United States Senate

WASHINGTON, DC 20510

February 14, 2025

The Honorable Mark Christie, Chairman The Honorable Willie L. Phillips, Commissioner The Honorable David Rosner, Commissioner The Honorable Lindsay See, Commissioner The Honorable Judy Chang, Commissioner Federal Energy Regulatory Commission 888 First Street, NE Washington, DC 20426

Dear Chairman Christie and Commissioners Phillips, Rosner, See, and Chang:

Data centers are fueling a rapid increase in electricity demand in the United States; by 2028, data centers will account for up to 12% of national electricity consumption, up from 4.4% in 2023.¹ While the development of critical data center assets and next generation technologies, such as artificial intelligence, provides significant economic and national security benefits for the country, we believe that state and federal policies must also ensure the reliable, affordable, and clean delivery of electricity during this time of growing demand. Innovative, durable solutions are needed to ensure that the data center boom does not result in unjust and unreasonable electricity bills for ratepayers, disruptions to electric service, or increased pollution from fossil fuel power plants (both from delaying previously slated retirements of old, inefficient fossil plants, as well as the buildout of new gas plants). To explore such solutions, we request that the Commission host a technical conference to provide recommendations to ensure sufficient new generation becomes available to meet the need while maintaining just and reasonable rates and meeting the mandates of state energy policies. Such a technical conference would build on the technical conference FERC hosted last year exploring large loads co-located at generating facilities (Docket No. AD24-11), but would not be limited to the topic of colocation.

Grid operators are hastily responding to the increasing demand for electricity by putting forth proposals such as PJM's Reliability Resource Initiative (Docket No. ER25-712) and the MISO's and SPP's forthcoming Expedited Resource Adequacy Study proposals. These proposals do not offer comprehensive or long-term fixes and may undermine market certainty. Indeed, in reference to the Reliability Resource Initiative and other recent PJM filings aimed at increasing available capacity, the PJM Board of Managers stated that they "do not expect that these filings, taken in aggregate, will fully resolve the resource adequacy challenge that we are facing." Given the importance of maintaining a reliable supply of electricity while simultaneously supporting burgeoning industries, we encourage the Commission to host a technical conference as an opportunity to bring together diverse stakeholders, foster interregional collaboration, build a

¹ "DOE Releases New Report Evaluating Increase in Electricity Demand from Data Centers." Department of Energy. December 24, 2024. https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers

² PJM Board to Stakeholders, December 9, 2024. https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2024/20241209-board-letter-outlining-action-on-capacity-market-adjustments-rri-and-sis.ashx

further record, and identify options for holistic and durable solutions to address the increase in electricity demand from data centers and other large new loads.

Furthermore, we urge the Commission to, as a part of this technical conference, consider the range of policy options available to address resource adequacy challenges as part of a comprehensive effort to ensure reliability and comply with state energy mandates. There are many potential options to bring new capacity online in the near term, including leveraging surplus interconnection service, using or establishing generator replacement processes, winterizing the *existing* gas fleet, reforming storage interconnection, and expediting holistic transmission planning, and insisting on full and prompt compliance with, and then building upon the Commission's reforms in FERC Order No. 2023, which required transmission providers to adopt comprehensive interconnection reforms to expedite queue processing and decrease backlogs.³ The Commission should give careful consideration to proposed changes to regional interconnection processes in a technical conference to ensure they do not interfere with that critical rule, undermine open access, or derail projects currently in the interconnection queue that are needed for resource adequacy.

Thank you for your thoughtful attention to this important matter.

Sincerely,

Chris Van Hollen United States Senator

Mark Kelly

United States Senator

Cory A. Booker United States Senator

Tim Kaine

United States Senator

³ Protest of Sierra Club and Appalachian Voices under ER25-712. January 8, 2025. https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250108-5184