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 Chairman Swett

The Honorable Brett Guthrie (R-KY)

Question 1: FERC is important, but so are the States. States have an essential role planning, siting, and permitting both generation and transmission—and looking out for ratepayers. What are you doing to strengthen your interactions with States and to help states better perform their critical functions?

Answer: I agree that States play a critical role in planning, siting, and permitting generation and transmission. Sharing perspectives among FERC and State Commissioners on these and other important issues is a valuable function of the Collaborative organized by FERC and the National Association of Regulatory Utility Commissioners, which met most recently in February. In addition, FERC's Office of External Affairs regularly acts as a liaison to inform and advise state officials on the Commission's programs and activities. That Office also coordinates the Commission's participation in events sponsored by state governments and conducts outreach activities with state regulators.

Question 2: 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?

Answer: I agree that it is imperative that we ensure affordability while at the same time building reliable generation and infrastructure upgrades that are necessary to provide speed to power so that our nation can win the race for AI dominance. I am committed to working with my colleagues to find a path forward on this critical issue. In fact, on April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to the Secretary of Energy's advance notice of proposed rulemaking on large load interconnection. As the order explains, the Commission agrees with the Secretary that there is an urgent need for thoughtful reforms to ensure that large loads are "able to connect to the transmission system in a timely, orderly, and non-discriminatory manner," and we share the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. Moreover, I note that the Commission has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large load to the transmission system while protecting consumers from unreasonable costs.

The Honorable Bob Latta (R-OH)

Question 1: For over a century, the Potter Valley Hydroelectric Project has provided reliable electricity and water to 750,000 residents in rural Northern California. On July 25th, 2025, Pacific Gas and Electric Company (PG&E) proposed a surrender and decommissioning of the facility. An improper decommissioning of this facility could burden ratepayers and water ecosystems in surrounding communities. Can the Commission provide an update on the Potter Valley Hydroelectric Project proposed decommissioning?

Answer: The Commission issued public notice of PG&E's surrender application on October 31, 2025. A large number of entities filed motions to intervene and comments. Commission staff will hold scoping sessions in late June 2026. PG&E has stated that it will file additional information regarding its proposal, including the results of environmental studies and restoration plans, in summer 2027. After the additional information is filed, staff will begin preparing an environmental document, as required by the National Environmental Policy Act (NEPA). To be clear, FERC must comply with NEPA procedural requirements when it receives such an application, and that is the mandatory process in which we are currently engaged.

Question 1a: How has the Commission considered the potential impacts of a proposed decommissioning?

Answer: Decommissioning, which is the disposition of project facilities upon license surrender, can take many forms, ranging from securing project facilities in place to removal of all facilities. As required by NEPA, the Commission will evaluate any potential effects specific to the Potter Valley Hydroelectric Project proposed surrender in a future environmental document or Commission order. Such effects and how they are addressed will be dependent upon, among other things, the scope of the decommissioning proposal.

Question 2: Affordability is top of mind of many Americans. Average utility bills rose by 11 percent in 2025 after rising by 29 percent over the previous 4 years. Many are concerned that the growth of data centers is raising costs for everyone else. How can the efficient interconnection of data centers actually help stabilize, if not lower, what households ultimately pay?

Answer: I believe our nation can integrate large loads like data centers onto the grid in a way that could lower what households pay for electricity. I am committed to working with my colleagues to find a path forward on this critical issue. In fact, on April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to the Secretary of Energy's advance notice of proposed rulemaking on large load interconnection. As the order explains, the Commission shares the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. Moreover, I note that the Commission has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large load to the transmission system while protecting consumers from unreasonable costs.

Question 2a: How is the Commission considering policies that ensure that large loads are paying for the necessary infrastructure needed to be interconnected to the grid?

Answer: As noted above, I am committed to working with my colleagues on this issue as we consider the Secretary of Energy's advance notice of proposed rulemaking on large load interconnection. The Commission also carefully reviews all proposals submitted by individual utilities. The Commission has accepted numerous agreements between transmission owners and data centers or the electric distribution companies that will serve them that address cost allocation. Some of these agreements seek to ensure that the data centers will make a minimum contribution toward the costs of the transmission owner's transmission system, while others directly assign certain costs of serving the data center to that data center. At the same time, the Commission has rejected proposals that fail to reasonably allocate costs.

Question 3: Last fall, the head of the North American Electric Reliability Corporation (NERC) called the ongoing reliability crisis a five-alarm fire. NERC's most recent Long Term Reliability Assessment found that more than half the nation remains at risk for blackouts in normal and extreme conditions.

In 2008, House Republicans called for an all-of-the-above energy strategy, where the federal government does not pick winners or losers. Chairman Swett, what is the role of baseload and dispatchable resources in reliability of the grid, and can those retirements simply be replaced by intermittent sources of energy?

Answer: While all resources can contribute to the reliability of the grid, baseload and dispatchable resources are essential to maintaining the reliability of the bulk-power system because their output is more continuous and predictable as compared to intermittent resources. I believe it is important that any new resources be able to perform when called upon.

Question 3a: Several states, including my home state of Ohio, have introduced bills to expand self-generation and microgrid options for large customers. How is FERC approaching ways to enable large customers to self-fund their own power solutions and interim transmission service arrangements so that critical projects (datacenters) can move forward without transferring risk or cost to existing ratepayers?

Answer: As noted above, in Docket No. RM26-4-000, the Commission announced that it intends to take action by late June 2026 to address the issues discussed in the Secretary of Energy's advance notice of proposed rulemaking regarding large loads interconnection. The Commission also issued a landmark order in December 2025 directing PJM, the nation's largest grid operator, to establish transparent rules that, among other things, make available interim transmission service for certain customers serving co-located load. The Commission has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large loads to the transmission system while protecting consumers from undue costs. I look forward to working with my colleagues in continuing to address these pressing issues.

Question 4: State level renewable portfolio standards that require the use of intermittent resources like wind and solar and regulations that seek to drive out reliable thermal

generating resources inevitably have cascading effects in neighboring states. Per FERC order 1000, transmission organizations are permitted to plan transmission based on public policy requirements of a particular state within their territory. We are concerned that costs to implement renewable portfolio standards in one state may be borne onto ratepayers in neighboring states that may not have the same policies in place. Given renewable resources like wind and solar require tremendous transmission infrastructure, how might renewable portfolio standard policies put costs on ratepayers in neighboring states that do not have the same public policies?

Answer: In Order No. 1000, the Commission endeavored to ensure that the costs of transmission facilities, including those driven by public policy requirements, are allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits. The Commission also emphasized that those who receive no benefit from transmission facilities may not be involuntarily allocated the costs of those facilities. The Commission built upon these "cost causation" and "beneficiary pays" principles in the Order No. 1920 rulemaking process, by bolstering the ability of state regulators to participate in the long-term regional transmission planning process and requiring public utility transmission providers to include in their compliance filings cost allocation methods agreed upon by relevant state entities. The Commission takes seriously its statutory mandate to ensure the rates, terms and conditions for jurisdictional services are just and reasonable, and I look forward to working with my colleagues to consider utilities' Order No. 1920 compliance filings.

Question 4a: How has FERC's Order 1000 decision to allow planning based on public policy affected transmission development and the affordability of electric service?

Answer: In Order No. 1000 the Commission endeavored to promote more efficient and cost-effective transmission development. The Commission more recently revisited and built upon those reforms in Order No. 1920, requiring transmission providers to conduct comprehensive, long-term planning for regional transmission facilities and engage relevant state entities in the transmission planning process. The Commission takes seriously its statutory mandate to ensure just and reasonable rates for jurisdictional services, and, as noted above, I look forward to reviewing utilities' Order No. 1920 compliance filings, alongside my colleagues.

Question 5: The historic growth in electricity demand has highlighted a need to increase the capacity of our existing grid infrastructure. Across the country, utilities of all kinds are deploying advanced transmission conductors, innovative grid enhancing technologies, and reconductoring existing lines. How is FERC considering opportunities to foster the continued use of transmission technologies that expand the capacity of our existing system?

Answer: The Commission is considering ways to further encourage the deployment of grid-enhancing technologies on a variety of fronts. For example, the Commission has issued rules that require transmission providers to consider the use of certain grid-enhancing technologies, including deployment of advanced transmission technologies, in transmission planning (Order No. 1920) and in interconnection studies (Order No. 2023). Further, pursuant to Order No. 881, transmission providers in many parts of the country have begun to use ambient adjusted ratings – another type of grid-enhancing technology – when evaluating the capacity of a transmission line. Finally, on July 7, 2026, Commission staff will lead a panel discussion on grid-enhancing

technologies as part of its annual software conference. I look forward to working with my colleagues on additional opportunities to foster the use of such grid-enhancing technologies.

Question 6: FERC maintains permitting authority for interstate natural gas pipelines but has a very limited and targeted role in permitting interstate transmission lines. Some policy makers and advocates have called for "permitting parity" between how pipelines and transmission lines are treated. However, this "parity" argument fails to consider the fundamental differences between the bulk power system and the interstate natural gas pipeline network.

Will you respond to the nuances between pipelines and the electric transmission system in terms of resource planning, engineering, and cost allocation considerations and how might a state's visibility into their own electric infrastructure better inform state permitting authority compared to a federal takeover?

Answer: There are a number of differences between the natural gas pipeline and electric transmission systems, including their financial structures, operational requirements and challenges, and the regulatory structures that govern them. Although I cannot address a state's visibility into its own electric infrastructure, I respect state authority and expertise with respect to that infrastructure.

The Honorable Julie Fedorchak (R-ND)

Question 1: In your testimony you emphasize that we are in a 'global energy arms race' driven by AI load growth and that reliable energy is foundational to national security and prosperity." Given that reality, how concerned are you that the accelerated retirement of dispatchable baseload resources is outpacing our ability to replace them with generation and transmission that can perform during extreme weather and system stress?

Answer: While all generation resources can contribute to the reliability of the grid, including during extreme weather and system stress, having sufficient dispatchable baseload generation resources is essential to maintaining the reliability of the bulk-power system. Moreover, recognizing that new generation resources need to replace retiring ones in a timely manner, the Commission has taken steps to streamline the interconnection of new resources. For example, in Order No. 2023 the Commission reformed its interconnection rules to increase efficiency by requiring transmission providers, among other measures, to conduct interconnection studies encompassing numerous proposed generating facilities, rather than separate studies for each individual generating facility. The Commission also has approved proposals from each of the California Independent System Operator, PJM Interconnection, the Midcontinent Independent System Operator, and the Southwest Power Pool to expedite interconnection for generation resources that are more likely to be constructed and to meet those regions' respective needs.

Question 2: You also spoke about regulatory certainty and legal durability as critical to accelerating infrastructure. Would clearer congressional direction to preserve reliability-critical baseload resources help FERC better balance decarbonization pressures with reliability obligations, particularly in regions already flagged by NERC as high-risk?

Answer: Under the existing federal-state regulatory framework, states are responsible for the mix of

generation resources within their borders. Those state choices are the foundation on which the Commission fulfills its statutory responsibilities with respect to ensuring just and reasonable rates and promoting bulk power system reliability. The Commission stands ready to implement any legislation passed by Congress on these important issues.

Question 3: You stated that affordability is personal to you and that progress must not come at consumer expense. As new large loads like AI data centers connect to the grid, do you believe existing cost-allocation frameworks adequately protect residential and small business ratepayers from subsidizing infrastructure built primarily for those new loads?

Answer: Affordability is a critical issue for me, and I am committed to ensuring that costs that are under the Commission's jurisdiction are allocated in a fair manner that meets our statutory standards. With respect to large load interconnection, the Commission on April 16, 2026, in Docket No. RM26-4-000, issued an order regarding our intent to act by the end of June 2026 to address issues raised in the Secretary of Energy's advance notice of proposed rulemaking. As the order explains, the Commission shares the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. The Commission also has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large load to the transmission system while protecting consumers from inflated costs. The Commission also carefully reviews all proposals submitted by individual utilities. The Commission has accepted numerous agreements between transmission owners and data centers or the electric distribution companies that will serve them that address cost allocation. Some of these agreements seek to ensure that the data centers will make a minimum contribution toward the costs of the transmission owner's transmission system, while others directly assign certain costs of serving the data center to that data center. At the same time, the Commission has rejected proposals that fail to reasonably allocate costs.

Question 4: If Congress were to reinforce cost-causation principles statutorily, what additional tools or clarity would that give FERC when reviewing transmission and interconnection cost recovery proposals?

Answer: The Commission endeavors to apply cost causation and beneficiary pay principles in a legally durable manner, consistent with relevant court precedent. While I do not have in mind at this time specific tools that would assist the Commission with this effort, I stand ready to implement any additional statutory authority that Congress extends to the Commission, including for purposes of evaluating cost recovery proposals.

Question 5: You highlighted FERC's efforts to streamline permitting and cut connection times, including expanding blanket authorizations and addressing large co-located loads. Do you believe today's transmission planning rules are capable of anticipating the scale and speed of load growth we're seeing, or are they still fundamentally incremental in a world that now demands step-change infrastructure?

Answer: I agree that the recent, unprecedented scale and speed of load growth underscore the importance of getting needed energy infrastructure built efficiently. To that end, I am committed to streamlining the Commission's permitting processes to promote efficiency, while maintaining legal durability. For example, the Commission recently issued a landmark notice of proposed rulemaking

to overhaul the Commission's natural gas pipeline blanket authorization regulations by significantly broadening the types and sizes of projects that interstate natural gas pipelines can build without case-by-case approval and raising the cost limits for these projects. The proposed rule would unlock greater investment and faster development for projects that deliver affordable, reliable energy to American communities.

Question 6: If Congress were to create a clearer federal framework for high-capacity transmission of national importance, what safeguards should be included to ensure landowners and local communities are respected while still avoiding years-long delays?

Answer: I recognize the importance of both getting needed energy infrastructure built in an efficient manner and ensuring that affected landowners and local communities are treated with respect and have the opportunity for their voices to be heard. With that balance in mind, the Commission's regulations regarding applications to site interstate electric transmission facilities contain a number of safeguards regarding landowners and local communities. For example, the Commission's regulations include a requirement for stakeholder participation, a mandate for a project participation plan, and a requirement that an applicant either agree to comply with a detailed code of conduct or otherwise demonstrate how it will ensure good faith dealings with affected landowners. At this time, I do not have additional safeguards in mind, but I commit that if Congress gives the Commission new authority, I will work with my colleagues to fully implement it.

The Honorable Mariannette Miller-Meeks (R-IA)

Question 1: If FERC finds that a utility or RTO's "consideration" is inadequate or superficial, how will FERC use its authority to ensure compliance with Order 1920 and ensure that all projects that come out of these planning processes are legally durable?

Answer: A robust transmission system is necessary to ensure reliable and affordable service to customers. The reforms set forth in Order No. 1920 are designed to help ensure that public utility transmission providers conduct regional transmission planning on a sufficiently long-term, forward-looking, and comprehensive basis to identify long-term transmission needs. While I cannot prejudge how the Commission may act on a future matter, I commit to working with my colleagues to carefully evaluate utilities' Order No. 1920 compliance filings and take any further action necessary to ensure compliance with these reforms.

Question 2: Today's hearing is 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?

Answer: Affordability is a top issue for me as Chairman. I take seriously the Commission's responsibility to ensure just and reasonable rates for customers, and I am committed to identifying ways that we can better fulfill that responsibility. For example, on April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to issues raised in the Secretary of Energy's advance notice of

proposed rulemaking on large load interconnection. As the order explains, the Commission shares the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. I note that the Commission has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large load to the transmission system while protecting consumers from inflated costs. The Commission also carefully reviews all proposals submitted by individual utilities. The Commission has accepted numerous agreements between transmission owners and data centers or the electric distribution companies that will serve them that address cost allocation. Some of these agreements seek to ensure that the data centers will make a minimum contribution toward the costs of the transmission owner's transmission system, while others directly assign certain costs of serving the data center to that data center. At the same time, the Commission has rejected proposals that fail to reasonably allocate costs.

Question 3: Your predecessor, Chairman Christie, often discussed wanting to revisit the Commission's transmission incentives policy, and other members of the Commission expressed an openness to revising the available incentives. Will the Commission review whether its transmission incentives policy is achieving the results and if transmission incentives can be used to ensure affordability?

Answer: In enacting section 219 of the Federal Power Act, Congress directed the Commission to encourage investment in needed transmission facilities while recognizing the importance of affordability for ratepayers. I commit to working with my colleagues to consider how best to achieve this balance, including whether changes to the Commission's regulations implementing section 219 may be warranted.

Question 4: The electric industry is bringing online a significant amount of new generation to meet load growth, which will require upgrades to the transmission system to accommodate. One way that the cost of those upgrades can increase and hurt customer affordability is through transmission owner self-funding. What can FERC do to ensure that generator owners are provided the option to self-fund transmission upgrade costs, where it is in the best interest of customers, which would lower the overall costs of those upgrades?

Answer: Several cases that directly involve whether and how the Commission should permit transmission owner self-funding are pending before the Commission; accordingly, I am unable to address the merits of those matters. However, without prejudging the facts of any specific pending case, I note that it is critically important for the Commission to ensure any cost allocation for new transmission upgrades results in just and reasonable rates.

Question 5: 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.

Answer: Reliability is one of the Commission's paramount obligations. To that end, the

Commission is working with the North American Electric Reliability Corp. (NERC) and stakeholders to understand and mitigate the reliability impacts of rapidly growing large loads, particularly computational loads (e.g., data centers and cryptocurrency miners). NERC has announced plans to develop reliability standards for large loads to be filed with the Commission by the end of the year. I commit to work expeditiously with my colleagues on any proposed reliability standards that may come out of this NERC process.

Question 6: At your January Commission meeting you 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?

Answer: As noted above, on April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to issues raised in the Secretary of Energy's advance notice of proposed rulemaking (ANOPR) on large load interconnection. As the order explains, the Commission shares the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. PJM's Reliability Resource Initiative, MISO's Expedited Resource Addition Study, and SPP's Expedited Resource Adequacy Study are all regionally developed solutions to accelerate the interconnection of crucial generation needed to meet unprecedented load growth in their respective regions. Under my leadership, the Commission will continue to focus on and take appropriate steps to address this important issue.

Question 7: 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.

Answer: Several cases that directly involve the allocation and recovery of costs associated with the Secretary of Energy's designations under section 202(c) of the Federal Power Act (FPA) are pending before the Commission; accordingly, I am unable to address the merits of those proceedings. However, without prejudging the facts of any pending case, I take seriously the Commission's mandate under the FPA to ensure that the mechanism for recovering costs incurred due to the Secretary's designations is just and reasonable.

The Honorable Troy Balderson (R-OH)

Question 1: Generation and load interconnection timelines do not match the speed that is needed to serve new large loads. Currently, if a large load has on-site generation or supplies its own power, that generation is studied as if 100 percent of its power is injected onto the grid, instead of serving the load. Similarly, a large load is studied as if it will withdraw all its generation needs from the grid.

How can FERC, with the direction of DOE's Advance Notice of Proposed Rulemaking, shorten timelines for generation and large loads that have on-site generation or supply their own power? And how would streamlining this aspect of the interconnection study process create greater certainty, reduce project costs, development delays and ultimately minimize rate increases on our constituents?

Answer: I am committed to working with my colleagues to find a path forward on this critical issue. On April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to issues raised in the Secretary of Energy's advance notice of proposed rulemaking on large load interconnection. As the order explains, the Commission agrees with the Secretary that there is an urgent need for thoughtful reforms to ensure that large loads are "able to connect to the transmission system in a timely, orderly, and non-discriminatory manner." Moreover, I note that recently the Commission has accepted several proposals, including from Southwest Power Pool, intended to expedite the interconnection of large load to the transmission system while protecting consumers from undue costs.

Question 2: In December, the House of Representatives passed my bill, the Reliable Power Act, with bipartisan support.

This bill would task FERC with reviewing agency regulations and rulemakings that directly affect the bulk-power system, if the electric reliability organization has determined the system is at risk of not having sufficient electric generation to maintain reliability. The bill directs FERC to consult with the electric reliability organization and transmission organizations such as RTOs when reviewing these agency actions.

Do you believe FERC has the expertise to coordinate with agencies and review regulations impacting the bulk-power system? And would partnering or consulting with NERC and transmission organizations in these reviews help ensure federal rulemakings are not negatively impacting the reliability of the bulk-power system?

Answer: The Commission has a long history of coordinating with other federal agencies, whether through informal discussions, technical reviews, and through comments submitted for the record. The Commission likewise has an extensive history of partnering and consulting with the North American Electric Reliability Corporation (NERC) and transmission organizations to identify vulnerabilities early and to develop solutions that strengthen the Bulk-Power System. If Congress enacts the Reliable Power Act, then I expect that such coordination would help ensure that any federal rulemakings would not have an adverse impact on Bulk-Power System reliability.

Question 3: 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?

Answer: Given the urgent need for new generation capacity in the PJM footprint to serve unprecedented load growth, I am pleased that PJM is working towards a filing that includes holding a Reliability Backstop Auction this fall. While I do not want to prejudge this filing, I commit to working with my colleagues to expeditiously consider PJM's proposal when it is filed, including evaluating whether it allocates costs in a manner that is just and reasonable.

The Honorable Randy Weber (R-TX)

Question 1: How did FERC determine that the prior cost thresholds were no longer realistic when it temporarily increased blanket certificate caps? And what evidence showed they were constraining timely infrastructure upgrades?

Answer: In the June 18, 2025 order temporarily waiving the prior notice cost cap, the Commission reviewed publicly available data which suggested that the cost to build natural gas infrastructure may have increased at faster rate than the "GDP implicit price deflator" published by the Department of Commerce, which the Commission uses to annually increase the blanket certificate cost limits. Specifically, the Commission examined Bureau of Labor Statistics' average hourly earnings for production and nonsupervisory employees for oil and gas pipeline and related structures construction from the Current Employment Statistics survey, the Producer Price Index for Machinery and Equipment: Oil Field and Gas Field Machinery, and the Consumer Price Index. These relative indices show that had a different inflation index been used, potentially one more closely related to the oil and gas industry than the "GDP implicit price deflator," the current-day costs might be significantly higher than the costs used in the current blanket certificate thresholds.

Question 1a: How were outdated cost thresholds affecting the ability of pipeline operators to replace aging infrastructure, enhance safety, and respond to reliability needs?

Answer: As described in the previous response, because the cost limits had not kept pace with the increase in cost to build natural gas infrastructure, more projects were subject to a full, case-specific Natural Gas Act section 7 certificate proceeding. The types of projects that are eligible for the blanket certificate program, subject to the cost limits, include replacement projects, which are often done to enhance the safety and reliability of the pipeline system.

Question 1b: Can FERC provide examples of projects that were delayed or pushed into full certificate review solely due to obsolete cost caps?

Answer: The Northern Lights 2025 Expansion Project and WT-0 Compressor Station Project are two examples of the types of projects that would fit within the higher cost limits, provided that the other conditions of the blanket certificate program would have been met. Northern Lights 2025 Expansion Project involved the construction of approximately 8 miles of pipeline in Minnesota and Wisconsin and cost approximately $60 million. The WT-0 Compressor Station Project involved the construction of the new WT-0 Compressor Station, which consisted of one 13,220 hp natural gas turbine-driven compressor unit and associated facilities, and cost approximately $52 million.

Question 2: Does FERC believe the new cost caps are sufficient over the long term, or will further regulatory adjustments be needed to avoid recurring waivers?

Answer: On May 21, 2026, the Commission issued a notice of proposed rulemaking (NOPR) that proposes to increase the blanket certificate cost limits as follows: increase the automatic authorization cost limit from $14.5 million to $30 million, the prior notice cost limit from $41.1 million to $86 million, and the annual cost limit for natural gas facilities, including storage wells, used for the testing or development of underground storage reservoirs from $7.9 million to $17 million. In addition, the NOPR proposes to use the Handy-Whitman Index, in lieu of the Gross Domestic Product Price Deflator, as the basis for making annual adjustments to the cost limits in the future. The Handy-Whitman Index accounts for the cost increases observed by the natural gas industry and, along with the proposed cost limit increases outlined above, would help ensure that future waivers of the cost limits will not be necessary.

Question 3: Does FERC have a long-term plan to comprehensively update its blanket certificate regulations?

Answer: In addition to the changes described above, the NOPR proposes comprehensive revisions to the blanket certificate regulations to ensure that infrastructure projects can be developed in a timely manner and save time and money for applicants and the Commission without undue regulatory review.

Question 3a: FERC has already opened an inquiry into modernizing the blanket certificate program. When do you expect to act in that proceeding, and should stakeholders anticipate a Notice of Proposed Rulemaking in this calendar year to comprehensively update the blanket certificate regulations?

Answer: As noted above, the Commission issued the NOPR on May 21, 2026.

Question 3b: If not, what is FERC's timeline and sequencing for the next steps?

Answer: As noted, the Commission issued the NOPR on May 21, 2026.

The Honorable Frank Pallone (D-NJ)

Question 1: I appreciated your emphasis on the importance of FERC's staff to executing FERC's mission. While you focused on the importance of being able to attract new staff to FERC, it is equally, if not more, important that FERC be able to retain its current staff, with all of their institutional knowledge and expertise. Last year, you commented that you were very concerned about staff departures, and that morale among remaining FERC staff was horrible. What actions are you taking to boost staff morale, and ensure that expert staff remain at FERC?

Answer: As a former Commission staffer, I know from personal experience the long hours and hard work our staff put into each and every proceeding to carry out the Commission's mission. The Commission issues hundreds of orders each month, many of which promote the construction of

needed energy infrastructure and a reliable electric grid. I have been working collaboratively with the administration to attract and retain the talented Commission staff that we need. The Commission's work is multidisciplinary—we need highly qualified lawyers, economists, engineers, biologists, accountants, and other experts to inform our decisions. As one of my first actions after becoming Chairman, I began setting up in-person meetings with every Commission office (including the directors and supervisors, and the talented staff in each division) to reassure them that they have my full support, listen to their feedback and answer questions they may have. I'm committed to continuing to work with staff to ensure they have what they need to meet our statutory obligations.

Question 2: In 2021, Congress amended the Federal Power Act to add section 219A, requiring FERC to establish incentive-based rate treatments for cybersecurity investments by public utilities. In 2023, FERC executed on that directive, publishing Order 893 and establishing incentives for public utilities to invest in power grid cybersecurity. However, last year the Committee heard testimony that the incentives may not have proven as effective as FERC may have hoped.

Question 2a: In your opinion, have the incentives under Order 893 properly incentivized utilities to make necessary cybersecurity investments?

Answer: Although Order No. 893 provides a framework for utilities to seek incentives for cybersecurity investment under section 219A, to date, no utilities have sought incentives for cybersecurity investments under the rule. Notwithstanding that development, I commit that if a utility seeks such incentives, I will work to review the filing expeditiously.

Question 2b: Are there changes that need to be made to the structure of either Order 893 or section 219A to make the incentive program more effective?

Answer: At this time, I do not have in mind any changes that need to be made to section 219A or Order No. 893. However, protecting the grid from cyber and physical attacks is one of my highest priorities, and I will continue to work with my colleagues to consider how best to encourage the investment necessary to protect the grid. I commit that if Congress gives the Commission new authority in this area, I will work with my colleagues to fully implement it.

Question 3: 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.[1] This issue has also come up repeatedly in technical conferences convened by the FERC.

Question 3a: How should FERC ensure a buildout of more efficient and cost-effective transmission lines over more costly and less-effective transmission lines?

Answer: Although the Commission's jurisdiction over decisions regarding which electric transmission lines are built is limited, the Commission takes seriously its commitment to ensure that the transmission system continues to operate in a reliable and economically efficient way, including through using the Commission's statutory authority to help facilitate needed infrastructure buildout.

[1] https://rmi.org/insight/mind-the-regulatory-gap/

I recognize the importance of a robust transmission system to ensure reliable and affordable service to customers.

As a general matter, the reforms set forth in Order No. 1920 are designed to help ensure that public utility transmission providers conduct regional transmission planning on a sufficiently long-term, forward-looking, and comprehensive basis to identify long-term transmission needs. The Commission will carefully evaluate utilities' Order No. 1920 filings and take any further action necessary to ensure compliance with these reforms.

Question 3b: What opportunities exist for FERC to add more transparency to the local transmission planning process?

Answer: Several cases that directly involve the transparency of the local transmission planning process are pending before the Commission; accordingly, I cannot comment on the merits of these matters. However, without prejudging the facts of any pending case, I recognize the importance of ensuring transparency in the local transmission planning process.

Question 3c: Does FERC need support from Congress to ensure that transmission projects paid for by ratepayers are efficient and cost-effective?

Answer: I take seriously the Commission's statutory mandate to ensure that the rates, terms and conditions for all jurisdictional services, including transmission service, are just and reasonable and not unduly discriminatory or preferential. I commit that if Congress gives the Commission new authority in this area, I will work with my colleagues to fully implement it.

The Honorable Kevin Mullin (D-CA)

Question 1: Stakeholders have noted that while FERC has authority under Section 205 of the Federal Power Act to approve or reject utility tariff filings, that authority can sometimes create bottlenecks. Specifically, because FERC cannot modify a proposal without changing its effective date, the Commission may face a choice between delaying action or approving filings that could be improved if targeted modifications were allowed. Given the urgency of addressing affordability and reliability challenges, what specific opportunities do you see to improve the Section 205 approval process when utilities submit filings?

Answer: The Commission is a creature of statute and strives to exercise its FPA section 205 authority in accordance with the law and court precedent interpreting it. While I do not have any improvements in mind, the Commission stands ready to implement any revisions to the FPA section 205 regulatory process as enacted by Congress. In addition, I am continuously working with my colleagues to ensure our processes are effective and efficient.

The Honorable Greg Landsman (D-OH)

Question 1: What steps is FERC taking to ensure that the cost of grid facilities and upgrades for data center customers is fully paid by those customers and not by residential rate payers?

Answer: I recognize that data center development is resulting in historic load growth in many regions of the country, necessitating significant new transmission infrastructure. I am committed to working with my colleagues to ensure that the transmission rates that customers pay are just and reasonable. I note that on April 16, 2026, in Docket No. RM26-4-000, the Commission issued an order regarding our intent to act by the end of June 2026 with respect to issues raised in the Secretary of Energy's advance notice of proposed rulemaking on large load interconnection. As the order explains, the Commission shares the Secretary's goal of ensuring that all Americans (and all American businesses) have access to affordable, reliable, and secure electricity. In addition, the Commission has accepted proposals, including from Southwest Power Pool, intended to expedite the interconnection of large loads to the transmission system while protecting consumers from inflated costs. The Commission also carefully reviews all proposals submitted by individual utilities. The Commission has accepted numerous agreements between transmission owners and data centers or the electric distribution companies that will serve them that address cost allocation. Some of these agreements seek to ensure that the data centers will make a minimum contribution toward the costs of the transmission owner's transmission system, while others directly assign certain costs of serving the data center to that data center. At the same time, the Commission has rejected proposals that fail to reasonably allocate costs.

Question 2: How is FERC prioritizing the voices of American families and their needs?

Answer: I take seriously the impact that the Commission's decisions may have on all of the Nation's ratepayers. I prioritize those ratepayer concerns by being cognizant in each decision I make of the Commission's responsibility to ensure plentiful and reliable supplies of energy at just and reasonable rates.

Question 3: Can we count on FERC to hold a technical conference on protecting residential ratepayers from increased costs associated with artificial intelligence?

Answer: Ensuring just and reasonable rates is central to the Commission's mission. We are closely monitoring how load growth, including new data centers, affects wholesale rates. I commit to continue discussing these important issues with RTOs/ISOs, utilities, hyperscalers, customer groups, and other stakeholders and taking additional steps as warranted.