U. S. House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
Subcommittee on Energy
"Oversight of FERC: Advancing Affordable and Reliable Energy for All Americans."
February 3, 2026

Additional Questions for the Record for Commissioner Chang

The Honorable Brett Guthrie (R-KY)

1. It takes time to build reliable generation and infrastructure upgrades, yet these are what people need for a more reliable system and what the Tech Industry needs in the race for AI dominance. How do you see harnessing the tech industry interest and resources in speed to power with the imperative to ensure affordability?

The massive demand growth driven by the tech industry presents a generational opportunity to modernize and expand the grid. As a regulator, I think it is essential that this buildout be conducted in a way that balances the desire for speed and ambition with affordability and reliability. Achieving this balance will require that large loads—such as data centers—pay their fair share of generation and transmission costs, and if they are seeking to move through an expedited process, that their costs reflect that benefit. There will be no one-size-fits-all solution to this problem, and I am encouraging utilities and regional entities to bring the Commission innovative solutions that are tailored to their particular geographic needs. Beyond that, adoption of tools that can help make better use of the system, such as advanced transmission technologies and demand-side flexibility, can keep costs low by optimizing investments.

The Honorable Mariannette Miller-Meeks (R-IA)

1. February's hearing focused on whether FERC is helping us meet our economic and national security goals while ensuring affordable rates to all customers. Additions and upgrades to the electrical transmission system, which you regulate, are necessary to meet those goals, but also represent a significant percentage of the increase in customer bills. What concrete steps are you taking to ensure customer affordability in the face of this challenge?

Transmission costs have increased as our aging system tries to keep pace with rising demand. While investment in new transmission is necessary, it is also critical that project selection and construction minimize costs to customers. From the outset, cost savings can be achieved through better system planning. More accurate data and improved processes

will produce plans that make smarter investments and more efficiently address the needs of the system. These improvements reduce the need for infrastructure buildout, costs, and the amount of time to interconnect new generation.

The Commission has taken action to improve these critical processes and yield better outcomes for customers. Order No. 1920 requires new long-term regional transmission planning to improve the way transmission facilities are planned, and will help regions select projects for construction that meet long-term needs and deliver benefits to customers. The Commission also has taken steps to improve the interconnection process through Order No. 2023, which enumerates a number of reforms to address interconnection backlogs and accelerate the integration of new generation. These reforms will help reduce the scarcity conditions that keep prices high for customers. Compliance with Order No. 2023 is nearly complete.

2. The whole of the federal government and the energy industry are focused on speed to power to allow new large loads, primarily data centers, to interconnect and operate as quickly as possible. While interconnecting these larges load quickly is a national security and economic imperative, they bring with them new and not well understood reliability risks to the bulk electric system. Ignoring these reliability risks could cost customers significantly in the future. Please explain what actions FERC can take to ensure that large load interconnection processes are not jeopardizing reliability.

As a Commissioner, I am very focused on the reliability implications of interconnecting new large loads, which, because of their size and novel operational characteristics, present unique challenges. The Commission is working closely with the North American Electric Reliability Corporation (NERC)—our designated Electric Reliability Organization—to better understand the reliability impacts of interconnecting large loads to the system. To date, NERC has taken a number of important actions. NERC's Large Load Working Group recently issued their second white paper,[1] which found that existing NERC Reliability Standards and industry requirements are inadequate for the reliable integration of large loads onto the bulk power system, and therefore further action to set specific standards of operations is warranted. NERC also recently issued a Level 3 Central Action Alert outlining actions registered entities must implement to address immediate risks posed by

[1] Assessment of Gaps in Existing Practices, Requirements, and Reliability Standards for Emerging Large Loads. NERC Large Loads Working Group. March 11, 2026.

computational loads interfacing with the bulk power system.[2] Should NERC decide to propose Reliability Standards related to large loads in the near future, the Commission will undertake a fulsome review of NERC's proposal. I defer to the Chairman on any other future actions the Commission may take or direct NERC to take on this topic.

3. At the January Commission meeting, Chairman Swett praised MISO's Expedited Resource Addition Study or ERAS process as providing a framework for expedited generator interconnection to address urgent resource adequacy needs. As you work towards final action on the Department of Energy's Large Load Interconnection ANOPR, how do you plan to support flexibility in compliance with any rule such as leveraging effective, regionally developed solutions like MISO's ERAS process and Expedited Project Review transmission planning process?

The Commission has historically allowed for variations from its *pro forma* open access transmission tariffs, including through the approval of the regional Expedited Resource Addition Study (ERAS) processes in MISO and SPP, and PJM's Reliability Resource Initiative (RRI). When assessing any proposed variations to the *pro forma* tariff, and particularly those that might relate to large loads, the Commission requires the filer to demonstrate that the revisions are consistent with or superior to the *pro forma* tariff. While the Commission has historically allowed for variations from its *pro forma* tariff, these variations must be proposed in a way that upholds the standards set for all regulated entities. While I cannot at this time speak to potential future actions on the Department of Energy's Large Load Interconnection ANOPR, I do not anticipate that this practice for considering variations and regionally-developed solutions will change.

4. 3 coal plants in the MISO region have now received Section 202(c) orders from the Secretary of Energy to continue operating past their retirement dates. Their owners have proposed cost allocations to FERC to recover the net costs of keeping those plants open across broad swaths of the MISO footprint. Please explain what the Commission is doing to ensure that those costs are prudently incurred and that consistent with cost causation only those who benefit from the plants are allocated costs.

Though the Department of Energy—not the Commission—determines the need for a 202(c) designation, consistent with other cost-of-service rates, utilities must demonstrate the

[2] NERC Issues Level 3 Alert, Reliability Guideline Focused on Large Load Challenges. May 4, 2026. https://www.nerc.com/newsroom/nerc-issues-level-3-alert-reliability-guideline-focused-on-large-load-challenges

justness and reasonableness of related costs through a filing with the Commission. The Commission has previously approved cost allocation for costs related to Section 202(c) orders consistent with the findings in the underlying orders from the Department of Energy. Since the Commission's subsequent decision on recovery of specific costs will be informed by the individual records, I will not pre-judge the outcome of the filings.

The Honorable Troy Balderson (R-OH)

1. Ohio and other states across the PJM region are facing rapidly accelerating electricity demand - particularly from data center growth. The White House and regional PJM governors recently endorsed a "Statement of Principles" urging PJM to conduct a Reliability Backstop Auction to bring new generation online quickly. I believe President Trump and this administration deserve credit for bringing these parties together so we can win the AI race while also protecting ratepayers and ensuring our constituents have access to reliable, affordable energy.

As PJM and FERC work together on this backstop auction, what changes to existing PJM policies or FERC practices may be needed to ensure residential ratepayers are protected? And will FERC evaluate whether this approach appropriately allocates costs so that data centers pay their fair share and costs are not shifted to households?

As a Commissioner, I am very concerned with how the decisions we make impact customer costs. It has become especially apparent that we must be particularly vigilant in the PJM region. PJM's resource adequacy construct must facilitate new investments while protecting customers from undue costs. I am carefully following PJM's backstop auction proceeding and working closely with PJM to make sure that I understand their proposal. It is critical that the auction be designed in such a way to ensure that new loads pay for corresponding new resources and do not create additional scarcity with respect to existing resources and load. This principle will be key to protecting ratepayers and properly allocating costs to the appropriate entities.

The Honorable Frank Pallone, Jr. (D-NJ)

1. A 2024 report indicated that transmission spending is sharply increasing largely due to low-voltage, local transmission projects, which may be less efficient and cost-effective than higher-voltage regional or interregional projects, and are subject to less scrutiny by FERC. This issue has also come up repeatedly in technical conferences convened by the FERC.

a. How should FERC ensure a buildout of more efficient and cost-effective transmission lines over more costly and less-effective transmission lines?

It is essential that the Commission implement requirements and incentives that ensure that the most efficient and cost-effective transmission lines are built. Long-term and scenario-based transmission planning is an effective means of achieving this outcome. Through Order No. 1920, the Commission now requires that regional planning organizations conduct long-term transmission planning that better reflects the needs of the system and can subsequently reduce costs, the need for infrastructure buildout, and the time to interconnect new generation. Order No. 1920 similarly requires regional transmission organizations to develop at least three long-term scenarios to develop robust long-term transmission plans. There is also ample opportunity to make better use of the existing grid—and thus avoid unnecessary buildout—through wider adoption of advanced transmission technologies.

b. What opportunities exist for FERC to add more transparency to the local transmission planning process?

I agree that the Commission needs greater transparency into the data that informs local transmission projects. As I stated in my concurrence to a complaint brought by the Maine Office of the Public Advocate,[3] customers have a right to reasonable information to assess the prudency of actual expenditures, and it is clear that more needs to be done to give customers the confidence that their dollars are being prudently spent. Some regions have already taken proactive steps to improve transparency of local transmission projects, including processes developed by stakeholders in New England—notably the New England States Committee on Electricity—and the California Public Utilities Commission. Ratepayers across all regions should be afforded access to this type of transparency, and I support further action to ensure they receive it.

c. Does FERC need support from Congress to ensure that transmission projects paid for by ratepayers are efficient and cost-effective?

The Commission has the responsibility to ensure just and reasonable transmission rates for consumers. Both the Commission and the public should have access to sufficient and transparent information about transmission investment. Should Congress provide further

[3] Docket No. ER20-2054-000, https://www.ferc.gov/news-events/news/e-9-commissioner-changs-concurrence-providing-transparency-transmission-costs

statutory directives to ensure meaningful transparency, I will work with my colleagues on the Commission to ensure that the new policy is properly implemented.