UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

CONSENT-ELECTRIC

CONSENT-MISCELLANEOUS

CONSENT-HYDRO

CONSENT-CERTIFICATES

DISCUSSION ITEMS

STRICKEN ITEMS

1137TH COMMISSION MEETING

Federal Energy Regulatory
Commission
888 First Street N.E
Washington, D.C. 20426
Thursday, June 18, 2026

The Commission met in open session at 10:03 a.m., when were present:

CHAIRMAN LAURA V. SWETT

COMMISSIONER DAVID ROSNER

COMMISSIONER LINDSAY S. SEE

COMMISSIONER JUDY W. CHANG

COMMISSIONER DAVID LACERTE

SECRETARY DEBBIE-ANNE A. REESE

Agenda Items:

CONSENT-ELECTRIC

E-2, E-3, E-4, E-5 and E-6.

CONSENT-MISCELLANEOUS

M-1

CONSENT-HYDRO

H-1

CONSENT-CERTIFICATES

C-1, C-2 and C-3

DISCUSSION ITEMS

E-7, E-8, E-9, E-10, E-11 and E-12

STRICKEN ITEMS

E-1

Commissioner Statements for June 18, 2026

E-2 - Commissioner Chang concurring with a separate statement

E-6 - Commissioner Rosner concurring with a separate statement

E-6 - Commissioner Chang dissenting with a separate statement

E-7 - Chairman Swett concurring with a separate statement

E-7 - Commissioner Rosner concurring with a separate statement

E-7 - Commissioner See concurring with a separate statement

E-7 - Commissioner Chang concurring with a separate statement

E-7 - Commissioner LaCerte concurring with a separate statement

E-8 - Chairman Swett concurring with a separate statement

E-8 - Commissioner Rosner concurring with a separate statement

E-8 - Commissioner See concurring with a separate statement

E-8 - Commissioner Chang concurring with a separate statement

E-8 - Commissioner LaCerte concurring with a separate statement

E-9 - Chairman Swett concurring with a separate statement
E-9 - Commissioner Rosner concurring with a separate statement
E-9 - Commissioner See concurring with a separate statement
E-9 - Commissioner Chang concurring with a separate statement
E-9 - Commissioner LaCerte concurring with a separate statement

E-10 - Chairman Swett concurring with a separate statement
E-10 - Commissioner Rosner concurring with a separate statement
E-10 - Commissioner See concurring with a separate statement
E-10 - Commissioner Chang concurring with a separate statement
E-10 - Commissioner LaCerte concurring with a separate statement

E-11 - Chairman Swett concurring with a separate statement
E-11 - Commissioner Rosner concurring with a separate statement
E-11 - Commissioner See concurring with a separate statement

E-11 - Commissioner Chang concurring with a separate statement

E-11 - Commissioner LaCerte concurring with a separate statement

E-12 - Chairman Swett concurring with a separate statement

E-12 - Commissioner Rosner concurring with a separate statement

E-12 - Commissioner See concurring with a separate statement

E-12 - Commissioner Chang concurring with a separate statement

E-12 - Commissioner LaCerte concurring with a separate statement

C-2 - Commissioner Chang concurring with a separate statement

Discussion and/or Presentations

E-7, E-8, E-9 - Presentation by Sarah Ladin (OGC) and Emily
E-10, E-11, Cohen (OEMR), accompanied by
and E-12 Jason Feurstein (OER)

Stricken Items

E-1

P R O C E E D I N G S

10:01 a.m.

CHAIRMAN SWETT: Madame Secretary, we're ready to begin.

SECRETARY REESE: Good morning and welcome to the June 2026 open meeting of the Federal Energy Regulatory Commission. FERC's mission is to assist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means and collaborative efforts.

The purpose of the open meeting is for the Commission to consider the matters that have been duly posted in accordance with the Government and the Sunshine Act. Members of the public are invited to observe, which includes attending, listening, and taking notes, but does not include participating in the meeting or addressing the Commission.

Actions that purposely interfere or attempt to interfere with the commencement or conducting of the meeting or inhibits the audience's ability to observe or listen to the meeting are not permitted. This includes attempts by audience members to address the Commission while the meeting is in progress. Any persons engaged in such behavior will be asked to leave the building. Anyone who refuses to leave voluntarily will be escorted from the building.

Additionally, documents presented to the Chairman, Commissioners, or Staff during the meeting will not become part of the official record of any Commission proceeding nor will they require further action by the Commission. If you wish to comment on an ongoing proceeding before the Commission, please visit our website for more information. Also, representatives from FERC's Office of Public Participation are located just outside of the meeting room to answer questions and assist the public with submission inquiries. Thank you for your cooperation.

Good morning, Madame Chairman. Good morning, Commissioners. This is the time and place that has been noticed for the open meeting of the Federal Energy Regulatory Commission to consider the matters that have been duly posted by the Commission. Please join us in the Pledge of Allegiance.

(Pledge of Allegiance)

SECRETARY REESE: Commissioners, since the May 21, 2026 open meeting, the Commission has issued 66 notational Orders. Thank you.

CHAIRMAN SWETT: Thank you, Madame Secretary. Good morning, everyone. I've never been so excited for a FERC meeting and I can see why the unprecedented size of the crowd that you are all excited too, so let's get started. We promised some fireworks last month and we are going to

light the fuse today.

I really enjoyed the FERC Nerd Twitter Verse exploding last night after our revised Sunshine Act, so let's see who guessed right. I heard Commissioner LaCerte put some bets on but we'll see how much money he gets.

(Laughter)

CHAIRMAN SWETT: So, last night we issued an updated Sunshine Notice that added Items E-7 through 12 to this morning's agenda. These six new dockets contain show cause Orders tailored to each of the six RTOs and ISOs under our jurisdiction. We're finding that those existing tariffs appear to unjust and unreasonable because they do not adequately address how to integrate large and co-located loads onto the transmission system.

Today we are taking historic action to push our country's electric markets and economy into the future. This is a future of fair cost allocation, unprecedented transparency for the American ratepayer, respect for states' rights, efficient markets, reliable service, and speed to power.

I'm really grateful to the Americans sitting around this table with me because it's thanks to them that we are able to do this step together.

Last October, Secretary Wright's Advanced Notice of Proposed Rulemaking articulated the monumental

generational urgent challenge that FERC must solve for our country when he directed us to develop reforms to ensure that timely and orderly interconnection of large load to the transmission system. I strongly agree and now through this suite of six orders we are delivering.

We deliberated crafted this show cause Orders to address the problems the ANOPR raised in a way that is quick, efficient, and legally durable. Thank you, Secretary and the White House for your aggressive leadership and creativity on these issues.

I'm proud that today's actions direct each FERC jurisdictional grid operator and their respective transmission owners to look closely at their existing market rules and determine what changes they must make to efficiently and reliably integrate large loads. This isn't just for datacenters. It's for manufacturing and industrialization as well. We will have Staff present more detail about today's Orders in a bit, but I'll provide a short preview of the five major categories of reforms we're ordering each grid operator to do.

First, they must have clear transmission service applications and study rules for transmission customers that will serve large loads or develop new processes to do so.

Second, we are simultaneously protecting customers and giving the states what we've heard they want.

Each market must show that it has adequate safeguards against cost shifting or take steps to create them. We also preliminarily direct each market to provide unprecedented transparency into network upgrade costs that the states can then, in turn, use to inform retail ratemaking. These reforms are in direct response to the feedback that we've heard from the states and we've taken it very seriously.

Third, we are requiring the markets to either demonstrate or create clear rules to guide co-location and the use of behind-the-meter generation.

Fourth, we are requiring the markets to prove or develop new transmission services to reflect large load flexibility.

And fifth, we are directing the markets to create steady pathways, if they don't already exist, for generation facilities to be studied in a manner that it counts for a large, electrically proximate or co-located load. This should prevent unnecessary and expensive transmission buildout.

After careful analysis of the extensive record developed in the ANOPR proceeding and the market innovations we've approved since October, I and my colleagues have concluded that these individualized show cause Orders and their categories of reform honor all of the ANOPR principles but they also account for regional variation and avoid some

of the pitfalls and delay that might potentially accompany a one-size-fits-all rule, including the momentum gained by the post-ANOPR developments in specific markets.

Although these show cause Orders cover nearly two-thirds of customers served by Commission jurisdictional entities, our actions today leave room for and encourage, and we very much do encourage filings made under FPA Sections 205 and 206 that address the concerns we articulate.

As explained in the Orders, the Commission will consider requests for abeyance of all or part of the show cause proceedings that are filed within 45 days and also explain with sufficient detail a plan to finalize and file proposals under Section 205 that address the issues that we identify. These Orders should not foreclose the possibility of a future rulemaking.

We're under no illusion that large load issues are limited to the RTO/ISO regions of the country. Stakeholders in the rest of the country should continue to submit evidence to ANOPR docket about any similar barriers to entry that they face. We remain ready to review and take decisive action on any 205 filings we receive and regardless of where they are located.

Furthermore, our Orders should not be an excuse not to innovate. We welcome proposals from anyone who is

trying to address the challenges of integrating large load proactively. I've always said that this is a big issues that requires thought partners from all over and we very much continue to encourage and believe that.

A few minutes to address an elephant in the room. Jurisdiction. The rates for interstate transmission service and the processes for interconnecting new generators to the transmission system have always been squarely within FERC's jurisdiction. Nothing in today's Orders intrudes either on the authority of states to select site and permit generating resources or on the authority of state PUCs to set the rates, terms, and conditions of retail sales of electricity.

We make clear that we act today to guard against cost shifting among transmission customers but the states have the responsibility to ensure that there is no cost shifting among retail customers because that simply is not within FERC's power to safeguard.

We have heard loud and clear through the President's ratepayer pledge that datacenters are prepared to pay the costs of their upgrades. Today's Orders act within FERC's jurisdiction and made clear that free riding on other customers is not an option. We call on our state counterparts to finish the job. You have to protect residential and small business customers against cost

shifts at the retail level because we simply cannot under the law.

To that end, the show cause Orders tee up unprecedented transparency requirements for each region and we seek comments specifically from the state PUCs, consumer advocatess, and other state entities on whether additional measures are necessary to ensure that states can reallocate wholesale costs accurately to the right customers.

Finally, on this topic, it's personally very important to me that I emphasize a point the Orders make, which is our actions are not intended to disrupt existing commercial agreements that large loads and utilities have negotiated or in the process of negotiating that involve transmission. We're establishing perspective reforms and, as such, provide that the markets should allow parties a reasonable amount of time to finalize any agreements that are nearing completion when any tariff revisions are submitted to the Commission.

This is our attempt to protect commercial interests because we're keenly aware of a regulatory chilling effect that may happen.

Before turning to other items, I wanted to thank the team that drafted these Orders and they will be presenting to us in a little bit but I've had the privilege of working with some of the best minds in the industry

during my career and I am so proud to say that some of the best work I've ever seen happened at this Commission and on this team. I know we're all looking forward to thanking you in person later, so we'll leave that for their presentation.

Moving on to Item E-2, PJM's Co-Location Order on rehearing and compliance, we're issuing an Order on rehearing of our December PJM Co-Location Order and compliance proposals. We're largely sustaining our fundings, but I wanted emphasize one change that we're making, which is we're setting aside our finding that loads with behind-the-meter generation would not be able to take the new transmission services that will be created in PJM. What's particularly important to me is that on rehearing based, in part, on the thorough and persuasive comments submitted by the Industrial Energy Consumers of America and others, on whether limitations of behind-the-meter generation should apply to certain cogent QFs. We find in today's Order that those facilities may be able to demonstrate that they do not pose the same reliability or resource adequacy concerns that motivated the Commission's findings in December. This Commission wants to safeguard American industrials under my leadership.

Moving onto Item E-6, outside of today's showstoppers, we're also improving a very important holistic

overall of MISO Demand Response Program. The existing demand response rules in MISCO are a disparate patchwork of Legacy programs that been stitched together over the past two decades and that shows. The record shows that non-performing demand response resources with emergency obligations have collected tens of millions of dollars in capacity payments when they do not show up.

We can't countenance this result, particularly given this environment where we need every single electron we can get and every ratepayer needs to save every single dollar that they can.

Well, I think this is my last surprise firework for today. Item C-2, a little background there. The Commission, to date, has not fully capitalized on recent legislation, the Supreme Court's decisions in seven county and CQ's recission of NEPA regulations. These are collectively a sea change in federal agencies in NEPA obligations.

We are working hard at reforms that will streamline gas permitting while protecting landowners and bolstering investor confidence to building infrastructure that we desperately need in this county and that means maintaining excellent Orders that we believe will hold up to judicial review.

A big step in that direction is today's C-2

Order, which explains how the cumulative effects analysis that FERC has been doing, to date, in its environmental documents exceeds what NEPA requires. Simply put, NEPA does not require the Commission to complete a cumulative effects analysis and we are no longer going to waste valuable staff and applicant time and money during an analysis that is not necessary under the law.

From my first day I've committed to streamlining our process and increasing transparency and now we're beginning to deliver and there is more to come.

One last topic for me. Earlier this week, the Commission moved to dismiss lawsuits filed by opponents of the Constitution Pipeline in the Second Circuit. These project opponents prematurely sought judicial review and we are aggressively fighting them. Under my leadership, this Commission will vigorously defend its infrastructure Orders. That includes taking a firm stand when development opponents resort to procedural gamesmanship such as filing clearly premature lawsuits that a court lacks any jurisdiction to hear and that is what happened here.

This Commission will not abide such tactics and I hope that this weeks' motion stands as a testament to that ironclad commitment.

And now, I will take a breath and open the floor to my colleagues. Commissioner Rosner.

COMMISSIONER ROSNER: Thank you, Chairman and good morning everyone. I hope you all are enjoying the first little bit of the D.C. summer. But before we get started, I'd like to congratulate Ariel Schwartz, one of my technical advisors and lead on Energy projects in my office on her new baby boy. She's out on a well-earned leave. She promises she's not reading email or TEAMS and we're just going to have to trust that she's not and she's actually taking time with her family but I really wish her and the family the best in these months at home. And my office is on a pretty good clip of expanding the U.S. population, so bear with us as we navigate.

But on that note, I want to welcome from the Office of General Counsel, Energy Projects, Abby Kristoff. She's filling in on detail. Abby's got a ton of experience here at the Commission and has jumped right in at a critical moment in American energy to cover the items on today's agenda.

Also, on staffing, I'd like to welcome John Brady. John is our new legal intern. He's here for the summer. He's coming from Harvard Law School. I know John because when I worked in the Senate, right at the beginning, he asked me for coffee. And he said Dave, I'd like to know more about the Federal Power Act and so we got him out of the Senate. We got him to law school and now we got him at

FERC and so welcome back and we've been keeping him busy too. And so, thank you to all the colleagues for being so welcoming to Abby and John.

And now I want to turn to the ANOPR. So, I'm really delighted to be joining my colleagues in unanimous response to Secretary Wright's ANOPR on the integration of large loads to the bulk power system.

And Chairman Swett, I want to acknowledge you, in particular, for your leadership and for getting us to the moment that we're at today. I'm really proud to have been a part of it and it would not have happened without you really doing the hard work here. And I want to thank all the teams that sit behind the five of us at the table and especially the big FERC team that pulled this together.

And same for everybody here in this room who filed comments, who took meetings, who taught us about your business actually works or who helped up understand things like the challenges that regular consumers in your state face when they pay their energy bills. It was a lot of hours and a lot of work and really important. I won't kick around the usual intros that people give on this topic. Everyone around this table has weighed in on the reliability and affordability challenges that result from all these big, new loads connecting to the grid, but the bottom line is today we're acting.

And you just heard the Chairman's points. I'll offer some insights from my perspective on the Orders and their impact. I'm sure my colleagues will do the same but as the Chairman said we're directing each of the six RTOs to show cause, that's the FERC technical term, as to why their rules are sufficient to address the rapid additional large loads, including datacenters to their grid.

In each of these Orders, it's a little bit different because every region is different and we took those differences into account. And the Orders also reflect, as the Chairman mentioned, that progress has been made but it's not been even across the country. And so, stepping back from those procedural details, today's Order chart a course towards an important goal. Let's connect large loads quickly, efficiently, and reliably while we ensure that rates remain affordable for everyone, especially residential customers.

And so, I've got a concurrence that'll post on this. I think we all do but I want to walk through how the reforms fit together and how they will help us and accomplish that goal, but it's going to be a lot easier with a poster or two.

All right, so if you take anything away from my remarks, I hope it's this. We're looking at reforms. I came up with four areas. I did my own research on this.

The Chairman's got five. She probably right but we'll work with my four for now. I call them pillars and that's because they underpin everything in these Orders.

Here are the pillars. The first one, protect consumers. The second one, safeguard reliability. The third one, enhance transparency, and the fourth one, foster transparency.

So, let's talk about protecting consumers. In these Orders, we're requiring these things called cost recovery agreements. They're mandatory contracts that are designed to ensure that if new transmission infrastructure is built to serve a datacenter and that datacenter doesn't show up, other customers, especially regular consumers will not be on the hook for those costs period.

These contracts address stranded cost risks and they also can help solve for timing differences between the costs are incurred and the actual people that pay the bills get energized and so we can make sure that the large loads pays the whole time and not other customers. And we're also making sure that the payments that are made through these contracts, they're actually credited towards the transition transmission revenue requirements, so these payments go to reduce the cost for customers and not simply guarantee that utilities get paid back.

And we're also, separately, allowing a lot of

flexibility and innovation in these contracts because this space is evolving rapidly and the Commission has to be nimble and so I want to underscore here these contracts are designed to work in harmony with state ratemaking, which is really critical. And I'll address the states a little bit more in a moment, but please read the Order about this. It's nuanced but it's really important.

So next, I'd be a little remiss under consumer protection if I didn't preview Pillar 4, which is innovation. Our smarter study requirements that are going to minimize infrastructure and provide carrots to big customers to bring their own infrastructure with them that's going to minimize impacts on consumers and we'll talk more about that later.

I have one final point on consumer protection in what I think is a really big win for consumers. We're requiring grid operators to evaluate grid-enhancing technologies when the seek to connect new large loads to the grid. Now grid-enhancing technologies there's solutions like dynamic line ratings, advanced conductors, and whole bunch of other things that you can read about in this Order.

This allows us to get more out of the existing grid, save consumers money, connect projects faster. And from my perspective and I think this really fits the American ethos. This is just common sense because we're

doing more with less and the cheapest transmission line is the one that already exists and in here we're also for my energy geek friends, we're also asking the grid operators to use tools that are actually technically capable of studying these technologies, so no more handwaves. Show your work. Prove it.

And on this issue I want acknowledge Commissioner See for her leadership and the Chairman's support and guidance for developing this part of the Orders. And we're going to make sure that we're not leaving efficiency on the table.

Second pillar, safeguard reliability. We're requiring that all the RTOs and ISOs conduct large load impact studies that evaluate the unique reliability impact of large loads. Now we've talked about this in this room in 2024. You heard reports from NERC about datacenters in Virginia, other parts of the country, tripping offline causing voltage and frequency disturbances on the bulk power system. Not goo.

We're going to make sure that when you connect these new large loads that can change their energy consumption in sections we're going to make sure that transmission providers have the studies that give us sufficient visibility into large loads that connect to the bulk power system and take the operational realities into

account before we put them online.

And you might be hearing, oh no, another study. What's FERC doing? Well, here we're trying to be fast. We're trying enable speed to power and so for this reason we've got a 60 to 90-day timeline, consistent with the principles of the ANOPR to do this work.

And I want to take one second. I see Fritz from NERC in the back there. I want to acknowledge NERC also. So, this isn't in today's Order, but I want to highlight the ongoing effort of NERC to establish registration criteria and reliability criteria for large computational loads. NERC is aiming to finish the first phase of that work this year. If you ask me, it's essential that NERC meet that timeline because job number one here reliability. I think today's Orders complement that work and help us deliver on that goal for all consumers.

Third pillar, enhance transparency. In these Orders, we're requiring that information on the cost of new infrastructure needed to connect a new large load is public, accessible, and clear. Who pays has been an important and sometimes contentious question when it comes to getting new large loads on lines and I think today's Orders operate from a simple principle.

If grid upgrades are built to connect a datacenter, FERC, our state regulator colleagues, and the

public should all know how much that upgrade costs and who it was for and that's because the Commission here and hour state regulators and customers they need that information to understand how connecting a large load affects bills.

And I want to mention, as the Chairman did, many large loads through the President's ratepayer protection pledge have committed to paying their fair share. My view, we should let them. And I think these reforms will take some steps in the right direction to ensure that we have the information needed to hold them to account.

One other thing on transparency here. Our Orders also address the problem of speculative load interconnection requests. We've been talking a lot about load forecasting for a while. I fired off some letters to the RTOs last fall. We've talked about it around the table. The reason this is important is simple. Better data, better decisions. We need the best, most accurate data to plan but under current rules datacenters can and frankly are incentivized to shop around their projects with different utilities across a region, across the country trying to find the fastest and cheapest location to connect.

This clogs up mode queues, it diverts resources, it inflates forecasts, and so one of the ways we're working to address that problem readiness requirements that escalate at distinct parts of the study process. And if that sounds

familiar, it's kind of like the financial deposits reforms that we instituted in the interconnection queues. Not rocket science. We can figure this stuff out. We've learned a lot about it over the past years. We need to apply it here.

And one more thing on the transparency topic. This one is on grid-enhancing technologies again. So, not only are we going to require utilities to consider grid-enhancing technologies when a large load requests a study, but if they decide not to use them then we're requiring them to explain why? That's a big deal.

Fourth pillar, foster innovation. Bottom line, when a load is willing to be flexible or a load is electrically close -- I think I need a new poster for this one.

(Laughter)

COMMISSIONER ROSNER: All right. This should look familiar and I'll come to the details in a second, but when a load is willing to be flexible or when a load is electrically close, or we call it proximate to a powerplant, the result you might not need as much infrastructure because the electrons they don't have to go that far and that unlocks speed to power. That's the recurring theme in our Orders. Not just today, but the one in December too, because it's grounded in physics. So, some of this might

look familiar, as I mentioned from the December Orders on co-location in PJM and that's because the first four figures on this poster are the same transmission services we directed in the PJM co-location proceeding.

And so, because they're the same the explanation for why we're doing is the same. The transmission services that unlock co-location basically directly connecting a large load with the power needed to serve it at the same site and they also unlock load flexibility that enables large co-located loads to reduce how much they lean on the grid. Result, we avoid construction of unnecessary transmission upgrades. We reduce strain on the grid, cheaper power bills for everybody, including families and small businesses. In co-located loads and generators, they have a pathway and an incentive to get on easier and faster than otherwise would be the case.

And so, these Order today they extend those services to other RTOs and ISOs, both for co-located loads, for large flexible loads that are not co-located as well. And so, for customers that are interested in full front-of-the-meter service, we also extend the interim knits option that provides a bridge while that infrastructure to get you fully connected is being built.

And so, finally, I want to talk about this last figure down at the bottom. Today's Orders embrace another

innovation and it's really similar to co-location. It's when a load and generation are electrically close or proximate, the get studies together. The reliability impacts on the grid they can be a lot more limited than if you study them separated and so this means fewer transmission wires, faster connections, lower costs.

And you may recall our meeting. I call it Chairman Swett's SPPs crushing it meeting. You may recall that a few months ago. SPP did this a few months. They embraced this concept with something called HILLGA and today we're charting a course where other ITOs and ISOs can follow SPP's lead by figuring out how to study load and generation together, get them connected quickly but, most importantly, in a way that works for their regions because all the regions are a little bit different.

And this reform it's really key, speed to power, we need new generation of all kinds, which means we need to make bring your own new generation. I'm supposed to read the acronym, BYONG. I'm sure that one's going to stick but we've got to make that easier and faster. That's the only way out of this problem. And so, the reforms today, particularly the reforms on electrically proximate load and generation they do that.

And so, that's it for the pillars. I want to take about the states briefly. All of the Commission's

actions in this proceeding respect the longstanding jurisdictional line between federal and state authority, given to us by Congress, affirmed by the Supreme Court. The difference that I think today's Order makes is that RTOs they have access to these new transmission services and interconnection service options that will help lower costs. And everyone's going to get some transparency into the transmission costs. They're going to get fast bulk power system impact studies to protect reliability and we're going to have cost recover agreements that work in harmony with state ratemaking, including large load tariffs.

And as the Chairman said, I want to remind our public utilities outside of RTOs and ISOs that we're ready for your 205 filings that takes signals from our work here. And this may sound familiar because I think we've all said essentially the same thing to the RTOs and ISOs a few months ago.

So, in closing, if you take one thing away from me on this topic, it's the FERC action today covers four key pillars: protect consumers, safeguard reliability, enhance transparency, and foster innovation. So, that's it for me on the ANOPR. Because these are 206s, our ex parte rules apply, so I look forward to being pen pals. I'll see you all on the dockets. And remember, we welcome all comments always but my favorite comments are when stakeholders reach

consensus and agreement among themselves before you file.

I also want to touch on the PJM co-location Order, which is E-2. I support today's Order and it finds that PJM partially complied with what we asked them to do in December but I want to highlight two things.

First of all, we need PJM to implement these new transmission services on reasonable timelines. Their Proposal 2029, that's three years away. And I don't know about you but I don't think that meets the moment. I know this is complicated stuff but we need PJM to try again and put every effort to put these transmission services in place as soon as possible.

Second, and my colleague, Commissioner Chang, I'm sure will have more on this because she's been leading on this, but we asked a briefing question there on the de minimis use of new non-firm transmission service and what should they pay beyond regulation and black start to ensure that they're contributing to the costs of the transmission service and so a transmission system that they rely on to get these services.

We found today that we need more evidence to support this charge and that this is a situation that the Commission will continue to monitor and I really do believe that we should make sure that those who are using and benefiting from the transmission system you should pay your

fair share. And so, I want to again thank Commissioner Chang for her leadership on this issue and I encourage you to read her concurrence.

Next, and I'm almost done here. Off the topic of large and co-located loads, MISCO demand response I'm joining the Chairman and my colleagues in accepting the proposed provisions into MISO tariff intended to improve the real-time visibility into the efficient procurement and operation of demand side resources. But with that said, I think several of MISO's tariff revisions may leave some demand response resources benched in a moment when we need all the tools in the toolbox. And given the effective date, not for a little while here, MISO you have more time to do more here.

I definitely think this is just and reasonably, but it's an opportunity to do more. And on that topic, I think it's worth highlighting, with all due respect to my state regular colleagues, that there's also potential on the table within state jurisdiction to further leverage demand side tools and meeting the moment. Read more about that in my concurrence.

And finally, the Chairman mentioned NEPA and C-2. I'd like to highlight another step forward in this Commission's ongoing work to streamline the efficient and complete review of critical energy projects while meeting

our obligations under NEPA. In C-2, we note that the Commission's moving away from a one-size-fits-all template when analyzing certain project impacts within the cumulative effects section of a NEPA document.

So, this Commission, instead, we're going to holistically evaluate how existing conditions and regional activities shape the affected environment. And I think this approach satisfies NEPA's statutory framework and the hard look obligation that we have while ensuring also that our environmental reviews remain rigorous, focused, and efficiently targeted.

So, with that, back to you, Chairman.

CHAIRMAN SWETT: You've outdone yourself with two posters. Commissioner See.

COMMISSIONER SEE: an exciting day, for sure. Thanks everyone for being here. We definitely excited about all of the work that's been done and what we're announcing today.

So, before jumping into a lot of theirs, I'll start with a couple of themes that I have gone back to for the past couple of months. And the first is to express some thank yous for the hospitality for trips and opportunities to get outside of D.C. I said it before and I'll say it again, but there is no substitute for getting out of the office to see what it actually takes to get steel in the

ground and have power delivered reliably to people across this country.

So, great thanks for a really wonderful trip out West since the last meeting. I'm thankful to our state partners who welcomed me to Western NAROC in New Mexico. I had some wonderful conversations there and what a beautiful location.

Also, thank you to Excel Energy in Colorado for the great site visits and discussions we had there that highlighted how much it matters to keep generation and transmission built out aligned to ensure power is reaching the consumers when and where it's needed.

I also deeply appreciated both the staff and the researchers at the National Lab of the Rockies as they took time one afternoon to show us some of their cutting edge research and where they're developing increasingly sophisticated tools specifically in the area of understanding how large loads interact with the grid before the actually have to plug in and connect to the grid. That is critical work that is happening and I'm so grateful for that effort and research that is critical to what we're doing today and what so many others are doing around the country.

And I'd also like to thank the Boards of the ITOS and ISOs for some great conversations at the RTO/ISO

Council about what's working in different parts of the country and the work for all of us that's still to be done.

On the topic of thank yous, I'd also like to take a moment to thank our staff, as so many of us have done. I know all of us will be doing throughout today. When I took some time this morning to reflect on the huge efforts it took to bring today's Orders to the table, as well as to keep the dozens and dozens of other Orders flowing, both before and after today. I'm just really impressed that public service is such a calling and sacrifice and we are so fortunate here as Commissioners and as the Commission to have a staff who say yes to that call every day and who give us their expert efforts and so many, many, many hours to keep power flowing reliably and affordability at a time when those goals are so critical. So, thank you, thank you to our staff for all of their work.

So, turning to today's items, before we get to the main event, I also briefly want to talk about the PJM massive Order on co-location rehearing compliance and paper hearing that we're moving forward today. I think when you see the length of the Order and just the number and sheer complexity of the issues involved it becomes really apparent that we and PJM and the stakeholders are really hard at work to quickly provide rules and certainty surrounding co-located arrangements.

One of the things that I think is so important about this process is the Order focuses on optionality and flexibility and then making sure that these historically new services within PJM go forward with just and reasonable rates. That's a really heavy undertaking and I'm really proud of the work and grateful for the work that so many commenters did when they gave us their perspectives, that PJM did, and that our staff did working through those issues.

It's also not lost on me that the fact that this is only one of the historic Orders on deck today. It highlights the moment that we're in as a country and that we, as a Commission, are committed to moving forward on all of these fronts at once.

So, speaking of all fronts at once, I also want to highlight a couple of certificate items that show our continued commitment as a Commission to an area that is so important to me, which is streamlining national gas permitting within our statutory mandate. I also want to talk about C-2. I strongly support our efforts to, if you will pardon a bad energy note, No Joke to take hard look at our NEPA analysis.

It is really important for us to make sure that we are evaluating the record fully when it comes to evaluating projects in the public interest, but efficiency

also means that we should not be taking on unnecessary or duplicative efforts, in this case stand-alones cumulative impacts analysis that the statute doesn't require. Being able to know what we are and are not required to do and being transparent about that is critical when it comes to efficiency and when it comes to legal durability, so I'm proud of that step the Commission is taking today and look forward as we continue to be looking for opportunities to move quickly within our statutory mandate.

I'd also like to briefly talk about C-3, which is a relatively minor project where we're authorizing construction for a project involving Cheniere Creole Trail Pipeline. And the reason I want to mention it is because this is a project that's moving forward under the prior Notice aspect of our blanket program.

Now while we're hard at work at the Commission working on further streamlining processes to that blanket program, this is an Order that clarifies that a comment that isn't a protest should not defeat the program's deficiencies by kick it to case-specific review. And I think as we keep working forward, moving forward on our blanket program, there'll be more fireworks, to use the Chair's term, to come in months ahead on those efforts.

Cases like this serve as an important reminder of how important it is to have clear and consistently

applied rules. That clarity is what lets us get the balance right between considering appropriate input and not adding unnecessary delay to get needed infrastructure moving, so I'm glad for that effort today too.

All right, so with that, moving to the main event. I am very glad that we're able to vote today and that the Commission is moving forward on the show cause Orders related to large load interconnection. We need a grid that can meet the tremendous opportunities for American competitiveness that large load growth presents. And the record that has come into us at FERC since Secretary Wright's ANOPR only confirms that a central part of that mission requires a regulatory structure that can get large load online quickly, reliably, and at a reasonable cost.

Now the Chair's already described this. I don't have great visual aids and we're happy to presentations, so I will not be spending more time talking through the details of this. So, I'll just highlight two aspects that I find real essential to today's decisions.

The first is that we are focused on clear rules within a structure that embraces flexibilities from regional diversity. And the second dis that we're keeping the main things at FERC the main things, reliability and critically affordability.

So, on that first point, it is imperative that

developers know what the rules are when it comes to large load interconnection, what's required, what to expect, and the timeframes involved. But creating a rule set in amber serves no one, especially because this is a fast-moving space and we need a framework that can accommodate change and differences across the country and across different states and market setups.

So, by embracing an RTO-specific approach today, we're allowing for that clarity in rules but still letting regions focus on their specific areas of concern within the overall framework that today's Orders set out. We also want the regions to be able to move quickly through areas that apply differently or perhaps not at all or that they've already addressed and also to take advantage of the flexibilities and efficiencies that their particular systems allow.

Related to this idea of clarity within diversity, these Orders also recognize how important the states as indispensable partners in this task. Today's Orders affirms that the Commission's authority extends only to those matters not subject to state regulation. And part of the strength of our approach today lies in recognizing the value of our shared federal/state responsibility in ensuring that the solutions we deploy across the country reflect what each of us -- the states and the federal

agencies -- bring to the table. I'm very grateful for the work that the states are doing and are still hard at work doing. We've seen so much of that highlighted in this record and many conversations we've had and I am really hopeful that this Order is going to complement those efforts, and I also think that we can continue to spur each other on to continue moving forward quickly and responsibly in this area.

The second point is how today's Order puts reliability and affordability at the forefront. I will leave to others to talk about the details of the operating requirements and other reliability-specific aspects of the Order, but I do want to highlight a couple of the areas where cost responsibility informs our steps today.

It's undeniable that large load interconnection raises new questions about cost responsibility and financial risks, so today's Order focuses on the cost recovery agreements involving the customers within the Commission's jurisdiction to make sure that those arrangements are transparent and fair, particularly in circumstances where large loads may prove speculative. We're aiming at streamline processes here that help ensure the right costs end up on the right bills.

Related to this, the Order is also very candid that FERC doesn't control every factor that influences

retail rates. So, in the Orders we try to give as many tools as we can to the states to assist in their frontline role when it comes to retail costs allocation. We want to ensure that they have a complete picture of FERC jurisdictional costs as they evaluate how new loads affect their retail customers.

So, I hope that the states will participate actively in the regional dockets to ensure that the final rules get them the transparency they need to do that critical job. I'm also proud of the Order's focus on using technology and innovation to reduce costs and speed to interconnection. I believe that technology gives us real opportunities to meet large load demand faster and at lower costs.

So, specifically, where they make sense, alternative transmission technologies or grid-enhancing technologies, as they're also often called, they can unlock capacity more quickly than traditional upgrades and can save tens or hundreds of millions of dollars in infrastructure buildout costs.

So, today's Order calls for regional rules that require considering ATTs and in circumstances where they may not be feasible and traditional upgrades prove the better options to explain why that's true. ATTs don't always fit the bill, yes, but when the stakes for reliability and

affordability are this high innovation should not be optional.

So, in these and other areas that come forward as the regions take on the next steps in these dockets I hope and expect to see more bold, practical proposals that keep reliability strong and affordability sound. This is not the last step, to be sure, when it comes to large load interconnection issues but it's an important one today and I'm proud that we're able to take it as a Commission and my commitment and I know my colleagues is as well is to not letting up the gas as we bring these actions to the full end.

Our country and our consumers demand nothing less, so thank you so much for everyone who has made the efforts that we're voting on today possible. And with that, I will turn it back to the Chair.

CHAIRMAN SWETT: Okay, well spoken, as usual, and I want to echo Rosner's sentiments that you really led on ATTs and you did a great service for all of us on that, so thank you Commissioner Chang.

COMMISSIONER CHANG: Thank you, Madame Chair and good morning everyone. It's a very exciting date.

I'm not going to go through the details of the Order. That's the benefit of going forth here, but I do want to thank so many people that made today possible,

echoing my colleagues' sentiment here. Not only the staff that have worked day and night for many, many weeks and months on this topic, but I also want to thank all the external parties who have devoted your resources to send in comments in the ANOPR and really some of them are very thoughtful and all the hours that you have spent with us in educating us, explaining to us your perspectives on this very important topic.

So, the next phase we really need a thorough record for each region, as you heard that we are conducting a show cause for all the RTO regions. We need a thorough record to make reasoned decisions here at FERC and I want to make sure that you, all of the stakeholders involved, will work with, not only us in sending comments, but with the ISOs and RTOs as they prepare their filings with the show cause.

It is really critical for me and for my colleagues to have a full record of how you are reacting to the questions and the topics that we're raising in the show cause documents. I want to spend a little more time on three topics, and I don't have plate here, so you'll just have to keep track because I don't articulate it in a packet here.

But first, we are balancing our desire to move quickly and decisively here today, but we also want to make

sure that's balanced with our obligation to protect consumers. So, we address this most directly through our efforts in identifying mechanisms that will adequately mitigate the risks of undue cost shift among transmission customers. This is an essential task. We need better understanding of the costs related to integrating large loads and how that feed into our jurisdictional rates.

I strongly support the effort in today's Orders to improve transparency into the vital pieces of information on what infrastructure is induced by large loads. This will also help, as my colleagues have explained, how the states will be able to understand the costs of transmission that might be related to the integration of large loads.

We also need new, innovative ideas on approaches to protect consumers and customers against cost shifts. And, as I've explained, including a number of concurrences, bilateral agreements that provide transmission revenue contribution, not necessarily tied to the actual costs of providing the transmission service by themselves are not sufficient, so I support the effort to cast a wide net today in or Orders in understanding what kind of consumer protection approaches may work.

So, even though there are already a few that have been approved and have gotten through the Commission in the past, I welcome other ideas and thoughtful comments in

the docket because we have already informally met with parties that have other ideas of how to better protect consumers and I think it's important to build the record on how other innovative ideas there might be.

Second, the Commission needs more information to understand the potential risks and rewards of extending the novel transmission services to new types of loads in regions. We did this, we required this in the PJM co-location docket, which I will discuss a little bit later, but hope is that these new transmission services will facilitate more efficient expansion and use of the grid alongside more efficient processes through which large loads can interconnect.

However, we understand that these new transmission services may result in transmission providers running the system tighter than the past. I think here there's some folks that have come in to meet with us that are actually designing tools to really operate the system in a tighter mode and I'm generally supportive of efficient operation of the system, but running it tighter to assist closer to system limits may have untended reliability implications. So, we want to build a record. We want to make sure that you have an opportunity to tell us and explain to us what the implications might be in basically transferring these new transmission services to flexible

loads or other loads.

So, please do provide detailed input in how extending these new transmission services how they might affect existing customers, existing processes, and how the services might fit into the larger picture in each region, particularly how they might affect long-term planning, market operations, and potential reliability protection measures and cost allocation.

Third, I would like to draw attention to the proposed requirement to evaluate alterative transmission technologies or ATT, and we all talked about that. ATTs, you've heard me say this before, can improve transmission system and protect customers from higher costs. Deployment of these technologies has not been really fast enough for my taste and it is critical that the transmission owners take their role serious in moving these types of projects out of the pilot stage into widespread adoption. This is the moment where we can save consumers money by deploying the most advanced technologies. If the U.S. is going to lead in technology innovation, this is another areas we should really led in transmission technologies.

Final thought on these Orders, in pursuing a regional approach, we hope that the adoption of solutions tailored to the needs of each specific system will be present before us. To each of the RTOs and ISOs, we value

your understanding of your own region in your systems, including implications of associate local policies and innovation solutions.

The Commission has already approved regional approaches this year, so we very much welcome proposals that are best fit for the regional needs. We need also detailed explanation in the record as to why and how your proposing to tailor the solutions to each region because of the local and unique situation.

Again, I think I want to echo what everyone else has said here. Our goal is not to disrupt the practices that work well in each region but we want to make sure that we continue to improve the processes to interconnect large loads.

Moving onto E-2, PJM's co-location, when we first initiated this process in December last years, I wrote separately to draw attention to Commission's briefing question on potentially establishing a charge for customers that do not take any or take de minimis amount of transmission service. We offered this opportunity by offering new transmission services that are contract-demand, firm and non-firm transmission services.

My concern at the time was that by implementation of these new transmission services it might raise the risk of cost shifting to other customers because

co-located generation and load, even if they take no transmission service, they're still relying on being synchronized to the system and therefore the value of being synchronized to that system is significant to the co-located generation on load.

So, I'm going to continue to be vigilant on this issue today. The Order today concludes that the existing record, though, does not support the need of a charge at this time or establish how such a charge should be calculated. I think there are proposals in the record but we don't have enough to go on to really understand the design feature of such a charge. Instead, the Order concludes that insights from concrete experience with the use of these new transmission services or the choice to not use the transmission services will inform whether further action is needed.

So, if, for example, if co-located load use these new services ultimately take meaningful transmission service and pay and contribute to where the transmission costs, then the cost-shifting concern that unpins this minimum charge concept would already be addressed. So, I think it's reasonable for us to continue to monitor how these transmission services will be used.

In addition, the Order directs PJM to publicly post information related to the use of the new transmission

services. This information will allow us and the stakeholders to continue to monitor the potential for cost shifts, as well as the implementation and which customers is taking these new transmission services. So, I hope that we will have another opportunity to address this in the future as we gain more experience and data on how these new transmission services will be implemented in PJM and elsewhere.

Turning to C-3 on Eastern Gas, I write separately on C-2 -- sorry, did I say C-3? C-3, in that Order, in addition to authorizing Eastern Gas to construct, operate, and maintain the Appalachian Reliability Project, the Commission addresses the inclusion of separate cumulative impact section in its environmental documents. We all have common interests in building valuable energy infrastructure and making sure that our decisions here are legally durable.

I write separately to reinforce that even without a formal section in our environmental documents, the Commission has an obligation to consider the impacts of the projects on the areas in which they are located and I will continue to adhere to that requirement going forward.

I want to put a human touch to this topic. When I speak with the communities that are affected by projects, and I worked on this when I worked for the state, where it's

extremely challenging to even just build a substation. Well, you're not going to get power in the local region without a substation, so I completely understand the frustration for industry to build the necessary infrastructure.

And certainly I am all for making sure that we build a valuable infrastructure but I do want to put a human touch on this, which is when I speak to communities impacted by projects, they tell me that they live in an environment where they don't think about specific projects. They think about the impact of all the air emissions and all the water pollutions in their neighborhoods, in the areas they live.

When we hear from commercial and recreational fishermen from areas already impacted by industrial development, they want to know whether the conditions of the waterways they rely on for their livelihoods and way of life will be maintained or worsened, so I write separately to emphasize that I think contextualizing project impact helps us reach more informed decisions about the projects before us and it also essential for them to be legally durable in our decision making.

I want to turn to E-6, MISO's demand side reform, and I have to say this is an extremely interesting but also challenging decision for me. I finally decided to dissent on today's E-6, in which the Commission accepts a

package of longstanding MISO demand side reforms.

In this filing, MISO proposes fundamental changes to the way that demand side resources are valued in the market. I generally support MISO's ongoing efforts to reform its demand side programs, including responding to the fraudulent actions from small group of actors that have undermined the confidence in demand side participation. However, in this filing, I do not think that MISO has met its 205 burden to demonstrate that its proposal is just and reasonable and not duly discriminatory or preferential.

I found the protesters concerns to be very persuasive that MISO's proposal will unnecessarily disincentive demand side participation. And as I have said in many venue, demand side resources, including flexible loads and behind-the-meter generation, play an important role in resource adequacy and meeting the resource needs of the current moment. And when prices are high, we should allow demand side to respond. So, MISO recently cleared more than 13 gigawatt of demand side resource, including 4 gigawatt of behind-the-meter generation. These are valuable resources and I think everyone in the industry would recognize that.

It is critical that MISO and other ISOs strike a reasonable balance that enables demand side participation while hold those market participants accountable for their

performance obligation, particularly during periods of system stress. I don't think MISO's filings struck a reasonable balance and instead it had excluded or devalued legitimate resources that are willing and able to provide critical, reliable, and resource adequacy support.

So, my preference would be to reject the filing with guidance to MISO to address the deficiencies and subject a just and reasonable proposal. So, I hope this gives MISO some guidance in, perhaps, improving its filing.

So, with that, I want to turn back to you.

CHAIRMAN SWETT: All right. Thank you. Commissioner LaCerte.

COMMISSIONER LACERTE: All right, sounds like you're in a stretch. Look, I couldn't be prouder of the actions of the Commission today. I know that we've undertaken this really bulky, historic docket and we've done it with an exceptional amount of speed and accuracy. And we're going to compliment the staff in a little bit.

As I noted in my concurring statements in E-7 through E-12, today we are taking historic action to spur progress and innovation. Large loads are seeking to connect to our grid in an extraordinary rapid pace and we must be ready with the new rules of the road. Having reviewed the thousands of pages of thoughtful comments submitted in an ANOPR, we are initiating individual show cause proceedings

in each of the six RTOs with blueprints for what those rule could look like.

We expect that the responses in each proceeding will reflect the region-specific expertise and creativity in bringing tailored solutions to the table. I want to note that our actions today are geared toward the RTOs and ISOs, but I know those not under an RTO or ISO need to also take heed. I encourage them to bring innovative filings before us too. The first non-ITO or ISO actor which brings us an actionable item is entitled to one Miller Lite from my fridge with the caveat that it's left over from the Christmas party.

So, we have this unique quasi-judicial authority under the Federal Power Act and today we're engaging those to act with more speed, more durability, and more precision than we would get with a proposed rulemaking. As always, reliability and affordability are top of mind. We are moving toward the adoption and appropriate study procedures and operational requirements to ensure that large loads can connect safely and reliably.

Likewise, we expect to see with transparency and cost recover mechanisms to ensure that we, in partnership with the state regulators, can protect customers from cost shifts attributable to these new large loads. States need to take swift action to ensure their retail large load

tariffs fit well with these proceedings and protect ratepayers.

I urge the RTOs and ISOs to work their respective state commissions to ensure customers are protected via large load retail tariffs and other mechanisms and to proposed solutions to FERC that dovetail with these efforts on their retail level. These Orders appropriately call for accelerated interconnection procedures in consideration of alternative transmission technologies in a very broad sense. Both of which are aimed at reducing network upgrade costs and saving money for the American people.

Today's Orders are an incredibly measured approach, which take into account the concerns of our state partners at the state commissions, but does he Commission have the legal authority to exercise jurisdiction as outlined in the ANOPR? I remind you that the Federal Power Act gives the Commission plenary jurisdiction over "to the electric energy and interstate commerce."

On appeal of Order 888, New York argued that retail transactions are subject to only state regulation but the Supreme Court made very clear that the electric industry has changed since the FPA has been enacted, at which time the electricity universe was neatly divided into spheres for retail versus wholesale sales.

This was back in 2002, so if SCOTUS believed things were different back then, you can imagine what they might believe today. The Court agreed with the Commission that no statutory language limits FERC's transmission jurisdiction to the wholesale market, although the statute does limit FERC's sale jurisdiction to that market. FERC also has jurisdiction under practices affecting rates but I need not lecture this group on every jurisdictional vehicle here today, given that I bat cleanup and there is a lot downward pressure to keep things short.

While the Commission has refrained from exercising the full extension of its transmission jurisdiction in the past, we will not hesitate to do so if our hand is forced where so much is at stake. I shared this in an international interview earlier this month that I've often been frustrated over the years by edicts pasted on from D.C., which forced policies upon the states and now that I am the federal bureaucrat it's kind of like Frodo holding the ring and thinking why shouldn't I make these decisions for the states, but then I realized, oh no, I just made a Lord of the Rings reference and I'm becoming the legal nerd that Judy Chang prophesized would occur.

(Laughter)

COMMISSIONER LACERTE: I want to underscore time is of the essence. We need to win this AI race. The stakes

could not be higher. I urge each RTO to heed our preliminary findings and submit workable solutions. If at the next stage of this proceeding we conclude that an RTO tariff is unjust and unreasonable and we are not satisfied with the proposed solution, we will exercise our full extent of our jurisdictional authority when dictating a rule for them.

I want to see meaningful returns on these actions as quickly as possible. If a filer plans on substantially deviated from our direction, they'd better be damned sure that they have better ideas in place to replace those ideas. I don't want a repeat of December's PJM co-location return, which brings to E-2.

In E-2, we address issues on rehearing compliance and briefing in response to the Commission's December Order addressing co-location loads in PJM. Like E-7 through E-12, this proceeding began with the Order to Show Cause and we've made considerable progress. There is still work to be done as evidenced by the additional compliance directives in the Order but because of our work since December, PJM is now ahead of the game. The other five RTOs would do well to look to this Order as a model for co-located load arrangements and for developing new transmission services for those arrangements.

We recognize this this is a busy time for PJM.

We look forward to further compliance filings in this proceeding as well as its response to the show cause Order in E-7, which we hope will include one or more 205 filings. We also hope to see PJM act quickly and decisively consist with the desired outcome of the stakeholder and governance reforms which will be discussed next month at the July 23rd Technical Conference.

I'm very encouraged by PJM's posture here and they've been taking these issues very seriously. I want to applaud them for their posture to date. We've had several progressive conversations and I'm encouraged and optimistic going into that hearing. I know that when we hear technical conference or a policy statement here at FERC, the FERC watchers are hearkened back to long monologues, inspiring many yawns on blocks of speakers. While I cannot promise this experience will be yawn-free, I am treating this technical conference as a mediation.

By the time we close our doors on that day, I'd like the framework for a meaningful governance reform to be hammered out with only work in the margins to remain. PJM states the stakeholders need to come to the table with reasonable settlement authority and their acceptable conditions need to be well considered in advance of that meeting. If states are wanting additional skin in the game, I expect them to commit to solving a suite of issues in

their own jurisdictions with have contributed to the problems in the region.

Each group is going to have a price of admission for seats at the table and we all need to own our respective failures and shortcomings if we're going to support PJM on this new course. If PJM stays on course, they will fail. This is unacceptable to the American people and we won't let that happen.

In C-2, we are approving Eastern Gas's Appalachian Reliability Project. We'll provide 550 dekatherms per day of firm natural gas transportation service in order to meet increased national demand while reducing the need to secure seasonal and short-term capacity to meet winter heating needs. Not that I'm keeping count, but this brings the total pipeline capacity approved while the Chairman and I have been at the Commission to 5,693,155 dekatherms per day of firm transportation.

I wanted to highlight the case for another reason. Since Day 1, I've repeated that we have focused on ways in which we can streamline our NEPA reviews. As our Commissioners have stated, this Order highlights one area that is ripe for change, the cumulative effects section. I know every member of the environmental bar, which I count myself in, shutters when they hear cumulative effects. It has been problematic over a past number of decades in which

NEPA has morphed into a significant procedural roadblock divorced from the statutory text and common sense.

NEPA contains no reference to the term cumulative effects and CEQ has since rescinded its regulations defining such effects. Simply put, the procedural exercise of identifying a distinct and separate category of cumulative effects is not required and, frankly, the terminology has become very unhelpful. In the future proceedings, we'll begin implementing changes to the way we continue to evaluate projects against their environmental backdrop, as is appropriate and correct in such a way that ensures and informs the analysis in the Commission's evaluation of the project at hand rather than getting bogged down in the never ending inquiries about where to draw the NEPA line.

But to be clear, this modified analysis will continue to evaluate information on other activities in the vicinity of the project to help the Commission to contextualize and understand how the project will affect the environment to Commissioner Chang's point. Protecting the environment is vitally important but we will continue to fulfill our requirements under NEPA, but do so in a way that is consistent with its textual focus on the proposed action as outlined by a unanimous and bipartisan Supreme Court in Seven County. Aligning our approach with the

judgment from the highest court in the land will ensure legal durability and certainty for future cases to come.

Finally, I know everyone likes to hear the word finally, turning to C-3, in my backyard of South Louisiana, another way to limit permitting delays is to focus and enforce the rules that are already on the books. Historically, the Commission has taken a broad view of what it deems to be a protest in the context of prior notice applications under our blanket certificate program, notwithstanding clear regulations that prescribe and, indeed, require that a particular form of protest be used, treating comments to prior notice application as protests has caused month-long delays for blanket certificates.

As we explain in C-3 on today's agenda, going forward, filings that do not meet the Commission's protest requirement will not be considered as protests by the Commission and will not necessitate a Commission Order. The protest requirement is not burdensome and the regulation provides a template for stakeholders to use. I hope today's Order will provide some regulatory certainty to those stakeholders in future proceeds. Thank you.

CHAIRMAN SWETT: Thank you. Before we move to the consent agenda, I wanted to acknowledge my advisor, CeCe Coffey, who's behind me to my left. And I'll make my own nerd joke. My son just turned six and we're watching a lot

of Star Wars and CeCe is my Yoda or maybe she's my Grogu because she's only out of law school a few years, but on large load she has shown a tenacity and a command of the technical issues and the law that well exceed her experience and CeCe I see your lifeforce in between every line of every Order that we're issuing today, so I want to tell you how grateful I am for me and for our country that you're on my team. So, thank you. Thank you very much.

(Applause)

CHAIRMAN SWETT: Madame Secretary, we're ready to go to the Consent agenda.

SECRETARY REESE: Thank you, Madame Chair.

Since the issuance of the Sunshine Act Notice on June 11th, 2026, Items E-7, E-8, E-9, E-10, E-11, and E-12 have been added to this morning's agenda and Item E-1 has been stricken from this morning's agenda. Your consent agenda for this morning is as follows: Electric Items, E-2, E-3, E-4, E-5, and E-6. Miscellaneous Item, M-1. Hydro Item, H-1. Certificates Items, C-1, C-2, and C-3.

As to E-2, Commissioner Chang is concurring with a separate statement. As to E-6, Commissioner Rosner is concurring with a separate statement. And Commissioner Change is dissenting with a separate statement. As to C-2, Commissioner Chang is concurring with a separate statement.

We will now take a vote on this morning's

Consent agenda items. The vote begins with Commissioner LaCerte.

COMMISSIONER LACERTE: Yes.

SECRETARY REESE: Commissioner Chang?

COMMISSIONER CHANG: Noting my concurrence on E-2 and C-2, and my dissent on E-6, I vote aye.

SECRETARY REESE: Commissioner See.

COMMISSIONER SEE: Aye.

SECRETARY REESE: Commissioner Rosner?

COMMISSIONER ROSNER: Noting my concurrence on E-6, I vote aye.

SECRETARY REESE: And Chairman Swett?

CHAIRMAN SWETT: Aye.

Madame Secretary, we can now move to the item on the discussion agenda.

SECRETARY REESE: Thank you, Madame Chairman.

Today's discussion and presentation item will be items E-7, E-8, E-9, E-10, E-11, and E-12 together. The RTO/ISO show cause Orders. There will be a presentation by Sarah Ladin, from the Office of the General Counsel, and Emily Chen, from the Office of Energy Market Regulation. They're accompanied by Jason Feuerstein from the Office of Electric Reliability. There will be a PowerPoint presentation for this item. You may begin.

MS. LADIN: Good morning, Chairman Swett and

Commissioners.

Items E-7, E-8, E-9, E-10, E-11, and E-12, are Orders initiating show cause proceedings. Next slide please.

(Slide)

MS. LADIN: As you know, the United States is currently experiencing unprecedented demand for electricity during large part to the rapid growth of datacenters. The largest of these datacenters can require nearly a gigawatt or more, meaning that single hyperscale facility can have the same demand as a major metropolitan area.

The size of these datacenters and the speed at which they seek interconnection with the electric grid present unprecedented challenges for your transmission system. America's regional grid operators called ITOS or ISOS have in some cases struggled to make the reforms necessary to ensure that these datacenters can quickly and efficiently access the transmission system and to ensure that associated costs are fairly allocated.

In October 2025, the Secretary of Energy issued an Advanced Notice of Proposed Rulemaking or ANOPR, asking the Commission to consider reforms to ensure the timely and orderly interconnection of large loads.

The Commission received and considered over 3500 pages of public comment in the docket for the ANOPR. In

April, the Commission issued an Order noting that it agreed with the Secretary on the urgent need for reform and it had already taken numerous actions consistent with the ANOPR.

Today the Commission will initiate a landmark proceeding to transform how grid operators and utilities interconnect and serve large energy users. These actions are designed to ensure that consumers nationwide continue to enjoy reliable and affordable power even as demand soars and technology evolves. Next slide please.

(Slide)

MS. LADIN: The vehicle for the Commission's reforms is a procedure known as a show cause Order. These Orders, which are issued under Section 206 of the Federal Power Act, allow the Commission to direct RTOs and ISOs to explain why their existing market rules, known as tariffs, remain just and reasonable to propose tariff changes to address the Commission's concerns.

Today the Commission will be voting on six separate draft show cause Orders, one to each of the grid operators, PJM, MISO, SPP, CAISO, ISO New England, and NISO. The draft show cause Orders are tailored to each specific region and the draft show cause Orders differ from one another in important respects.

The draft show cause Orders preliminarily find that these grid operators existing tariffs appear to be

unjust and unreasonable because they do not adequately address the challenges associated with the integration of large and co-located loads onto the transmission system. More specifically, the draft show cause Orders preliminarily find that the tariffs appear to lack provisions addressing five categories of reform, which we will discuss next. Next slide please.

(Slide)

MS. LADIN: The draft show cause Orders focus on five categories of reform that must be addressed. First, the show cause Orders preliminarily find that each RTO/ISO tariff may not be just and reasonable without a clear process for transmission customers to request transmission service on behalf of datacenters and other large loads.

More specifically, the draft show cause Orders find that the existing tariffs appear to lack provisions adequately addressing the application process study procedures and ongoing operational requirements which apply to transmission customers serving large load.

Second, the draft show cause Orders preliminarily find that each RTO/ISO tariff may not be just and reasonable without tariff provisions that protect against the risk of unfair cost shifting among transmission customers. The draft show cause Orders explain that each RTO/ISO may need to develop its own form of an agreement

that requires minimum payments by transmission customers serving large load.

The draft show cause Orders also explain that RTO/ISO may need to provide additional transparency into the cost of network upgrades triggered by these transmission service requests. This transparency would provide visibility to all stakeholders and should help state regulators protect residential customers from rising electric bills.

Third, the draft show cause Orders preliminarily find that each RTO/ISO may need to clarify their tariffs to address how loads can co-locate with generating facilities or make use of behind-the-meter generation resources.

Fourth, the draft show cause Orders preliminarily find that each RTO/ISO may need to provide new transmission services to transmission customers taking service on behalf of flexible large loads, which are those that are willing and able to admit their use of the transmission system.

Fifth, and finally, the draft show cause Orders preliminarily find that each RTO/ISO may need to create a pathway for generating facilities that plan to serve electrically proximate large loads or large co-located loads to be studied on a more limited basis. Next slide please. And I'll turn it over to my colleague, Emily, to continue

the presentation.

MS. CHEN: Importantly, these proposed reforms are designed to allow for regional variation and the approaches taken by each RTO or ISO in response to the draft show cause Orders. The draft show cause Orders acknowledge that the RTOs and ISOs are structured differently from one another and face unique challenges in meeting soaring demand from datacenters. As such, the draft show cause Orders recognize that a one-size-fits-all solution may not work for integrating large loads onto the transmission system.

The draft show cause Orders provide for an appropriate degree of regional flexibility to ensure that the Commission's proposed approach will help to ensure a reliable , efficient, and fair process for transmission customers. For example, the draft show cause Order to SPP recognizes the innovative, high impact large load and high impact large load generation assessment or HILL and HILLGA processes that the Commission approved earlier this year and notes that the Commission expect that SPP will be able to demonstrate that it has resolved several of the Commission's concerns regarding other RTOs and ISOs tariffs.

The draft show cause Orders preliminarily find that the other RTOs and ISOs appear to lack clear and consistent provisions regarding an application and study process that will address the unique challenges associated

with large loads. Similarly, the draft show cause Order to PJM recognizes that PJM is already addressing co-location arrangements through a separate FPA, Section 206 proceeding.

However the draft show cause Orders for the other five RTOs and ISOs make preliminary findings regarding the apparent lack of clear tariff provisions applicable to co-location arrangements. The draft show cause Orders also acknowledge ongoing stakeholder efforts by the RTOs and ISOs and specifically encourage the RTOs and ISOs to make FPA, Section 205 filings to address the Commission's concerns. Next slide please.

(Slide)

MS. CHEN: On time, today's draft show cause Orders require the RTOs and ISOs and certain transmission owners to respond within 60 days of the date of the Order to justify whether tariffs remain just and reasonable without certain provisions addressing the integration of large loads, including datacenters and manufacturing facilities or to propose tariff changes to accomplish these same goals.

Moreover, the draft show cause Orders direct the RTO and ISOs and the transmission owners to provide further briefing on several questions within 60 days of the date of the Order. The draft show cause Orders also direct the RTOs and ISOs to file informational reports within 30 days of the date of the Order on how they intend to ensure that adequate

generation will be available to serve existing and new large loads.

The draft show cause Orders also allow the RTOs and ISOs and transmission owners to request an abeyance of all or part of the Order, including the deadline to respond within 45 days of the date of the Order. Interested parties may respond to the RTOs and ISOs and transmission owners' filings within 30 days. Next slide please.

(Slide)

MS. CHEN: The Commission's proceeding via show cause Orders because doing so will allow the Commission to quickly address a pressing need for reform in the RTO and ISO regions while at the same time building on the progress that some RTOs and ISOs have already made. Staff analysis shows that today's draft show cause Orders will effect 200 million Americans in over 30 states and the District of Columbia. The regions affected by the draft show cause Orders covering nearly two-thirds of electricity loads served pursuant to Commission jurisdictional rates.

While today's draft show cause Orders address only RTO and ISO regions, the Commission is leaving open the ANOPR docket for further potential action. The Commission also encourages public utilities in other regions to file FPA, Section 205 proposal.

This concludes our presentation. Thank you,

Chairman and Commissioners.

CHAIRMAN SWETT: Thank you so much. I know that you all were critical to this effort and there are people not at the table today but I'm actually shocked to see, particularly Sarah, who's only one person and still alive because of the work that you have done for us. People criticize the federal government all the time and they say we're slow. We don't move. We don't work hard but you are a testament that that is not true and all of the people at this agency, for that matter, but I'm so proud to have you on our staff. I'm so proud of this team and what you're doing today for our country and I'm really grateful for all of the hard work that you've put into it. You all are so smart and so hardworking and it's been a real joy to watch you work and I hope that you take a much needed break now and I will authorize whatever vacation you get.

(Laughter)

CHAIRMAN SWETT: I don't have any questions but do any of my colleagues?

COMMISSIONER ROSNER: No questions. I think we've already asked you hundreds of questions over the past couple of months, so no more. But Sarah, Emily, Jason, and the bigger team and all the people who review the work I just want to echo the Chairman's thanks.

CHAIRMAN SWETT: Commission See?

COMMISSIONER SEE: Same for me. When we talk about how exciting and fast-moving this time is what that really translates to is real hours from real people and thank you, thank you for all of those hours that you all have spent and those of you on the teams who weren't able too we're so incredibly grateful. Thank you for all of your expertise digging into the thousands of pages of the record here, all of the hundreds of questions, as Commissioner Rosner mentioned, that you have fielded from all of our offices. We're so grateful for your work and so are the American people.

CHAIRMAN SWETT: Commissioner Chang?

COMMISSIONER CHANG: Yes, Sarah, Emily, Jason, thank you so much for all your work and the entire team that support you, but mostly I thank you for bearing with us, bearing with the Commissioners and our advisors with thousands and thousands of questions and dialogues and edits. Sometimes we get stuck on single words and single sentences, so I really, really appreciate your patience with us and educating us, helping us get to where we are today, so very much appreciate you and all the staff members that worked with you.

CHAIRMAN SWETT: Commissioner LaCerte?

COMMISSIONER LACERTE: Reiterate everything everyone already said. Thank you. I know you've done the

American people a great service through all of your work. You should be very proud. I can say that I've been places in the federal government and the staff here at FERC is far and away the topnotch, the best, the cream of the crop, and you guys are continuing to prove it. So, I can only promise a one-week moratorium on questions from me.

CHAIRMAN SWETT: Well, we've already taken a vote, right? No, we haven't. Oh, okay. Excuse me. I'm messing everything up. Well, please proceed.

SECRETARY REESE: It's okay. We will now take a vote on Items E-7, E-8, E-9, E-10, E-11, and E-12 together. For each of these items Chairman Swett, Commissioner Rosner, Commissioner See, Commissioner Chang, and Commissioner LaCerte are each concurring with separate statements. The vote begins with Commissioner LaCerte.

COMMISSIONER LACERTE: Noting my concurrences in E-7 through E-12, I vote yes.

SECRETARY REESE: Commissioner Change?

COMMISSIONER CHANG: Noting my concurrence on E-7 through E-12, I vote yes.

SECRETARY REESE: Commissioner See?

COMMISSIONER SEE: Noting my concurrence on E-7 through E-12, I vote yes.

SECRETARY REESE: Commissioner Rosner?

COMMISSIONER ROSNER: Okay, same here. Noting

my concurrences on E-7 through E-12, I vote aye.

SECRETARY REESE: And Chairman Swett?

CHAIRMAN SWETT: Ditto. Aye. I was supposed to note my concurrence on all the items as well.

COMMISSIONER LACERTE: Is that a new procedural vehicle you're launching?

CHAIRMAN SWETT: Yes, it's very formal. Thank you.

SECRETARY REESE: Thank you.

CHAIRMAN SWETT: Okay, before we close today, I want to highlight a new face on my team on the back bench. On my right, Chris Smith joins us from INGAA. He is handling everything related to projects in hydropower and we expect powers to keep him very busy.

Chris has already shown himself to be an excellent lawyer. I'm so grateful that he's here and I really hope he's not questioning his decision to join us after this meeting agenda.

Lastly, as we're approaching our nation's 250th anniversary, I know that Americans across the country are concerned about affordability and so are we. Utility bills can be a major source of stress. I experienced this firsthand growing up and although one-third of the cost that consumers see on their bill, in general, is regulated by this Commission, I know that many Americans are increasingly

concerned about the interconnection of large loads and datacenters will increase their bills and that stress.

As Chairman, I am taking extremely seriously the mission that Congress has entrusted FERC to ensure that rates are reasonable and that American pay their fair share or less, depending on the arrangements in front of them. This mission is what motivates the unprecedented transparency and protection that we are providing for ratepayers with our actions today.

In closing, my message to hardworking Americans who may be concerned about what we are doing, I can assure you that my colleagues and I will protect you and we are not going to let you down as we continue to evaluate the proposals coming before us that could affect you. And I'll open it to my colleagues for any final comments. Commissioner Rosner?

COMMISSIONER ROSNER: Well said. Nothing here.

CHAIRMAN SWETT: Commissioner See? Commissioner Chang?

COMMISSIONER CHANG: I just want to thank you, Chair, for your leadership and working with us, as well as all of your advisors working with all of our advisors and of course, staff, to get us to today. Thank you very much.

CHAIRMAN SWETT: Thank you very much. Commissioner LaCerte?

COMMISSIONER LACERTE: Ditto.

(Laughter)

CHAIRMAN SWETT: Okay, that concludes today's meeting. I hope everyone has a safe and happy Fourth of July.

(Whereupon, the meeting was adjourned at 11:33 a.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:

1137th Commission Meeting

Docket No.:

Place: Washington, D.C.

Date: Thursday, June 18, 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 Breenan

Official Reporter