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ONE HUNDRED NINETEENTH CONGRESS

# Congress of the United States

## House of Representatives

### COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

Majority (202) 225-3641

Minority (202) 225-2927

January 30, 2026

#### **MEMORANDUM**

TO: Members of the Subcommittee on Energy  
FROM: Committee Majority Staff  
RE: Hearing titled “Oversight of FERC: Advancing Affordable and Reliable Energy for All Americans”

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#### **I. INTRODUCTION**

The Subcommittee on Energy has scheduled a hearing for Tuesday, February 3, 2026, at 10:15 a.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled, “Oversight of FERC: Advancing Affordable and Reliable Energy for All Americans.” The hearing will examine the work of the Federal Energy Regulatory Commission (FERC) to ensure affordable, reliable electricity and natural gas service throughout the country, as well as its adherence to its core mission of ensuring just and reasonable rates for energy services.

#### **II. WITNESSES**

- **The Honorable Laura V. Swett**, Chairman, FERC (Republican);
- **The Honorable David Rosner**, Commissioner, FERC (Democrat);
- **The Honorable Lindsay S. See**, Commissioner, FERC (Republican);
- **The Honorable Judy W. Chang**, Commissioner, FERC (Democrat); and,
- **The Honorable David A. LaCerte**, Commissioner, FERC (Republican).

#### **III. BACKGROUND**

##### **A. FERC’s Makeup and Mission**

FERC is a five-member Federal commission that regulates interstate transmission of natural gas, oil, and electricity through the exercise of its authority under the Natural Gas Act (NGA) and the Federal Power Act (FPA). FERC also regulates the sale of wholesale electricity and the siting of natural gas pipelines, liquefied natural gas facilities, and hydropower projects among other responsibilities.

The Chairman of the Commission, Laura Swett, was nominated by President Trump on June 2, 2025, and designated as the Chairman of the Commission on October 23, 2025.<sup>1</sup> Her term expires June 30, 2030. Commissioner Rosner joined the Commission in June 2024, with a term that expires June 30, 2027, and served as Acting Chairman from August 2025 until October 2025. Commissioner See joined the Commission in June 2024, with a term that expires June 30, 2028. Commissioner Chang joined in July 2024, with a term that expires June 30, 2029, and Commissioner LaCerte joined the Commission on October 27, 2025, with a term that expires June 30, 2026.

The Commission’s mission is to “[a]ssist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts.”<sup>2</sup> FERC’s actions, referred to as FERC “Orders,” have a wide range of impacts, touching every corner of the energy sector, and consequently have significant influence on the entire U.S. economy.

The United States is in a period of unprecedented energy demand growth not seen since the mid-twentieth century. Large power users, such as data centers, reshoring of industrial manufacturing, and general electrification of the economy have driven significant increases in electricity demand, as well as the fuels necessary to power these next generation industries. The challenges to meet this demand have been compounded by an accelerated rate of premature retirements of baseload and dispatchable resources, and permitting challenges that delay and raise costs on infrastructure development needed to provide adequate replacements. Over the next several years, FERC will need to continue to address how to build the necessary energy infrastructure to power artificial intelligence (AI) and a growing manufacturing sector, how to maintain reliability of the grid while supporting the growth of the U.S. economy, and how to safeguard consumer electricity rates during a period of rapid demand growth.

## **B. Natural Gas**

The United States has a highly integrated natural gas pipeline network of about 3 million miles of pipeline, including over 300,000 miles of high-capacity natural gas transmission lines.<sup>3</sup> In 2022, this network delivered nearly 30 trillion cubic feet of natural gas to over 78 million consumers. Under the NGA, companies planning to build interstate natural gas pipelines or liquefied natural gas (LNG) import or export terminals require authorization from FERC.<sup>4</sup>

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<sup>1</sup> FED. ENERGY REG. COMM’N., *Chairman Laura V. Swett* (Oct. 27, 2025), <https://www.ferc.gov/about/commission-members/chairman-laura-v-swett>.

<sup>2</sup> FED. ENERGY REG. COMM’N., *About FERC* (Oct. 6, 2025), [https://www.ferc.gov/what-ferc#:~:text=Asked%20Questions%20\(FAQs\)-,Overview,What%20is%20FERC?](https://www.ferc.gov/what-ferc#:~:text=Asked%20Questions%20(FAQs)-,Overview,What%20is%20FERC?).

<sup>3</sup> PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMIN., *Annual Report Mileage for Natural Gas Transmission and Gathering Systems* (Jan. 2, 2026), <https://www.phmsa.dot.gov/data-and-statistics/pipeline/annual-report-mileage-natural-gas-transmission-gathering-systems>.

<sup>4</sup> Natural Gas Act of 1938, 15 U.S.C. §§ 717 *et seq.*, 52 Stat. 822.

Section 7 of the NGA requires parties seeking “the construction or extension of any facilities...for the transportation in interstate commerce of natural gas” to obtain a “certificate of public convenience and necessity” from FERC.<sup>5</sup> Under the Energy Policy Act of 2005, FERC is designated as the lead agency for coordinating necessary environmental reviews and associated Federal authorizations.<sup>6</sup> As the lead agency, FERC often coordinates with a variety of Federal, State, and local governments and Indian tribes to balance a wide range of issues, including potential impacts on environmental and wildlife resources, land-use, and property rights.

Under section 3 of the NGA, FERC also has “exclusive authority to approve or deny application for the siting, construction, expansion or operation, of an LNG terminal.”<sup>7</sup> FERC is required to conduct an extensive environmental review of proposed projects pursuant to the National Environmental Policy Act (NEPA). Importantly, FERC has no authority to approve or disapprove applications to import or export the commodity of natural gas.

Oil and natural gas account for about 74 percent of the primary energy sources consumed in the U.S. every year, with natural gas accounting for approximately 43 percent of electric power generation.<sup>8</sup> Natural gas provides the largest share of baseload and dispatchable electric power generation. As energy demand continues to grow, FERC’s role under its NGA authorities will have a critical impact in winning the race to AI dominance, powering our communities, and lowering prices for consumers.

### **C. Electric Reliability and Transmission**

Under the Federal Power Act, FERC has authority to regulate wholesale and interstate electricity and transmission rates.<sup>9</sup> FERC regulates and oversees six Regional Transmission Organizations (RTO): California Independent System Operator (CAISO), ISO New England (ISONE), Midcontinent ISO (MISO), PJM Interconnection (PJM), New York ISO (NYISO), and the Southwest Power Pool (SPP). The Electric Reliability Council of Texas (ERCOT) is an RTO that operates and manages the electric grid in Texas. ERCOT is regulated at the state level, not by FERC. FERC established these organized markets pursuant to Order 888/889 and Order 2000 to promote wholesale competition and to ensure transmission access to the regional electricity markets.

Authority for siting and permitting transmission lines largely resides at the state or local level. Established by the Energy Policy Act of 2005 and amended by the Infrastructure Investment and Jobs Act of 2021, FERC has limited backstop siting authority for interstate transmission lines within National Interstate Electric Transmission Corridors, which are designated by the Department of Energy, in the case that one or more states deny or withhold

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<sup>5</sup> 15 U.S.C. § 717f(c).

<sup>6</sup> 15 U.S.C. 717 (n) (where the Natural Gas Act was amended by the Energy Policy Act of 2025).

<sup>7</sup> 15 U.S.C. § 717b (e)(1).

<sup>8</sup> U.S. ENERGY INFO. ADMIN., *U.S. energy facts explained*, Independent Statistics and Analysis (Jul. 15, 2024), <https://www.eia.gov/energyexplained/us-energy-facts/>.

<sup>9</sup> 16 U.S.C. § 824-824 (w).

permit approvals for longer than one year. To date, this authority has never been successfully utilized.

As part of FERC's authority under the FPA to ensure just and reasonable electricity rates and ensure that electricity rates are not unduly discriminatory or preferential, the Commission has advanced Orders governing transmission planning, procedures, and agreements for interconnecting generating resources to the bulk power system, and related policy items that affect the sale and purchase of electricity in interstate commerce.

Most recently, the Department of Energy directed the Commission to initiate a rulemaking process pursuant to section 403 of the Department of Energy Organization Act to establish interconnection procedures for large loads, specifically those associated with large energy users such as data centers and manufacturing facilities.<sup>10</sup> In addition, all 13 Governors in PJM, the nation's largest RTO, recently announced a Statement of Principles to address investments and associated costs needed to allow for the efficient and cost-effective integration of data centers into their system.<sup>11</sup>

The nation's electric grid has been under extreme duress due to a confluence of factors: the historic demand increases stemming from the proliferation of data centers powering AI systems, industrial and advanced manufacturing facilities, and general electrification have coincided with an accelerated rate of premature retirements of baseload and dispatchable resources. The head of the North American Electric Reliability Corporation (NERC) recently stated that the current reliability crisis is a "five-alarm-fire."<sup>12</sup> In NERC's Long Term Reliability Assessment issued on January 28, 2026, more than half the nation is assessed to be at risk of energy shortages during normal, above normal, and extreme conditions.<sup>13</sup>

#### IV. ISSUES

- FERC's mission of ensuring abundant and affordable supplies of energy at just and reasonable rates;
- Increasing natural gas demand;
- Ensuring the reliability of the bulk power system;
- Implementing policies to address AI datacenter demand growth;
- Implementing policies to assure resource adequacy; and
- Addressing increasing energy demands in a timely manner without unnecessarily burdening ratepayers.

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<sup>10</sup> Letter from Secretary of Energy Chris Wright, DEPT. OF ENERGY, to Fed. Energy Reg. Comm'rs. (Oct. 23, 2025) (on file with the Department), <https://www.energy.gov/sites/default/files/2025-10/403%20Large%20Loads%20Letter.pdf>.

<sup>11</sup> PJM Interconnection LLC, *Statement of Principles Regarding PJM* (Jan. 15, 2026), <https://www.energy.gov/documents/statement-principles-regarding-pjm>.

<sup>12</sup> Ethan Howland, *NERC president warns of 'five-alarm fire' for grid reliability*, Utility Dive (Oct. 22, 2025), <https://www.utilitydive.com/news/data-center-grid-reliability-ferc-nerc/803467/>.

<sup>13</sup> NORTH AMERICAN ELECTRIC RELIABILITY CORP., *Long-Term Reliability Assessment* (Jan. 2026), [https://www.nerc.com/globalassets/our-work/assessments/nerc\\_ltra\\_2025.pdf](https://www.nerc.com/globalassets/our-work/assessments/nerc_ltra_2025.pdf).

**V. STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Peter Spencer, Andrew Furman, Clara Cargile, or Mary Martin of the Committee Staff at (202) 225-3641.