UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Federal and State Current Issues Collaborative
Docket No.: AD24-7-000

NARUC-FERC Collaborative Meeting
Via ZOOM

Wednesday, February 11, 2026
1:08 p.m.

FERC COMMISSIONERS:

Chairman Laura Swett - Collaborative Co-Chair

Commissioner David Rosner

Commissioner Lindsay S. See

Commissioner Judy Chang

Commissioner David LaCerte

David Morenoff -- Office of General Counsel -- Deputy General Counsel

STATE COMMISSIONER:

Judge Kelsey Bagot, Virginia State Corporation Commission - Collaborative Co-Chair

Commissioner Kathryn Zerfuss, Pennsylvania Public Utility Commission

Chair Sarah Martz, Iowa Utilities Commission

Commissioner Stacey Paradis, Illinois Commerce Commission

Chairman Philip L. Bartlett, II, Maine Public Service Commission

Commissioner Pradip Chattopadhyay, New Hampshire Public Utilities Commission

Commissioner Gabriella Passidomo Smith, Florida Public Service Commission

Chairman Doyle Webb, Arkansas Public Service Commission

Vice Chair Nick Myers, Arizona Corporation Commission

Chair Brian Rybarik, Washington Utilities and Transportation Commission

P R O C E E D I N G S

1:08 p.m.

CHAIRMAN BAGOT: All right. So I think we're ready to get started here. Before we get into the substance, I'm going to kick it off to David Morenoff, who I'm sure you all know, to set some initial expectations. And then we can get into the discussion.

MR. MORENOFF: Is that on? Yes, there we go. Thank you. This is the time and place that has been noticed for the fourth meeting of the Federal and State Current Issues Collaborative to consider the matters that have been posted in the agenda issued on January 28th, 2026, and FERC Docket Number AD24-7.

This meeting is on the record, and a transcript of this meeting will be placed into that docket. The public can listen and observe in the room and online. Any comments on this meeting by the public can be submitted to that docket through FERC's e-filing system. Please visit the FERC website for more information.

Today's discussion will avoid the merits of any contested pending proceeding before FERC. Collaborative members can generally address topics raised in such proceedings, but should not speak to the specific merits of any contested pending proceeding. I will interrupt the discussion if we enter that territory.

With that, I now would like to turn the meeting over to the Collaborative Co-Chairs, FERC Chairman Laura Swett and Virginia State Corporation Commission, Judge Kelsey Bagot.

CHAIRMAN SWETT: Thank you so much, everyone, for being here today. I'm excited for my first NARUC Collaborative as FERC Chairman, and thank you very much to my Co-Chair, Chairman Bagot, for all the work you and your team have put into hosting today's discussion. And congratulations to you on your assent at the Virginia State Corporation Commission. It's wonderful.

Today's discussion on affordability in relation to rapid demand growth is deeply personal to me. And it is, of course, a leading topic of concern for many Americans and the administration. I'd like to work together with all of you to encourage investment and innovation to solve the complex issue of connecting and powering large loads. All while making sure rates remain just and reasonable for the American consumer and that our decisions are legally durable.

We have a monumental task ahead of us that we can only solve together as partners. We have to walk hand in hand and do the best we can under our respective powers. I've learned a lot in my short time back at FERC from several states' innovative solutions for addressing affordability concerns. And you all know your states the best, and you're the boots on the ground that we need to hear from as we consider solutions. So I am very excited for our discussion today. Thank you.

CHAIRMAN BAGOT: All right. Well, thank you. I really appreciate you kicking us off, and thanks for the congratulations. I'm really excited to be here. I'm glad that we've been able to keep these going. And I know FERC has a lot going on. So I really, truly appreciate you all making the time to have this collaborative discussion with us today. As Chair Swett mentioned, the topic is affordability, and that encompasses just about everything we do, both at FERC and at all the different states. And so, in trying to think about what to say about affordability, I think what you'll hear from the states is a lot of different things.

I think you'll hear about some of the state-level initiatives that are going on across the country, where states are really digging in to figure out how to address affordability based on the specific needs in their state and their region. And there's a lot of really creative collaboration and thoughts that are happening that are driving real, meaningful solutions in the states. So you'll hear about some of that today.

I think you'll also hear about the importance of states continuing to partner with FERC and other federal agencies in terms of initiatives like LIHEAP and other low-income assistance programs. And how the states rely on those resources to really make sure that our hardest-hit customers and our most needy customers are still able to afford the power that they need. We'll talk about some more weedy things like load forecasting, cost allocation, and how we meaningfully engage with our RTO partners in a transparent manner that really allows that collaboration to happen at the federal level and the state level. And I think you'll also hear about how collaboration and transparency are really important at this time, when there's a little bit of we're losing some of that trust in our regulated systems by our end-use customers, who are really feeling the impacts of the affordability challenges.

And so the way that we can make sure that people feel like they can trust the decision-makers who are looking out for them is to feel like there is that transparency in the decision-making process. And I think that requires collaboration across all fronts. So before we get into the discussion, I think despite all of those things, there are really two main things that I hope everyone comes away from this with from the state perspective.

And that is, one, an appreciation for all that the states do. I spent most of my career in the federal regulatory space before joining the Virginia Commission. I worked for -- as everybody knows, Commissioner Christie, who was a big advocate for the states. But even when working for him until I was actually in my role at the Virginia Commission and got to know my state colleagues, I really didn't truly appreciate the complexity of what is happening at the state level and the degree of differences that each state --- you know, experiences and wrestles with. And so I really hope that that is one of the takeaways. That the states are doing a lot of important work, and we have an important voice. And what we're doing is very complex and unique. And so the more we can collaborate across those fronts, I think the better.

And that takes me to my second point, which is an appreciation for, specifically at this moment in time, the need to meaningfully collaborate in order to make sure that the solutions that we're striving for actually do what we intend them to do and don't have unintended consequences, but also are durable and meaningful. And that there is that degree of transparency that really gets everybody to buy in.

And so we are here. We are excited for this discussion. And I really hope that this is just the first of what is to come in terms of the engagement that we can have with all of you in terms of developing creative, innovative, and durable solutions that can meet this moment.

So thank you all, I'm really excited to be here.

So with that, I think we're going to kick it off. Anybody correct me if I'm wrong. I think we're going to kick it off into roundtable discussions where each of our different state representatives here will talk about some of the things that I mentioned. And so we're starting with the MACRUC group, and so I'm going to kick it off to my fellow Commissioner, Commissioner Zerfuss, to get us started.

COMMISSIONER ZERFUSS: Thank you very much, Chair Bagot, Madam Chair Swett, to the esteemed FERC Commissioners and my colleague Commissioners at State Commissions. I very much appreciate being here this afternoon.

And I don't know if it's better or worse to go first. So I will let you know as this goes through. But again, Katie Zerfuss with the Pennsylvania Public Utility Commission. And Chair Bagot kicked it off very nicely. You know, when I came to the Pennsylvania Commission about three, three and a half, years ago, our energy landscape was significantly different, right? So, as this landscape is significantly different, even from three and a half years ago, it seems like it's changing all the time, and on this expedited timeframe.

But given this even expedited timeframe, that things seem to be rapidly changing, I can tell you that the Pennsylvania Public Utility Commission is not sitting on our laurels. And I think you will hear some really good examples of how the other State Commissions are not sitting on our laurels. I think we are doing some really good things back in our respective states. And -- you know, could we all be improving upon those things? Absolutely. That's the point why we're here, right?

And that's the point of participating in a collaborative like this, where we can learn from one another and work together to see our way through some of these challenges, because we all have the same service mission to the folks back home, right?

So, the opportunities are absolutely there through these challenges. And for example, in Pennsylvania, we all know that Pennsylvania Governor Josh Shapiro has taken a very proactive and public stance on these like large-scale issues that we are dealing with. We saw that when there was a settlement with PJM related to price collars that took place within the past year. You saw the signed letter from, at least at the time, all of the PJM governors and the administration, the White House, laying out these basic principles on how PJM can revise its tariff.

And that includes two more extending the price collars for two more BRA auctions at the existing prices.

You know, the Pennsylvania Public Utility Commission did file supportive comments to help ensure affordability as we're trying to figure out rules governing large-load interconnection, generation interconnection, and reliability of backstop options until we kind of figure out some of those issues.

The Pennsylvania Public Utility Commission has also filed several filings with PJM and various proposals. And I would be remiss if I did not express our appreciation to FERC for approving and adopting PJM's recent proposed changes --- the curve. So, that was something we were happy to see, so thank you very much.

The Pennsylvania governor has made energy affordability, as many other states have, a key component of his 2026 budget address. I was on the floor for that budget address. I think we've seen some of those clips. The governor has called upon all partners, our utilities, data centers for example and the Public Utility Commission and laid out a set of what I'll call almost local principles, and these local principles include key terms like transparency and data and collaboration, the kind of things we'll be talking about today.

A lot of those things we've seen -- other announcements from vested partners like the Microsoft CEO for example had made an announcement about more community engagement and transparency --- data and I think these are the themes we will be hitting on.

As it relates to load forecasting and cost transparency, the Pennsylvania General Assembly did at the end of our last budget cycle pass into law as signed by the governor a requirement that the utility commission work with our electric companies on better load forecasting to receive more independent data that can be submitted to PJM, and with regular reports to our General Assembly.

At the time that that legislation was passed and signed into law, the Public Utility Commission was already consulting with an independent consultant to study PJM load forecasting. So we will be working with various partners on getting a better handle on some of that load forecasting, so we can report out. And I will say for my sibling states, you will probably be receiving a call from Betsy Barnes from the Public Utility Commission, asking for information as we work through that task.

I also wanted to mention -- you know, I think this is -- when we're talking about load forecasting, you know, that call for independent data was clear when we held our resource adequacy technical conferences. And there were lots of mentions about transparency in the data and understanding more about, like, duplicative requests. And I think this might be an issue where we could collaborate more, trying to figure out -- you know, these requests that come in. You know, if there are duplication in the forecasting across state lines. And I think there might be some guidance and help that we might be able to get there.

And -- you know, in addition -- you know, for Pennsylvania, we are a restructured state. So, as we get into the business of some of this additional -- like load forecasting and some of these other tasks, our staff have not been doing this kind of work in some time, right? We have fantastic staff that work at our commission. But we are asking a lot more of them as we go forward. So, to that point, if there are opportunities for additional professional development or training for staff for our Commission and all Commissions, really. So we can all like -- you know, kind of be nimble in the moment and be able to work together using the same kind of information from the same platform. I think we would all be better for that.

You know, transparency is that key theme that we've been talking about. We will hear more from other states about that. And -- you know, that was to the point when the Pennsylvania governor said, hey, PUC, let's make sure we're really digging into those costs and those utility bills. And like, let's make sure that -- you know, folks back home are paying for the things that they should -- that -- where they're receiving a benefit.

We are combing through comments on our model large-load tariff. We know that through carefully crafted tariffs, we can help protect residential and small business consumers from financial risks. As it relates to generation -- you know, I think -- you know, when we're talking about supply and demand -- you know, in my opinion, we need more, right? So to that point, we have been awarded dollars from the Department of Energy for a study on how to renovate old generation sites and to see what kind of generation and transmission needs best serve Pennsylvanians.

You know, we want the economic development and the generation, but we also want to preserve our storied culture and heritage, like our agricultural heritage, which a lot of people in this room know is near and dear to my heart. I would be remiss if I did not end my comments, and I will kick it back over, I want to stay on time here, to my colleagues, if I did not mention LIHEAP. LIHEAP is a critical program for folks back home who need it. In Pennsylvania alone, we have hundreds of thousands of recipients of LIHEAP.

And I know -- you know, other states probably have something similar. I am appreciative of the $20 million increase that we saw in the last Appropriations Bill. I'm super thankful for that. But the past year has been a little scary for some, to know whether or not that safety net would be there or not be there. So, to the extent we can all be in this room -- you know, our esteemed Commissioners from FERC and from our State Commissions and vested partners in this room, to work together to make sure that those dollars -- you know, stay available. I think that would be amazing.

And -- you know, NARUC has passed several resolutions in the past couple of days. You know, acknowledging LIHEAP as that very important component for affordability for folks back
home. I would also be remiss if I did not give credit to Commissioner Stacey Paradis for leading that charge here at NARUC. And we are all very thankful for her hard work there. So I will end it there because I'm usually famously over time and I want to stay on time or under time. So, thank you very much.

CHAIRMAN BAGOT: Thank you, Commissioner Zerfuss. I appreciate you going first. It's not always the easiest job. So I'm also part of the MACRUC region. So, I will -- I will be speaking next. But I will keep it short since I've already been talking to you all a little bit. First, I just wanted to start with a little bit of a high-level here's what's going on in Virginia. And there's a lot.

So, this past year, we were really focusing on what I think is sort of the triage first step of dealing with the amount of data centers that we have in Virginia. So, we put into place a large-load tariff, which has those sorts of cost shifting and stranded asset risk considerations.

It is attempting to address those considerations by creating a new class that is specific to large loads. So it's not a data center class, but it includes large loads that are above 25 megawatts and have a high load factor similar to what we see with data centers. But that's sort of what we just thought of as the first step, right? The next step that we're really engaging in this next year is looking at our load interconnection queue.

And so, yes, we have these large loads coming online, but how are we planning for them as a state, right? And what does it require to get in line, and when do those projects become real in terms of us starting to invest capital and planning resources around meeting the needs of these large loads? And so that is a proceeding that just kicked off, and we will be over the next couple of months really digging into that on the state level in terms of maybe some best practices or where Virginia can be a leader in helping us think about what those large loads interconnection queues might look like at the state level. We have also been looking at load flexibility.

So, we had a technical conference in December that looked at what do flexible -- what does large load flexibility look like in Virginia? So, there's a lot of really great discussions. And they happen here at NARUC about load flexibility, but not all data centers are the same. And Virginia is a little bit unique in terms of the types of data centers that we have, particularly in the Loudoun County area. And so we really wanted to examine what is the type of flexibility that we could take advantage of and that could really start driving down costs for our customers. So, we had a technical conference about that, and we will be continuing to engage in that discussion with our partners in the states.

And then I do want to tie it back to cost allocation. So the next step that we've looked at, we created our large load tariff. And now we're going to look at how we allocate costs to those large loads in that new rate class. And I think we will be working very closely with PJM and what comes out of that process in terms of making sure we have the transparency we need and the right process in place. So that the results of any new capacity auction or whatever might come out of that, we know what to do with those costs, and we have the information we need to do the cost allocation among our customer classes on the back end.

So I've been really encouraged by PJM's

willingness to engage with the states on this issue to make sure that we get it right from the beginning as opposed to trying to put something in place and then fix it on the back end, which can be very complicated. So I appreciate PJM's willingness to engage. And we in Virginia will be really focused on that engagement in the coming months. And with respect to transmission, I think this is an interesting place where both FERC and the states have a really meaningful role. Because, as you all know, transmission rates really are set at the FERC level.

And we in Virginia, for example, get allocated costs coming out of customers' formula rates. And then we have to allocate those costs among the different rate classes. And so as we start to look at the different drivers for this transmission, we at the state need additional information or need to start thinking about how we can identify, once we get those dollars, that bucket of costs to us. You know, how do we identify and make sure we're allocating those costs to the drivers of that new transmission? And that is a place where I think additional collaboration and transparency at the FERC level with the states or at the RTO level to make sure that we're able to do that, we have the information we need, I think is really, really critical.

And I will also say that -- you know, we don't set transmission rates. Which means that the cost that -- the rate setting happens at the federal level, the costs come to us, and then we figure out how to allocate it to our customers. So the decisions that are being made at the RTO and federal level really are what are impacting the transmission costs that we're seeing. And so to the extent that states can be resources and provide information about what we do see in terms of transmission costs, we're here and would love to share that information with you all.

It is a growing cost of customer bills. And we are seeing, especially in Virginia, a tremendous amount of new transmission projects. Many of them are driven by these large loads. But because those costs are going up and because it truly is sort of a multi-jurisdictional issue. I think that is a place where there could be a lot of meaningful engagement with you all going forward, especially on the issue of affordability and how we can think about how those costs flow down to the end-use customers. So with that, I will stop my comments, and I will kick it off to our next region, which is New England. So I will kick it off to our Commissioner from New Hampshire, Commissioner Chattopadhyay.

COMMISSIONER CHATTOPADHYAY: Can you hear me? So I know that what's going to follow is there will be additional thoughts shared by Chairman Bartlett, but this is in the spirit of something that is forward-looking, and I have already heard a lot of stuff that I completely agree with, so I'm not going to repeat them. But the point I'll make is, to begin with, being an economist, you will probably understand why I'm saying some of the things that I'm saying.

So realistically, we know when there is unprecedented load growth because resources are scarce. You will find the rates are going to go up because, ultimately, capital or resources are going to compete, and utilities will have to deal with that competition for resources, and the prices are going to go up. So in that sense, I'm a realist, yet affordability is a major issue that we have to deal with anyway. We in New England, we don't have the issue of data centers yet, don't know whether it's going to play out in the future, and we are also in an RTO region, so we have a very different mindset or reaction to things compared to what happens in some of the other regions, perhaps.

So what we should be doing is thinking about the affordability problem, and we should also view that as an opportunity to consider what's going on right now, what it means for new things. So one of the new things would be that we have to start thinking about the demand side differently. What do I mean by that? Generally, RTOs tend to focus a lot more on the supply side. We have to think about the retail markets, we can create competitive solutions that will help ratepayers directly participate in wholesale markets, which will help in the future for affordability. When people react to prices, price signals, you get economic efficiency, and also --- you know, the proof is in the eating of the pudding, you'll see affordability being addressed by the ratepayers directly.

Having said that, there's another piece that I think is extremely important. We have been pressing this for a while; it's the RTO governance issue. Again, because affordability is, and I'm going to avoid the term "crisis," is impending reality. We have to think in terms of allowing all parties to be able to see things transparently. And so the RTO governance issue is really about states and also consumer advocates having the ability to see what's exactly going on with, for example, transmission costs, et cetera, which typically has not happened as much as we would like it to.

Now I'm just going to share a little bit about what's going on in New Hampshire, that might be helpful to share here with respect to the affordability issue. Sometime two or three years ago, when the Ukraine crisis happened, we started looking at the rates, and the rates were shooting up. And because we are part of the RTO footprint, for many years, we have had default service being implemented through RFPs that go for 100 percent load requirement.

So we then, in different dockets -- and I'm being very careful, I'm not going to talk about dockets. Usually, over the past few years, we ended up moving up with respect to going directly to the market -- going to the ISO New England market. At this point, the utilities go for 50 percent of their load requirement directly to the spot markets. And what that has done is -- I've looked at some data from EIA.gov. So over three years, from 2022 to 2025, looking at average rates, looking at the monthly prices, and just simple averages. So, I admit, I've not looked at the loads separately, but it's -- the data isn't there that readily -- you know.

So, this is how I did it. So, we find that over those three years, from 2022 to 2025, as we moved on to more and more purchases for spot, the New Hampshire rates have actually gone down relative to the other states, where all the other five New England states, the rates have gone up. As I dig further, I'm going to share this, I've looked at the data, from 2023 to 2025, the average residential rate in New Hampshire has actually reduced by 4.2 cents, while just 3 mills in Connecticut. And it has increased by 0.6 cents in Maine. It has increased by 0.75 cents in Massachusetts, and in Rhode Island and Vermont, it has gone up by 2.3 cents. So my point is, don't hesitate to look for ways that you can already employ to solve some of the problems, at least in the RTO regions.

Of course, this issue is not going to stop here; it's going to be like, we'll have the affordability crisis play out a lot more. So we have to be very mindful of the volatility, and we have to think together about what we can do, including FERC, the states, and other stakeholders. So the last point I will make is, it's not simply about FERC-state collaboration; we have to think in terms of creating a sort of permanent process where we all meet, not only the regulators, but the stakeholders, and think about what we can do to deal with this future problem.

One issue that I would end with is, I didn't hear it throughout the conference here, mainly because I just came in yesterday, perhaps, is that when you think about the large loads coming in, and we're trying to solve the problems through cost allocation, don't forget it's possible that some of them may not stay, they may go bankrupt in the future. So you'll have to deal with the stranded cost issue as well. And that, we need to think about it. So, I mean, I don't have the solution, but it should not be the case that the ratepayers -- the other ratepayers, have to bear the burden if the big company reneges --- you know, the contract with a utility, and then the cost has somehow to be recovered, the other ratepayers pay for it. We need to think through that problem as well, and how to solve it. I'm going to stop here, thanks.

CHAIRMAN BAGOT: Thank you. And before I kick it off to Chair Bartlett from Maine, I think you hit on two things: you talked about transparency, and you also talked about collaboration and thinking about what that means, and whether it's a forum like this or a different type of forum. So -- you know, one thing we all recognize is that given the number of dockets and proceedings you all have before you, it may be difficult to jump in and ask us very specific questions in this forum.

Of course, if you have them, please do jump in, but we also recognize that that is a real challenge. David Morenoff is nodding and agreeing. But, you know, we did have a -- one of the things that we talked about as a group was how we collaborate more meaningfully. And so to the extent you all have thoughts in this forum that you're willing to share, or in another forum -- you know, just -- I'll pose it out there. And you don't need to address it now, but at some point today if you'd like to, or at another time, is -- you know, how can we start thinking about collaboration in a different way? How can we meaningfully engage when we have these ex parte restrictions, right? Are there other -- you know, or not just having to duke it out in the dockets, which doesn't necessarily always lead to the most collaborative outcomes, and it's very limiting. And so we'd love to work with you all on ideas to really have those discussions, not just between the states and FERC, but other stakeholders that need to be part of that discussion. So just wanted to throw that out there before I pass it off to Chair Bartlett.

CHAIRMAN BARTLETT: Thank you. Good morning, or good afternoon. It's a pleasure to be here with all of you. What I thought I would do is touch on a couple of issues where I think the states in New England are working very closely with ISO New England and thinking about how to address some looming, either current or looming, affordability needs in areas where I think there's some crossover jurisdiction with FERC.

You know, first and foremost, I think everybody knows in New England, it's a pretty tough place to build anything. It's just that we've had it; it's historically challenging. That is why we have pretty significant pipeline constraints, which cause our prices to soar this time of year. And I think the last few weeks are certainly an example of that. And we're also expecting load growth, nothing at the pace of Virginia and PJM territory. We do not have the data centers becoming -- because sadly, we are a fairly high-cost region. But we are expecting significant load growth over the next several years. And that's going to create some resource adequacy challenges for us.

ISO New England has done some analysis that suggests we're in reasonable shape for the next few years. But as we get into the 2030s, if demand keeps growing and we don't bring on new resources, we're going to have some real resource adequacy challenges to deal with. The states are committed to working together to try to solve some of those. And I know I've had some good conversations this week with all of you at FERC. And there are a couple of ways that we're trying to think creatively to get some things built. One is the long-term transmission planning process that we've developed with ISO New England.

And we currently -- ISO New England has an RFP on the street to do --- make significant investments in --- to the Maine-New Hampshire, to allow more electrons to flow freely throughout the region, and to enable us to bring on more resources. And all six states came together and agreed to a cost allocation on that, which I think is a big victory and sets us up well going forward. Building on that, five of the New England states are joining in an RFP that Maine recently issued to build a transmission line into Northern Maine to enable us to connect more resources.

For a long time, we've known we've got, I think, 3,300 megawatts or more of generation in the queue up in Northern Maine, but no way to get it. And so we're going to try to work together, agree on a cost allocation to get there. The challenge, I think, in all of this is that we're thinking about different ways of tackling it that we haven't done before that may look a little different. So we really appreciate the opportunities to collaborate with our colleagues at FERC. And I think going forward, that's going to be just incredibly important. We're going to find things that work well and don't work well.

And I think to get actual things built is going to take a lot of creativity and finding, in some cases, a new way to get things done. In going forward, ISO New England is committed to do analysis with --- for the states and for the region so that we can identify needs well in advance and try to take steps to address them. The second big issue, I think, in the region where we're making some progress, and I think Commissioner Chattopadhyay touched on it --- is that there's been very little transparency into transmission costs of a particular type, and those are the asset condition or replacing sort of end-of-life assets.

This is a problem in New England, and I think in many RTOs in other parts of the country where there's pretty, very little visibility. There's no real oversight at the RTO level. And ---

MR. MORENOFF: Sorry, Commissioner. We have a lot of pending proceedings about that type of project. So may keep the sort of very -- keep it at a very high level.

CHAIRMAN BARTLETT: I think the point of it is the states have decided to --- or are trying to take this into our own hands. And try to adjust this in combination with ISO New England rather than bring it in a contested proceeding at FERC. The states have worked together and requested that ISO New England develop an asset reviewer position, which they have agreed to do, which is designed to give us more transparency at the ISO level into those costs.

Our hope is that it will do a couple of things. One is sort of leveling the playing field so that we have better information as consumers --- as states and consumer advocates, but also hopefully to build a little bit more consistency in the region. We have a lot of different transmission owners that have different approaches, and our hope is that we come up with a framework that is workable and sustainable and can help us ultimately save ratepayers money.

And in cases where there is imprudence, it will actually have the information we need to bring it to all of you. And secondly, again, we appreciate the step that FERC took last year in issuing an order granting some discovery requests by the consumer advocates in Maine. We think that enabling that kind of insight and transparency, again, is just critically important. We know that there's a lot of asset condition work that needs to be done. We want it to be done efficiently and effectively, but we also want to make sure that there is real accountability. And so we appreciate any help that you can provide going forward to help us to make sure that those investments are prudent.

And I think --- and I guess sort of to close on this, I think we're just entering into sort of a very new space, right? We have so many challenges in all of the different regions, and I think at the state levels we're finding that some of our regulatory tools don't fit perfectly. And I'm sure that you're finding the same thing at the federal level. And we really appreciate the opportunity, whether it's through this collaborative or otherwise, to think through how do we come up with better processes or better ways to make sure that our ratepayers are being served, our consumers are being served. Because if we ultimately lose the public, it's going to be very, very hard to meet the challenges that are in front of us. Thank you.

CHAIRMAN BAGOT: Thank you, Chair Bartlett. I'm going to throw you a curveball, because I did not tell anybody that I might ask a question, but I'm going to ask you a question. So you were talking about some of the successes that the states have had in working with ISO New England. For other regions that are trying to build that collaborative relationship with their regional operators and partners going forward, or to just have better engagement with their neighboring states. Have you seen any sort of best practices or recommendations in terms of starting to have that dialogue, or tools that worked really well to help with that engagement?

CHAIRMAN BARTLETT: Certainly, we can surely share our experiences. When I came into this position in 2019, there was a lot of frustration coming from the states towards ISO New England. There was a feeling that instead of --- you know the states have policies, and many times it felt like at the regional level there were impediments to implementing those. And ultimately, five of the six state governors, I believe, came together and issued a statement calling on ISO New England to make some changes, and then directing NESCOE to do some follow-up work.

Over the course of those discussions --- you know, we often think of New England as a monolith. And five of the six states have very similar policies. New Hampshire has slightly different policies. But nonetheless, all six of us came together and issued a vision statement as a region so that, whether you had renewable clean energy policies or not, all six of us could agree on some core principles that we thought were needed to improve ISO New England. We identified market reforms that we thought would help to both address some of the state's concerns with their policies, but also to lower costs for the entire region. We identified some governance reforms that we thought would provide some more transparency and accountability and give people more confidence in the process. And then thirdly, we came up with some requests in terms of long-term transmission planning, which is definitely the place we've had the most success, and I think led to the collaborations that we've talked about. But it really started at a very high level with sort of the governors and then the NESCOE representatives really leaning in and trying to find those areas of common ground.

And I know it's harder in areas --- in some RTO areas than others. But I think focusing on the issues around governance, around accountability, and enabling collaborative approaches is a good place to start.

CHAIRMAN BAGOT: Thank you. Yeah, for all of my PJM folks in the room, I think it is particularly complicated given the number of states we have. But it sounds like maybe we're not off to a different start than what you all had, starting big and developing some principles. So, thank you. Thank you for that.

Let's see. We are now at the Mid-Atlantic Regulatory Conference. So, we're going to have two more Commissioners present from the MARC region. And then I will open it up to see if anybody else has any questions. And if not, we'll go straight into the break. So that's just a preview of sort of the next 30 minutes or so. Next up, Chair Sarah Martz from Iowa.

CHAIRMAN MARTZ: Thank you. Good afternoon. My name is Sarah Martz. I'm the Chair of the Iowa Utilities Commission. My background includes both engineering and management roles in the utility industry, which I find myself relying on a lot every day as we're facing the amount of changes we are. I'm honored to represent Iowa and the MARC region today alongside Commissioner Paradis. And I want to thank our Co-Chairs for their leadership on this effort.

In Iowa, we sit in two RTOs. About 90 percent of our electric load is in MISO, and the remaining 10 is in SPP's territory. I represent Iowa on OMS, and my colleague Commissioner Burns represents Iowa on SPP. And we recently swapped those roles, so just kind of knowing how both RTO governance structures work and knowing the pros and cons of those has been really helpful in effectively navigating the RTO governance game.

So, first, I wanted to highlight that -- you know, similar to some of my other fellow Commissioners up here, Iowa's not only looking to these new challenges that we have in terms of affordability, but we're looking at how we've done things and if we can, you know, innovate on our practices to improve affordability in our states.

So, in Iowa, we recently completed a comprehensive rate-making study to see if our policies were still right-sized. One policy we examined was advanced rate-making, which, for 20 years, has provided utilities with ROE incentives to build generation. In those 20 years, the utility landscape has changed quite a bit. When the policy began, Iowa utilities did not belong to RTOs, and load growth was flat. Today, we're obviously in a race for power, and there are new drivers incentivizing and driving that generation build-out. So -- you know, what we're seeing is just that we have to ensure that those incentives reflect today's needs, not the needs of two decades ago. And with the rapid growth of large loads, affordability is not just a policy goal; it's a necessity for us and for our states.

Another hot topic in Iowa is resource planning. So, Iowa doesn't have a statutory requirement for resource planning, but we've been working with our utilities to bring conversations more out in the open so that we can make good decisions and have that result in affordable rates for our customers. Planning is a huge part of any effort to tackle a big new challenge. And we know that our utilities have their own robust internal planning processes, but especially today, when that process doesn't have openness, transparency, and opportunities for input, it does create an unacceptable risk of undue cost impacts for ratepayers.

So, just like resource planning, transmission planning, and the evolution of appropriate policies at the RTO level are critical to the success of our efforts to quickly and affordably accommodate these large loads that we've been talking about. We aren't just talking about a transmission line here or there. We're talking about grid additions equivalent to a mid-sized city. For Iowa, it's more like a large-sized city. Speed without careful direction in this effort can really lead us astray.

We're not going to end up where we want to if we are not doing this carefully and deliberatively. So in Iowa alone, we know that billions will be spent on grid infrastructure in the coming years. And so at that scale, even small efficiency gains can result in really big dollar figures. In SPP, we're following these innovative speed-to-power concepts like CHILLS and HILLs. In MISO, it's Zero-Injection GIA, it's ERAS, it's all the fun acronyms. These are really great creative tools designed for speed, but they come with a need for coordination with state-regulated utilities and state regulators to make sure that resource adequacy is maintained, as kind of like a cornerstone of those concepts, and that it's not left behind.

If we move too fast and miss those resource adequacy impacts through expedited studies or interim interconnects, the after-the-fact remedies for these will not be efficient and we'll kind of lose sight of the original goal. Additionally, we need to be mindful of how and when we include speculative load in forecasts because, at the state or regional level, without the proper guardrails, this will likely cause unnecessary costs as well and could even cause delays for other customers. So, if we're holding back capacity for one customer that never materializes, that means the next one can't come on as quickly.

Next, I want to talk about how the costs associated with large loads eventually make their way to consumers' bills, and just kind of piggybacking off of Chair Bagot's comments. So, the retail allocation of FERC-approved transmission costs happens at the state commission level. And by the time those costs reach us, a dozen different decisions have already been made at the RTO level that impact how those costs are bundled, how easily we can determine where they came from, and how we can use that information to determine cost causation in the next rate case.

So, for example, something we're seeing when a large load interconnects, there are straightforward pieces to that interconnect, like the line that connects the bulk electric system to the load itself, but there are also upstream impacts. Sometimes, in different transmission pricing zones entirely. And sometimes those costs are being categorized as reliability projects instead of load growth projects. And so that just continues to make the proper allocation of those costs more complex and increases the potential of missing something.

So, just finally -- you know, if we, at the state level, can't see the driver, we can't assign the cost to the causer. And so we need that clarity. We need the transparency and potentially a stronger consumer voice in RTO governance to ensure that this is happening properly. And finally, just to reiterate -- you know, we're moving into this era that requires more innovation and thoughtfulness than ever before. And as we move toward the federal, regional, and state changes needed to accommodate this growth, transparency and cost causation principles must be the foundations of that strategy. Thank you.

CHAIRMAN BAGOT: Thank you. I'm also going to throw a curveball question at you. So I think you said it a lot better than I did in terms of explaining sort of the flow of costs down to the states and the need for that transparency so that we can do our job well, which is allocate costs the right way, and there's not like a little -- you know, tag that comes along with these electrons that tells us what was the cost driver. And so that's -- you were saying, that's an area that we could use some help in terms of --- but -- you know, these regions do have, PJM, it's the RTEP and MISO -- you know, the MTEP. There are these big, long documents that talk about the cost drivers, but can you maybe just speak a little bit more about the complexity of trying to -- what information is and isn't provided in that? And from the state level, just the complexity of trying to monitor all of that and parcel out what is driving what and how decisions are made. What information we may or may not have? Even if we try to engage in that process, which is a very complicated process, as wholesomely or as fulsomely as possible.

CHAIRMAN MARTZ: I'll give a really high-level answer because I'm not really, you know, deep into the details as some of my staff are, but I think we just haven't seen this application before. And so, like an RTO, like MISO has never had to say, hey, this bucket of costs is specifically for this large load, here it is, and making it really obvious. You know, I think that the RTOs are really willing to have those conversations and collaborate and innovate their solutions. But I think it's just important that we deal with it up front rather than after the fact. And -- you know, we're even expecting that some of these upgrades that are needed for large loads aren't going to be caught until the load's actually up and running. So there's going to be projects on the back end, too. And we need to be able to properly allocate those as well.

CHAIRMAN BAGOT: Thank you.

All right, Commissioner Paradis from Illinois, you are up next.

COMMISSIONER PARADIS: Thank -- excuse me, thank you. I'm Stacey Paradis from the Illinois Commerce Commission. I appreciate the opportunity to speak today. I'm going to try not to repeat too much of what my colleagues have said. But I wanted to start with kind of giving you a synopsis of Illinois and the actions that we've taken and where we're coming from.

So, Illinois is the fifth-largest economy in the country and the sixth-largest state with a population of 12.7 million residents. We are an energy hub, generating the most nuclear power of any state and 13 percent of the nation's total nuclear power. We're a top-five state in wind generation. I believe my colleague here is number one. And like many states, our biggest growing resource is solar energy. I should also note that Illinois is a large agricultural and manufacturing state. And with each of our states, energy is essential. Illinois has shown tremendous leadership. Our evolving energy policies center around complementary goals, including economic growth, reliability, affordability, equity, and clean energy.

Recent legislative actions include CEJA, the Climate and Equitable Jobs Act, which passed in 2021, and CRGA -- they really like acronyms in Springfield -- the Clean and Reliable Grid Affordability Act that just passed this fall in 2025. CEJA requires our utilities to file multi-year grid plans focused on reliability, resiliency, and affordability. Utilities are required to file Beneficial Electrification Plans and expand leading Energy Efficiency Programs.

It also directs the Commission to establish a low-income discount rate to address ratepayer affordability challenges. CEJA required a number of Illinois agencies, including the commission, to complete a resource adequacy study that was just completed in December of 2025, to assess what impact our energy policies are having on the state and to reform our future planning. CRGA, which again just passed in October of last year, builds upon CEJA and updated energy policies to stabilize energy costs and boost reliability.

These new policies are projected to save consumers approximately $13.4 billion over the next 20 years by expanding battery storage, accelerating renewable energy projects, and utilizing virtual power plants to lower customer bills. The act promotes improvements to transmission infrastructure, including examination of transmission congestion, advanced transmission technologies, and the utilization of existing headroom. While Illinois is a restructured state, under CRGA, the commission is directed to complete a statewide integrated resource plan to assess our future energy needs, which will be completed at the end of this year.

Further, CRGA provides the commission with renewed authority to amend state goals and more tools to address the changing energy landscape. I should note that the legislation also completely eliminated our nuclear moratorium. These policies reflect Illinois' core principles: keeping energy affordable for families and businesses, ensuring the grid is reliable for every community, and supporting economic development while championing clean energy growth.

We view these goals as being complementary to one another, not competing interests. Reliable power enables manufacturing growth. Affordable bills support households and reduce energy burdens. And clean generation attracts greater investment and helps reduce energy costs. The challenge is how to align all these priorities during a time when the grid is rapidly changing. At the state level, Illinois' energy policy is evolving and responding to energy needs, new technologies, and changing markets.

The impact on our consumers is at the forefront of our policies. While Illinois is split between two RTOs, ComEd in the northern part of the state is in PJM, and Ameren is in MISO--our consumers expect one outcome: reasonable bills and dependable service. The rising costs and financial strain on Illinois residents is why Illinois' Governor J.B. Pritzker joined a dozen other governors in the statement of principles regarding PJM.

Those principles emphasize, and I'm highlighting just a few, protecting residential customers from capacity price increases, allocating costs attributable to data centers to data centers, improving load forecasting, and resolving long delays in the interconnection queue. Decisions made at RTOs and FERC directly impact our customer bills and the reliability of our electric service. These impacts are being amplified with significant estimates of load growth throughout the RTO service territories. While the exact percentages may vary per month, supply-side costs account for about half of the customer bills for both ComEd and Ameren territories.

PJM capacity auction hit a record high last year, and MISO's also increased. Further, like most PJM states, we are looking for a better, more impactful way to represent our citizens in this PJM process. And reflecting on last year and even NARUC this week, there's a lot of discussion on load forecast, even here today, and what is real and what isn't. It is an unprecedented time of uncertainty. Traditional forecasting has assumed gradual growth tied to relatively predictable factors.

Going forward, we must account for increased load growth from energy-intensive data centers and increased manufacturing, but also further electrification of transportation and homes. At the same time, increased investment in energy efficiency solutions and distributed energy resources can reduce demand. Inaccurate forecasts make it difficult for state commissions, RTOs, and utilities to plan responsibly.

Over-forecasting growth risks being overbuilt and saddling customers with stranded costs. Under-forecasting could hinder economic growth and increase costs through shortfalls in energy supply. We need better data sharing between large load customers, economic development agencies, utilities, Commissions, and RTOs so that forecasts are accurate and not speculative assessments.

Briefly on the topic of emergency actions, I want to address those just quickly. Many of the plants that were ordered to resume operation through broad definitions of emergency were approved for retirement through established processes by utilities, State Commissions, and their appropriate transmission planners, like MISO.

MR. MORENOFF: Commissioner, I'm sorry. When we get into the emergency orders, we're going to have a lot of things in front of the Commission.

COMMISSIONER PARADIS: I will skip that part for you. Looking forward, one of the most pressing questions that we have is how to address load forecast, as data centers and dramatic growth, and the uncertainty of those predictions.

Illinois welcomes economic opportunities, but recognizes that these factors can create an immense amount of power and burden on our local residents with unjustified costs. We need transparency to ensure that large load customers are not making the same requests in several states, thus inflating load forecasts. We need collaborative solutions, such as tariffs that send accurate price signals and planning processes that also consider water and land use, as well as community impacts alongside megawatts. Making energy affordable cannot be solved by a single state or an RTO. Federal collaboration is essential. I would join my colleague in showing that programs such as

LIHEAP and the Weatherization Assistance Program are made critical for our most vulnerable households, especially as energy burdens continue to rise.

Continued annual appropriation of those programs is critical, and likewise is the work of DOE and its national labs to do vital work, including modeling of the electric grid, evaluating advanced transmission policies, and improving cybersecurity, as well as aiding in better data collection. We believe that strong coordination with FERC is essential. Regardless of the issue, federal policies shape what is essential and is possible at the state level.

Processes that respect state policy choices and aid in keeping bills affordable while ensuring that the grid is reliable. While there are many challenges before us, I believe the most impactful issue for us to address as a group is clear: load forecasting at this time of rapid change. With collaboration among states, RTOs, FERC, and DOE, we can improve load forecasting to ensure the grid is reliable, affordable, and capable of powering our unprecedented growth in the future.

CHAIRMAN BAGOT: Thank you. I have a follow-up question for you. I'm going to look over at David and he can cut me off if I'm getting into something I'm not supposed to, but on load forecasting, obviously, it touches sort of everything that we've talked about; right? It is the driver for why we are building generation and transmission, and the pace of that build, and what that build might look like, and where it's happening.

So you talked a lot about how that's an opportunity for collaboration in order to get it right. Do you have thoughts about sort of the respective roles in that collaborative process? How can -- you know, where are states really critical in that load forecasting role, and where are there opportunities, or where would it be helpful for us to get either leadership as a convening force or something else on the load forecasting front?

COMMISSIONER PARADIS: No, I appreciate the question, and I would turn it around a little bit. I think one of the biggest challenges is on data transparency. So, for example, Chicago's the northern part of our state. Chicago's in PJM. The three states that surround it are in MISO. And then we also have Ameren, which is also in MISO. I would argue, and what we've seen -- what we believe we've seen, we're not talking double-counting of predicted load that's coming in.

It's triple, quadruple, and quintuple counting potentially that's coming in. And that's -- and when we talk about affordability concerns, that is where the biggest challenge is. So the question is, is between the NDAs and being in multiple states and being in multiple RTOs, who and where can somebody look at all of that data at one time to make sure that the double-, triple-, and quadruple-counting isn't happening? I think that's the first thing, and I think that is an opportunity that this collaborative and FERC can really help us with.

CHAIRMAN BAGOT: Thank you. I really appreciate that, everyone, for humoring my spontaneous questions. So, we are at the time for a break, but before we break, I do want to stop and just make sure that none of my other FERC or state colleagues have questions. Otherwise, I can give everyone time to refresh on their coffee. Questions, anyone?

All right, seeing none, we will take a break, and we'll be back here at 2:20.

(Off the record 2:09 p.m.)

(Break)

(On the record 2:25 p.m.)

CHAIRMAN BAGOT: All right. We're going to pick up with the state round robin. I do just -- again, don't want to put anybody on the spot with questions. If folks other than me, including my state colleagues, want to ask questions, please feel free. I guess -- you know, the NARUC way is to put up your tent card, and I'll do my best to recognize that.

So to the extent questions do come up, please put up your tent card. I will make sure at the end I'll just open it up one more time if folks have questions before we wrap today, but just as a reminder, I want to make sure nobody feels like they're not getting their questions -- an opportunity to ask questions if they have them. All right, so we are moving on to the Western Conference, and to kick us off there. We have Chair Myers from Arizona.

CHAIRMAN MYERS: All right, thank you. So I'm going to start this off with something I've said a thousand times. And I'm going to say a million more before I'm done being a regulator, and that is the West is not like the rest. And what I mean by that is, for example, we don't do RTOs over there. We also are very geographically different. We have a ton of federal lands, for example, and a great depiction I've used before. And actually, there was a pop-up in one of the vendors over here that had a picture of the U.S. at night. And you can see that on the East Coast it's all lit up, and on the West Coast there are pockets. And that means we have to do things a bit differently over there.

It also means that a lot of our resources are very spread out. So we completely understand that in the transmission build-out and things like that that we're going to have to do -- it's probably going to be a bit painful at first, but ultimately in the long run it's going to be beneficial. In Arizona specifically, some of the things that we do, just by way of some background, I guess, is we already have extra high load factor tariffs. I know Judge Bagot talked about Virginia talking about 25 megawatt tariffs and whatnot. But we already do a lot of our utilities have 50 megawatt tariffs.

Our problem is that the stuff that's coming online now is an order of magnitude bigger than that. So we actually are hosting our large load workshop coming up, I believe it's April 14th, where we're going to discuss that topic exactly and how we can maybe standardize on how these loads would get connected. But we really don't want to wait for those discussions, and we haven't been waiting for those discussions. For example, we have recently approved an Energy Services Agreement between Beale Infrastructure, who is building Project Blue down in the Tucson area, and Tucson Electric Power. And this is -- you know, to be perfectly clear, Beale could have taken the power under the existing extra high load factor tariffs, but they worked with the utility to add extra residential protections on that so that we can avoid the cost shifts of the additional transmission build out and things of that nature. And the way they did that -- a big piece of that was they are voluntarily paying a surcharge of about $10 million a year for the next four years, when the transmission build-out should only cost $20 to $30 million.

So they're actually going to help the ratepayers in the long run. We have one of the utilities that is planning to do a subscription model where they're going to build 2 gigawatts of gas generation. Some of that will be grid support, but the large majority of that is going to be -- you know, pay for the chunk that you need. So if they need 500 megawatts of it, they will pay the prorated cost of building that capacity as well as the transmission. And then the rest of that capacity can be sold to another user, and it goes around in a subscription model. Let's see. We have seen with Project Baccara over there that the data centers really do want speed to market, and they are willing to prove that they want speed to market.

For that particular project, they voluntarily gave up all tax incentives in Arizona. And the reason they did that is that currently, Arizona has on the books a goofy rule that says that if you generate power and put it back on the grid, you lose your tax incentives. And they said, "We don't care. We want to generate it ourselves."

So not only did we just approve that connection to the grid, but that project is actually building 700 megawatts of power when they only need 500 megawatts. And that's all to go back to the residential and to serve that load pocket. So the data centers are absolutely proving to us that speed to market is the name of their game, and they're willing to do just about anything to get it. A couple of last things I want to hit on. I would be remiss if I said -- or if I didn't bring up permitting reform. Everybody's heard that a thousand times. We know FERC isn't necessarily the biggest contender in that market, but we have to bring it up because it's that important.

Permitting reform, judicial reform, things of that nature need to happen, and we need it to happen sooner than later, at least out in the West. I'm assuming that applies to all of us here, but -- and the last thing that I want to hit on is something that most of my colleagues have already hit on, and that was transmission cost allocation. We talked about this back in December when we were there about how it would be really great if -- especially if the ANOPR were to touch on this and data centers are approved to be put on the grid by FERC, and the transmission build-out happens, that transmission cost is sent down to the state in a lump sum.

That means we have no way of knowing how to disperse that to the correct customer class. We've done, as I mentioned, with the ESA. We've done some things at our level to try to mitigate that, but that's not exactly a fair method of going about it, either, unless the company decides to do it voluntarily. I did hear a comment at this conference that said something to the effect of, well, we've been doing the transmission this way for a very long time, and individual customers have been lumped in, and the rest of the grid has paid for it. So maybe there's not a need to change it. And I guess I might push back on a comment like that, in that we don't have what we had before.

For example, after that comment, I took the liberty of pulling the smallest vertically integrated IOUs and their generation capacity, and I pulled the smallest 10 of them. There's one data center that I know of that's 3 gigawatts. This data center is larger than all 10 of them. We're not talking about just a user here. We're talking about adding a city or a town to the grid every time we approve a data center connection. And that's why we need to make sure we have cost allocation done correctly. Am I saying that it needs to come from FERC for each individual user? Not necessarily.

This is where the collaborative needs to have some discussion. What I am saying is it's certainly a cost class, so that when it gets down to our level, we know it's a high load factor class that we need to distribute amongst. And by the way, we're trying to change the narrative a little bit so that it is not a data center class. This is not a data center workshop. This is a high-load-factor workshop. Two reasons for that: Number one, the data centers do a really bad job of advocating for themselves, but it's not just a data center problem. We have TSMC. We have steel manufacturing and recycling plants, and all of them are in the same boat.

They all have -- while slightly different load profiles, there are a lot of similarities. So we have to treat them similarly. So changing the narrative, I think, is a good thing to do, and that's kind of what we're doing. So, just wanted to point that out, that those are the things that we're kind of concerned about in Arizona. And I know my colleague Brian here has a bunch more things that are also applicable to Arizona in many respects. But I wanted to leave something for him to chew on.

CHAIRMAN BAGOT: Thank you for that, and thank you for mentioning the ANOPR. I think it's on top of all of our minds that I promised myself I wasn't going to talk about it. Otherwise ---

CHAIRMAN MYERS: I didn't have that same restriction.

CHAIRMAN BAGOT: Potentially be up here for hours, and nobody wants that. So I will say, I think on your point about the ANOPR, and I'm curious if you have additional thoughts on it. It does seem like a really unique opportunity to collaborate, given that the solutions look a little bit different in every state in terms of what a solution might do. And the challenges that each state is --- you know, trying to wrestle with are very different.

And I guess my -- when I think about the benefits of collaborating on that approach, it's really -- you know, states truly are like the laboratories of innovation, and these are really difficult problems to solve. And so when I think about a positive outcome in the ANOPR, it really is some leadership and help getting us all together to solve these problems, but then allowing for that creativity and the creative solutions to develop over time that address each state's unique challenges.
So curious if you just --- if you have any thoughts on that.

CHAIRMAN MYERS: Sure. So -- you know, basically your question wraps up everything I just said. The West isn't like the rest. We are already in the process of figuring out how we're going to deal with this, with the various ESAs and various subscription models, things of that nature. But also, I'll add that there's still a lot of confusion around the ANOPR. You know, I know what I read, I know what NARUC put out as far as a resolution, but then I talked to Danly, and I think maybe there's some impetus that's a little bit different; right? So, what exactly are we looking at here? Are we looking at a co-location model? Is that what the intent of this really was?

Because that's not really what I read. But at the same time -- you know, maybe it's an all of the above approach.

But fundamentally, I think what it boils down to is leave room for the states. You know, let us have the flexibility we need without adding too many mandates, too many hurdles that we have to jump through that may or may not even be applicable to us. You know, I don't want to pick too much on 1920, but I can almost say with certainty that 1920 is a busy work exercise for us out in the West. It'll never be used. We already have good plans that cover that. But at the same time, we are going through the exercise. It has brought a lot of people to the table, I will give it that, and there's been a lot of good discussion around that. So, it hasn't been a complete waste. Don't take that the wrong way. But I also want to make sure that if we're doing things like what we're discussing in the ANOPR, that there is room left for the individual states to do what they do best.

CHAIRMAN BAGOT: Thank you. I appreciate that.

Next up, Chair Rybarik from Washington, you're up.

CHAIRMAN RYBARIK: Thank you, Chair Bagot and Chair Swett, for the opportunity here, and of course, thanks to all my state colleagues and FERC Commissioners for the opportunity here. I'm Brian Rybarik. I'm the Chair of the

Washington Utilities and Transportation Commission, or UTC. So you all get another acronym in your lives here. That's how I'll refer to us. But appreciate the opportunity.

I've been spending a lot of time listening to the discussion here. I'll probably be shamelessly repetitive of some of the things that other people have said, but I've also spent a little bit of my time trying to decide whether it's a badge of honor to try and get David Morenoff to -- like, grab the microphone and get really close to the line. But David, in respect of your own blood pressure, I will try and stay away from that. But three themes that I want to bring to the table: affordability in the context of the Pacific Northwest, what we are doing in the Pacific Northwest and in Washington, and what we can focus on together. So a lot of the themes you've heard from others as well.

But in my home state of Washington, electricity rates remain below the national average. That sounds like great news. But what we hear every day at the UTC, and President Rendahl is here, and she gets to hear it along with me, is that customers do not care about national averages.

They care about -- and what they're focused on -- is the increases they see across the board, whether that's their utility costs, their costs for groceries, their costs for healthcare, or other essentials. They're feeling those combined pressures. And there are a lot of reasons for that, tariffs and inflation, we have supply chain challenges. But in the West, we have recent extreme weather causing millions of dollars of damage to utility systems, causing short-term power costs to go up, and all of those things are now starting to hit customer bills, despite all of the efforts to contain those costs. We have a clean energy transition as well. We have our own acronyms of CETA and CCA, that's the Clean Energy Transformation Act and the Climate Commitment Act.

And as those new resources -- at the same time as we see growing energy demand hit, we see those new resources causing an increase in cost to customers, at least in the short term. And then, of course, particularly in the West, there are rising wildfire risks and increasing insurance costs. And then, of course, when those fires do occur, additional costs for ratepayers on top of the danger of destruction and unfortunate loss of life that occurs in those as well.

So, theme number two, what are we doing about all that in Washington and the region? First, like many of you, we're sharpening our focus on affordability in all of our proceedings. In the near term, we're continuing our diligent review of utility rate requests with heightened attention on all of the tools that we have in the toolbox, including capital structure and returns on equity. We're also working through a performance-based rate-making docket, evaluating additional cost-containment tools, and reporting metrics to further incentivize utilities to reduce those costs for customers. And importantly, we're strengthening our support for vulnerable customers.

I'll add my support for all of the LIHEAP discussions that have happened here as well, but I know we all have our own programs. And, of course, we're focused on those. Between direct rate credits, arrearage management, trying to help customers in the near term, but we're also focused on increasing investments in things like weatherization, energy efficiency, heat pumps, we're a winter-peaking system for the most part. And so those investments are designed to benefit customers for years to come. I think one focus that we have is, are we using those dollars as effectively as we possibly can? I think that's incumbent on all of us to make sure those are ratepayer dollars at the end of the day, and that we're sort of continually working with our utilities, our consumer advocates, and community action agencies to measure the effectiveness and make sure we're targeting those who need it most, and frankly, I think very importantly, when they need it most in those really critical times of the year.

I think it was Chair Martz who talked about the importance of planning. And to me, this is the foundation of all long-term affordability. So we've recently approved rules for an integrated system plan. As we look at the clean energy transition and the Climate Commitment Act, our largest investor-owned utility, Puget Sound Energy, will be planning its gas system and its electric system together. So we try to do that transition as effectively and as efficiently as possible. And beyond our state borders, as Chair Myers just noted, we're working with fellow Western regulators as we see day-ahead markets develop alongside regional resource adequacy programs in the West.

David, no need to grab that microphone just quite yet.

I am a firm believer in the value and the power of inter-regional transmission and markets to bring significant customer benefits, but we need to work together, of course, to ensure that those benefits are realized by customers. So where does this cooperative federalism fit in? In my desire to put everything in buckets of three, I have three ideas, or three things to bring to the table. First of all, generally continue collaboration on demand forecasting. I know a lot of us have said this. But with the scale of the new loads, Commissioner Myers just pointed it out, and the potential for multiple load requests, whether they're double, triple, quadruple, this is something that is going to require federal-state cooperation. It just is essential.

Those demand forecasts that we used to look at in an IRP that was coming through one state, that's not the case anymore. And Chair Bagot, to your question earlier, I don't know what exactly the answer is, but it is going to be some entity that is going to be a trusted resource for these large loads to say we are willing to sort of show the books so that everybody can plan these things together and sort of rank order, where do you want to go, what are the most important markets for you, so that somebody has visibility into this. Again, I don't know exactly what that looks like, but that's I think where this goes.

Second, very important to the West. The West is not like the rest in many respects, but the FERC, the Department of Energy, and other federal agencies need to continue coordinating on transmission planning and, most importantly, transmission development. We're facing unique challenges in the Pacific Northwest, Bonneville Power Administration controls much of the -- or operates much of the transmission system, and because of this, we're probably going to require some unique approaches to both planning and cost allocation. So this is not a cut-and-paste situation. I'm sure you've heard that many times, and we appreciate you all when you come out to our Western Conference and CREPC meetings to hear our concerns there. The third issue, and I think most pressing right now, is the states and FERC working together on Seams issues. David's going to start reaching for his microphone right now, but I'm not going to go too far.

With multiple-day-ahead markets emerging, proactive coordination on this issue is going to be essential. Much of the modeled values of the markets that we've seen have depended on smooth Seams management. So if we are not ahead of this and we're fighting this in courts for years to come, customers are going to lose out on the benefits. So looking forward to continuing to collaborate on that.

And with that, thank you for the opportunity. Looking forward to the continued collaboration.

CHAIRMAN BAGOT: Thank you. So, before we kick it off to our next Commissioner, I just want to give a shout out to our former member of the N10, Karen Kemerait, who, after leaving the North Carolina Commission, is no longer part of our N10 group. She was an incredible asset to us as a group, but also to NARUC as a whole. And it's a big loss for the North Carolina Commission, and we wish her the best as she goes on to bigger and better things, unsurprisingly. So, thanks to Karen for all of her efforts to date in this group.

And with that said, we have a new Commissioner with us, and we are so happy that he's here with us to join the N10, and that is Chair Doyle Webb from Arkansas. So, with that, I'm going to kick it off to you for your comments. And thank you so much for being with us.

CHAIRMAN WEBB: Thank you, Madam Chair. I'm honored to be representing the SEARUC region today, along with my colleague from Florida, Chairwoman Smith. SEARUC is a diverse collection of states from North Carolina to Texas. Some states being in an RTO, such as SPP, MISO, ERCOT, and PJM, while some rely on regional forums such as SERTP.

All of the SEARUC states, with the exception of Texas, are still regulated. Some of us are elected Commissioners. Some of us are appointed. We all have different regulatory frameworks and procedures of how we do resource planning. But what we all have in common in SEARUC is the enormous responsibility to balance ratepayer affordability, state economic development, and utility needs, all while ensuring resilience and reliability. Affordability is a sincere concern for my commission.

From 2020 to 2024, Arkansas residential ratepayers have seen their electric rates increase by about 34 percent. We have several large load additions, either planned or approved, in our state. And we work with the utilities, our Public Protection Office, and other stakeholders to craft reasonable cost recovery mechanisms to prevent unfair cost shifting. We also have several other measures that we are considering. These we can control. . But Arkansas, along with the other members of SEARUC, is concerned about costs being passed on to retail ratepayers that we can't control and that are being passed on without significant state input. What I would like to talk about today, then, are not those individual state programs, but processes, processes that work to address affordability and ones that are not working.

The utilities in the western half of our state are in the SPP footprint. In SPP, there is a respectful balance between the State Commissions and the SPP organization. For example, SPP recently formed a cost control and allocation review and evaluation working group called CAREs. CAREs came about because there was a determination to assess whether SPP's current transmission cost controls and cost allocation framework are effective and appropriate. The CARE team is a cross-functional leadership body that will review, evaluate, assess, and recommend refinements and alternatives to the current transmission cost controls and cost allocation methodologies. Most importantly, the group consists of members of the Regional State Committee and members of the

SPP Board of Directors working together, working together to address the problem of affordability.

A similar SPP collaboration is with the REAL team, R-E-A-L, or Resource and Energy Adequacy Leadership Team, where State Commissioners, the SPP Board, and utility representatives all work together to craft solutions that benefit the stakeholders. This is an important partnership because, again, states are responsible for resource adequacy. And it is ultimately our retail ratepayers who bear the cost of the decisions made. Utilities in the Eastern half of Arkansas, along the Mississippi River, are in the MISO footprint, where State Commissions do not have the same level of partnership or standing.

In the MISO footprint, the state commissions and OMS, our collective organization of state regulatory bodies, are considered to be stakeholders, along with 10 other groups who may be for-profit entities with no responsibility for ensuring resource adequacy. Those entities are given member status and rights, whereas OMS and state commissions are relegated to the non-member sectors, along with the environmental groups and the public consumer advocates. What this ultimately means is that in the MISO tariff filings, which you have before you, state regulatory authorities may or may not have had any meaningful input in that filing.

Commonly, the only way for us to make our positions and concerns known to you is either through comments or, more increasingly, through a 206 complaint, which, as you know, has a high bar to clear. You may have noticed that there has never been an alternate state commission or an RSC filing opposing an SPP filing before you. I am concerned that we will see this lack of state involvement play out in the upcoming years with regard to resource planning in MISO.

OMS routinely administers an OMS MISO survey, which provides a regional view of resource positions to better inform resource planning and has a MISO member load response rate of about 90 to 95 percent. Unfortunately, MISO is developing a more opaque survey to use for transmission planning and possibly for resource planning, which will bypass the current partnership, ignore the role that the states play, and ignore the visibility that states have into their jurisdictions. When the RTOs work with state commissions, we can move the ball forward. For example, for the recent ERAS filing, whereby state commissions worked with the RTOs to provide a temporary solution to make it easier for needed state resource adequacy projects to connect to the grid. When states are allowed meaningful input into things like cost allocation, benefit metric selection, accreditation methodology, and resource planning, we are able to not only plan better for a more resilient and reliable grid but also do it in a way that keeps costs down for the retail ratepayer.

As we discuss affordability today, especially in light of large load additions to the system, I recommend that we not only consider programs, but we also look at the process. What I have seen work is a construct where there is a partnership, where we work together to craft solutions rather than piecemeal rulemaking that ignores the different state regulatory frameworks. And most importantly, leaves out a valuable partner in the state commissions.

Thank you for taking the time to listen to me today, and I look forward to a to a successful collaboration as we tackle these issues together. Thank you.

CHAIRMAN BAGOT: Thank you. Appreciate your comments, and especially your emphasis on partnership and collaboration.

To round us out, last but not least, we have Chair Passidomo Smith from Florida.

CHAIRMAN PASSIDOMO SMITH: Thank you, Chair Bagot. Yeah, Commissioner Zerfuss, I don't know if it's better to go first or go last. So I hope you all are -- thank you all, everyone in the room, for still being here to listen to my perspective. Thank you, Chair Swett and the other Commissioners -- FERC Commissioners, and my state colleagues for -- yes, staying with me for this last little bit. Similarly, Chair Myers, Florida, is also not like the rest. If anybody's seen a Florida man meme -- you know what I'm talking about.

But also, in how we regulate our utilities, we are also not part of a Regional Transmission Network. We kind of maintain that control. We have a traditional economic regulatory scheme over all the vertically integrated utilities, which features a cost-of-service rate-of-return approach to establishing a utility's revenue requirement and setting rates by the Public Service Commission.

We have authority over the planning of the grid to assure an adequate and reliable source of electricity and to avoid uneconomic duplication of facilities. Florida's consistent policies are rate making utility planning have resulted in our rates remaining at or below the national average, despite experiencing significant population growth over the past 30 years. As Chair Rybarik has already mentioned, similarly, we also experience extreme weather events that customers don't care about the national average.

We hear it again and again, because our utilities consistently will reiterate that point. But those customers have never lived anywhere else. And so they know what they know. And they see line items on their bills on top of their base rates for those storm cost recovery mechanisms that we have to put in place. Those expectations from customers have risen over time, emphasizing the need to ensure a reliable source of energy and a resilient grid design based on the threat of extreme weather.

These customers, at the same time that they want their bills to be at an affordable rate for them, that's difficult. We don't have a definition for that. So I usually kind of avoid that term. It's the way we do it -- you know, at the lowest cost. But they also expect that after a Category 5 hurricane comes through, that their lights are going to be back on within a matter of hours or minutes. And so how do we manage that expectation? How do we harden our grid at the same time as to not get to that last 0.001 percent of hardened grid almost akin to gold plating the system? So we need to make sure that there's a balance there.

I'm going to kind of talk a little bit about how we handle our resource planning. And then how that goes into the large load growth that we might be seeing. Our generating electric utilities must file annually the results of their integrated resource planning processes, which estimate the utility's power-generating needs in the general locations of its proposed power plants over a 10-year planning horizon. We, as a PSC, review inputs and assumptions to utility load forecasts, including potential new large load customers.

Each utility conducts a reliability analysis to determine when resources may be needed to meet the expected load. So, our load forecast trends that we had in our last planning horizon that we saw in 2025, distributed solar and EV adoption are continuing to rise, although at a much slower rate than we initially expected and wasn't initially projected. But the data center load is emerging as a long-term growth driver.

This is something that I don't think we necessarily expected coming to Florida because of those storms, but our utilities, I think when we saw, especially in the 2024 hurricane season of Hurricane Ian, a Category 5. One of the costliest storms on record in the United States, our utilities responded pretty incredibly as far as restoration efforts. And I think that those large load customers saw that and realized we could operate in Florida, and we will have that resilient power and that reliable power that we need.

So with that, our utilities are starting to recognize that. We've had them propose tariffs, returns, conditions, and agreements that conform to the cost-causer principles and ensure protections for other customers. We -- there is a current proposed legislation right now that would establish state policy on utility tariffs for large load customers by ensuring ratepayer protections, preserving local comprehensive planning and land development authority, emphasizing water resource permitting provisions, and disclosure of project information. Some of those ratepayer protections that are included are the contributions in construction, demand and minimum charges, incremental generation charges, financial guarantees, minimum load factors, take or pay provisions, and a minimum service term requirements with early termination fees.

Now, a lot of -- it could sound like we're closed off for business for these large loads, but we're not. A lot of, almost all of those provisions that are in that pending legislation are substantially similar in nature to the large load contract service tariffs that we approved for our largest utility back in November. I won't really go into the details of that because that case is still pending, but it was -- that was a settlement that we approved with a data center representative that signed on to that and on to all those provisions.

So it seems like, yeah, they're willing to sign on to all those customer protections as well as that they were willing to pay their share. I guess I just kind of want to emphasize here that reliable interconnection requires incorporating large load equipment characteristics into planning in operations, and carefully structured forecasts and rate designs help protect residential and small business customers from subsidizing large loads. And this sort of forward planning helps keep average customer bills lower and more stable.

So as a new and significant load is added to utility systems by the data centers, it's just critical that states retain the authority to ensure that costs are fairly allocated to the cost causers. And that's -- and I appreciate this opportunity to collaborate, and any questions.

CHAIRMAN BAGOT: Thank you very much. So, we're doing well with time. We certainly don't have to go to the -- our scheduled time here, but I've definitely taken advantage of having access to the mic. So, before I have some closing things I'd like to say, and then I will turn it back over to Chair Swett to close this out and see if there's any final remarks she has. But I do want to open it up to everybody one last time, if there are questions that anybody has, or even just final reflective comments that anybody would like to make. Again, both FERC and state colleagues' observations.

Go ahead.

CHAIRMAN MYERS: Mostly just a generalized question to the FERC Commissioners. We've heard from almost everybody that the cost allocation problem and being able to allocate the large load costs to the correct bucket when it gets to the states is kind of a top priority. Is there an appetite at FERC for addressing some of that? Is that something that's a good topic of discussion that we need to discuss more? What might be the next step on that? No takers.

COMMISSIONER LACERTE: At the risk of David Morenoff jumping down my throat here, I will say that this is something we asked for feedback on from PJM in our December co-location order. So, it is something that is top of mind for us. And as we move forward, it's something that we're going to continue to ask for feedback on, if it's something on our docket or not. And it's an evolving area that we think the states, the RTOs, the ISOs probably have the most meaningful feedback to us as we're considering all of these issues before us. And I'll briefly kind of address some of the other topics today. I'm really comforted to know that you're saying a lot of the right things that are on our minds as well.

We share these things. Affordability is going to be the first words out of my mouth. And the day that they're not the first words out of my mouth, that's a great day for America. I don't think that's any time soon. So, you're going to keep hearing from me.

Commissioner Webb, I know your frustrations in your own backyards and with your own RTOs are well taken. All I can say is that you're not in PJM. So, take some comfort in that.

I know we're interested in tackling this ANOPR as quickly as we can. And I think that -- you know, we all agree that these solutions are best generated from the states. They come up with the best solutions that we can adopt, beg, borrow, and steal, and use in other areas. And we always say that the states are the laboratories for innovation. It's absolutely true. We get a lot of great ideas, but sometimes those laboratories of innovation look less like our national labs and more like a lab you'll see in Wuhan. So sometimes it's important that to know the ANOPR is trying to lift everyone up together, but it is a challenge.

And of course, permitting reform is something that I wanted to briefly end on. We're doing everything we can to move projects in a durable and expedited fashion. So we're going to tighten up the chain wherever we can see it. We're always talking about seven counties. We're always talking about environmental reviews and NEPA. But I also want to encourage you all to have tough conversations in your own backyard.

We see these bottlenecks -- you know, happening across the board. We're doing what we can on the federal level. I encourage you to have those conversations with your State Historic Preservation Offices. Really put the pressure on wherever we can. I think we're dealing with a resource adequacy. You know, there is no magic bullet. But one thing we can do is get more resources together to tackle this problem and drive prices down.

And you all can do a much, much better job of that in your own advocacy efforts with your own states than we can here in Washington, D.C. So I want to challenge you all as we're moving forward and moving faster. I'd love it if you did the same. And if you have a bottleneck that you can foresee that we can help you with or we can tackle collaboratively, I would like to do that too. And I know my fellow Commissioners feel the same way.

CHAIRMAN BAGOT: Go ahead, Commissioner See.

COMMISSIONER SEE: I agree with what Commissioner LaCerte said, but I appreciate that. And I think the short answer to your question of do we want to keep collaborating to get cost allocation right is yes. We absolutely do. I believe that we have a mandate that is flexible enough for us to respond to this moment to figure out how do we allocate costs fairly to those who are causing them and making sure that the people who benefit are paying for those services. But we all know in the conversation the past couple of hours reiterates that's so much easier said than done.

There's a lot of questions in terms of cost identification before we get to allocation. You know, I'm thinking even back earlier to the beginning of this session, Commissioner Chattopadhyay, you talked about how do we think about stranded costs and how do we think about those sort of issues. So we are really hard at work trying to figure that out and also understand when it comes to a large load. We're talking about an issue that's right at the intersection of our federal jurisdiction and state jurisdictions.

So this kind of partnership is incredibly important for us to continue to do that well for a goal that every single one of us shares about making sure that we have a reliable grid, but that it is affordable for the people who pay those bills. So we're hard at work on that. You know, I really appreciate the conversation and taking to heart a number of things. Like my colleague said, it's a lot of reinforcing the things that we're thinking about every day as well, and take to heart the idea where we do own responsibility for affordability, especially on the transmission side. That is an area where we need to keep working hard to make sure -- I know, Commissioner Paradis, as you said earlier, really well, the idea that there are dangers in both over- and under-building and we have to take that to heart when it comes to using the authorities we have to encourage and where appropriately to mandate getting the most out of existing infrastructure before we're building out and then making sure we're really responsible when it comes to new infrastructure. How do we do that well? As I also resonate with another point that you made earlier, Chair Myers. You're talking about -- just, there's a lot of responsibility when it comes to new rules and regulations. They can be very valuable in the right context. But there are compliance class.

And when we are talking about costs, those are costs we can't forget too. So that's something that I know I always think about really seriously when it comes to the potential for new federal mandates. We really need to make sure that if we're going in that direction, we are fully considering those costs as well. So there's a lot for us to do. I'm really encouraged by this conversation. I've learned a lot and really benefited from the perspectives of the different states. And I would really love to keep this conversation going as well.

COMMISSIONER CHANG: Great, thank you. Thank you, everyone, for chiming in on this topic. I just want to say at the forefront that -- you know, our interests are aligned. Listening to everybody around the room here, our interests are completely aligned. We want to protect customers. And thank you, Chair Myers. Your question is very specific about how FERC can address this. I learned a lot of things today, hearing everyone's concerns and how you're addressing them. But this particular question about transmission -- you know, the way I understand your question is, can -- is there any way to identify costs that might be triggered by large -- what you call large loads or large -- high load factor load. And then put them in some kind of new category so that when it passes on to the states to do retail pricing and retail ratemaking -- you know which category.

And I want to sort of echo what Commissioner See said here. So it is, in principle, that makes sense. But it is a challenge to identify costs first. So, we first have to identify the costs. And as you know, we have many decades of experience in transmission planning, transmission costs, and cost allocation. So first we have to identify the costs. And then, with the principle of beneficiary pay, how to allocate those costs to perhaps a new bucket of transmission service. So, I take that to heart. I'm definitely going to think much more about this because of this dialogue here. And I really appreciate you and many others bringing this up. And I hope that we have more opportunities to discuss that. And I'll pass this on to my other colleagues.

COMMISSIONER ROSNER: I just want to agree with everyone, what everyone said. Thank you, Chair Myers, for asking us a question. That was direct. Also fully committed to working on that. The one thing that I was encouraged by was that I also heard around this table, around the country, an interest in you all doing some thinking together to tell us what kind of transparency, what kind of information you need us to think about. I would love to do that with you.

The only other reaction I have on that cost allocation question is -- you know, I think we've made some progress on this. You know, when I look at some of the things that we've -- that have come before this Commission and that are actually pending right now, we've had some attempts at different utilities around the country, saying, hey, here's how we think we can protect consumers with things like contract terms, the amount of revenue that they're looking for based on the load factor, termination clauses, transfer clauses, all these things that go into that equation. And I'll just echo again -- you know, affordability, top of mind.

I think we spent a lot of time just last week with Congress on the very same question. I think it's entirely appropriate. I know I am, and I think all of my colleagues are, committed to working with you all on all parts of this, whether it's transparency on the costs, whether it's things like ROEs, or whether it's getting the markets right. And -- you know, I'm very mindful that while the bulk electric part of the retail bill is a minority of the bill, it's still a meaningful part, and we should be looking everywhere. You know, I also hope that the efforts that FERC has made to work with states over the past two years are making progress. Noting that we don't have markets in all of the country, and that's great, that's fine, and works well. You know, I'm a big believer in states figuring out what works for them.

But -- you know, we've done things where -- you know, we didn't have markets, and different regions have built different variations of markets that work for them. And I'm a major believer that competitive markets, where we have them, have saved people money, and that's very important. We've also worked with some of the market regions in PJM to do things that have saved consumers billions of dollars. And I look forward to continuing to do that while also meeting the moment to get steel on the ground. And so you mentioned permitting. Commissioner LaCerte mentioned permitting. You know, I think we really are in this together. That's the way Congress divided our different responsibilities in the Federal Power Act.

And so -- you know, I think my message is I'm very committed to working with you to get the market signals right, get the transparency right, so that you all can react to it and get the steel on the ground. And what I would say is we really need your help, too, for your pieces of that permitting process. Commissioner LaCerte mentioned NHPA, but all different parts -- you know, what does it take to get a permit for a transmission line, for a power plant, whether it's the actual permit for building the facility itself, whether it's a Clean Air Act permit, a Clean Water Act permit. All those things are not in our purview, and we need your help to make sure that we can timely add new supply to the system, because that's going to be fundamentally a major way that we lower prices and get these new loads connected and unlock all the economic development associated with them. So really, door wide open. I really have appreciated this conversation. I took some notes. I'm excited to keep working with you all, either individually or as a group, and back to you. Thanks.

COMMISSIONER CHANG: Sorry, can I?

CHAIRMAN BAGOT: Yes, please. Please, go ahead, Judy.

COMMISSIONER CHANG: I just want to add one more thing. I want to reflect the fact that you had said that this is elaborate -- the states are at the forefront of some of these issues about large loads and tariffs associated with large load. And I just want to acknowledge that, because I do think states are at the forefront. And just yesterday, S&P Global had an article that said the Smart Electric Power Alliance, SEPA, has on its database something like more than 67 tariffs across 50 utilities and across 35 states. That's literally at the forefront of this issue.

I'm not sure -- it's definitely a laboratory of innovation, but it's also really, you're forced to address this before everyone else, or you're simultaneously dealing with this. I just want to acknowledge that I'm very interested in the collaborative effort that we might work on together. But I do want to also say my door is open to make sure that we don't have any regulatory gap between the states and FERC. So that it's not just that we are interested in collaborating and respecting that you are at the forefront of this issue and addressing them already and have found solutions that work for each individual state, but also together we want to make sure we don't have some gap in between that might need to be closed. I just want to add that. Thank you very much.

CHAIRMAN SWETT: Thanks. So, today has actually raised a lot more questions for me than answers. And I think that's great, because that's probably the purpose of this, and coming into this job, I've only been here for four months, but I have a great respect for the differences between the states. I'm really interested in how the markets bring together such diverse policy goals and generation goals and transmission goals, and hearing from New England that you can band together with the shared interests in certain pockets. It's just really interesting to me how the state's interests come together to make you join markets or resist joining markets. And from where I sit, I fully respect your ability to make those choices for yourself.

But the issue of transparency for costs that I think every single one of you raised, that just gives me a lot more question marks. As someone who pays retail rates, as everyone else does in this room, I look at my bill every month, and I wonder, what is all of this? What am I paying? And I would think that sitting at FERC, I would know what is going into my retail bill, but I would love to provide that transparency for consumers. I want that transparency myself, but also, hearing how different your perspectives are in regulating today, I understand that the information that you all need can vary wildly in your states of what components you would like broken down from the wholesale rate.

So that's something I'm very interested in moving forward and knowing probably what every single state would like to be broken down in the wholesale rate, more specific details there, rather than an abstract. We just want more information. And if we had that information, I think it would really help us figure out how to start to carve out buckets that are more intelligible for the country.

And it has also occurred to me that affordability means something different for every single state. As you all are in shared markets, but some states are split between markets, like you said. However, you're saying that the rates are much higher in Arkansas than they used to be. And then other states are saying they're much lower, but I would love to know more why there is such a difference. And even within your states, if certain ratepayers are paying a lot more than others, and how much of that is attributable to the markets in FERC's jurisdiction, how much is attributable to state policies. And so, just as some looking from our perspective, I would really like to understand that. And I think having that information would help us know better what we can do to help you and what we can do on our side as well.

So today has been extremely eye-opening for me. And I thank you all for putting in the time in your presentations. It was very thoughtful. And I, like my colleagues, really want this dialogue to continue so that we can work better for our country together.

CHAIRMAN BAGOT: Well, I just want to -- I'll end by saying I really want to thank our FERC colleagues for being here today. And all my state colleagues for all the thoughtful comments and efforts that went into preparing for this discussion. It sounds like -- you know, I'm sort of preaching to the choir a little bit, and I don't want to do that. It sounds like we're all on the same page on collaboration, which is, I think, a huge first step. And I'm very much looking forward to FERC's continued leadership on this issue.

I think you all are -- it's not only needed, but very much appreciated to help focus us on the issues that are national in scale, and to help us move the ball forward and continuing to move the ball forward. And there's certainly a need for that national leadership as these issues continue to evolve. And I would just encourage you to continue to remember that -- you know, states are small, but we're mighty together. And we really are tackling our unique -- the issues that are unique to all of us in our states. But what that means is that our collective hive mind of creativity and innovation is really great. And I think there is a meaningful way for us to work together with you to develop solutions that would be more robust than all of us trying to do it on our own.

And so, again, very much look forward to continuing this discussion and working with you all. And Commissioner LaCerte, I appreciate you pointing the mirror back at us and reminding us that -- you know, we need to continue to reflect on our own processes and ways we can be nimble. And I think speaking not only for myself, but I think all my state colleagues -- you know, we're very much willing to put in the work. We are putting in the work. We're seeing a tremendous amount of change happen in each of our states. And we want to be resources where we can to all of you as we continue to go through those processes.

So, thank you again. Thanks for everyone for sticking through. I know NARUC is a marathon, not a sprint. So, thank you for all sticking with us here at the end. And look forward to the next time we get to do this. Thank you.

(Whereupon, the Federal Energy Regulatory Commission Federal and State Current Issues Collaborative adjourned at 3:20 p.m.)

CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceeding before the FEDERAL ENERGY REGULATORY COMMISSION in the Matter of:

Name of Proceeding:

Federal and State Current Issues Collaborative

Docket No.: AD24-7-000

Place: Via Zoom

Date: Wednesday, February 11, 2026

Was held as herein appears, and that this is the original transcript thereof for the file of the Federal Energy Regulatory Commission, and is a full, correct transcription of the proceedings.

JEMIMA BRENNAN

Official Reporter