

FERC Open Meeting
July 16, 2026
Overview

On Thursday, July 16, 2026, the Federal Energy Regulatory Commission (FERC or the Commission) held its July [open meeting](#). As a reminder, FERC will not hold a meeting in August. Its next monthly meeting is scheduled for September.

Chairman **Laura Swett** and Commissioner **Lindsey See** commented on PJM Interconnection LLC's (PJM) recent capacity auction, which ended 6,800 megawatts (MW) short of its reliability requirement. Both Swett and See noted that this marks the second time PJM has experienced a significant capacity shortfall. Swett emphasized that PJM's reserve margin is well below the 20 percent generally considered necessary to ensure reliability. She also pointed out that only 500 MW of new generation cleared the auction, calling the pace of new-generation additions unacceptable given the rapid growth in electricity demand.

Commissioner **David LaCerte** expressed support for the U.S. Supreme Court's [Trump v. Slaughter](#) decision, arguing that the now-overturned [Humphrey's Executor](#) precedent violated the Constitution. LaCerte reaffirmed his view that the President, as chief executive, should have the authority to remove agency appointees, while emphasizing that the decision does not create a crisis for the Commission.

The majority of the discussion focused on agenda items E-1, E-2, H-1, and H-2. E-1 directs the North American Electric Reliability Corporation (NERC) to file three items related to reliability standards addressing the risks that large loads pose to the bulk power system. The Commission expressed broad support for the item, noting that certain computational loads—such as data centers and cryptocurrency mining facilities—can increase or decrease their electricity demand almost instantaneously. Commissioners warned that these rapid demand fluctuations can create voltage stability issues that threaten grid reliability and voiced strong support for NERC's efforts to develop new reliability standards.

E-2 directs the Southwest Power Pool (SPP) and the California Independent System Operator (CAISO) to submit a joint report by September 30 on their coordination of operations across their shared seam in the Western Interconnection. Commissioners broadly supported the effort, emphasizing the importance of proactive coordination and encouraging SPP and CAISO to apply lessons learned from eastern grid operators, where insufficient coordination contributed to higher costs for ratepayers.

H-1 and H-2 focused on improving the *National Environmental Policy Act* ([Pub. L. 91-190](#)) review process for hydroelectric projects by adopting three new categorical exclusions (CE). Commissioners agreed that these changes would help streamline environmental reviews while ensuring dispatchable hydropower remains available on the grid.

The meeting [agenda](#), associated [orders](#), and [summary](#) of actions taken are linked above.

Opening Statements

Chairman Swett:

- Supported E-1, emphasizing the critical need for reliability standards to reduce the risk of blackouts and maintain a reliable grid.
 - Noted that NERC submitted comments in the large-load Advanced Notice of Proposed Rulemaking docket ([Docket No. RM26-4-000](#)) that outlined its initiative to develop computational load registry criteria and related reliability standards, with plans to file both by the end of the year.
- Supported E-2, highlighting the importance of meaningful coordination to address challenges associated with operating two emerging markets.
 - Added that the order is intended to facilitate coordination, not dictate any particular outcome.
- Supported E-16, emphasizing the importance of transmission incentives in building a robust and reliable grid.
 - Stressed that incentives must be responsibly designed and grounded in sound economics to advance projects while appropriately allocating risks and ensuring customers benefit from a reliable and efficient grid.
 - Acknowledged that some Commissioners remain skeptical that hypothetical capital structures are an effective incentive and suggested they may need to be reconsidered in the future.
- Supported H-1 and H-2, explaining that FERC worked with the Tennessee Valley Authority to identify recreation-related activities that do not have significant environmental effects.
 - Noted that, under her leadership, FERC has adopted eight new CEs for hydroelectric projects.

Commissioner Rosner

- In expressing support for E-1, Rosner reiterated FERC's commitment to bringing large loads onto the grid quickly and reliably while maintaining safeguards to protect ratepayers, calling it a top priority for the Commission.
 - Acknowledged the expedited timelines included in the order but emphasized that they are both necessary and achievable.
- Supported E-2, arguing that increased coordination between SPP and CAISO could save customers billions of dollars while creating a more reliable and efficient grid.
- Expressed strong support for H-1 and H-2, describing the actions as a pragmatic step toward improving the permitting process.

Commissioner See

- Discussed the additional strain on the electric grid due to the current heat wave that is affecting much of the nation.
- Criticized PJM's capacity auction for falling short of its reliability requirement.
 - Argued that PJM needs to function as a Regional Transmission Organization capable of delivering meaningful, time-sensitive market reforms at the pace consumers require.
 - Emphasized that PJM must be able to implement reforms in a timely and transparent manner.

Commissioner Chang

- Reiterated Commissioner See's concerns about the impact of the recent heat wave on the electric grid.
- Highlighted the Department of Energy's [National Transmission Needs Study](#), noting that while interregional transmission enables the exchange of low-cost electricity year-round, it provides even greater value during peak demand periods that drive resource adequacy needs.
 - Described transmission as a critical component of the electric grid and urged continued investment and development.

Commissioner LaCerte

- Echoed the Commission's support for E-1 and E-2.
- Supported E-16 and commended Basin Electric Power Cooperative for the evidence submitted in its application for transmission rate incentives, while noting that additional supporting evidence could have strengthened the filing.
- Supported H-2, arguing that the CEs should be included under any blanket authorization the Commission promulgates.
- Supported H-3 and called on Congress to reform Section 401 of the *Clean Water Act* ([Pub. L. 95-217](#)) to prevent states from usurping federal authority.
- Briefly discussed the upcoming Senate Energy & Natural Resources Oversight [hearing](#), stating that he plans to encourage Congress to advance policies that expand dispatchable generation and enact permitting reform.

Consent Agenda

- [E-1](#), [E-2](#), [E-3](#), [E-4](#), [E-5](#), [E-6](#), [E-7](#), [E-8](#), [E-9](#), [E-10](#), [E-11](#), [E-12](#), [E-13](#), [E-14](#), [E-15](#), [E-16](#), [E-17](#)
 - E-16 Commissioners Rosner and LaCerte concurred with a joint separate statement*.¹
 - E-16 Commissioner Chang concurred with a separate statement*.

¹ An asterisk indicates that at the time of this memorandum's distribution the statement was unavailable.

LOT SIXTEEN

- [H-1](#), [H-2](#), [H-3](#)
 - H-2 Commissioner Rosner and LaCerte concurred with a joint separate statement.*
- [C-1](#)