LOTSIXTEEN

Committee: Senate Energy & Natural Resource Committee
Event: Oversight Hearing on the Federal Energy Regulatory Commission
Date: July 22, 2026

Executive Summary: On July 22, 2026, the Senate Energy and Natural Resources Committee held an oversight hearing on the Federal Energy Regulatory Commission (FERC). All five Commissioners testified before the Committee. Discussion centered on growing electricity demand from large loads, with Members and Commissioners broadly expressing support for the Commission's recent Section 206 show-cause orders aimed at addressing the increased demand from large loads. The hearing also highlighted efforts to accelerate deployment of advanced transmission technologies and Grid-Enhancing Technologies (GETs), improve interregional transmission coordination, and streamline permitting and interconnection processes.

Member Toplines[1]:

Chair Mike Lee (R-UT): Lee emphasized FERC's central role in ensuring grid reliability and affordable electricity as power demand grows, citing artificial intelligence (AI), data centers, advanced manufacturing, and electrification as key drivers. He expressed support for the Commission's recent issuance of the Section 206 show-cause orders, and argued that outdated interconnection processes should be modernized to accelerate new generation while protecting ratepayers. Lee also expressed support for FERC's efforts to streamline natural gas infrastructure permitting by modernizing environmental reviews and expanding the use of blanket certificates for routine upgrades. He expressed hope that the committee would build on bipartisan momentum to advance broader permitting reform.

Ranking Member Martin Heinrich (D-NM): Heinrich underscored the importance of preserving FERC's independence, warning that the Commission's ability to address rising electricity costs and growing demand could be undermined by the recent Supreme Court decision in *Trump V. Slaughter*. He argued that recent Administration actions limiting renewable energy development have increased costs for consumers. Heinrich highlighted his "Grid for Growth" initiative and recently introduced Grid Connection and Congestion Management Act (S. 5008) as part of a broader bipartisan permitting reform effort to accelerate generator interconnections, and alluded to future legislation. He argued that additional interstate transmission is essential to improve reliability and meet growing demand. Heinrich also praised FERC's recent issuance of six show-cause orders directed at regional grid operators, and previewed forthcoming legislation to address increasing demand from data centers and advanced manufacturing.

Witness Toplines:

[1] An opening statement for Chair Lee was not available online at the time of memo composition.

Laura Swett, FERC Chairman: Swett highlighted her priorities as Chairman: affordability, reliability, and legal durability as electricity demand continues to grow. She highlighted the Commission's six show-cause orders to improve cost transparency and protect consumers from the costs of large new loads, like data centers. Swett pointed to infrastructure constraints as a driving force in increasing prices, citing natural gas pipeline constraints, and emphasized FERC's efforts to streamline permitting for natural gas, liquefied natural gas (LNG), and hydropower infrastructure, arguing that expanding energy infrastructure will lower costs and improve reliability.

David Rosner, Commissioner: Rosner highlighted the importance of FERC's mission as an independent, bipartisan, and resource-neutral regulator as it responds to rising electricity demand driven by AI, data centers, and advanced manufacturing. He highlighted the Commission's efforts to accelerate generator interconnections, pointing to FERC Order No. 2023, implement long-term transmission, streamline infrastructure permitting, and reform large-load interconnection policies to ensure new customers pay their fair share while protecting consumers. He highlighted FERC's issuance of show-cause orders to lower costs and protect grid reliability while helping generation come online faster, and pointed to FERC's work to implement reliability standards for large loads.

Lindsay See, Commissioner: See argued that FERC should accelerate infrastructure development to meet growing electricity demand from AI, data centers, and domestic manufacturing while keeping costs low for consumers. She highlighted the Commission's recent large-load interconnection reforms and support for alternative transmission technologies to reduce the need for costly grid upgrades. See also argued that large load customers should bear the costs they impose on the grid. She emphasized that legally durable regulatory decisions are essential to getting new infrastructure built. She pointed to the expanded blanket authorization program for natural gas and stated she is proud to be working on similar efforts to improve permitting for LNG and hydropower projects.

Judy Chang, Commissioner: Chang argued that FERC's top priority should be establishing clear rules for integrating large new loads while preventing cost shifts to existing customers and maintaining grid reliability. She highlighted the Commission's six regional show-cause orders on large-load interconnection and emphasized her commitment to working with the North American Electric Reliability Corporation to develop reliability standards for computational loads. Chang also called for updates to wholesale electricity markets to accommodate growing demand and evolving regional market structures, while expressing support for implementing Order No. 1920 to strengthen long-term transmission planning and streamline permitting for transmission, hydropower, and natural gas infrastructure.

David LaCerte, Commissioner: LaCerte highlighted FERC's six show-cause orders as a key step toward accelerating large-load interconnections while protecting consumers from data center-related cost shifts. He noted that since joining the Commission, FERC has approved approximately 13.4 million dekatherms per day of new natural gas transportation capacity and 980,000 dekatherms per day of storage deliverability, arguing these projects will improve reliability, reduce price volatility, and support rising electricity demand. He also emphasized the Commission's efforts to accelerate natural gas infrastructure development by aligning *National*

Environmental Permitting Act (NEPA) reviews with the Supreme Court's *Seven County* decision. LaCerte urged Congress to enact comprehensive permitting reform, arguing current laws delay critical energy infrastructure.

Major Takeaways:

Advanced Transmission Technologies (ATTs) and GETs

- Heinrich highlighted that ATTs often lack sufficient economic incentives despite their ability to maximize existing infrastructure and lower costs.
    - Swett stated that the *Federal Power Act* limits FERC's ability to mandate the deployment of GETs or other transmission facilities.
    - She noted the Commission's June show-cause orders require transmission providers to analyze the most efficient transmission solutions and announced FERC has established a GETs task force to identify incentive structures based on existing deployment data.
- Chang expressed support for greater use of ATTs and pilot projects to reduce consumer costs, adding that FERC has leeway in requiring transmission owners and developers to demonstrate what technologies they are implementing and explain why newer technologies were not selected.
- Sen. **Angus King** (I-ME) praised FERC's June show-cause orders as an example of bipartisan leadership but argued FERC does have sufficient authority to require utilities to adopt cost-effective technologies when necessary to ensure fair rates.

Large Loads

- Sen. **Cindy Hyde-Smith** (R-MS) asked how FERC is protecting ratepayers from increased costs imposed by large-load customers. Swett said FERC is pursuing both broad market reforms through the June orders and case-by-case review of utility agreements with large-load customers to prevent existing ratepayers from bearing costs.
- Members discussed balancing AI-related electricity demand with affordability. LaCerte said generators should bear the cost of necessary system upgrades and referenced the Administration's Ratepayer Protection Pledge.
    - Swett and Rosner noted hyperscalers have expressed a willingness to fund the generation and infrastructure needed to serve their facilities.
- Gallego also asked about FERC's order directing coordination between SPP and CAISO.
    - Rosner said requiring the regions to jointly evaluate market coordination should improve use of the existing grid and reduce consumer costs.
- Sen. **Tom Cotton** (R-AR) highlighted the need for the U.S to continue to lead in AI and data center development, while protecting ratepayers from the costs associated with bringing large loads onto the grid.
- Sen. **Dave McCormick** (R-PA) highlighted rapidly growing electricity demand from large loads and raised concerns that PJM's most recent capacity auction failed to meet reserve margin targets.
    - Swett noted that while PJM is the nation's largest regional transmission organization, it is currently its worst-performing market, stating this is why FERC

is convening a technical conference on PJM's stakeholder and governance processes.

Permitting

- King said he supports permitting reform but not if the reforms should favor one type of technology over another, expressing concern over recent Administration actions harming wind and solar projects.
- Lee asked how FERC is implementing the Supreme Court's *Seven County* NEPA decision.
  - See replied that greater clarity regarding NEPA requirements will reduce permitting delays and that additional congressional clarification would provide further certainty.
- Sen. **Ruben Gallego** (D-AZ) emphasized the importance of permitting certainty to the delivery and generation of resources.

Natural Gas and LNG

- Lee described natural gas as the backbone of a reliable and affordable electric grid. LaCerte pointed to the fuel's performance during recent winter storms and said increasing natural gas supply and competition would improve reliability while lowering prices.
- Sen. **Steve Daines** (R-MT) asked how expanding blanket certificate authority could reduce delays for natural gas infrastructure. Commissioner LaCerte said broader blanket authority would allow FERC to focus resources on more significant matters while expediting routine approvals.
- Sen. **Mazie Hirono** (D-HI) discussed a proposed JERA LNG import terminal in Hawaii and FERC's environmental review process following the Supreme Court's *Seven County* decision. Commissioners assured the Senator that the decision only narrows the scope of the review, not eliminating it entirely.
- See said FERC is evaluating how lessons from blanket authorization programs for natural gas permitting could be applied to hydropower.

Hydropower

- Sen. **Catherine Cortez Masto** (D-NV) noted that approximately 40 percent of the U.S. hydropower fleet will require relicensing by 2035, and she and Sen. **Steve Daines** (R-MT) highlighted their Hydropower Licensing Transparency Act (S. 3500) as a way to streamline the licensing process.
- Sen. Daines also asked about implementation of the *Build More Hydro Act*, which extends commence construction deadlines for six years.
  - Commissioners said FERC has begun processing extension requests but has not yet granted any under the new authority.