquefied natural gas plants. Did I mention I have three of those in my district?

991 And anyway, when does the -- my question is, when does the Commission anticipate issuing a
992 notice of proposed rulemaking for a blanket Natural Gas Act section 3 authorization program, and
993 how could something similar to a blanket certification process for these facilities benefit our
994 ability -- yes, ability -- to permit energy and structure in the timely manner going forward? Your
995 thoughts.

996 Ms. See. Thank you, Congressman. Those concerns are one of the reasons that I was really
997 proud to be able to champion that effort, and I am very grateful for my colleagues for their hard work
998 for us to be able to move that effort forward.

999 It is important for us, of course, to do this procedurally appropriate way, to get all public
1000 input, so we have done that at the first stage. Right now, our staff is hard at work analyzing it so
1001 that we can move forward as expeditiously as we can.

1002 My focus here, as it is in all things, is to get that balance right between speed when we need
1003 changes quickly and making sure we are doing it in a legally durable way. So I am doing everything I
1004 can as a commissioner, and working with wonderful colleagues to move that quickly.

1005 To your broader point of how important this is to our infrastructure needs, I think when it
1006 comes to LNG exporting facilities, there is a really important role for us to play in speeding up that
1007 needed infrastructure.

1008 Supply of natural gas is not the problem for our country. The concern is lack of
1009 infrastructure. So when it comes to domestic natural gas pipelines and exporting infrastructure,
1010 that is a both and in my view. We can and should do both of those. We should do them faster.
1011 And it is a really important and, because when it comes to being able to meet our commitments to
1012 our allies, when it comes to exporting LNG, that is critical for our national economy and for national
1013 security.

1014 So I am personally committed, and I know that my colleagues are also working very hard on
1015 this issue, and I am really encouraged at the progress we are making internally.

1016 Mr. Weber. Well, I appreciate that. I was waiting to hear something about how this
1017 helped our allies. If not, I was going to ask you that question. So thank you.

1018 Commissioner Rosner, I am going to come to you. Over the last several years, we have seen
1019 duplicative efforts between FERC and PHMSA regarding LNG safety standards. It is my
1020 understanding that PHMSA is working to develop these standards, and I believe that they are the
1021 rightful regulator for these standards.

1022 How can FERC work with other agencies to remove some of these duplicative efforts that
1023 ultimately just wind up slowing down the development of infrastructure? Your thoughts.

1024 Mr. Rosner. Well, thank you, Vice Chair Weber, for the question.

1025 I am aware that PHMSA is working on an updated set of safety regulations and that they hope
1026 to publish it, I believe, this year.

1027 And, again, my philosophy is, you know, we have got to make sure things are safe. And so,
1028 you know, on a bipartisan basis we have been ensuring that that happens at FERC. And my
1029 understanding, again, is PHMSA is working on the updated regulation and, you know, I think as a lead
1030 agency for safety under the statute, my hope is that they can lead us in that area.

1031 Mr. Weber. Any thoughts on other agencies that we could have the same process with to
1032 keep from duplicativeness? Is that a word?

1033 Mr. Rosner. You know, I think -- when I think about doing the work of the Commission, our
1034 piece of that work generally is narrow on some projects. So, look, for example -- I know you asked
1035 about LNG, but hydropower, for example. We recently approved a pump storage project at our
1036 meeting this winter, and it took about 7 years from application to permit, but the FERC process took
1037 about 2 years to do the environmental document. That is what the statute tells us to do.

1038 The other pieces of that, Clean Water Act took the State 3 years. The National Historic
1039 Preservation Act took 6 years of consultation. And for me, I don't want to say that those aren't
1040 important parts, I think they are very important, those other responsibilities that other agencies have
1041 under Clean Water Act and national hydropower act, but, you know, as a person working on FERC
1042 who is -- I am very focused on every electron, every molecule we can get our hands on -- when we
1043 have processes that go out 3, 4, 5, 6, or even more years, you know, I wonder sometimes whether
1044 that is really prioritizing that process.

1045 You know, put differently, under Federal Power Act, we make decisions in 60 days, and we do
1046 it very carefully, and we respect the statute, and, you know, sometimes deadlines --

1047 Mr. Weber. Thank you. My time is up. And I would add that it doesn't prioritize
1048 Americans as well.

1049 I yield back.

1050 Mr. Latta. Well, thank you very much. The gentleman's time has expired.

1051 The chair now recognizes the gentleman from California's 50th District for 5 minutes for
1052 questions.

1053 Mr. Peters. Thank you, Mr. Chairman.

1054 I want to thank all of you for the work you do, and I am sure you sense how this has become
1055 really sort of in the center of a lot of conversations that are really important. And what you are
1056 doing is really critical.

1057 Mr. Chairman, I want to start by asking unanimous consent to add to the record an article
1058 called "Can Expanding Transmission Reduce Electricity Costs?", by Travis Fisher of the Cato Institute
1059 and Nick Loris of the Conservative Coalition for Climate Solutions.

1060 Mr. Latta. Without objection, so ordered.

1061 [The information follows:]

1062

1063 ***** COMMITTEE INSERT *****

1064

1065 Mr. Peters. So one of the things we talk about a lot here is interregional transmission where
1066 we are just kind of stuck here. And I think one of the issues that my Republican colleagues often
1067 raise is that they think that the costs can't be allocated fairly.

1068 Recently, my colleagues wrote a letter opposing some planned transmission lines in the
1069 Midwest on the basis that costs were not reasonable, and they wrote, quote, The Energy Permitting
1070 Reform Act of 2024 contains provisions to standardize the definition of transmission benefits for cost
1071 allocation. Under that bill, only widely agreed-upon benefits would count toward cost sharing, and
1072 contentious items, like State-specific climate policy benefits, would not be included.

1073 I agree with that. I would like to get to that point.

1074 Mr. Rosner, you have been around here for a little while. How do we get to that point
1075 where cost allocation that happens routinely within regions can happen with the same way, the same
1076 confidence as interregional high-voltage transmission can?

1077 Mr. Rosner. Congressman Peters, thank you for the question.

1078 I will say a couple things. First of all, one of the ways that we worked on transmission cost
1079 allocation under Order 1920-A and B was to give the State regulators a much bigger voice from the
1080 beginning of the process. So they get to see the model runs, they get to set the scenarios, they get
1081 to decide what their region should consider. And that, I think, is very important to getting more
1082 consensus. And we are seeing that process unfold in a really positive way. In the PJM region, in
1083 the Mid-Atlantic part --

1084 Mr. Peters. I am talking about interregional transmission. I understand. So I want to
1085 take that consensus that you developed and figure out a way to get that to work across regions.

1086 Mr. Rosner. Exactly. And we are -- I agree with you. Where I think you could apply that
1087 same model is to interregional. And I think we see really big benefits from interregional. NERC, at
1088 Congress' direction, did a study. They identified 35 gigawatts of transfer capability for reliability.

1089 And there was a separate study that identified the cost of inaction on interregional at \$12 billion a
1090 year.

1091 Mr. Peters. I think I understand that. So is this something that Congress needs to lay out?
1092 Do we need to lay out criteria for you, or is this something FERC could identify?

1093 Mr. Rosner. What I would say is this, is FERC has spent a lot of time on regional
1094 transmission. We have not spent nearly as much time on interregional. And so I think if this is a
1095 priority for Congress, I would welcome your direction. And that is my answer.

1096 Mr. Peters. I think it is a priority for Congress, so that is my request.

1097 I don't believe that there is a dispute about the importance of getting this right. I think
1098 there is a dispute about how to get it right. So if FERC could help us with that, I think it would be
1099 greatly appreciated.

1100 Mr. Rosner. Be delighted to assist in any way I can.

1101 Mr. Peters. Let me ask you another question. We have this concept of national interest
1102 quarters where the Department of Energy is supposed to lay out the map for where interregional
1103 transmission is supposed to go. It never produced any lines. We provided backstop authority. I
1104 helped write what Senator Manchin added. They never produced any lines. I think it is time to do
1105 something different, and I wonder whether that is an authority you think that FERC should hold
1106 rather than Department of Energy.

1107 Mr. Rosner. I think, at best, the existing process by statute would take --

1108 Mr. Peters. It is terrible.

1109 Mr. Rosner. -- about 8 years.

1110 Mr. Peters. It is terrible.

1111 Mr. Rosner. And that doesn't sound like it is meeting the moment, to me. And so I think if
1112 Congress wanted to give FERC more tools to do siting more efficiently, while maintaining the very
1113 important role that States play, you know, I think that that could be something that I would be

1114 delighted to provide input on.

1115 Mr. Peters. Let me pick on Commissioner See. Is this something where you can see maybe
1116 a different -- rather than the government drawing a bunch of proposed lines for interregional
1117 transmission, maybe something where we could let the market define that, let those be the national
1118 quarters of interest, and let FERC permit them without worrying about the Department of Energy,
1119 would that be a better system?

1120 Ms. See. I think it is certainly -- when it comes to interregional transmission, I am more
1121 focused on cooperation as opposed to mandates. I think we have seen a lot of good results in
1122 recent winter storms, even some the past couple of weeks, of neighboring regions helping other
1123 regions. So I do think that there is room for that sort of cooperation so that we can see some of
1124 those --

1125 Mr. Peters. What about the involvement of the Department of Energy, is that necessary, or
1126 is this something FERC could handle?

1127 Ms. See. Congressman, I would defer to Congress when it comes to the assignment of
1128 responsibilities to DOE and to FERC.

1129 Mr. Peters. All right. Well, I appreciate your -- we have some more questions for the
1130 record, but we will submit those in writing. Thanks, again, for being here.

1131 Mr. Latta. Thank you very much. The gentleman's time has expired and he yields back.
1132 The chair now recognizes the gentleman from Alabama's Sixth District for -- okay. I am
1133 sorry. The gentleman from Georgia's 12th District.

1134 Mr. Allen. Thank you, Chair Latta, for holding this hearing with the Federal Energy
1135 Regulatory Commission, and thank you for your testimony today.

1136 Ensuring reliable and affordable energy is critical to the mission of the Federal Energy
1137 Regulatory Commission. I am glad to have this opportunity to discuss how this impacts my home
1138 State of Georgia.

1139 Commissioner LaCerte, the State of Georgia is accomplishing what many areas of the country
1140 seem to be struggling with. We are moving with speed to power data centers, hyperscalers, and
1141 advanced manufacturing, while also balancing affordability for all customers. This is just not talk.
1142 We have the results to prove it.

1143 For example, after announcing a 3-year freeze to base rates, Georgia Power recently received
1144 approval from State regulators to move forward with 10,000 megawatts of generation to keep up
1145 with Georgia's rapid growth.

1146 It is because of this very growth that customers will experience rate stability for years to
1147 come. Georgia Power committing to customer savings of at least \$102 for the average retail
1148 customer beginning in 2029 after the rate freeze.

1149 I believe that Georgia's vertically integrated market structure is a big part of this success
1150 story, and other States want to keep delivering on our shared goals of speed to power and
1151 affordability. I also know that your Commission is working on several rules that are designed to
1152 address many of these issues in other parts of the country.

1153 Commissioner LaCerte, do you think it is possible for other parts of the country to benefit
1154 from the example and success that we are seeing in the Southeast?

1155 Mr. LaCerte. Thank you, Congressman. I want to thank you for that question.

1156 I know Georgia is certainly an outlier in excellence, and it starts from the outstanding public
1157 service commission, public utilities commission that you have there. You have got a lot of great
1158 public servants there that has moved the needle in so many different ways. The rest of the country
1159 could certainly learn from the State of Georgia, especially on the interconnection efforts that they
1160 have undertaken.

1161 I know -- they certainly had a past former NARUC president there, Commissioner Pridemore,
1162 that certainly has moved the needle. I think, like the great American poet Toby Keith has said, we
1163 need a little less talk and a lot more action, I think the State of Georgia has definitely taken that

1164 mantle.

1165 Mr. Allen. Thank you.

1166 Chairman Swett and Commissioner Rosner, FERC maintains permitting authority for interstate
1167 natural gas pipelines but has very limited and targeted role in permitting interstate transmission
1168 lines. Some policymakers and advocates have called for permitting parity between how pipelines
1169 and transmission lines are treated. However, this parity argument fails to consider the
1170 fundamental differences between the bulk power system and the interstate natural gas pipeline
1171 network.

1172 Chairman Swett and Commissioner Rosner, can you talk about the nuances between pipelines
1173 and electric transmission systems in terms of resources, planning, engineering, and cost allocation
1174 considerations, and how might a State's visibility into their own electric infrastructure better inform
1175 State permitting authority compared to Federal takeover?

1176 Ms. Swett. Thank you for the question, sir. Well, the bulk electric system is probably the
1177 most complex machine that humans have ever built. And by that nature, it is incredibly different
1178 from the pipeline system, which is the common carriage system.

1179 When it comes to permitting large interstate transmission projects, there are considerations
1180 of States who, very respectfully, have choices over the resource mix that they allow or do not allow
1181 to be built in their States. For example, many States prohibit the production of coal plants.
1182 Others allow it. Those types of choices will very much change the cost of electricity in those States.
1183 And when you have an interregional transmission line, the cost of electricity is then mathematically
1184 spread across people with very different political and environmental views.

1185 When it comes to a pipeline in comparison, from the wellhead to the LNG export terminal, or
1186 wherever the pipeline is going, the interests are shared among the pipelines and the shippers. All
1187 of them are trying to get gas out of the ground and moved pursuant to FERC's mission to ensure
1188 plentiful supply of natural gas at reasonable prices. And so the interests are much more aligned

1189 when it comes to the pipeline system versus the electric system.

1190 Mr. Allen. Commissioner Rosner, you have got 13 seconds to --

1191 Mr. Rosner. I will be very brief and very fast. I think we need to do both quickly. And so,
1192 you know, I know Congress has given FERC some responsibilities on the natural gas side, given them
1193 a separate set of authority on a backstop basis on the transmission side. My perspective is we
1194 really need electrons, we need molecules too, and we need a natural gas grid and a power grid that
1195 are both ready to accept those. And so defer to Congress for how best to do that.

1196 Thank you.

1197 Mr. Allen. Thank you. And, Mr. Chairman, I yield back.

1198 Mr. Latta. Thank you. The gentleman's time has expired.

1199 And the chair now recognizes the gentleman from New Jersey's Eighth District for 5 minutes
1200 for questions.

1201 Mr. Menendez. Thank you, Chairman.

1202 Over the past year, this committee has talked a lot about the rapid deployment of AI data
1203 centers and their impact on our constituents' energy bills. In New Jersey, my constituents saw their
1204 energy bills increase by 15 percent. Without meaningful policy and oversight of industry and grid
1205 managers, this issue will only get worse.

1206 In December, FERC announced the development of a rule that focuses on co-locating power
1207 generation in the PJM region. This rule found that PJM's tariff that governs co-location of
1208 generation with loads was, quote, unjust and unreasonable because it lacked clarity on rates and
1209 conditions that would apply to co-location agreements.

1210 Commissioner Rosner, just a top-level overview for the folks at home. This rule requires
1211 PJM to revise its tariff to provide more clarity for data center customers looking to co-locate energy
1212 generation, to revise its tariffs behind the meter generation rules, and requires PJM to submit a
1213 report regarding reliability concerns. Is that correct?

1214 Mr. Rosner. That is.

1215 Mr. Menendez. Thank you. And, Commissioner Rosner, why did the Commission decide to
1216 pursue a rule on co-locating energy generation?

1217 Mr. Rosner. Thank you for the question, Congressman. The reason was, and I will just
1218 speak for myself, but I think it is largely consistent with the Commission's order, which is a
1219 unanimous order. Look, we have this challenge where people want to connect new generation and
1220 new loads -- in this case, data centers -- quickly. And the approach that we took in that PJM order,
1221 which I will be very high level about because it is still a pending matter, is that, let's put all the
1222 options on the table. Let's make sure all the options from front of the meter, to behind the meter,
1223 are all legal so that we can take advantage of flexibility, so we can take advantage of people bringing
1224 their own generation, so we can take advantage of when you co-locate a resource you build -- you
1225 have to build less infrastructure, and that might be faster. But, also, let's make pathways for if you
1226 want to be on the front of a meter, let's make that faster too by letting you connect on an interim
1227 basis. So that was the philosophy.

1228 Mr. Menendez. I appreciate it.

1229 And, Chairman Swett, is co-locating energy generation with large loads such as data centers
1230 an effective way to bring down energy costs for residential ratepayers?

1231 Ms. Swett. Thank you for the question. As with this issue and every other issue before us,
1232 I always go back to the statute that Congress has authorized FERC, and we must ensure that the rates
1233 that come out of our Commission are just and reasonable. So considering the rates that American
1234 consumers paid was top of mind in our negotiations, and we all across this table came up with a
1235 solution that we thought best safeguarded Americans in providing the direction that we did to PJM in
1236 December.

1237 Mr. Menendez. I appreciate that. That is why, last month, Congressman Casar and I
1238 introduced the PRICE Act, a bill that would require data centers to bring their own renewable energy

1239 so that ratepayers aren't footing the bill for data centers in their communities. And I think a diverse
1240 group of stakeholders would agree that data centers co-locating their own energy generation
1241 requiring new rules and clarity around tariffs are a good thing, but it is essential that we are holding
1242 grid managers to the highest standards to ensure that they are doing everything they can to make
1243 sure that AI data centers are actually held accountable for the resources they use.

1244 The companies that are building these data centers are some of the biggest companies in the
1245 world. Without proper guardrails, everyday consumers could end up subsidizing their
1246 infrastructure. Grid managers and FERC must ensure that these billion-dollar corporations are
1247 paying for the full cost of the strain they create.

1248 Chairman Swett, how does FERC plan to ensure that these large, highly profitable entities are
1249 responsible for the full cost of their demand?

1250 Ms. Swett. Thank you for the question. Since I have been at FERC, for the past few
1251 months, we have received a multitude of filings that facilitate connection of large loads and data
1252 centers from these giant billion-dollar corporations that you are mentioning. And from my
1253 experience, and every order that we have approved, those data center builders are perfectly willing
1254 and volunteering to pay for all of the costs associated with connecting them to the grid. Many of
1255 them are looking for solutions and opportunities to bring their own generation to reduce the strain
1256 upon the grid that their connection brings, and so it is very top of mind for us. And I think that it is
1257 something that actually everyone is unified on across the table here and with the entities who are
1258 looking to connect and build in our country.

1259 Mr. Menendez. I appreciate that. And, lastly, is the Commission committed to strict
1260 oversight of grid managers and putting residential consumers first?

1261 Ms. Swett. The Commission rates that come out of our jurisdiction are, in general, across
1262 the country about one-third of what consumers pay. The other portions are the cost of producing
1263 power locally and also State programs. For the one-third of the bill that FERC is responsible for, we

1264 are absolutely committed to protecting consumers.

1265 Mr. Menendez. I appreciate that. I yield back.

1266 Mr. Latta. Thank you. The gentleman yields back.

1267 The chair now recognizes the gentleman from Alabama, the Sixth District, for 5 minutes for
1268 questions.

1269 Mr. Palmer. Thank you, Mr. Chairman.

1270 Commissioner LaCerte, if you look at the data over the last 20 years or so, utility spending on
1271 transmission distribution has greatly outpaced spending associated with fuel and generation. It is
1272 largely due to the State renewable portfolio standard laws that require much more transmission to
1273 connect remote and distant resources like wind and solar into populated areas. At the same time,
1274 the shale gas boom has lowered generation and fuel costs.

1275 Given these trends, to what extent are the rising transmission distribution costs, particularly
1276 in States with aggressive clean energy mandates, contributing to higher retail electricity prices and
1277 affordability challenges?

1278 Mr. LaCerte. That is a fantastic question, and I am thankful that you asked it.

1279 I think the days of FERC approving projects without affordability and reliability are in the past.
1280 I think every question that has been posed before the current version of FERC, we have to ask those
1281 two questions of it.

1282 I think as we are looking at transmission, I think we can acknowledge that more transmission
1283 is needed in this country, but it has to be thoughtful and well-planned transmission. It has to be
1284 transmission that is needed, has to be transmission that is the best bang for the buck for the
1285 consumer.

1286 As we are looking to build out transmission, we also have to look at pipelines. I think we are
1287 woefully inadequate in our pipeline capacity in this country. You know, I know I had American
1288 Public Gas Association in my office last week, and the American Public Gas Association is responsible

1289 for 430 communities across the U.S. that own and operate their retail gas distribution entities.

1290 And I want to quote one of the letters they sent to us recently. Nearly 95 percent of the
1291 1,000 public- or community-owned natural gas systems in the United States are capped into a single
1292 pipeline. One pipeline. That is the only rates they have. If we build more capacity for pipelines,
1293 that is going to drive prices down. Americans are hungry for that, the municipal governments are
1294 hungry for that, and we aim to give that to them.

1295 Mr. Palmer. Along the same line, from 2000 to 2019, new investments went up
1296 400 percent, went from \$9.1 billion to a little over \$40 billion. And one of my concerns is -- and this
1297 committee knows this -- I am very focused on securing our own supply chain of processed and
1298 refined critical minerals and rare earth elements, which you have to have to do these build-outs.
1299 They are used in power sensors, in actuators, transformers, cables. Cable costs have nearly doubled
1300 since 2019, with transformer costs up 75 percent.

1301 So how much of the cost increase for electricity that the ratepayer is paying is because of
1302 price increases for materials like copper and aluminum and electrical steel, in addition to
1303 components like transformers and the other components that you need?

1304 Mr. LaCerte. Absolutely. Congressman, that is a great point. I think that the costs of
1305 materials have gone up over the past administration. I think that it is more expensive now to build
1306 out a transmission. But prices generally are going to go up, and I think that the time to tackle some
1307 of these issues are now. We have to be thoughtful with our resources and our supply chains to
1308 make sure we are giving the biggest bang for the buck for the consumer.

1309 Mr. Palmer. We have closed about 300 hydrocarbon facilities around the country, most of
1310 them coal, and there are plans to reduce coal capacity from 100 down to 159 gigawatts, from 318
1311 gigawatt peak in 2011. And while I am concerned about those plants being shut down, there may
1312 be an opportunity there in regard to power generation for our refining processes.

1313 And what I wanted to ask you is, are the transmission lines from those shuttered coal-fired

1314 plants still intact? A very quick answer.

1315 Mr. LaCerte. Bottom line is yes.

1316 Mr. Palmer. Okay. I think it makes sense for us to look at going back under those facilities,
1317 the brownfields, maybe use small modular reactors. We are still going to have some issues building
1318 turbines and boilers and the other infrastructure needed. But what are your thoughts on that, about
1319 locating SMRs on those facilities?

1320 Because if the transmissions are still in line, that would meet the power needs of the facilities,
1321 maybe even data centers, but it could also increase the base load power for local residents.

1322 Mr. LaCerte. I think retrofitting older power generators and older power plants with new
1323 technology is absolutely the right approach. I think that American innovation is the way that we are
1324 going to succeed and the way that we are going to progress towards the next generation, and I think
1325 all options need to be on the table. I think that is a commonsense approach and it deserves due
1326 diligence.

1327 Mr. Palmer. Real quick. We have got some collaborative effort from the other side of the
1328 aisle on reforming, on permitting, on NEPA in particular, that we think would improve the efficacy of
1329 environmental reviews and better enable the infrastructure build-out to unlock America's energy
1330 potential.

1331 Have any of these been addressed in recent permitting legislation that you would think were
1332 satisfactory?

1333 Mr. LaCerte. It is not to my satisfaction. We have got a long ways to go.

1334 Mr. Palmer. Thank you.

1335 Mr. Latta. Thank you very much. The gentleman yields back.

1336 The chair now recognizes the gentlelady from Virginia's Fourth District for 5 minutes of
1337 questions.

1338 Ms. McClellan. Thank you, Chairman Latta and Ranking Member Castor, for this very

1339 important hearing today, and I want to thank the FERC Commissioners for being here.

1340 As others on the committee have noted, one of FERC's primary roles is to ensure that
1341 electricity rates are just and reasonable, and that mission and the work of FERC is more important
1342 than ever as we confront the surge in electricity prices that threaten the financial stability and
1343 security of millions of Americans.

1344 Last year, electricity prices increased by 13 percent, far outpacing a year-over-year inflation
1345 rate of 2.7 percent and wage growth of approximately 3.8 percent. In other words, power costs are
1346 rising faster than both paycheck and the price of other everyday necessities, placing an increasing
1347 strain on American households.

1348 As FERC continues to address energy efficiency, we must ensure that the projects approved
1349 by the Commission benefit all ratepayers without placing undue harm on historically disadvantaged
1350 communities who have for too long beared the brunt of the impact of energy projects.

1351 Chairman Swett, in your opening, you said that you want all Americans to prosper. And one
1352 of the contributing factors to whether people prosper is public health and then the impact that their
1353 community and their environment has on their health.

1354 So while it is important to expedite the interconnection of new energy sources to the grid, we
1355 need to do so in a way that balances that fact and doesn't place further burden on communities that
1356 have historically faced the brunt of pollution and negative health outcomes from reliance on fossil
1357 fuels.

1358 FERC finally set up its Office of Public Participation nearly 5 years ago, decades after a
1359 statutory mandate to do so. How does OPP ensure that disadvantaged communities and Tribes
1360 have an opportunity to ensure that the Commission takes their need and legacies of pollution into
1361 account?

1362 Ms. Swett. Thank you for the question, and I appreciate your service as a born and raised
1363 Virginian who still lives there.

1364 FERC has a statutory mandate under the Administrative Procedure Act to meaningfully
1365 consider any comments that we receive when we are engaging in certain actions, and that very much
1366 includes the comments of the Tribes and any disadvantaged communities who participate in our
1367 dockets. And when we receive those, our staff pores over them to ensure that we meaningfully
1368 look at them and engage whenever possible.

1369 We also have pre-filing options for many of our larger energy projects where staff reaches out,
1370 and OPP does play a role in that in educating the communities and also helping them understand
1371 how they participate in FERC dockets if they would like to.

1372 Ms. McClellan. And I am glad to hear about the outreach because I was also a regulatory
1373 lawyer for 20 years, and I can tell you that the energy companies and the -- they have high-power
1374 lawyers that make sure they know when to comment. But average citizens who have a project built
1375 in their backyard often don't find out about it until it is way too late.

1376 And I represent many of those communities who -- you know, particularly Charles City
1377 County, which is a locality that is overly burdened by energy projects, and usually by the time the
1378 community finds out about it, it is too late for them to have any meaningful comment or influence on
1379 the siting of that project. And we have seen an impact on their health outcomes. They have some
1380 of the lowest health outcomes in the Commonwealth. And we have seen an impact on cultural
1381 sites and historic sites.

1382 And I think even the companies in Virginia have recognized that it is far better for them to get
1383 that community engagement upfront. And so any efforts that FERC can take to ensure that
1384 community input happens on the front end and not so far down the path that it is too late to have an
1385 impact, is better for FERC, it is better for the company trying to build that plant, and it is much better
1386 for the community that has to share the burden of that plant.

1387 And so with that, I will have to submit the rest of my questions for the record, but I thank you
1388 for your answer.

1389 Ms. Swett. Thank you.

1390 Ms. McClellan. I yield back.

1391 Mr. Latta. Thank you very much. The gentlelady yields back the balance of her time.

1392 And the chair now recognizes the gentleman from Ohio's 12th District for 5 minutes for
1393 questions.

1394 Mr. Balderson. Thank you, Chairman. Thank you all for being here today.

1395 My first question is for Commissioner See. Opponents of LNG exports often claim that
1396 exports hit record highs during times of peak domestic demand, therefore raising natural gas prices
1397 for consumers. However, recent data can end that argument once and for all.

1398 During Winter Storm Fern, daily U.S. LNG export demand fell 20 percent, redirecting the LNG
1399 feed gas supplies to the domestic market.

1400 Commissioner, you have called for FERC to modernize the review process for LNG facilities.
1401 Do you agree that LNG exports provide flexibility and act as a balancing tool for the U.S. natural gas
1402 market?

1403 Ms. See. I do, Congressman. And thank you so much for that question. I think when it
1404 comes to natural gas on the domestic side and internationally in our exports, we don't have a supply
1405 problem. We have plentiful supply. The problem we have is constraints of getting it where it can
1406 do the most good. So that is why it is critical for us to focus on streamlining infrastructure
1407 development in all areas, including when it comes to LNG exports.

1408 Our exports play a critical role for our national economy and for national security, and it is
1409 important for us, as we have a statutory responsibility to license LNG export facilities and changes
1410 there, to do that in as efficient and legally durable way as we can. So I am committed to doing that
1411 and working well with my colleagues to continue in that effort.

1412 Mr. Balderson. Very good. Thank you.

1413 Madam Chair, my next question is for you. Thank you for being here. When opponents

1414 claim that LNG exports rise domestic prices, they ignore the factors that actually increase natural gas
1415 costs for consumers, such as the lack of pipeline capacity.

1416 During the storm, regions with pipelines to deliver natural gas had significantly lower prices
1417 than areas with constrained capacity. In fact, on January 26, 2026, the Monday after the Winter
1418 Storm Fern, Northeast winter gas prices were up 2.4 times higher than the Appalachia supply.

1419 FERC has taken important actions to address constraint pipeline capacity, like repealing Order
1420 871, and examining cost thresholds for blanket approvals.

1421 Can you discuss what other action FERC is considering taking to expedite the construction of
1422 needed energy infrastructure projects and how well these actions help deliver affordable, reliable
1423 energy to our constituents?

1424 Ms. Swett. Thank you for the question. I also am very concerned about Northeast prices.
1425 And one thing that was really shocking for me coming out of the storm was, in the Northeast during
1426 Fern, 40 percent of generation came from fuel oil or diesel, and that is simply because we don't have
1427 enough gas infrastructure to bring gas to New England. So I fully agree with you.

1428 That is why we are looking to wholesale across the board, take a hard look at our permitting
1429 actions. And when it comes to pipelines, in particular, we are trying to streamline our NEPA
1430 process.

1431 Congress and the Supreme Court together have taken action over the past year that make our
1432 mission much easier, but now I believe that it is on FERC to have the tools that the Supreme Court
1433 and Congress have given us to now really do some self-assessment inside of the building of what
1434 FERC does in its environmental analyses under NEPA that are no longer required by the law. And as
1435 Congress has said, FERC is an economic regulator, not an environmental regulator.

1436 And so, in my view, if there are things that we are doing that exceed what is required by law,
1437 those are things that slow down infrastructure permitting and development that are unnecessary.

1438 Mr. Balderson. Thank you. A followup to that. Pipeline capacity, LNG exports are

1439 critically important to gas producers in the district that I currently represent across the Utica and
1440 Marcellus Shale, so I greatly appreciate the commissioners' attention to these issues.

1441 Madam Chair, I think I am going to run out of time, so -- well, I am going to try. Generation
1442 and load interconnection timelines do not match the speed that is needed to serve new large loads.
1443 Currently, if a large load has onsite generation or supplies its own power, that generation is studied
1444 as if 100 percent of the power is injected into the grid, instead of serving the load. Similarly, a large
1445 load is studied as if it would withdraw all its generation needed from the grid.

1446 I am going to run out of time, so I apologize. I will submit these questions and follow up.
1447 Thank you very much.

1448 Mr. Chair, I yield back.

1449 Mr. Latta. Thank you very much. The gentleman yields back.

1450 And the chair now recognizes the gentlelady from Colorado's First District for 5 minutes of
1451 questions.

1452 Ms. DeGette. Thank you so much, Mr. Chairman.

1453 Mr. Chairman, this is a critical moment for America's power grid. Both energy bills and
1454 electricity demand continue to skyrocket, as we have been discussing today.

1455 Recent reports show that electricity prices are up 13 percent just since President Trump took
1456 office, and so all of us are focused on keeping the grid both reliable and affordable, as reflected in the
1457 title of this hearing.

1458 So I want to ask our panel today, we will just go down, and the question I want to ask you, we
1459 talk about this a lot in this committee -- in this subcommittee, do you believe in an all-of-the-above
1460 policy and a diversity of generation resources? Commissioner Chang?

1461 Ms. Chang. Yes. That is a simple question. Absolutely I do.

1462 Ms. DeGette. And Commissioner See.

1463 Ms. See. Yes. Different resources bring different critical --

1464 Ms. DeGette. Thank you. And Chairman Swett.

1465 Ms. Swett. Yes.

1466 Ms. DeGette. And Commissioner Rosner.

1467 Mr. Rosner. Yes.

1468 Ms. DeGette. And Commissioner LaCerte.

1469 Mr. LaCerte. Yes. Not only do I believe it, it is required by the Federal Power Act.

1470 Ms. DeGette. Yes, you are right, it is also required by law.

1471 Now, so I want to talk about the importance of a diversity of generation resources, because
1472 everything has a role to play, including some of the newer technologies, like wind, solar, advanced
1473 nuclear, geothermal, and, of course, energy storage.

1474 I want to get that on the record because, unfortunately, there has been some concern in this
1475 administration about whether they, in fact, do support an all-of-the-above strategy even though they
1476 give lip service. The administration has made it very clear that, in practice, they do not, because
1477 they have killed hundreds of clean energy projects representing billions of dollars in investments over
1478 the past year, projects that were approved at every level, simply because they were renewable
1479 energy projects.

1480 Now, in its long term -- so that is it.

1481 A different issue is the long-term reliability assessment released just last week by NERC
1482 begging regulators and policymakers to remove barriers to generation and transmission
1483 development.

1484 So let's make sure we have agreement here too. Yes or no, should FERC and Congress
1485 support the building -- this is not a trick question, okay -- should the Congress and FERC support the
1486 building of generation and transmission? Commissioner Chang?

1487 Ms. Chang. Yes.

1488 Ms. DeGette. Commissioner See.

1489 Ms. See. Yes.

1490 Ms. DeGette. Chairwoman Swett.

1491 Ms. Swett. Well, as a FERC regulator, Congress has specifically said --

1492 Ms. DeGette. Do you support building of generation and transmission.

1493 Ms. Swett. I support the States' ability to choose where generation is --

1494 Ms. DeGette. But do you support the building of transmission? Are you not going to
1495 answer that.

1496 Ms. Swett. That is --

1497 Ms. DeGette. Yes or no, do you support building and transmission.

1498 Ms. Swett. Transmission can be a valuable asset where it is done --

1499 Ms. DeGette. Okay. Commissioner LaCerte.

1500 Mr. LaCerte. Yes, I support it, and I believe the chair was acknowledging the State's role in
1501 these activities, which I do as well.

1502 Ms. DeGette. I do too. I was just asking her if she supports it. It was not a trick question.

1503 Mr. LaCerte. Yes, ma'am.

1504 Ms. DeGette. But what I do want to say is Donald Trump's war on clean energy is making it
1505 virtually impossible to do that. Let me give an example.

1506 Last year, FERC approved an interconnection plan to let projects, including several gas-fired
1507 plants, expedite the process by which certain types of generators could interconnect to the grid,
1508 essentially to cut the line.

1509 My understanding is when PJM, one of the Northeast regional transmission organizations, ran
1510 this fast-paced project, it initially selected 51 projects that would bring 11.8 gigawatts of capacity to
1511 the grid. But now, just a few months later, a number of those projects dropped out because of
1512 transmission constraints on the power grid, thus, sharply decreasing the expected power being
1513 brought on line.

1514 So, Commissioner Chang, I want to ask you, it seems that this illustrates that one-off ad hoc
1515 solutions to expedite interconnection studies are not silver bullets. Could you talk briefly about the
1516 role that adding more transmission plays in adding generators and more sources of power demand to
1517 the grid?

1518 Ms. Chang. Thank you for your question. As I suggested in my opening statement, it is
1519 absolutely right that, you know, we need to do all the reforms that we have already done on the
1520 interconnection of generation, but just because we speed up certain generators in the
1521 interconnection, the front end of the process, it doesn't mean they can actually just connect to the
1522 grid without the grid's capability being enhanced.

1523 So we need to pay our attention now to making sure that the grid can actually handle both
1524 the interconnecting load and the generations so that we can bring up all the data centers and other
1525 large loads to the system.

1526 Ms. DeGette. Thank you. I yield back.

1527 Mr. Latta. The gentlelady's time has expired and yields back.

1528 The chair now recognizes the gentlelady from Tennessee's First District for 5 minutes for
1529 questions.

1530 Mrs. Harshbarger. Thank you, Mr. Chairman, and thank you for the witnesses for being here
1531 today.

1532 You know, I want to discuss the critical role that FERC holds to ensure our pipelines, interstate
1533 transmission, and hydroelectric dams remain reliable and keep process just and reasonable.

1534 I would like to highlight one of FERC's responsibilities mandated by section 4 of the Natural
1535 Gas Act. This section requires that rates charged for interstate pipeline services be just and
1536 reasonable.

1537 In my district, which is east Tennessee, these services -- a natural gas subsidiary has filed a
1538 FERC section 4 case for 123 percent rate increase. Even though FERC has stated during the

1539 testimony related to this case that there is only justification for a 36 percent rate increase, natural
1540 gas consumers must pay the higher rate until the case is litigated or a reasonable and just
1541 compromise settlement is reached.

1542 This case is particularly important for my district because this company serves as the only
1543 interstate natural gas pipeline that laterally traverses Tennessee and is the sole suppliers for many of
1544 my constituents and the industrial manufacturers.

1545 So with that in mind, I would like to submit this letter from Chairman Terry Lewandowski of
1546 the Process Gas Consumers Group for the record, Mr. Chairman.

1547 Mr. Latta. Without objection, so ordered.

1548 [The information follows:]

1549

1550 ***** COMMITTEE INSERT *****

1551

1552 Mrs. Harshbarger. Thank you.

1553 So this goes to Commissioner See first. By statute, FERC must maintain that rate increases
1554 meet a standard of just and reasonable. In general, does FERC's approach of a case change if a
1555 pipeline has captive industrial taxpayers -- ratepayers?

1556 Ms. See. Congresswoman, our core mission is to make sure that we are ensuring just and
1557 reasonable rates. So when we are doing that role, we are engaged in that analysis. Of course, I
1558 can't speak to that particular matter that is pending before us, but we are committed to looking very
1559 closely at the record to make sure that any increases are, in fact, justified. There are a lot of factors
1560 that are -- many of the critical ones, as you mentioned, are the people who are ultimately paying
1561 those rates. We are very concerned about all of those factors.

1562 Mrs. Harshbarger. Commissioner LaCerte?

1563 Mr. LaCerte. Yes, ma'am. I also can't speak to something before us, but I can tell you, as I
1564 previously mentioned, very concerned about captive pipelines. We need to build more capacity in
1565 our country. We need more pipelines in our country. It is going to drive prices lower, it is going to
1566 protect the consumers.

1567 Mrs. Harshbarger. Thank you, sir.

1568 Chairman Swett, when FERC reviews the facts of a rate increase case, how do you ensure that
1569 cases are processed in a timely manner and the rate increase is just and reasonable?

1570 Ms. Swett. Thank you for the question. I myself have litigated several FERC pipeline rate
1571 cases. I am very aware of how long they have taken in the past and the burden on both sides with
1572 both time and resources to litigate them. And with that in mind, I am taking a hard look at what we
1573 can do to make our processes more efficient. Congress could also have a role in limiting any
1574 litigation exposure to FERC decisions.

1575 Mrs. Harshbarger. I have already thought about that.

1576 Most of Tennessee is served by TVA through co-ops and municipal utilities. But the
1577 Kingsport area where I live sits in the PJM region, and some utilities in that market build and plan
1578 their own long-term generation, instead of relying on the PJM capacity market, which has helped
1579 protect customers as PJM prices have spiked.

1580 So as PJM weighs changes to that market, it is important that these utilities can keep making
1581 those long-term investments. So, Chairman Swett, how will the Commission ensure that utilities
1582 can continue planning and building the generation they need to keep up with the growing electricity
1583 demand in their territories?

1584 Ms. Swett. Thank you for the question. With every matter that comes before us, we take
1585 a hard look at the record that is filed and all of the evidence on it to see what is the right result in
1586 how to protect consumers to ensure that they pay just and reasonable rates.

1587 So I can commit to you that my colleagues and I will take a hard look at any filing that involves
1588 a utility trying to build more generation.

1589 Mrs. Harshbarger. Okay. Commissioner LaCerte, to what extent did rising load forecast,
1590 data center growth, and extreme weather risk factor into FERC's decision-making to modernize its
1591 blanket certificate program?

1592 RPTR MOLNAR

1593 EDTR ROSEN

1594 [12:45 p.m.]

1595 Mr. LaCerte. That is a great question. I know large-loads forecasting and growth are at the
1596 top of our minds. We immediately tackled these issues as priorities for us upon coming to FERC.

1597 I would like to see more of a consensus on the load forecasting. A little bit more of a
1598 standard deviation than I would like, and it is hard to plan when there is so much disagreement on
1599 how much load we are going to need in the future.

1600 Mrs. Harshbarger. Yeah.

1601 Mr. LaCerte. But regardless, we are going to need more generation, we are going to need
1602 more transmission, we need more pipelines. So all of those things are going to be necessary for us
1603 to be successful, but we need to convalesce around some certainty in what our load is going to look
1604 like.

1605 And it is going to look different today than it looks 3 months from now, as it looked 3 months
1606 ago, but these are challenges before us that we have to meet.

1607 Mrs. Harshbarger. Okay. Thank you, sir. My time is up, so I yield back, Mr. Chairman.

1608 Mr. Latta. Thank you very much. The gentlelady's time has expired and yields back.

1609 The chair now recognizes the gentlelady from California's Seventh District for 5 minutes of
1610 questions.

1611 Ms. Matsui. Thank you very much, Mr. Chairman. I want to thank all the commissioners
1612 for being here today, and thank you for the important work that FERC is doing to keep the lights on
1613 and trying to bring down the cost of electricity.

1614 Now, FERC doesn't directly regulate retail utility rates, but you do have an indirect role in
1615 determining what Americans pay for their bills.

1616 Commissioner Chang, can you explain very briefly how utilities recoup capital costs from their

1617 customers?

1618 Ms. Chang. Sure. Thank you very much for your question. Without getting too technical
1619 about this, utilities make capital investments -- I should say investor-owned utilities make capital
1620 investments, and the return on, and of, of those capital, are passed directly to customers.

1621 And slightly different accounting works for municipal or public power resources, so in a
1622 nutshell, the amount of investments made are directly passed on to the captive ratepayers of those
1623 jurisdictions.

1624 Ms. Matsui. Okay. So after the Trump administration illegally canceled billions of dollars in
1625 grant funding for grid-resiliency projects, the capital costs of those projects will now be borne by
1626 those utilities, and that means those costs will be passed on to the ratepayers, which means higher
1627 utility bills. Is that correct, Commissioner Chang?

1628 Ms. Chang. In general, the capital investments dollars have to come from somewhere. If it
1629 is not coming from ratepayers, then it has come from some other sources. So --

1630 Ms. Matsui. So somebody pays?

1631 Ms. Chang. -- unless capital projects are canceled, they are going straight to ratepayers.

1632 Ms. Matsui. Okay. Commissioner Chang, you have expressed support for advance
1633 transmission technologies that can make bigger, more efficient use of the grid.

1634 I share your enthusiasm for some of these technologies. I am particularly hopeful that
1635 distributed power plants and advance conductors can help free up more capacity quickly and
1636 cheaply.

1637 As many of you have emphasized, we need more power as fast as possible, and at the same
1638 time, we have to get a handle on rising costs. But the current back order for gas turbines is now
1639 stretching out to 2030, and the cost of a new gas plant has skyrocketed two or three times what it
1640 used to be.

1641 On the other hand, a distributed power plant can be deployed in less than 6 months for less

1642 than \$1 million. So what can FERC and Congress do to help encourage the use of these and other
1643 advance transmission technologies?

1644 Ms. Chang. Thank you for your question. I am also a big supporter of advance
1645 transmission technology. My view on that is, you know, broadly speaking, U.S. is at the forefront of
1646 technology for all industries, and it should be so as well for transmission technologies.

1647 And, you know, I don't really take a prescriptive view on what specific technology needs to go
1648 on specific projects. On the other hand, I feel like using advance transmission technology to
1649 squeeze more out of our existing and new system is a no-brainer, and utilities should take advantage
1650 of what best technologies are available, and they should move forward from pilot projects to really
1651 broad adoption of advance technologies with the purpose of bringing down costs for consumers.

1652 Ms. Matsui. Okay. Thank you.

1653 Chair Swett, there are a lot of questions with regard to the appropriate Federal role in
1654 supporting and improving the interconnection process for large energy loads.

1655 How do you view FERC's role in this?

1656 Ms. Swett. Thank you for the question. FERC has jurisdiction from Congress over the bulk
1657 electric system. So large loads can have many options in flexibility in the way that they connect to
1658 the electric system, both from the State jurisdictional and the Federal jurisdictional level.

1659 So as someone who adheres very religiously to the statutes that Congress has provided, we
1660 are committed to allowing and facilitating large load connection within our jurisdiction in a way that
1661 ensures that consumers pay just and reasonable rates.

1662 Ms. Matsui. Okay. Now I only have about 15 seconds, so, Commissioner Rosner, do you
1663 share the same view?

1664 I may have --

1665 Mr. Rosner. Yes, I think the Commission has jurisdiction over connecting large load to the
1666 transmission system. So we have had an approach where this winter, we have tried to make that

1667 more efficient.

1668 Ms. Matsui. Okay. I have more questions I will submit. Thank you.

1669 Mr. Latta. The gentlelady's time is expired and yields back.

1670 The chair now recognizes the gentlelady from Iowa's First District for 5 minutes for questions.

1671 Mrs. Miller-Meeks. Thank you, Chairman Latta and Ranking Member Castor, for holding this
1672 legislative hearing on reliability and affordability. And I also want to thank our witnesses for your
1673 time today with us.

1674 The electricity industry is in a state of sustained change. FERC must work harder than ever
1675 to meet these evolving changes with innovative and proactive solutions.

1676 In Iowa, we know that reliable, affordable, abundant, sustainable energy, and we know what
1677 it means. While Winter Storm Fern brought dangerous conditions to much of the country, Iowa
1678 experienced even colder temperatures than usual -- and it is cold -- yet our utilities kept the lights on
1679 and the heat flowing.

1680 That is because we are invested in a resilient grid and a diverse resource mix. When other
1681 States were struggling, our crews were helping them recover.

1682 And as our witnesses said, tremendous thanks to all of those who were keeping the lights on
1683 and keeping transmission lines up and running.

1684 We are at a time of fundamental change which all of you have mentioned during this hearing.
1685 The question before us is, how do we solve evolving challenges in the near-, medium-, and long-term.

1686 We must accelerate infrastructure deployment, ensure adequate generation capacity,
1687 modernize transmission planning, and do it all while keeping energy affordable for families and
1688 businesses and keeping up with the maintenance required by our aging grid.

1689 The American people are counting on you at FERC to get this right. They need confidence
1690 that when they flip a switch, the lights will come on, and that the electricity bills, most importantly,
1691 won't break the family budget, which you all mentioned as well.

1692 Innovation, not regulation, should drive our energy future.

1693 Mr. Rosner, you had mentioned vast increasing and acceleration energy demand, and you
1694 also mentioned the number of projects and plants that have been brought online while you have
1695 been as a commissioner.

1696 Is that in keeping with what happened during years 2021 through 2024?

1697 Meaning, were we adding capacity between 2021 and 2024?

1698 Mr. Rosner. I don't think -- I don't have that -- the backward looking number with me, but I
1699 would be happy to provide it in the record.

1700 What I can tell you is that last year, we approved a number of fast-track processes that are
1701 going to connect about 50 gigawatts' worth of new generation to the grid.

1702 Mrs. Miller-Meeks. And you would say that adding that capacity is going to help keep
1703 electricity prices affordable?

1704 Mr. Rosner. Yes. And reliable.

1705 Mrs. Miller-Meeks. Thank you. Commissioner Rosner and Commissioner See, so I am
1706 going to ask you both, and I hopefully won't run out of time.

1707 Load forecasting, which Mr. LaCerte just mentioned, and who bears the risk of load
1708 forecasting, so PJM just released their annual forecast. They cut their 2028 summer peak forecast
1709 by 4.4 gigawatts.

1710 While that is a 2.6 percent reduction from last year's estimate, PJM increased their long-term,
1711 10-year forecast significantly. These aren't small numbers.

1712 A four-gigawatt swing affects billions of dollars and capacity, procurement, and infrastructure
1713 spending that ratepayers have to pay, and those forecast changes happen every year as assumptions
1714 get updated.

1715 When RTOs procure capacity, or approve infrastructure based on load forecast, that later get
1716 revised downward, who pays for that mismatch?

1717 Right now it is 100 percent taxpayers. And one of the things
1718 mentioned -- Commissioner LaCerte mentioned -- consensus on load forecast, so sharing some of
1719 that incomplete or erroneous forecasting.

1720 So is there any mechanism at FERC or at the RTO level to true up costs when forecasts prove
1721 too high? Are we just accepting that ratepayers will have to pay for whatever gets built based on
1722 today's best guess about tomorrow's load?

1723 Ms. See. Congresswoman, I think when it comes to accurate load forecasting, that gets at
1724 one of the really important issues in front of us. There are real concerns if we both under-build and
1725 overbuild the system.

1726 If we under-build, the lights don't come on, as you mentioned. If we overbuild, ratepayers
1727 are paying for capacity that is not necessary.

1728 We need to get that right. It is challenging right now because we are in a new moment with
1729 data centers and other large-load growth, so there is a lot of developing consensus and best practices
1730 about how do we get more certainty when it comes to load forecasting.

1731 We had a very helpful technical conference last summer with a lot of experts on reliability,
1732 talking about best practices and making sure we do more to firm up those numbers. Because you
1733 are absolutely right, we can't have perfect certainty -- I wish we could -- but we can do better --

1734 Mrs. Miller-Meeks. Commissioner Rosner?

1735 Mr. Rosner. Agree with my colleague, and I would just say that load forecasting is about
1736 getting more confidence in the decision, and that is important for getting agreement on the build.

1737 To your question about, you know, what do we do if we over-build, you know, in places
1738 where we have markets in the country, we often have these things called -- these adjustment
1739 auctions. They have various different names, but basically it is an opportunity to buy or sell more,
1740 based on increased precision of knowledge of the future.

1741 The other thing I would just say, though, is the point you made --

1742 Mr. Latta. I am sorry. The gentlelady's time has expired, and if you would want to submit
1743 that in writing, we would really appreciate it.

1744 Mrs. Miller-Meeks. I will submit that in writing. Thank you. I yield back.

1745 Mr. Latta. The chair now recognizes the gentleman from Texas' 33rd District for 5 minutes
1746 for questions.

1747 Mr. Veasey. Thank you, Mr. Chairman. I think that everyone here knows that right now
1748 families are really facing high electric costs, a lot because of the weather, but also because of delays
1749 in connecting new generation and storage to the grid.

1750 And interconnection queues are now measured in years, not months, and those delays have
1751 real costs that show up on people's utility bills.

1752 As you know, in Texas, we take a little bit different approach to how that works. And ERCOT
1753 allows generators to connect to the grid more quickly through what is often called a
1754 connect-and-manage, or energy-only, interconnection model.

1755 And these projects can come online sooner, accept some curtailment risk, and rely on
1756 operational management instead of waiting for every transmission upgrade to be built first.

1757 And that has allowed Texas to connect to large amounts of new generation faster than other
1758 regions, and in many cases, that has increased supply and helped put downward pressure on electric
1759 prices.

1760 And so, I want to ask you, as it relates to Federal interconnection policy and accounting for
1761 speed and real-world outcomes -- and I want to start with you, Commissioner Rosner -- your
1762 testimony States that accelerating new electric generation is essential to reducing consumer costs,
1763 and that interconnection delays directly contribute to higher bills.

1764 As you know, ERCOT connects generation faster than any other region by allowing projects to
1765 interconnect before major network upgrades are built.

1766 From an affordability perspective, do you agree that getting lower-cost supply online sooner,

1767 even with some curtailment, is better for consumers than waiting years for full deliverability?

1768 Mr. Rosner. Thank you for the question, Congressman, and, you know, I will say is, it is
1769 amazing what Texas has done. You know, I think the pace of growth in Texas is really stunning, and
1770 I think the question you are asking about how -- what are the things that are enabling that, that
1771 connect-and-manage policy, is something that I spent a lot of time thinking about as a commissioner
1772 here.

1773 You know, what I would say is this, is that it is quite clear that we need more options on the
1774 table. The current wait to connect new generation to the grid is, on average, between 4 and
1775 5 years.

1776 Our ideal pro forma rules that we implemented in Order 2023 get it down to a year and a half.
1777 I think it should be even less than that, and I think there is opportunities in the
1778 connect-and-manage-type system that are quite -- you know, there is real evidence that they are
1779 going to push the ball forward and would be delighted to keep working on them.

1780 Mr. Veasey. Do you think there is anything more that FERC can do to ensure that Order
1781 2023 is implemented in a way that actually enables that outcome in other regions, rather than
1782 reserving delay under a different label?

1783 Mr. Rosner. Well, I think it would be good for us to get those models fully implemented
1784 around the country. I think we are at the very tail end of compliance with that rule.

1785 And, you know, what I would say is this, is that, you know, from concept to implementation, it
1786 has taken us about 6 years to do Order Number 2023.

1787 One of my focuses are on what can we get industry to do without regulation. And so, I have
1788 written extensively about interconnection automation. That is one thing they could do. Another
1789 thing the industry can bring us, and, in fact, one region has brought something perhaps similar to
1790 connect-and-manage, and filed it at FERC.

1791 When the industry reaches consensus and brings filings to FERC, that can move a lot faster.

1792 Mr. Veasey. Right, right, exactly.

1793 Ms. Chang, I wanted to ask you before my time expires, I know that you also emphasize
1794 persistent interconnection bottlenecks that perpetuate scarcity conditions that help keep prices high
1795 for customers.

1796 In Texas, faster interconnection has helped reduce scarcity by increasing supply with
1797 developers, not captive ratepayers that are having to bear the risk.

1798 And from a consumer protection standpoint, isn't that preferable to a system where delays
1799 keep prices high and costs are ultimately borne by taxpayers?

1800 Ms. Chang. That is right. I think, again, you know, if one of the barriers is to not have
1801 adequate transmission capabilities, and if that becomes a barrier for interconnecting load and
1802 generational, we need to focus on making sure that the transmission grid is ready and available.

1803 And related to your question about connect-and-manage in ERCOT, I think it is a plausible
1804 path if there is a well-planned and well -- a good idea of how to finance the transmission upgrades
1805 necessary.

1806 And ERCOT has that in place. It is more of a timing issue of connecting and manage, because
1807 there is already a plan for a transmission upgrade and a way to pay for that transmission upgrade.

1808 And I think in the FERC jurisdictional markets, I think we put the transmission upgrade process
1809 up front because we want to make sure that in FERC jurisdictional markets, the generators
1810 interconnecting to the grid are actually paying for the upgrade costs that they trigger.

1811 So there is a slight difference, but as long as there is a planned process to pay for and upgrade
1812 the system, I think connect-and-manage is a plausible path forward.

1813 Mr. Veasey. Thank you.

1814 Thank you, Mr. Chairman.

1815 Mr. Latta. Thank you. The gentleman's time has expired, and the chair now recognizes the
1816 gentleman from Oregon's Second District for 5 minutes for questions.

1817 Mr. Bentz. Thank you, Mr. Chair. Thanks to the panel for being here.

1818 Chair Swett, there was some discussion some years ago about -- maybe even more recently
1819 than that -- our national security being at risk because of Chinese-developed transformers. Is that
1820 risk now behind us?

1821 Ms. Swett. No, sir. That risk is very much in front of us.

1822 Mr. Bentz. And what are we doing about it?

1823 Ms. Swett. That risk is the reason that I personally am prioritizing the ability for Americans
1824 to build, connect, and operate data centers in our country, within our geographic and electric
1825 barriers, to ensure that not only are we protecting our data and sheltering it from our foreign
1826 adversaries, which is paramount to maintaining our national and economic security, but we also
1827 would have the added benefit of more American jobs in building, generating, and running those data
1828 centers.

1829 Mr. Bentz. I am not sure what that does about the risk, but I will submit my questions later.

1830 Commissioner LaCerte, you say in your press release on January 14th, concerning the Snake
1831 River Complex, with which I am extremely familiar, that you were happy this the IS was issued.

1832 But then you state that you think more efficiencies need to be found. No surprise given it
1833 has been 23 years while we waited for that dam relicensing to occur -- 23 years.

1834 So I agree with you, more efficiencies need to be found, you say, in the relicensing process.

1835 Can you share what some of those might be?

1836 Mr. LaCerte. That is a great question. I think obviously the Supreme Court ruled in
1837 Seven County, in a unanimous decision, that we need to do better with NEPA reforms and NEPA
1838 review.

1839 And while that was aimed at the judiciary, we need to take that to account in the executive
1840 branch too. We need to take a look back and pair off what our focus has been that is not statutorily
1841 required, and we need to focus on the mandates given by Congress and get the job done with the

1842 assignment that has been given.

1843 And we haven't done a great job of that in the past, but FERC is a small part. I know our
1844 counterparts in the States, as Commissioner Rosner stated earlier, they take too long with some of
1845 these decisions, and the Snake River is a primary example.

1846 Mr. Bentz. Can we stop? I am very familiar with that. The conditions imposed by the
1847 State of Oregon cost \$300-, \$400 million, and they will cost more, maybe as much as a billion, over
1848 the next -- life of license. So I get it.

1849 The question though is, what can FERC do, if anything, when it comes to imposition by a
1850 State -- actually, you can start with a Federal agency if you like, but -- let's start with a Federal
1851 agency.

1852 Can you guys do anything with a condition imposed on a license by a Federal agency?

1853 Mr. LaCerte. I think we can be better with our Federal counterparts to determine what the
1854 priorities are, to identify bottlenecks, and to come to commonsense solutions.

1855 FERC is an independent agency. That doesn't mean we can't cooperate and we can't work
1856 better with our sister agencies. I think there is improvements that can be made there, and I hope
1857 that we can come to some commonsense solutions.

1858 Mr. Bentz. So what I am most concerned about is the State, any State -- Oregon is a great
1859 example, though -- of dragging its feet -- I understand there may be a tool now that we can use,
1860 thank goodness for that -- but then imposingly extraordinarily expensive conditions.

1861 And I am just not clear on exactly where you guys fit under the POWER Act when it comes to
1862 trying to control those conditions, because the truth of it is, these are being imposed to get rid of
1863 dams. That is the whole idea.

1864 So I want to know what you -- what your Commission has the power to do to try to help
1865 prevent those incredibly important power-generating assets from being destroyed through
1866 conditions.

1867 Mr. LaCerte. Yeah, I think that is a great question, and I think it is one that FERC has
1868 struggled with for many decades. I think there is a delicate balance here with the States that we
1869 can make improvements on.

1870 But I would also implore Congress to take action, to make permitting reform more durable for
1871 all. You know, the Snake River is the lifeblood of many States as it relates to electrical generation.

1872 Mr. Bentz. I am going to -- all of these questions are extraordinarily important given that
1873 they cross kind of the spectrum of energy generation. I probably should ask all of you this question,
1874 but we don't have time.

1875 The challenge that we seem to face right now is one that is existential as to affordability, and
1876 also as to the AI race, which you have had occasion to remark upon in earlier questions.

1877 Your thoughts, are we going to have to give up one for the other, or do we have a path?

1878 Mr. LaCerte. No. Giving up one or another is unacceptable. We need to have a balance,
1879 we need to have a balanced approach. We can do both and we must do both.

1880 Mr. Bentz. Thank you. Yield back.

1881 Mr. Latta. Thank you. The gentleman yields back the balance of his time.

1882 The chair now recognizes the gentlelady from New York's 14th District for 5 minutes for
1883 questions.

1884 Ms. Ocasio-Cortez. Thank you, Mr. Chairman, and I would like to thank all of our FERC
1885 commissioners for joining us here today.

1886 Chairman Swett, FERC's mission includes assisting consumers in obtaining economically
1887 efficient energy at a reasonable cost, correct?

1888 Ms. Swett. Yes.

1889 Ms. Ocasio-Cortez. And to achieve this mission, FERC sets the rates that utility companies
1890 must pay for transmission of wholesale energy, correct?

1891 Ms. Swett. We litigate right filings at FERC to determine what outcome is just and

1892 reasonable.

1893 Ms. Ocasio-Cortez. Great. And then after that, public utility commissions determine rates
1894 that utility companies charge people on their monthly utility bills?

1895 Ms. Swett. It is my understanding that public utility commissions and State policies make up
1896 at least one-third of utility bills that consumers pay, yes.

1897 Ms. Ocasio-Cortez. Yes, about one-third, as you mentioned. And one of the things that I
1898 know unites all of us here is that increasingly, Americans are struggling in paying those utility bills.

1899 In 2024, more than a third of households skipped out on necessities to pay an energy bill, and
1900 close to a quarter of households kept their homes at hazardous temperatures to avoid the cost of
1901 heating or cooling.

1902 And yet, the energy utilities charging Americans are among some of the most powerful and
1903 profitable industries on Earth.

1904 Take Consolidated Edison, or ConEd, which is the utility company that services New York and
1905 my constituents in Queens and the Bronx.

1906 ConEd is one of the largest privately owned energy companies in our country, and in their
1907 most recent history, we have seen incidents of gas explosions, power outages, apartment buildings
1908 that are exploding after gas leaks, and in 2018, a short circuit at ConEd power plant in Astoria shut
1909 down all of LaGuardia Airport for several hours.

1910 Yet despite these crises, ConEd is growing their utility bills on New Yorkers and raked in
1911 almost \$2 billion in profits in 2025. So naturally, many of our folks here in New York are asking, why
1912 is ConEd profiting off the energy market while they are dealing with unreliable and increasingly
1913 unaffordable energy.

1914 So I want to break this down for them. Utilities collect what they spend on operating
1915 expenses like salaries and office space, from our bills. And if a utility company spends \$100 on
1916 operating expenses, it collects \$100 back, spread out across all the bills people pay to that utility.

1917 But they don't get any profit. Instead, companies like ConEd make an average 10 percent
1918 profit through a return on equity for making physical upgrades to the transmission grid.

1919 So if a utility spends \$100 on physical upgrades, they would collect \$110 on our bills with
1920 \$100 paying for the wires and poles and \$10 going to profit.

1921 It collects these profits from increases in our utility bills. The more they spend on physical
1922 infrastructure, the more profit that they stand to make.

1923 But as I outlined with ConEd's history in New York City, those upgrades aren't translating to
1924 actually more reliable service for constituents. There are these projects that are being named as
1925 outlays. In some ways people are questioning if these investments are actual upgrades to our
1926 system, or are they just stated outlays and that are labeled as upgrades.

1927 But it is FERC that sets the rates of these profits for transmission system investments. So,
1928 Chairman Swett, what is the average return on equity that FERC has set for utilities like ConEd?

1929 Ms. Swett. Well, I have -- as someone who has litigated rate cases at FERC, I am very
1930 familiar with the contours of various rates, but different utilities have different structures. I am
1931 happy to work with your staff and our commission staff to answer any specific questions you have
1932 about specific utilities.

1933 Ms. Ocasio-Cortez. Sure. Currently it seems like the rate averages do approximate around
1934 10 percent for transmission utilities. I mean, they could be high or they could vary, but does 10
1935 percent sound about right in terms of an overall average?

1936 Ms. Swett. I am not sure.

1937 Ms. Ocasio-Cortez. Okay. Well, going back to FERC's mission, do you believe that this
1938 model of a set return on equity is the most economically efficient model for everyday Americans?

1939 Ms. Swett. We are taking a hard look at everything that impacts everyday Americans, and I
1940 can tell you from personal experience that we have very heated debates at this Commission, from all
1941 of my colleagues sitting here. It is a race to lower any bill that we can.

1942 So we are happy to work with you and your staff on any suggestions you may have on how we
1943 can accomplish our shared goal.

1944 Ms. Ocasio-Cortez. Great. And --

1945 Mr. Latta. I am sorry. The gentlelady's time has expired.

1946 Ms. Ocasio-Cortez. Of course. Thank you so much.

1947 Mr. Latta. But I am sure the gentlelady will submit her questions to the Commission. So
1948 thank you very much. Thank you.

1949 The chair now recognizes the gentleman from Texas' 11th District for 5 minutes for questions.

1950 Mr. Pfluger. Thank you, Mr. Chairman.

1951 Chairman Swett, I will start with the real-world example we just had during Winter Storm
1952 Fern, which I think was a good, real-world test and an example across different States that we can
1953 kind of compare and contrast.

1954 But the results I think were pretty clear, that areas with sufficient pipeline capacity and access
1955 to domestic natural gas experienced lower prices than those that didn't. And the reliability factor
1956 was indeed higher there as well.

1957 In the Northeast, the limited pipeline capacity meant that power plants couldn't get enough
1958 natural gas when demand peaked, and as a result, grid operators had to burn oil and rely on
1959 imported energy to keep the lights on.

1960 But meanwhile, States closer to natural gas production in the Appalachian Basin saw much
1961 lower prices, and this was not a shortage of energy, but it was a failure to move it when it was
1962 needed.

1963 Price data during the storm showed that consumers in New England, and Connecticut, and
1964 New York paid between 115 percent and nearly 300 percent more for natural gas than they did in
1965 places like northeastern Pennsylvania.

1966 And those price differences indeed worsened as the storm intensified. So my question is,

1967 how is FERC approaching the timely permitting of interstate gas pipelines needed to serve demand
1968 and lower costs for Americans everywhere?

1969 Ms. Swett. Thank you very much. That is a very important question that we are all unified
1970 in looking at how we can develop more infrastructure to reduce costs for Americans as my colleagues
1971 have said today.

1972 When it comes to specific pipeline applications that come before us, as Congress has required
1973 under the Natural Gas Act, we have to take a hard look of whether or not an individual application is
1974 required by the public convenience and necessity.

1975 And a big part of that analysis is whether the pipeline will bring economic benefits to the
1976 public, and in many cases that would come in the form of lower costs on utility bills.

1977 Mr. Pfluger. Let's kind of pull on that thread a little bit more. You know, how is FERC
1978 working with States that block pipelines? And how are you balancing the affordability mission
1979 when you have States like New York that actually kill pipeline projects?

1980 Ms. Swett. That is the \$100 billion question. Well, effectively, under the regime that
1981 Congress has created in the Clean Water Act, States have the ability to veto a project if they do not
1982 give a certification, and that is a problem that FERC simply cannot work around.

1983 And if Congress saw fit to change that, we would be happy to ready to implement any
1984 directives.

1985 Mr. Pfluger. Is it your belief that having those pipelines and the capacity to deliver natural
1986 gas lowers prices?

1987 Ms. Swett. Well, I think as you very wisely stated at the beginning of your comments, the
1988 proof is in the pudding. The fact that areas that don't have enough gas are paying maybe 300 times
1989 what they should, as you said, is unacceptable. That is not a just and reasonable rate for
1990 Americans.

1991 Mr. Pfluger. So these States are basically saying to their own constituents, we don't care,

1992 you are going to pay up to 300 percent more when demand peaks, and we don't have the capacity to
1993 deliver what you actually need.

1994 That is a sad reality that we are living in, but, you know, let's talk about dispatchable energy.

1995 In New England, more than 40 percent of power generation came from fuel oil during the
1996 coldest period of this storm, and despite aggressive policies intended to use fossil fuel, we still saw
1997 those numbers.

1998 Similarly, New York relied heavily on natural gas, on nuclear, and dual-fuel generation to
1999 maintain that reliability.

2000 So maybe talk us through -- and is it fair to say that without access to dispatchable fuels,
2001 particularly natural gas, many regions would face reliability challenges? And maybe talk us through
2002 the reliability challenges specifically that you see?

2003 Ms. Swett. Thank you for the question. Using the storm that impacted millions of
2004 Americans, I think, is a great paradigm to look at this. If you look at the peak demand of the
2005 country, if we combine them all together -- and that was overseen by our Office of Electric Reliability
2006 at FERC who worked around the clock -- 42 percent of the power provided and that kept Americans
2007 warm during Fern was gas across the country, and coal was 23 percent; nuclear was 14 percent; and
2008 petroleum was 4 percent.

2009 If you put all those numbers together, over 75 percent of the power that kept our grid reliable
2010 during Fern came from dispatchable generation.

2011 Mr. Pfluger. What does FERC stand for, the acronym?

2012 Ms. Swett. FERC has no ability to choose a generation mix. That is squarely within the
2013 State's purview under the Federal Power Act. We accept generation and the market design as it
2014 comes to us.

2015 Mr. Pfluger. I was talking about the reliability piece, the R, but, yes, thank you for that
2016 because that is where I was getting at. You read my mind, and I yield back.

2017 Mr. Latta. Well, thank you very much. The gentleman's time has expired, and the chair
2018 now recognizes the gentleman from Massachusetts' 14th District for 5 minutes for questions.

2019 Mr. Auchincloss. Thank you, Chair. I am glad my friend from Texas raised the New England
2020 grid during Winter Storm Fern. I was there, representing 800,000 people who were there. It was
2021 cold. Let's talk about what happened in New England and how this administration is weighing in.

2022 So first of all, what happened during Winter Storm Fern and the stress it put on the
2023 New England grid, on the Massachusetts grid, is not an outlier event. We are seeing that winter
2024 peak demand forecasts are going to be decreasing by about seven -- excuse me -- by about 36
2025 percent over the next decade. So we better prepare for this, and we have been.

2026 We had the transmission line between Massachusetts and Canada, Hydro-Quebec, which has
2027 been a significant win. Took way too long to build those transmission lines.

2028 But what happened during this storm was, that line shut off, and it shut off because, despite
2029 contract claims, Hydro-Quebec needed all the power for Canadian consumers, because it was pretty
2030 cold up there, too.

2031 You know what didn't shut off was the wind. What happens during a winter storm off the
2032 Cape Cod Islands is, the wind blows really, really hard. And actually looking at the analysis of that
2033 storm, those turbines would have been blowing -- would have been rotating at absolute peak
2034 capacity during the beginning part of the storm and during the middle part of the storm.

2035 During the actual central thrust of that storm, they would have automatically shut off because
2036 the wind would have actually been blowing too hard, and they want to maintain the structural
2037 integrity of the turbines.

2038 It would have generated tremendous amounts of electricity for my constituents, lowering
2039 costs, relieving stress on the grid.

2040 Here is the problem, is that the Trump administration keeps on canceling permits. And I
2041 hear the frustration from my colleagues about permit uncertainty for natural gas, about the Keystone

2042 Pipeline.

2043 How can they possibly be silent when the Trump administration is acting in an arbitrary and
2044 capricious manner to up-end States' ability to diversify their energy portfolios, like Massachusetts is
2045 doing, for precisely this scenario we saw with Winter Storm Fern?

2046 The Trump administration is now zero for five in court. I mean, how many judges need to
2047 tell this administration to stop breaking the law before they simply allow my constituents to access
2048 reliable, affordable electricity?

2049 Ms. See, you had mentioned in your written testimony how important it is to have, quote,
2050 legally durable signals that get steel in the ground. Is that right?

2051 Ms. See. Yes.

2052 Mr. Auchincloss. Would you agree that we also want legally durable signals that get steel in
2053 the water?

2054 Ms. See. I think my role as an economic regulator is to make sure that we have the best
2055 options available --

2056 Mr. Auchincloss. So just ground, not water? Do we want legally durable signals that get
2057 steel where steel belongs?

2058 Ms. See. As Chairman Swett mentioned, we are not responsible for the generation makeup
2059 of different --

2060 Mr. Auchincloss. But you just wrote right here how important it is to promote legally
2061 durable signals that get steel in the ground. You don't agree that we should also be promoting
2062 legally durable signals that get steel in the water?

2063 Ms. See. My focus is on the areas within FERC's jurisdiction, and I do believe in the
2064 importance of legally durable signals.

2065 Mr. Auchincloss. For ground and water?

2066 Ms. See. For infrastructure and for the energy to deliver reliable and affordable power to all

2067 Americans.

2068 Mr. Auchincloss. I mean, you are kind of torturing the answer. Do you want legally
2069 durable signals or not? Because if FERC is not supposed to be -- is supposed to be
2070 resource-agnostic, presumably it is the position of FERC that regardless of where the generation is
2071 coming from -- water, the ground, deep in the ground, up in the sky -- you want the legally durable
2072 signal, yes?

2073 Ms. See. Congressman, when we have issues --

2074 Mr. Auchincloss. All right.

2075 Ms. See. -- and matters in front of us, yes, I agree it is important for us to act in a legally
2076 durable way.

2077 Mr. Auchincloss. Commissioner Rosner, in our last 90 seconds here, given the rising demand
2078 that New England is expected to see in the coming years, we should be adding significant generation
2079 capacity to ensure reliability and affordability outside of offshore wind.

2080 Offshore wind is one part of a necessary portfolio. Do you think it would be helpful if States
2081 like Massachusetts overturned moratoriums on new nuclear power generation to unlock that clean,
2082 affordable, and reliable baseload power?

2083 Mr. Rosner. I think what is obvious from that winter storm is that there were strength in a
2084 diverse set of resources, and so from my perspective as a FERC commissioner, you know, we don't
2085 have the ability to tell States what to build, but I would say to Massachusetts, and any State, is, we
2086 need electrons, and electrons don't wear fuels. But if you can get us more electrons, that would be
2087 great.

2088 Mr. Auchincloss. From offshore wind and from nuclear?

2089 Mr. Rosner. From everything.

2090 Mr. Auchincloss. I yield back.

2091 Mr. Latta. Thank you. The gentleman yields back the balance of his time.

2092 The chair now recognizes the gentleman from South Carolina's Seventh District for 5 minutes
2093 for questions.

2094 Mr. Fry. Thank you, Mr. Chairman, and thank you, Commissioners, for being here today.

2095 Energy demand is obviously increasing. We see that, we hear that from our constituents,
2096 and I think it is really critical that our regulatory system supports reliable, affordable power while
2097 promoting efficiency and modernizing the grid itself.

2098 At the heart of this, I have heard a lot of talk today about permitting and permitting reform
2099 and oversight processes that are disciplined, predictable, and focus on outcomes rather than
2100 unnecessary delay.

2101 I think it also requires, to Commissioner LaCerte's perspective, what he talked about earlier
2102 was a strong Federal and State partnership with FERC and State utility regulators working in lockstep
2103 to plan infrastructure, allocate costs fairly, and of course, most importantly, to the people that we
2104 represent, keep the lights on.

2105 Chairman Swett, the Seven County Supreme Court decision, I think, was remarkable in a way
2106 because it was, one, unanimous. So in a body like ours that oftentimes has several different ways
2107 to view any particular issue, when you see a unanimous Supreme Court decision, it kind of raises
2108 your eyebrows a little bit.

2109 But the court held that courts should afford substantial deference to an agency as to the
2110 scope and contents of an environmental impact statement.

2111 How has FERC changed its NEPA practice in response to the Seven Counties decision, and to
2112 piggyback on top of that, what is left to do to come in line with that decision?

2113 Ms. Swett. Thank you very much for the question. Thankfully, the Seven County decision
2114 allowed FERC, in my opinion, to realign our emissions analyses with our statutory responsibility as a
2115 primarily economic regulator, charged with encouraging the development and plentiful supply of
2116 natural gas at reasonable prices per Congress' instruction.

2117 So what that means when the rubber hits the road: Now we no longer analyze the indirect
2118 emissions from upstream production or downstream combustion. That, in itself, has cut down the
2119 time that is necessary for environmental review from staff in the building. It cuts down what
2120 applicants have to analyze, and that was a huge move in itself thanks to Seven County.

2121 Mr. Fry. Chairman, can you quantify that, like how much did that actually cut down that
2122 process?

2123 Ms. Swett. I am happy to get with our staff and see how if we can quantify those numbers
2124 for you.

2125 Mr. Fry. Please do. I mean, we like -- I mean, I would love -- I am just curious about that.
2126 I think it is kind of remarkable.

2127 Ms. Swett. We also no longer use GHG emissions as a basis to require a much more
2128 resource-heavy environmental impact statement rather than staff performing an environmental
2129 assessment, because that used to be a trigger for that much longer analysis. We no longer do that
2130 after Seven County.

2131 We also no longer use the large social cost of carbon metric which the Commission was
2132 employing in its NEPA analyses for several years.

2133 Mr. Fry. Thank you for that.

2134 Commissioner Rosner, FERC's blanket certificate program allows certain projects to complete
2135 routine, limited-scope actions under set cost and notice requirements, either through automatic
2136 authority or a prior notice process.

2137 In June of 2025, FERC issued a NOI and temporarily raised the prior net of its cap. How
2138 would permanently increasing these cost thresholds, and expanding eligibilities for more projects,
2139 qualify for expedited authorization to improve permitting efficiency and meet rising energy demand?

2140 Mr. Rosner. Congressman, thank you for the question. The Commission's existing blanket
2141 program for section 7, as you mentioned, was temporarily adjusted up, and we are considering a final

2142 rule.

2143 We are also considering the same for hydropower projects and LNG projects.

2144 You know, the way this stuff works fundamentally is, you know, these routine changes that
2145 we really understand the environmental impacts, it doesn't take as long to fully adjudicate those.

2146 And so, you know, these programs have worked well. I am really excited to expand it to
2147 other energy sources like hydropower, and look forward to working with colleagues and
2148 Chairman Swett to finalize those rulemakings.

2149 Mr. Fry. Thank you for that, and, Commissioner, while I got you here, with my limited time
2150 left, you recently sent a letter to all six grid operators, requesting information on how to improve
2151 load forecasting.

2152 In South Carolina, we are vertically integrated. Other places are different obviously.

2153 What we are seeing across the country is the rapid development of data centers, general
2154 demand anyway. Large energy users has made the process difficult, to say the least.

2155 How do you view the role of effective load forecasting to inform efficient planning?

2156 Mr. Latta. And the gentleman has 5 seconds.

2157 Mr. Rosner. Real simple. Better data, better decisions.

2158 Mr. Fry. Thank you for that. Runs a tight ship here. Thank you, Mr. Chairman. I yield
2159 back.

2160 Mr. Latta. We are about ready to vote again. Thank you very much. The gentleman's
2161 time has expired and yields back.

2162 The chair now recognizes the gentlelady from Washington's Eighth District for 5 minutes for
2163 questions.

2164 Ms. Schrier. Thank you, Mr. Chairman, and thank you to all the Commission for being here
2165 today.

2166 As you all know, the West is undergoing quite a transformation in its development of

2167 wholesale markets. My region -- I am in Washington State, so I am in the Pacific Northwest -- my
2168 region is excited by the prospect of the day-ahead electricity market where power can be traded in a
2169 marketplace, not just in real time but up to 24 hours in advance when it is needed.

2170 And when surging demand grows and increased threats, like severe winter storms are
2171 straining the grid -- or predicted to strain the grid, a more nimble and efficient grid is, of course, what
2172 we are all after in order to have affordable and reliable power.

2173 So if done right, a well-crafted, well-organized market can increase efficiency and lower costs
2174 and help States transition to cleaner energy.

2175 But as utilities and energy marketers choose to join either CAISO's EDAM or SPP's Markets
2176 Plus, or stay out entirely, these decisions about where utilities and with whom utilities will trade
2177 power is going to create boundaries between these two markets. And we are already seeing this
2178 divide.

2179 And these market seams, which is what they are called, have the potential to cause some
2180 serious inefficiencies that could lead to the benefits of either market being really diminished.

2181 So it is especially important in this case, and especially for me and my constituents, to get this
2182 right. At this point, utilities in our State are split, and these seams are going to be a real challenge.

2183 So, Chair Swett, the first question is for you, just as the head of the Commission, setting
2184 agenda items and proceedings, is addressing the challenge of making this fragmented system and
2185 these seams work on your agenda?

2186 Ms. Swett. Thank you for the question. It is on my agenda because it is important to
2187 people who are under our jurisdiction, yes.

2188 I am very aware of how fragmented the West is, and it is very geographically and, from an
2189 engineering perspective, very different from the rest of the country. And we at FERC stand ready to
2190 evaluate any proposals that entities in the West would like to make.

2191 Ms. Schrier. I appreciate that, and the fact is that all the different entities, even just in my

2192 district, are split in which way they are going. And so I guess my next question is -- I am glad it is on
2193 the agenda. I didn't ask you where it is on the agenda because that might put you on the spot or
2194 might be difficult to answer, but can you just tell me what your next steps are?

2195 We have got to figure out how to make this transition in the grid work and make sure that the
2196 seams are seamless.

2197 Ms. Swett. Well, as with other proceedings, we stand in a receptive posture to evaluate any
2198 proposals that the regulated entities would like to bring to us.

2199 So when your constituents decide what they would like to do, if that is something that comes
2200 within FERC's purview, then we will evaluate the proposal to ensure that it results in just and
2201 reasonable rates.

2202 Ms. Schrier. Okay. So as I am getting back to my constituents, I should ask, for example,
2203 on ability to be in touch with you, the public utilities to be in touch with you, to also have Seattle
2204 City Light, for example, in touch with you, to maybe convene and have a technical conversation
2205 about how to do this just to -- if they request that, they can get that from you?

2206 Ms. Swett. We are happy to work with you and your staff to provide whatever information
2207 or help you need.

2208 Ms. Schrier. Okay. And then can you tell me, just as we look for what is coming down the
2209 road. So they request this, and you are willing to oblige to help, can you talk about what actions
2210 FERC can take, and has at your disposal, to ensure dependability and reasonable rates as you are
2211 maneuvering through this new landscape?

2212 Ms. Swett. So in the context of seams, our Office of Electric Reliability has a vast amount of
2213 staff that are constantly monitoring the grid from a reliability perspective, and seams present a very
2214 unique issue when it comes to reliability.

2215 So we are constantly monitoring in the Office of Enforcement from a rate perspective, and
2216 the Office of Reliability, from a reliability perspective.

2217 We are looking at the whole country all the time, and I know that seems our specific focus, so
2218 that we ensure that they are functioning properly within our jurisdiction.

2219 Ms. Schrier. Thank you. I appreciate your attention to the issue. I know it is really
2220 important. I look forward to having further conversations maybe about how you have resolved
2221 these issues in other places, or even with all of you, and I will keep tracking this issue along with
2222 utilities in my district.

2223 Yield back.

2224 Mr. Latta. Thank you very much. The gentlelady yields back, and the chair now recognizes
2225 the gentlelady from Florida's 15th District for 5 minutes for questions.

2226 Ms. Lee. Thank you, Mr. Chairman, and thank you to the Federal Energy
2227 Regulatory Commission for appearing before our committee here today.

2228 The United States is seeing an unprecedented rise in energy demand. Our energy
2229 infrastructure must be prepared to meet the moment as advances in artificial intelligence and
2230 manufacturing continue to progress. Last week's winter storm underscored the importance of a
2231 secure and resilient electric grid.

2232 Energy security is an essential part of our national security, and as our grid faces cyber and
2233 physical threats, as well as natural disasters -- my home State of Florida frequently experiences those
2234 types of events -- my priority is addressing these challenges and ensuring the continuous flow of safe,
2235 reliable, and affordable energy to consumers.

2236 Chairman Swett, thank you for your leadership at the FERC. Strengthening cybersecurity of
2237 our critical infrastructure has long been a priority of mine, and I am particularly interested in the
2238 work of FERC's Office of Energy Infrastructure Security.

2239 Could you tell us a little bit more about the role of this office and the work that it does to
2240 support FERC's mission of energy reliability and affordability?

2241 Ms. Swett. Thank you very much. That is a very important question. We affectionately

2242 refer to that office as OEIS in the building. They are -- they are looking at everything from an
2243 eagle-eye view, but they are also on the ground, and what they do, I think, is very special.

2244 They ensure that FERC is in coordination with the three-letter agencies across the
2245 government so that, one, we are informed of the threats and we are educated on how to address
2246 them.

2247 And with that information, OEIS has the flexibility to go into specific utilities where we
2248 identify particular threat vectors that are critical to the grid at large, because of the information that
2249 we have from our partners.

2250 And they can actually go into a utility, identify a threat, work with the utility to make them
2251 understand where their vulnerabilities are, and show them how we can solve them at FERC, or we
2252 can work with them together with best practices from other agencies.

2253 So we keep learning and gathering and then going in on the ground and trying to improve our
2254 electric security across the country, and with that information, they also work with the Office of
2255 Electric Reliability that helps make more permanent standards for cybersecurity that are applicable
2256 across the country.

2257 So we have a collaborative, best-practices approach, combined with a more permanent,
2258 regulatory approach.

2259 Ms. Lee. You just touched on something that I would like to hear a little bit more about
2260 because I believe it is so critical to the success of not just your work but other agencies who are
2261 protecting our critical infrastructure, and that is, your partnerships with other Federal agencies.

2262 Would you elaborate for us a little bit about which are some of those three-letter agencies
2263 that you work with, and why you believe that collaboration and those partnerships are helping to
2264 strengthen our critical infrastructure?

2265 Ms. Swett. Thank you. So as a country, we are facing attacks potentially every day from
2266 foreign adversaries. And those are across the board, and that includes our infrastructure.

2267 So the three-letter agencies I am referring to are largely in intelligence-gathering, and also,
2268 DOE is one of them as well. And in order to solve these problems and to defend our country as a
2269 whole, we need the best and biggest amount of information that we can get. And so that
2270 collaboration is very important.

2271 Ms. Lee. And a related question. As you are working with some of our other government
2272 stakeholders and agencies to be sure that you are getting that threat landscape and the most current
2273 information, are you also working in partnership with private stakeholders to help them elevate their
2274 security posture, particularly as it relates to those cyber and physical threats?

2275 Ms. Swett. Yes, absolutely. Our office -- our OEIS office reaches out to private utilities, but
2276 it is also a two-way street. They are now becoming aware of our capability to help them, and so
2277 oftentimes utilities will approach FERC staff for help, and we go back and forth.

2278 Ms. Lee. Thank you. Mr. Chairman, I yield the balance of my time.

2279 Mr. Weber. [Presiding.] The gentlelady yields back. The chair now recognizes the
2280 gentleman from New York for 5 minutes.

2281 Mr. Tonko. Thank you, Mr. Chair, and I thank our commissioners for being here today on
2282 what is a very important topic.

2283 Chairman Swett, what do you see as the role for enhanced, long-term planning processes that
2284 accurately account for growing demand as well as increasing risks from extreme weather events, and
2285 maintaining an affordable and truly reliable electricity system?

2286 Ms. Swett. I am so sorry. I missed the first part of your question.

2287 Mr. Tonko. Sure. What do you see as the role for enhanced, long-term planning in regard
2288 to accurately accounting for growing demand?

2289 Ms. Swett. Thank you. Given that we are meeting the prospect of historically escalating
2290 demand, long-term planning is incredibly important.

2291 Mr. Tonko. So I would like to dig into a few areas where, in proof, planning could benefit

2292 our electricity system. We cannot efficiently plan our electric infrastructure if we aren't able to
2293 accurately forecast just how much energy will be needed.

2294 Electricity load forecasting methods, which have historically been based on incremental and
2295 predictable growth, may no longer be applicable to today's increasing large-load demands.

2296 We need accurate forecasts to ensure that infrastructure is built at the right scale and at
2297 speed to meet future demand, while also protecting against over-building infrastructure and causing
2298 unnecessarily higher electricity prices.

2299 So, Commissioner Rosner, in September, while serving as acting chair, you asked the regional
2300 grid operators about their methods for forecasting large loads.

2301 Can you tell us why you thought that was important, and what were the big take-aways from
2302 that inquiry?

2303 Mr. Rosner. Thank you, Congressman Tonko, for the question and for highlighting this
2304 important issue. It is really simple. Better data, better decisions.

2305 And one of the -- and I say that, not to be a skeptic. You know, I think the demand for
2306 electricity is large and growing, but whether a point high or a point low, just getting it right is what is
2307 important.

2308 And so this Commission grappled with the same question when we were
2309 connecting -- overseeing the process for connecting new power plants to the grid.

2310 We had lots of people getting in line. They were trying to figure out where the cheapest and
2311 most effective place to connect was. But all those people in line jammed the process.

2312 And so one of the reforms we did was, all right, we are going to make you pay a deposit.
2313 And so I wrote to all the grid operators and said, Hey, are you using objective, quantifiable criteria,
2314 like a financial deposit before you count?

2315 And also, are you talking to your neighboring grid operators, or even their neighbors, about
2316 what they are seeing, and making sure that we don't have the same request everywhere? Not

2317 because we don't want to serve every request, but because we need to plan more accurately.

2318 And so, that is what it was all about, and I have begun to see some results. PJM recently
2319 revised its load forecast based, in part, on using more objective, quantifiable criteria like deposits and
2320 facilities agreements and the like.

2321 Mr. Tonko. Well, I thank you for that.

2322 And NERC's recent 2025 long-term reliability assessment recognized that large loads
2323 inherently add volatility to load forecast. There is a lack of historical data on gigawatt scale
2324 interconnection requests, and there are challenges with utility information sharing and risks of
2325 double-counting projects across regions.

2326 Between the National Labs and the Energy Information Administration, the Federal
2327 Government has great expertise in energy system modeling, analysis, and data collection.

2328 So, Commissioner Rosner, do you think there is more we can do at the Federal level to
2329 support States and regions in their efforts to improve their forecasting tools?

2330 Mr. Rosner. Absolutely. I think the National Labs and the Energy Information
2331 Administration have made huge contributions to understanding what the future energy system and
2332 the needs associated with it are.

2333 I also would just say that this is not rocket science. You know, it is like you go to buy a car.
2334 If you make a deposit, they are going to hold the car for you. It is kind of same idea here.

2335 I think we can figure this out, but I also do feel very strongly, on your point about modeling,
2336 that, you know, there is a lot of uncertainties here. There is a lot of new technologies coming into
2337 play, and getting our arms around that is really important.

2338 Mr. Tonko. Thank you.

2339 And Commissioner, you were also supportive of FERC Order 1920, which was approved by the
2340 Commission with bipartisan support in 2024. Can you speak a bit about the importance of that
2341 order, and how long-term transmission planning is foundational to an affordable and reliable electric

2342 system?

2343 I know you were quizzed about that a bit ago, but you were only given 5 seconds. So can
2344 you embellish that, please?

2345 Mr. Rosner. Well, here is five more. So, you know, getting the transmission system based
2346 on demand -- future demand and where we think that future generation will be, it is critical.

2347 And we see frequently, even today, even last year, power plants of all types trying to get
2348 connected to the system. They can't. They get hit with these upgrade costs of hundreds of
2349 millions, to billions of dollars because we don't have enough transmission to connect them.

2350 And that is true --

2351 Mr. Tonko. Right.

2352 Mr. Rosner. -- for natural gas and for batteries and for any other source.

2353 Mr. Tonko. Yeah. Well, I say it is important for us to really improve that long-term
2354 planning because this administration's position on demanding uncompetitive, coal-fired power plants
2355 to continue operating at great expense to the American people, is just not what is necessary.

2356 We need good, sound planning, and with that, Mr. Chair, I yield back.

2357 Mr. Weber. The gentleman yields back.

2358 The chair now recognizes the gentleman from New York for 5 minutes.

2359 Mr. Langworthy. Thank you very much, Mr. Chairman.

2360 I represent western New York in the southern tier, a region with access to some of the
2361 Nation's most abundant, natural gas resources.

2362 Yet families and businesses are paying electricity rates roughly 50 percent higher than the
2363 national average, while facing growing reliability risks.

2364 That disconnect isn't about a lack of supply, innovation, or Federal authority. It is the
2365 product of State policies in New York that block infrastructure, restrict options, and take energy
2366 decisions out of the hands of consumers.

2367 And that is why I have championed legislation called the Energy Choice Act because States
2368 shouldn't be allowed to ban lawful energy sources or replace consumer choice with one-size-fits-all
2369 mandates.

2370 Energy policies should expand options, affordability, and reliability, not shut off energy
2371 choices by government decree.

2372 We see the consequences of losing that balance in New York's all-electric mandate for new
2373 homes and buildings, and Governor Kathy Hochul is pushing new residential and commercial
2374 construction to electrify, and at the same time, restricting firm generation and pipeline
2375 infrastructure.

2376 Electrification may be a policy goal, but common sense must still apply. Growing electric
2377 demand has to be matched with generation, transmission, and fuel security, or reliability will suffer
2378 and costs will rise for consumers.

2379 Chairwoman Swett, how does FERC assess reliability risks when States mandate electrification
2380 but restrict the infrastructure needed to support it?

2381 RPTR HNATT

2382 EDTR ROSEN

2383 [1:45 p.m.]

2384 Ms. Swett. Thank you for the question. FERC is in a reactive posture. We can only take
2385 the markets as they come to us. And as the Federal Power Act designates, States are solely the
2386 ones who determine where generation is sited, what type of generation is built, whether or not they
2387 give the Clean Water Act permits to pipelines who want to run through them, and FERC can only take
2388 those matters as they come to us.

2389 Mr. Langworthy. Thank you. We don't have to speculate what happens when policy gets
2390 ahead of reliability. We have seen it. In December of 2022, Winter Storm Elliott showed how
2391 essential fuel diversity in firm generation are during extreme weather emergencies. When systems
2392 failed and the power went out, more than 60 people in my community lost their lives. It was a stark
2393 reminder that reliability is not an abstract concept. It is a matter of public safety.

2394 Chairwoman, how is FERC working to maintain reliability and fuel diversity when States like
2395 New York restrict firm generation and infrastructure, especially during extreme winter conditions?

2396 Ms. Swett. I am very sorry about the people who lost their lives in your State. That is
2397 unacceptable.

2398 From our perspective, we are regulating the reliability of the bulk electric system. So we do
2399 everything we can within our jurisdiction to monitor the grid, and do whatever we can to reach out
2400 to the utilities if they are in crisis. And so within our jurisdiction, which unfortunately does not
2401 extend to the distribution system and the retail system in States, we do everything that we possibly
2402 can.

2403 Mr. Langworthy. Thank you very much. If fuel diversity and firm generation are critical to
2404 winter reliability, pipeline infrastructure is not an optional item. Yet despite receiving Federal
2405 approval from FERC, New York State has repeatedly weaponized its federally-delegated Clean Water

2406 Act Section 401 permitting authority to block the Constitution Pipeline.

2407 Now, just last week, the New York State Department of Environmental Conservation again
2408 denied key permits, and re-affirmed its opposition to the Constitution Pipeline, signaling that even
2409 projects that clear the Federal review process can effectively be killed at the State level, and that is
2410 just not policy disagreement, it undermines the certainty that Federal approvals are supposed to
2411 provide, especially for infrastructure that would deliver firm fuel into regions with sustained winter
2412 demand.

2413 Commissioner See, generally speaking, how does the pipeline bottleneck in the northeast
2414 impact the energy reliability and affordability in the region?

2415 Ms. See. Congressman, I think it is really telling that you started with some of the stressors
2416 we have seen from recent winter storms, because we increasingly had a gas and electric system that
2417 were built separately, but they are so interdependent. Upwards of 40 percent of the electricity
2418 sector is powered by natural gas, so that makes that incredibly important. We can't get molecules
2419 where they need to go without increased capacity.

2420 So in matters like the one you're talking about, that is an open filing in front of us, I know I am
2421 committed to look very closely at the record and to make sure that we could do everything within
2422 our jurisdiction to move forward, needed infrastructure when it meets the statutory mandate of
2423 promoting plentiful natural gas applies in the public interest.

2424 Mr. Langworthy. Thank you very much. Reliability isn't ideological. Bad policy raises
2425 costs and increases risks. Energy policy should prioritize affordability and reliability, and not
2426 government mandates that undermine the systems that people depend on.

2427 And with that, Mr. Chairman, I am out of time, and I will yield back.

2428 Mr. Latta. Thank you very much. The gentleman yields back. And if we could, we will
2429 just stand at ease for a couple minutes until other Members come back in from the vote, so thank
2430 you.

2431 [Recess.]

2432 Mr. Latta. Okay. The subcommittee will come back to order, and the chair will recognize
2433 the gentleman from Ohio's 6th District for 5 minutes of questioning.

2434 Mr. Rulli. Thank you, Chairman. Federal law is clear; States cannot block critical natural
2435 gas projects. Period.

2436 Over the last decade, Democrat governors have continuously violated the Natural Gas Act,
2437 and put our national security at risk while our communities bear the cost. Our constituents cannot
2438 afford rising energy costs held hostage by brain-headed, out-of-state politicians playing games with
2439 the energy grid.

2440 From your perspective, how has State actions impacted natural gas development and grid
2441 reliability in the United States? For me personally in Ohio's 6th, we are very rich in the Utica and
2442 the Marcellus Shale. I spent the last 6 years in public service building this. I have actually been
2443 intricate in building three gas-generated power plants, two in Lordstown and one in Wellsville.

2444 We have a cracker plant in Monaca, Pennsylvania. It is the biggest cracker plant outside of
2445 Texas. The problem that we are having over there right now is Governor Hochul. She refuses to
2446 have the Constitutional Pipeline go into the Monaca cracker plant and feed that beautiful plant with
2447 the necessity of the natural gas that is needed. So now we are frantically trying to build a pipeline
2448 from Ohio's 6th into Monaca. So would one of you like to speak on this?

2449 Ms. Swett. I will, sir. Thank you for the question. Mountain Valley Pipeline is a good
2450 example of the situation that you're raising here, which is sometimes it takes an act of Congress to
2451 build a pipeline. And that is because the permits in our system of federalism enable the States to
2452 effectively veto a project, and FERC cannot do anything about that.

2453 Mr. Rulli. So what type of things do you think FERC could give suggestions to Congress to
2454 write a quality bill that perhaps could get bipartisan support, so if we could expand the natural gas
2455 pipelines inside the continental United States at time for all-the-above energy that our friendly

2456 friends on the opposite side of the aisle think that could happen, because when you see this happen,
2457 where I have a cracker plant that was \$12-1/2 billion of construction, we have a proposal for a
2458 Belmont cracker plant, which is another \$14 billion of construction, and we could actually turn this
2459 into the energy hub for the whole world. The natural gas in Ohio's 6th is enough to supply the
2460 earth's needs for 400 or 500 years, so any suggestions as Members over here that we could do some
2461 quality work and get bipartisan support on?

2462 Ms. Swett. Absolutely. As an initial matter, FERC's staff stands ready to provide technical
2463 support to you and any other Members on how to craft legislation. But it is clear that the Clean
2464 Water Act probably needs to be revised with some type of limit on the ability to effectively veto a
2465 project, a Federal project.

2466 Mr. Rulli. Do you think that is something that Lee Zeldin could actually be involved with and
2467 help us navigate those waters and the pitfalls and the little land mines that could happen as far as
2468 addressing that?

2469 Ms. Swett. I do not want to speak for Lee Zeldin, but I can answer any questions on behalf
2470 of FERC and myself.

2471 Mr. Rulli. Our office will definitely reach out. And with that, I yield my time back to the
2472 chair.

2473 Mr. Latta. Well, thank you very much. The gentleman yields back. And the chair now
2474 recognizes the at-large member for North Dakota, the gentlelady, for 5 minutes.

2475 Mrs. Fedorchak. Thank you, Mr. Chairman. I appreciate you calling this committee today.
2476 And thank you all for being here.

2477 A lot of things I want to go over. First of all, I want to set the record straight for a minute.
2478 There is a lot of blame that has been made in this committee on Republican policies driving up
2479 energy costs. The other bogeyman for increased energy costs is the big tech companies. This
2480 chart shows clearly what is going on here. You can't really tell the difference between the grades,

2481 but the State in this chart that has the lowest energy costs is my State of North Dakota. And that is
2482 because we have, in a very principled way for decades, followed simple fundamentals that you
2483 provide low cost and reliability. Those are your drivers. Costs and need drive the investments in
2484 the system. And when you do that over time, you get a result like this.

2485 What happens when you don't do that, you get the results in the blue States. Those States
2486 have very aggressive goals. You know this. These are also the States that have risk of running out
2487 of power. And where you have risks of not having enough gas in your pipelines to meet demand
2488 when the weather gets cold, like in the winter, Winter Storm Fern.

2489 So this is just like the facts of the system. It is -- and I just wanted to point that out. You all
2490 know this. I am saying this more to colleagues on the other side of the aisle who continually blame
2491 us for the rising costs.

2492 Secondly, I want to highlight -- you are also very familiar with these maps, these are the maps
2493 of the NERC reliability assessment. This map up here is what drove me to run for Congress. After
2494 12 years as the State utility regulator, seeing the policies that were occurring all over our country,
2495 and the really step-by-step dismantling of our power grid and our systems, I decided I need to take
2496 my expertise, come here, and try to fight for just commonsense energy policy. That is it. It
2497 shouldn't be partisan, just this is the fundamental need in our country, provides a baseline for
2498 everything that we do so, and so, I urge you all to focus on this, because this has gotten worse. We
2499 are getting worse. We have more parts of the country at high risk and elevated risk of not having
2500 enough power to meet demand. And that is today, or in the very near future. That is before we
2501 even talk about meeting the ever-growing appetite of AI, which is also a very serious national security
2502 issue. So whatever you need help, whatever tools you need to focus on this, consider me as an ally.
2503 I want to help you in any way that I possibly can.

2504 Okay. So I have a few questions, and I will submit more online. But Commissioner See,
2505 you said that the electricity markets are not designed for today's challenge. I agree with you. We

2506 have to change things.

2507 So Chair Swett, could you just briefly outline some of the things that you think Congress can
2508 do to allow you all to do your work faster?

2509 Ms. Swett. Thank you for the question. There are several things -- several items raised
2510 today that Congress could help with. First of all, as we just discussed, when it comes to permitting
2511 Federal projects, either putting a timeline on State analysis, or inability to effectively veto projects
2512 when it comes to things within their jurisdiction, but fully respecting the State's rights, which I do
2513 personally, that would be very helpful.

2514 Across FERC's jurisdiction, limiting the amount of litigation that can happen. Perhaps if
2515 there were a clock on when or how you could appeal a FERC decision, that would certainly give more
2516 certainty to market participants because as someone who personally knows, some of these cases can
2517 be appealed for decades, and that would be certainly helpful.

2518 Mrs. Fedorchak. And I will invite you guys to send all of us, all five of you, send ideas. I will
2519 ask a question of that nature.

2520 Chair Swett, you mentioned one of the things that I am real excited about, that you're going
2521 through like all of the FERC rules and regs looking at where you have kind of exceeded your
2522 authority, your jurisdiction, and also things that just don't make sense.

2523 Can you just briefly, what is the timeline on that, and can you provide a report to us when you
2524 complete that work?

2525 Ms. Swett. I am happy to provide any information that you and your staff would like. The
2526 timeline is the entirety of my tenure. As long as I have the honor of having this job, I am going to be
2527 looking at a critical eye.

2528 When I entered the building, there was a huge backlog of very difficult items that had not
2529 been acted on by the Commission for a multitude of reasons. There was not a quorum and we
2530 cannot act unless we have a majority vote, or some items don't have statutory deadlines, some were

2531 simply too hard to reach consensus on. And I prioritized right away, tried to clear that backlog, that
2532 is one way, and I will continue to do so as we work through things.

2533 Mrs. Fedorchak. Okay. My time has expired. I have a few other questions I will submit
2534 online, and look forward to ongoing collaboration with all of you on some of our big challenges here.
2535 Thank you.

2536 Mr. Latta. The gentlelady's time has expired and yields back. The chair now recognizes the
2537 gentleman from Ohio's 1st District for 5 minutes of questions.

2538 Mr. Landsman. Thank you, Mr. Chairman. And thank you all for being here. This is
2539 obviously a hugely important topic for the American people, businesses, our farmers, in large part,
2540 because of the utility bills. So I just want to -- I am going to start there, and I am going to pick up
2541 where my colleague, Ms. Ocasio-Cortez, had left off, which was taking on this question of utility costs
2542 versus utility profits. And most Americans wouldn't know how much power you all have in terms of
2543 adjusting down the profit margin in order to adjust down somebody's utility bills. And so as people
2544 are looking for someone to help, someone to save them from the high cost of these electric bills, look
2545 no further, right?

2546 And Ms. Swett, you made, I think, a really important comment about the heated debate that
2547 you all are having around this question, and I wanted to ask you as follow-up, what does that debate
2548 look like, and how quickly can the plane get landed so that we can provide real relief for ratepayers?
2549 I mean, this seems like something you are passionate about, I am wondering if I could get you to talk
2550 a little bit about this process in a way where people back home will say, Oh, my gosh, maybe
2551 somebody is going to help.

2552 Ms. Swett. Thank you for the question. And to be clear, the heated debate we are having
2553 is a contest to see who can save ratepayers more money among my colleagues. So every time we
2554 have a docket come before us, every single one of them has raised, well, could we lower this, or can
2555 we lower that, and how is this going to pass through to the consumer. So they all raise very

2556 intelligent questions because we have such --

2557 Mr. Landsman. The question is about the profits because you do have the power to adjust
2558 the profits for each company, to say to folks, we are going to adjust this down a little bit so that we
2559 can increase or decrease what folks are being charged, how quickly can that happen?

2560 Ms. Swett. Well, every single rate that comes before us, we do look at what rate of return
2561 the utility has. And that can help Americans, but like I said, that is only one-third of the bills that
2562 people get for utilities.

2563 Mr. Landsman. I think they would be very, very excited for that one-third of the bill to go
2564 down, because you are seeing these companies rack up record profits while folks are really
2565 struggling. And it is not just families. It is my small businesses. It is my farmers.

2566 I have got 2-1/2 minutes, so I just want to ask about AI. I just want to encourage you to
2567 keep pushing to get these rates down.

2568 I have a bill protecting families from AI data center energy costs, and so this gets at what so
2569 many of my communities are facing. I have got a community in our region, Wilmington, they are
2570 looking at a data center, the data center is coming in, they are, you know, they are asking for all this
2571 tax money, and utility bills are likely to go up like they have everywhere else.

2572 What can you tell them that you all are doing to ensure that this company, it is an Amazon
2573 company, pays the full amount of their energy costs?

2574 Ms. Swett. Every agreement that we have approved at FERC since my tenure, at least, has
2575 provided for the data center to cover the full cost of the upgrades that are necessary for them.

2576 Anecdotally I meet with data centers, also, and many of them across the country are actually
2577 willing to subsidize local ratepayer utility bills by providing even more to the system --

2578 Mr. Landsman. That is where Congress has to require it, because I do agree that they have
2579 the cash to do it, we have to, I think, come together in a bipartisan way to say you have to pay for the
2580 entirety of the cost. Otherwise, it is going to end up back on the ratepayers.

2581 In this bill that hopefully gets marked up and past, I think it is very bipartisan, is the push to
2582 get families, farmers, small businesses included in these conversations. Can you talk a little bit
2583 about how you do that now?

2584 Ms. Swett. Well, that is not in FERC's jurisdiction, to have community engagement for a
2585 potential deal that may be at the retail level. But we, from what I have talked to the data centers
2586 about, most of them are starting to show that they understand it is very important to have the
2587 community behind them, and I am very encouraged that that will continue to be part of their
2588 approach.

2589 Mr. Landsman. Just my last couple of minutes -- seconds here, that has not been our
2590 experience. I understand that has happened in other places. In Ohio, or at least in Wilmington,
2591 our experience is they have come in, they are signing NDAs with people, politicians, elected officials,
2592 and they are bypassing community and getting tax cuts to come in and set up these data centers,
2593 which will cost people a lot of money for a few jobs, and ultimately, I think we have to get to a place
2594 where they pay everything. No costs data centers. Thank you, and I yield back.

2595 Mr. Latta. Thank you very much. The gentleman yields back. And the chair now
2596 recognizes the gentleman from Texas' 12th District for 5 minutes for questions.

2597 Mr. Goldman. Thank you, Mr. Chairman, very much. And I want to thank all the
2598 commissioners for being here today. It has been a very interesting and educating hearing.

2599 I will start with Chairwoman Swett, since you are an honorary Texan surrounded by Texans,
2600 not only at home, but on your staff as well. You have been a staffer yourself at FERC before, and
2601 been in private practice at a very distinguished firm. Certainly an expert. So safe to say that you
2602 are an expert on both the industry and regulating the agency you run. Where are the biggest
2603 opportunities you see to improve FERC as we move forward?

2604 Ms. Swett. Thank you for that question. I am very proud of the agency that we are
2605 representing. It is my third time. It has come a long way. And we are moving faster --

2606 Mr. Goldman. At first, I thought you said it is your third child.

2607 Ms. Swett. No. I have only got two children.

2608 Mr. Goldman. I know, so it technically is your third child.

2609 Ms. Swett. I do feel actually a maternal instinct towards the agency, so it could be my third
2610 child in a way, but it predates me.

2611 That said, we have made a lot of strides at FERC to improve everything that we are doing.
2612 And I personally have tried to improve FERC's morale, just to tell everyone there that they are
2613 appreciated, and the administration is really appreciative of the mission that we do for the American
2614 people. Having support from the outside would also improve the agency's morale. But I think we
2615 are at a good place, and we are changing every day.

2616 That said, having more certainty on the gray areas of our jurisdiction from Congress, for
2617 example, in permitting, which we keep coming back to, that would really help us realize our missions
2618 more efficiently.

2619 Mr. Goldman. Thank you. And do you anticipate achieving the timeline for FERC
2620 rulemaking on data center co-location and fast-track interconnect for data centers to be completed
2621 by the April 30th, 2026, deadline as requested by Secretary Wright?

2622 Ms. Swett. That is a historic problem that takes all of the minds to solve. I am very
2623 grateful for the Secretary for making his priorities public and giving us the opportunity to open a
2624 docket and collect that information. That said, we have gotten over 300 sets of very substantive
2625 comments, and we have to comply with the Administrative Procedure Act, which means FERC staff
2626 must analyze and respond to every single comment that we have, otherwise, we will be overturned
2627 on appeal. So we are moving as efficiently as we can to ensure that we come up with a thoughtful
2628 and durable answer for our country.

2629 Mr. Goldman. Thank you. Commissioner Rosner, I had a hard-hitting question for you, but
2630 since you praised Texas and what we are doing there, it kind of eased up a bit.

2631 But no, during your time as chair, FERC regionally approved what seems to be a record
2632 amount of natural gas projects. What recommendations do you have, or best practices that we in
2633 Congress can help, but to make such speed and success more permanent?

2634 Mr. Rosner. Thank you for the question, and the Texas grid is really quite impressive.

2635 You know, I will say a couple of things: First of all, I think having a bipartisan consensus
2636 among commissioners helps us do our work more rapidly, and it also helps ensure that, you know, as
2637 we get the benefit from the five sets of perspectives and experiences in these orders, it makes them
2638 more legally durable. And so, you know, I think one thing is, you know, just go, colleagues, let's
2639 keep doing what we have been doing.

2640 You know, I think we have talked a lot with many Members of the committee about
2641 opportunities for more certainty on the things that touch either our jurisdiction, or things that are
2642 related to other agencies, or other entities have roles in. And so I think what I would say succinctly
2643 is, you know, whatever sort of all-of-the-above permit reform that Congress thinks is appropriate, I
2644 would be really excited to implement as a commissioner.

2645 But should that not happen, I will also be very excited as a commissioner to work within the
2646 statutes you have entrusted us to find efficiencies wherever we can. Thank you.

2647 Mr. Goldman. Thank you. And I think we all agree, everybody on the committee, and
2648 every one of you all certainly want the grid to be reliable. We all want to save ratepayers money.

2649 Commissioner See, seeing what happened last week with Winter Storm Fern, as some of my
2650 colleagues pointed out, wanted more wind, well, the wind wasn't blowing in Texas, and the sun
2651 wasn't shining, and so we were completely, not completely, we are very dependent on natural gas.
2652 I think over, at one point, 70 percent of our grid was by natural gas.

2653 And seeing that the New England grid was generating 25 to 30 percent of its power from oil,
2654 what do you think should be done to expand natural gas pipelines in New England?

2655 Mr. Latta. If I could just interrupt for a second, the gentleman's time has expired. If you

2656 can answer that -- I have been giving everybody about 15 seconds over, or if you would like to
2657 respond or writing, what would be the easiest and best for you?

2658 Ms. See. I can certainly respond more in writing, but I think we need more infrastructure.
2659 I think that is the message that has come out of the hearing today.

2660 Mr. Goldman. Thank you. Thank you, Mr. Chairman.

2661 Mr. Latta. Thank you very much. The gentleman's time has expired. And the chair now
2662 recognizes the gentleman from California's 15th District for 5 minutes for questions.

2663 Mr. Mullin. Thank you, Mr. Chair. Thank you, Commissioner, for being here today.

2664 Two years ago, President Trump pledged to cut electricity bills by 50 percent. Under his
2665 watch, the opposite has happened. Prices rose 13 percent last year. Just recently ahead of winter
2666 storms last week natural gas prices jumped 25 percent. For the average American family, this
2667 translates to an extra \$1,000 a year just to keep the heat on. We must move past rhetoric and
2668 towards real solutions that lower costs for the people we represent.

2669 Commissioner Chang, I want to thank you for your response to the letter that I sent to each of
2670 you regarding data centers. You noted that while large loads are opportunity to modernize our
2671 grid, we must protect customers from higher prices as part of that equation.

2672 With that in mind, what specific cost allocation frameworks do you think will effectively
2673 protect consumers from rising costs associated with these new large loads like data centers?

2674 Ms. Chang. Thank you for your question, Congressman. Yes, the Captive customers have
2675 always been the ones that pay for system upgrades, and as we enter into this new phase where large
2676 customers are coming in, such as data centers that we talked about all day today, is that we have an
2677 opportunity to upgrade the system for everyone. Not just for the data centers, but for everyone.
2678 And I think we need to take that opportunity very seriously.

2679 And we also have an opportunity to do that, to increase the capability of our grid while
2680 keeping the rates flat for everyone. But we also run the risk at this moment where if additional

2681 upgrades are actually only to benefit certain large customers, but not benefit local customers, those
2682 costs should not be shifted to existing captive customers.

2683 So I think as we evaluate approaches to cost allocate system upgrades, or, on principle, same
2684 thing for generation upgrades, you know, we need to think about how to allocate those costs fairly.

2685 Mr. Mullin. Thank you for that. Commissioner Rosner, I was glad to see your testimony
2686 highlight the importance of Order No. 1920, a rule which was bipartisan and unanimous.
2687 California's grid operator, CAISO, submitted its first compliance filing under this order in December,
2688 and I will be watching that outcome closely.

2689 Without getting into the specifics of any active filing, can you describe the importance of
2690 ensuring that RTO filings strictly comply with the reliability and affordability mandates of Orders 1920
2691 and 1920-A?

2692 Mr. Rosner. Thank you for the question, Congressman. And what I would say is this, is I
2693 really look forward to working on compliance with Order No. 1920 with my colleagues on the
2694 Commission. Although as an individual Commissioner, I do not set the timeline for moving that
2695 forward.

2696 But what I can say is this about 1920 is that this is the kind of rulemaking that brings States in
2697 at the ground floor, to take a 20-year forward look. It doesn't require them to select anything, take
2698 a 20-year forward look, give input to your transmission utility about what kind of projects you see,
2699 how the scenario should run, and then agree among the region on how to share the costs.

2700 And, you know, we have had a lot of struggles with this over the past decade or two at FERC.
2701 I believe that Order No. 1920 corrects a lot of the gaps and will help us get a set of transmission that
2702 is going to enable us to connect an all-of-the-above energy system to the grid, meet things like new
2703 demands, whether it is a data center, or electric vehicles, or whatever States and regular people
2704 want to pursue, that we have that available to them in an affordable way. Thank you.

2705 Mr. Mullin. Thank you for that. Your testimony also highlights the 21st century reliability

2706 solutions include demand response. I am actively working on a legislative proposal to expand
2707 real-time energy data access, in part, to improve such programs.

2708 How critical is expanded access to real-time data for the success of demand response
2709 programs, and how would this help lower costs for families?

2710 Mr. Rosner. I would agree with you that it is critical, and so having access to the data is
2711 needed in many parts of the country. And the way it works is this: The cheapest megawatt is the
2712 one you don't use, or the one that you are willing to not use. And so what I like about demand
2713 response is that there is a lot of flexibility in setting up programs that work for regular consumers,
2714 small businesses, or even large businesses, so that they can respond to prices and they can be in
2715 control of their consumption. It is just smart and, you know, and it is voluntary, and I think it is
2716 another tool at lowering high costs.

2717 Mr. Mullin. Thank you for that. I yield back.

2718 Mr. Latta. Thank you very much. The gentleman yields back. And the chair now
2719 recognizes the gentleman from Pennsylvania's 13th District for 5 minutes for questions.

2720 Mr. Joyce. Thank you, Chairman Latta, and Ranking Member Castor, for holding this
2721 important hearing, and to our witnesses for being here for this long day.

2722 As we have discussed within this committee, and as you are no doubt aware in your roles,
2723 ensuring that every American has affordable and reliable energy, has become unfortunately
2724 increasingly complicated in recent years. Between the premature retirement of dispatchable
2725 baseload power, and the increased demand on the grid that AI centers, and advanced manufacturing,
2726 presents, we are seeing challenges to the reliability across this country.

2727 When you consider all these factors, and add in extreme weather, like we are experiencing
2728 over the past week, this puts even more pressure on the grid. It has become clear to me why the
2729 head of the NERC has labeled the current reliability crisis as a 5-alarm fire.

2730 In your role as a regulatory gardening charged with ensuring reliability in our bulk power

2731 system, I want to discuss what you see as a path forward so that we can recognize the opportunity of
2732 both AI, and advanced manufacturing, while still keeping energy affordable.

2733 In the development of AI, and as U.S. companies work to capture leadership in that role, we
2734 have seen many proposed projects, which would be incredibly energy intensive. However, many of
2735 these projects are in their very early stages, and some will likely never come to fruition.

2736 Commissioner LaCerte, what role can FERC play in establishing guidelines for when and how
2737 energy demand from a new project is considered as part of a load forecast?

2738 Mr. LaCerte. I think that is a billion-dollar question. I think we had a good start with Order
2739 1920, and I think that is going to require a 20-year look at transmission planning and cost allocation.

2740 One of the things we can do better of partnering with our States to encourage generation. I
2741 think the generation problem here is a key cog in this wheel, I think it is a responsibility of the States,
2742 and I think one of the things that Congress can do is properly incentivize the energy mix that we
2743 talked so much about here today.

2744 Natural gas has carried the load through this winter storm. I think natural gas is plentiful
2745 and geologically blessed across our country. I think that we need more capacity to drive those
2746 natural gas pipelines forward, to put steel in the ground, to power our generators, to power industry,
2747 and to come forward with a real modernization of our grid.

2748 I think a diverse grid is important, a proper energy mix is important, but baseload power is
2749 carrying the day now more than ever here in our country. We need to properly incentivize it. We
2750 need to reduce those hurdles that we have put in front of it. We can't play these games that we
2751 have in the past as it relates to the blocking and tackling of what we do with energy --

2752 Mr. Joyce. So you call it a \$1 billion question, and I agree, but what are the risks and
2753 downsides when a load forecast accounts for demand that is unlikely to ever actually materialize, or
2754 when the demand arises that a forecast fails to account for.

2755 Mr. LaCerte. Absolutely. I think as our colleagues have stated here today, when that load

2756 forecast is inaccurate, two things are going to happen: On the downside, you know, if it is too high,
2757 the consumers are going to pay the bill, and you see that. I think we need better forecasting. We
2758 need better data. I think we have a better consensus on what those load forecasts are going to be
2759 so they can properly plan. Without the forecasts being accurate, we are always going to miss our
2760 mark.

2761 Mr. Joyce. We have seen many large load customers, like the new data centers, enter into
2762 proactive contracts with either existing or new generation sources to meet those energy demands.
2763 This provides predictability both for the grid, and for the generator, especially as it relates to
2764 agreements between large loads and existing manufacturers. These deals conserve as a signal for
2765 generation sources to plan for that long-term, and make needed upgrades in investments.

2766 Chairman Swett, how can FERC ensure that existing generations are not disadvantaged in
2767 entering into long-term deals with large load as compared to load that partners with new
2768 generation?

2769 Ms. Swett. Thank you for the question. As Congress has instructed us, we have to do
2770 everything in a nondiscriminatory manner, so that includes looking at existing generation and new
2771 generation in the same way. So if those agreements come before us, then we will consider the
2772 merits of all of them and ensure that we have a just and reasonable result.

2773 Mr. Joyce. I have one additional question. I respect your time for being here today. I will
2774 submit that as a question for review.

2775 Again, I thank you for your intellect, I thank you for your thoughtfulness, and I thank you for
2776 your leadership in what we and I come from an energy-rich section of Pennsylvania with great
2777 resources at Marcellus Shale. I thank you for recognizing that. And with that, Mr. Chairman, I
2778 yield.

2779 Mr. Latta. The gentleman yields back. And seeing no further Members wishing to ask
2780 questions, first, the subcommittee first would like to thank you all, especially through two votes

2781 series today, we appreciate your patience. We really do. So thank you very much for being with
2782 us.

2783 Members may have additional written questions for you, and I will remind Members that they
2784 have 10 business days to submit additional questions for the record. I ask that all witnesses do their
2785 best to submit responses within 10 business days upon receipt of the question.

2786 I ask unanimous consent to insert in the record the documents included on the staff hearing
2787 documents list. Without objection, so ordered.

2788 [The information follows:]

2789

2790 ***** COMMITTEE INSERT *****

2791

2792

Mr. Latta. And without objection, the subcommittee is adjourned.

2793

[Whereupon, at 2:27 p.m., the subcommittee was adjourned.]

2794

2795